

The Surprise Party: An Analysis
of US ODA Flows to Africa

By Markus P. Goldstein,
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Abstract

Conventional wisdom about US foreign policy toward Africa contains two popular assumptions. First, Democrats are widely considered the party most inclined to care about Africa and the most willing to spend resources on assistance to the continent. Second, the end of the Cold War was widely thought to have led to a gradual disengagement of the US from Africa and reduced American attention toward the continent. This paper analyzes OECD data on US foreign assistance flows from 1961–2000 and finds that neither of these assumptions is true.

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"You'll think I'm off my trolley when I say this, but the Bush administration is the most radical - in a positive sense - in its approach to Africa since Kennedy."

-Bob Geldof, Musician and organizer of Live Aid, quoted in
The Guardian, May 28, 2003

Introduction

The contrast between the two Presidential trips to Africa was emblematic. President Bill Clinton arrived in Ghana in March 1998 to cheering throngs of adoring fans in a rock-concert atmosphere. Ghanaians were so keen to see the man that they surged forward and Clinton, memorably, had to urge the crowds to move back. Earlier this month in Africa, there was no stage rush for George W. Bush. Instead, he was met by skeptical, if generally polite, audiences. The two messages were clear. Clinton was beloved. Bush was not yet to be trusted.

Part of this difference may be the messengers. Clinton's personality and charisma went over well in Africa, where he appeared in public to genuinely care about the continent and was welcomed as the biggest of the world's "big men". Even in Rwanda, where he came to apologize for having failed to intervene in the genocide four years earlier, he was received warmly. Bush's unilateralist leanings and occasional gaffes about foreign countries, on the other hand, have engendered the belief in much of Africa that he is both bullying to poor countries and indifferent to their plight. That he followed in his father's footsteps contributes to the African view that he is a "small boy" and not to be trusted. These concerns have grown since the invasion of Iraq and the disappointment that his rhetoric over free trade has not been met with action on US agricultural subsidies.

At the same time, the divergent perceptions of Clinton and Bush are part of a more generic view of Democrats and Republicans. The popular perceptions are simply that Democrats care more than Republicans about Africa. This may partially stem from domestic voting patterns, where African-American support is strongly Democratic. Bush, for example, received less than 10% of the black vote in 2000. In addition to Clinton, past Democratic Presidents have also tended to show more public interest in Africa. John F. Kennedy founded the US Agency for International Development (USAID) in 1961. Jimmy Carter elevated human rights and African issues and is well known today for his charity work on the continent.

The Republicans, on the other hand, have been less enthusiastic in public about US engagement in Africa. Republicans have tended to view Africa largely in geostrategic terms and, at least rhetorically, have downplayed the continent's significance to US interests. Before George W. Bush's trip to Africa this month, no sitting Republican president had visited the continent. Despite this record, it was Richard Nixon who sent humanitarian assistance to Biafra and George H. W. Bush who sent both money and troops to Somalia. Nevertheless, popular conceptions appear to strongly view Democrats as more pro-Africa than Republicans.

In this context, Bush's announcement of two new initiatives that could substantially boost US assistance to Africa - the \$15 billion African AIDS initiative and the \$5 billion Millennium Challenge Account - have been met with deep skepticism, even from long-

time aid proponents. There are, of course, genuine reasons for withholding judgment. Congress has yet to appropriate any money and the eventual funds could come at the expense of other Africa-related programs. Even more potentially worrying, implementation will be the real challenge and will require long-term commitment and leadership.

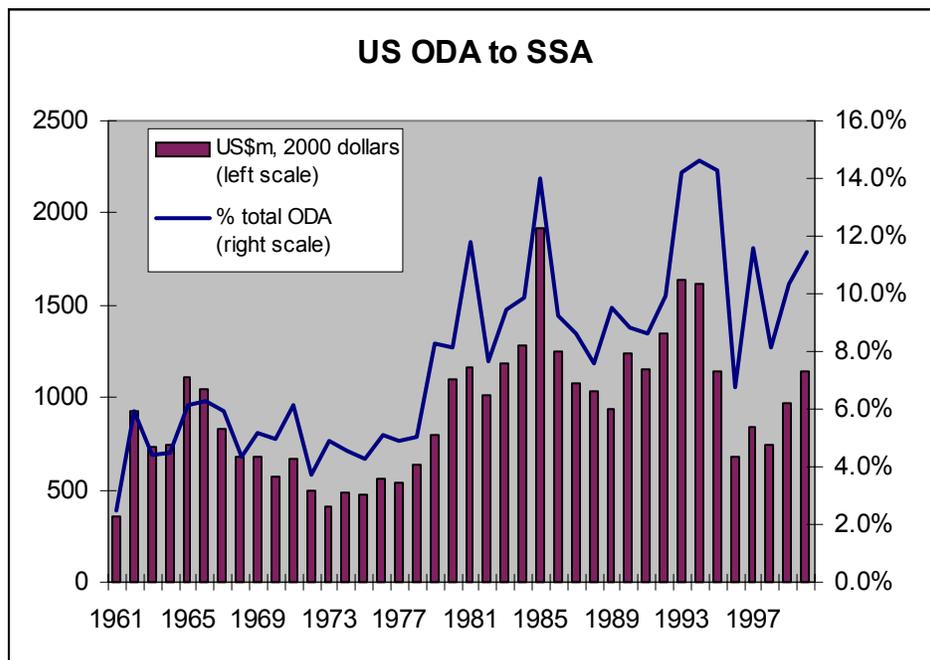
But is the assumption that Republicans are less inclined to provide aid to Africa historically accurate? Is Bush's apparent sudden enthusiasm for assistance to Africa an anomaly?

ODA Data by Presidential Party

Using data from the OECD on US flows of overseas development assistance (ODA) to sub-Saharan Africa (SSA) 1961-2000, we analyze trends over time, by political party of the president and by the majorities in congress. In order to do this, we use two measures of aid flows to Africa. The first measures aid in constant 2000 dollars. This measure gives us a sense of what the US actually delivers to African countries. The second measure is the percent of the overall US aid budget that goes to Africa. This gives us a sense of the relative importance of Africa within the US aid budget.

During the period under examination, there were 20 years of a Republican President and 20 years of a Democratic one. Between 1961-2000 ODA to SSA in constant 2000 dollars rose 218% in real terms from \$358 million to \$1.14 billion. The ratio of US ODA to Africa as a percentage of all US ODA also rose more than fourfold, from 2.5% in 1961 to 11.4% in 2000 (see Chart 1).

Chart 1



Source: OECD

The difference in means

Using a simple means test of absolute flows in real terms, the average aid flows under Republicans are slightly higher by \$36 million or 4% (\$949 million versus \$913 million). But a t-test of the difference reveals that this is not statistically significant. Furthermore, when we consider the ODA to Africa as a percent of overall US ODA, there is a smaller relative difference in the means – both Republican and Democratic presents devote about 8% of the aid budget to Africa. This is also not statistically significant.

Table 1

T-Test of equality of Means
Real ODA flows to Africa (in 2000 \$, millions)

Pres. Party	Obs	Mean	Std. Err.	95% conf. interval	
Democrat	20	913.05	72.05	762.25	1063.85
Republican	20	949.25	87.78	765.53	1132.97
combined	40	931.15	56.12	817.63	1044.67
difference		-36.20	113.56	-266.09	193.69

t=-0.32
P>|t|=0.75

T-Test of equality of Means
ODA to Africa as % of all ODA

Pres. Party	Obs	Mean	Std. Err.	95% conf. interval	
Democrat	20	7.89	0.82	6.17	9.60
Republican	20	7.69	0.62	6.40	8.99
combined	40	7.79	0.51	6.76	8.82
difference		0.20	1.03	-1.89	2.27

t=0.19
p>|t|=0.85

Linear regression results

We can broaden our investigation of these patterns to account for a time trend in these data, as well as the shift in US foreign policy after the Cold War using regression analysis. Results from a linear regression, which adds a time trend, as well as a dummy variable for the Cold War years, confirms the result from the simple test of differences in the means. The party of the president does not matter for the absolute flow of aid (see Table 2, column 1) or the share of Africa in the ODA budget (column 2) as the dummy variable for a Democrat as President is insignificant in both cases.² Indeed, the only

² In order to account for possible lags in ODA flows from a previous administration, the regression was also run dropping the first year of each administration; the results were robust. Full results available from the authors on request.

significant variable (all significant results at a 5% level of significance or better are in bold) is the time trend – real ODA to Africa has increased by about \$16 million a year since in 1961. Africa has also increased its share of the aid budget slowly over time, by about 0.2 percentage points a year.

Table 2

Aid to Africa: Party of President
Linear Regression Results

	Real ODA flows (2000 \$, millions)	Africa as % of all ODA
Year	16.351 (2.16)	0.2 (4.44)
Cold War (=1 pre- 1990)	37.666 (0.18)	0.6 (0.41)
President is Democrat	-13.703 (0.12)	0.5 (0.66)
Constant	575.497 (1.78)	2.5 (1.13)
Observations	40	40
R-squared	0.25	0.59

Absolute value of t-statistics in parentheses

Thus, our first conclusion is that the party of the president alone does not matter at all for the aid that Africa receives – this is not exclusively a priority of either Democratic or Republican administrations.

ODA Data by President and Congressional Control

Since US aid budgets are proposed and announced by the President but appropriated by Congress, we next look at different configurations of Congressional and Presidential combinations. The process that decides and allocates foreign aid is typically at least eighteen months long with several stages, each of which affects the final outcome. Normally, requests begin with internal budgets from the various agencies – more than two dozen are involved with foreign aid of some kind - before going to the Office of Management and Budget. Then various cabinet members weigh in with recommendations, before the President submits the budget to both houses of Congress. Once there, parts must go through more than a dozen subcommittees where changes can occur before going to the full Appropriations Committee where yet more changes can be added. Then the bills go to debate and a vote in the full chamber. At the same time, a parallel process is underway in the other house. Once both houses of Congress approve, a joint committee must reconcile any differences and then send the bill back to each house for yet another vote. Upon final approval, the President must sign it, at which point the various agencies then assume responsibility for implementation. This complex

process, with its multiple stages for alteration and input, gives Congress immense influence over foreign aid levels.

In order to examine the impact of the interaction between the President and Congress empirically, we define a set of dummy variables as follows: XYZ, where X is the party of the President, Y the party that controls the Senate, and Z the party that controls the House. During the period 1961-2000, there have only been 4 configurations:

DDD (1961-68, 1977-1980, 1993-94)
DRR (1995-2000)
RRD (1981-86)
RDD (1969-1976, 1987-1992)

In Table 3, we can see the impact of different party configurations on aid to Africa, relative to the omitted configuration, which is DDD – the Democrats controlling the Presidency and both houses of Congress. Based on these results, the highest absolute real aid flows occur when the Republicans control both the presidency and at least one house of Congress (in this case, the Senate).³ Under these circumstances, aid to Africa is higher by 30%, or an average of around \$275 million dollars, than when the Democrats control all three. (The average aid under the DDD configuration is \$929 million in 2000 dollars.)

When both houses of Congress have a majority of a party opposite to that of the President, real aid flows are unambiguously lower than when one party controls the presidency and at least one house of congress. When a Republican is in the White House and the Congress has a Democratic majority, aid is around \$256 million lower, or 28%, than when the Democrats control all three.

The configuration that produces the lowest levels of African aid is when a Democratic President faces a Republican Congress. In this case, aid is about \$725 million lower, or a hefty 78%, than when the Democrats control all branches. This configuration (DRR) is significantly worse than the other split-power configuration, RDD; a F-test of the equality of these coefficients is rejected at better than 1% (results reported in the last 2 rows of Table 3, column 1).

When we turn to aid to Africa as a percent of total ODA (Table 3, column2), we again see that when the President is in opposition to both houses of Congress, Africa is less favored. In these cases, Africa receives a lower share of total aid, as well as lower absolute amounts. However, in this dimension (Africa's share) there is no difference between domination by Republicans (RRD) or Democrats (DDD). Furthermore, there is no significant difference between DRR and RDD. Hence, in terms of Africa's relative priority within the ODA budget, there appears to be no significant difference between Democrats and Republicans, but the result remains that if a President of either party faces an opposition Congress, Africa's share of total ODA will be lower.

³ As in Table 2, we re-ran this regression with the first year of each administration dropped. As before, the results are robust to this. The only change is a drop in the significance of the RRD dummy ($t=1.58$) in the absolute flows regression. Full results are available from the authors on request.

Table 3

Aid to Africa: President and Congress
Linear Regression Results

	Real ODA flows (2000 \$, millions)	Africa as % of all ODA
Year	16.099 (2.68)	0.2 (4.06)
Cold War (=1 pre-1990)	-387.979 (2.52)	-1.9 (1.49)
RDD	-256.49 (2.89)	-1.8 (2.48)
DRR	-724.937 (4.86)	-3.0 (2.44)
RRD	274.592 (2.06)	1.6 (1.47)
Constant	1039.734 (5.13)	5.9 -3.52
Observations	40	40
R-squared	0.68	0.73
F-Test of RDD=DRR	11.95	1.13
Prob>F	0.002	0.295

Absolute value of t statistics in parentheses
DDD is omitted configuration

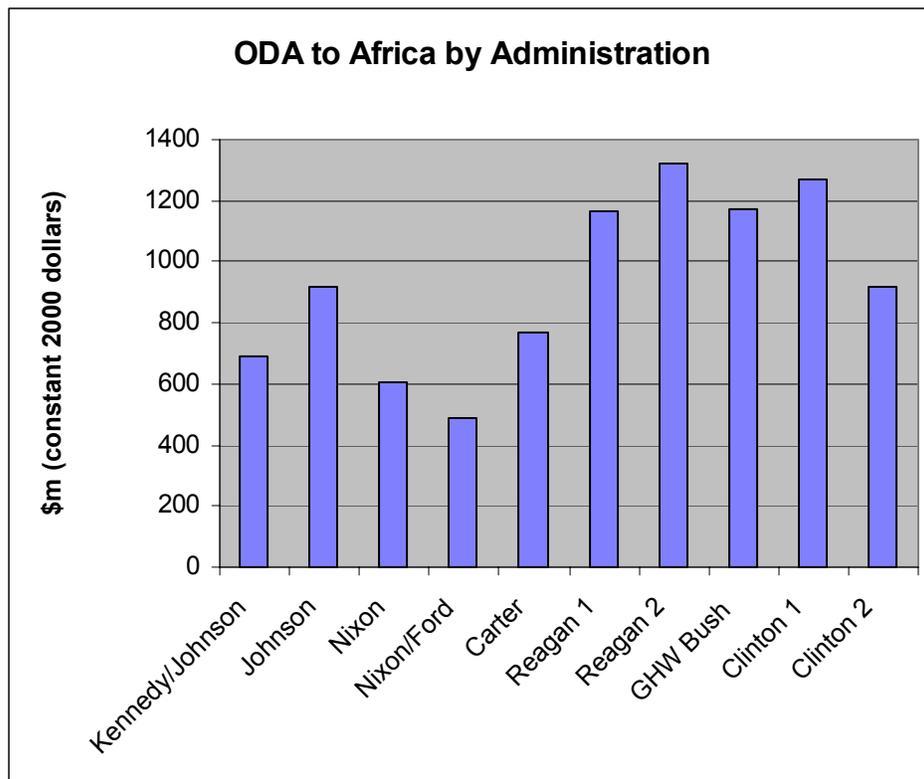
This table contains another surprising result. With the end of the Cold War and the erosion of a geostrategic rationale for providing aid, there was concern that aid to Africa would decline (Clough, 1992; Lowenkopf, 1989). However, in Table 3 we can see that the real aid flows to Africa actually increased significantly after the end of the Cold War. Post Cold War aid levels were around \$388 million higher in real terms than during the Cold War. When we measure the relative commitment to Africa in terms of its share in the overall aid budget, the coefficient shows a similar sign (implying a higher share of the overall aid budget), but this result is not statistically significant. Thus, with the end of the Cold War, Africa has not lost its importance (albeit small) in the US aid budget, and, indeed, absolute flows have increased.

Interpreting these results

Republicans come out more pro-African aid than expected. The most surprising result is that the data contradict the popular view that Republicans are less favorable to aid to Africa than Democrats. There are several possible explanations for this observation.

First, Republicans may be better able to articulate foreign policy objectives and make the link to specific instruments, such as foreign aid. Republicans typically score higher in public polls in terms of trust over foreign policy. They have thus arguably been better able to justify even non-military foreign aid as an instrument in support of US security interests. During the Cold War, Ronald Reagan and the Republican Senate leadership spent lavishly on anti-communist African allies. Reagan's second term was the highest of any administration on average and total aid to Africa under Reagan was twice that of Jimmy Carter, who was - and is - still widely associated with African causes. By contrast, the Clinton administration strained to articulate a post-Cold War rationale for aid and subsequently struggled to defend its aid budget (Gordon and Moss, 1996; Gordon et al, 1996). Assistance to Africa during the Clinton years started strong, but faded by half by the end of his first term.

Chart 2



Source: Author calculations based on OECD data

Second, given that the RRD configuration produces the highest aid levels and DRR the lowest (with DDD and RDD in between), it could be interpreted that Republican Congresses are more partisan than Democratic ones with respect to African aid. A Republican-led Senate appears willing to go along with large amounts of aid to Africa if the President is also a Republican, but is hostile towards aid if the President is a Democrat. Since there is no historical configuration DDR or RRR, we are unable to test whether a Republican House is the true obstructionist for aid (see below for discussion of the current RRR situation). At the same time, Democratic-led Congresses appear less vigorous in their support for Democratic Presidents seeking more aid and less obstructionist for Republican Presidents on the issue of aid to Africa.

A third possible explanation is the very different constituencies for aid within the parties. The aggregate figures cited above mask very different spending priorities within aid budgets that reflect special interests that drive much foreign aid decision-making (Lancaster, 2000). For example, Democratic activists for aid to Africa are a diverse bunch that includes African-American groups and humanitarian organizations with a wide range of political agendas, occasionally even working at cross-purposes. This fragments policy and creates tough battles with Congress – especially Republican-led ones.

By contrast, the Republicans have a few well-organized aid proponents, such as corporate and evangelical groups. These advocates have been more effective in pressing for engagement and resources to, for example, foster trade and investment, resolve the conflict in Sudan, fight HIV/AIDS, and promote child nutrition. The result appears to be a narrower range of activities, but higher aid volumes.

Recent Enthusiasm for Aid from the Bush Administration. In this context, Bush's proposals for an African AIDS initiative and the Millennium Challenge Account seem less anomalous. Prior to Bush's election in November 2000, there had been no RRR configurations within our sample going back to 1961. (There was a brief RDR from May 2001-January 2003 following the defection of Senator Jim Jeffords, but the RRR was restored after the November 2002 midterm elections.) Given our findings that (a) when one party controls both the White House and at least one chamber of Congress, and (b) that RRD was considerably higher than any other configuration, it would seem reasonable to surmise that RRR would be at least as pro-aid to Africa as any other configuration – and *possibly* the most pro-aid in terms of absolute flow levels.

Of course, there are many reasons other than party affiliation and Congressional control that explain Bush's actions toward Africa. Foremost among them is the President's changed worldview following the events of 9/11 and the ongoing war on terror. Because of the new focus on "failed states" that might provide space for terrorist activity, Africa's strategic importance has been substantially raised. Osama bin Laden's previous visits to Somalia, rising Islamic militancy across much of the Sahel, and known Al Qaeda activity in Kenya, Tanzania, and Liberia have all contributed to Africa's higher security profile in US foreign policy. There are already at least 1,800 American troops in Djibouti as part of this effort.

In addition to military support and aid for these African hotspots, there is significant support within the Republican party for non-military foreign aid for both developmental and humanitarian reasons. With many of the emerging transnational threats – such as HIV/AIDS, crime, and drugs – having Africa connections, it is also not surprising that the data show no deceleration in rising aid flows to Africa with the end of the Cold War. An internationalist faction within the administration sees encouraging development as an integral part of promoting wider US interests in a post-9/11 world and foreign aid as a key tool (Kolbe, 2003; Radelet, 2003a). One of the rationales behind the Millennium Challenge Account is to promote economic growth among poor countries tied explicitly to development policy performance rather than other strategic or political factors (Radelet, 2003b; Brainard, 2003). That is, economic development in poor countries is itself seen as a foreign policy objective.

At the same time, the conservative wing of the party has also been actively lobbying for aid on behalf of its “compassionate” agenda which largely views aid as charitable works. There is an unprecedented influence of evangelical groups within the administration. Andrew Natsios, for example, is the head of USAID and comes from World Vision, a Christian relief organization. These groups have been lobbying to increase funds for particular issues, such as hunger and child nutrition. Indeed, pressure from the Republican right wing on certain African causes – such as slavery, poverty, and especially their recent conversion on HIV/AIDS – is perhaps the biggest factor in Bush’s newfound enthusiasm. These changes may also coincide with Bush’s moral and religious beliefs, further reinforcing the agenda shift. Thus Bush’s push on foreign aid stems from the link between African aid and his administration’s foreign policy objectives, the concerns of important intra-party constituencies, and possibly by his own personal views.

US versus Europe. The results also suggest a possible institutional reason for why US aid flows have tended to be relatively lower than most other major donors. Total US ODA flows are the largest among OECD members in absolute terms, but the smallest as a percentage of national income at 0.12% of GNI in 2002, or about half the OECD average. Given that there are such strong variations when different parties control the executive and legislative branch, this suggests that there is a high degree of adversarial politics over aid decision-making. Because foreign aid is frequently an easy target for opponents, appropriation battles over aid have tended to be particularly antagonistic and ultimately result in lower levels. At the same time, with weak constituencies and broad yet thin public support, aid has been among the most vulnerable spending priorities – even when the same party controls both the Presidency and the Congress. In contrast, European parliamentary systems with much greater party discipline and where the prime minister by design comes from the majority party are perhaps less prone to these open splits over foreign assistance. Combined with generally deeper public support for aid, this may partially explain higher relative ODA flows from Europe.

Conclusions

These findings explicitly do not comment on either the utility of US aid or its impact on development in Africa. We do not consider modalities of aid delivery or implementation systems, which are likely to be more tied to developmental outcomes than are overall aid flows. In this vein, the growing pressure for “results-based assistance” from the Bush administration and other donors is clearly a welcome trend. Progress on this issue will be an area of future research. Neither does this paper deal at all with the disaggregation of aid, which recognizes that not all “aid” is the same. A dollar given to former President Mobutu of Zaire is clearly not expected to have the same developmental impact as a dollar given to a successful Ugandan education project. This, too, is an area of further research.

Nonetheless, these findings do demonstrate that total real US assistance to Africa has been rising over time. The data clearly show that the amount of aid or the relative importance of Africa is not affected solely by which party occupies the White House. Rather, our results show that the relationship between the President and Congress is what matters; when both are controlled by the same party, aid to Africa is higher, when it is split, aid is lower – both in terms of absolute flows and as a percent of total aid. Lastly, at least in terms of real US aid flows, concerns over possible African marginalization with the end of the Cold War have not materialized.

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