



### The Distribution of United States Foreign Aid

#### ABSTRACT

Over the last few decades, the United States has largely provided foreign aid based on political interests instead of humanitarian needs. Conditions for providing aid include enforcing foreign recipients to use the aid on American products and prioritizing aid to countries with a larger presence in popular media platforms. Thus, foreign assistance is not being directed to countries that need it the most, which can significantly affect political instability in the foreign country as well as exacerbate any existing refugee crisis. On a more macro-scale, the United States' failure to provide aid to the neediest also ultimately harms its sphere of influence, especially when undemocratic foreign countries end up addressing the humanitarian gap that the United States could have fulfilled. This paper aims to elucidate the global scale of this problem and propose some strategies to address this issue from a financial and political point of view.

**Keywords:** United States Foreign Aid, Bilateral Aid, Recipients of Foreign Aid, Foreign Policy.

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#### I. Introduction

##### Significance of Study and Problems Addressed

Currently, the United States provides foreign aid to countries based largely on political interests rather than humanitarian needs. The Congressional Research Service on foreign aid states that the US's rationales for foreign aid are national security, commercial interests, and humanitarian concerns. However, upon closer examination, it is clear that these rationales are not considered equal. This paper will address why the United States should increase the total amount of assistance given annually to meet commitments while directing a more significant portion of the fund to countries that most need aid.

##### Historical Background of Foreign Aid

In 2005, the U.S. had only given 0.15% of its Gross National Income (GNI), vastly falling short of the target of 0.7% (Runde, 2020). Furthermore, in 2007, the United States tied 56.8% of its bilateral aid, the highest of any other country (Buchholz, 2020). Tying aid forces recipient countries to use the money it receives on American products, leading to the money benefiting the U.S. instead of domestic goals. This simple fact demonstrates that the U.S. prioritizes commercial interests over humanitarian aid. This is further emphasized by the fact that, in 2019, only 6 of the top 10 recipients of U.S. foreign aid were among the 21 countries (including Palestine) that required the most aid (UNOCHA, 2019). Countries that received significant US aid are Israel, Egypt, and Jordan, which received a surplus than what was necessary.

##### Detriment of Prioritizing Political Interests

##### Recent Examples

In 2021, Israel was the largest receiver of US aid, receiving nearly \$5 billion dollars in 2021, significantly more than they realistically required (Roberts, 2021). This discrepancy could be explained by these countries' prominence in American media and politics, which significantly impacts American foreign policy decisions by influencing lawmakers' focus. Meanwhile, the remaining 15 countries and the problems they face have hardly any presence on the same platforms and consequently receive significantly less aid (UNOCHA, 2019). For example, the Rohingya genocide in

Myanmar in 2017 and the subsequent refugee crisis are among the most critical humanitarian situations today; however, the Rohingya people and the governments supporting them, such as Bangladesh, receive minimal funding for their efforts. As such, we can infer that while congress does consider humanitarian need when determining aid allocation, political interests are prioritized.

### **Crisis Severity**

The United States has continued to fail in meeting its commitments in giving foreign aid with respect to international agreements such as the Monterrey Consensus, Doha Declaration, and the Addis Ababa Action Agenda. In these agreements, developed countries committed to working towards providing “0.7 percent of [their] gross national product (GNP) as [aid] to developing countries.

Thus, with the U.S. lacking in aid, developing countries around the world risk turning into failed states and safe havens for terror organizations. Thus, failing to provide for the world's neediest also harms the U.S. by damaging national security and its sphere of influence, especially when undemocratic countries such as China increase their aid and soft power on the world stage.

Therefore, the United States should ultimately realign its overall strategy to allocate funds to prioritize needs instead of political interests. Aid should be allocated directly to trusted governments and organizations, such as the UN, to assist countries in need. The money can be used to help countries develop self-sufficiency through programs that develop infrastructure and education. According to Their (2021), foreign aid can also be used to promote good governance and eradicate corruption within these countries, boosting global political stability and security. For the betterment of the world, the US must stop providing false promises and meet commitments now by providing funds to those in need.

### **Potential Solutions**

#### **Divert Funds from Military Spending to Foreign Aid**

First, the United States should increase the amount of the national budget allocated to aid to the target of 0.7% of GNI. To meet this goal, the U.S. would have to increase its foreign aid spending by \$112.73 Billion (B) compared to 2020 spending (USAID, 2019). The money should be obtained by diverting funds away from military spending to foreign aid. According to the Congressional Budget Office, in the fiscal year 2020, the U.S. spent \$714B on its military, which was more than the next nine countries combined. Military expenditure has been close to, if not more than 50% of its total discretionary spending, begging the question—what causes this spending to be so high? Is this amount of money necessary? As such, if the military expenditure is meticulously scrutinized, unnecessary money spent on military expenditures can be diverted toward foreign aid.

#### **Drive Policy to Increase Foreign Aid**

From a long-term perspective, this solution is effective if it has support from the US government and the public. Support for foreign aid has been consistently bipartisan. For instance, the Trump administration consistently failed to convince congress to approve cuts to foreign aid proposed by the President's Budget Request due to strong bipartisan opposition (Holland, 2019). Except for the Trump administration, presidents from both parties have also shown support for increasing foreign aid. Specifically, under the Bush, Clinton, and Obama administrations, the United States has agreed to the Monterrey Consensus (2002), Doha Declaration (2008), and Addis Ababa Action Agenda (2015), respectively. This demonstrates not only the bipartisan popularity of foreign aid but also consistent support for the specific targets set.

#### **Leverage Public Support**

Public support can also be leveraged to influence policymaking. Research shows that Americans across the political spectrum believe foreign aid should constitute 10% of the federal budget, or roughly \$682 billion, in FY2021 (Carpenter, 2021). Much more than the proposed amount that would allow the U.S. to fulfill its international commitments. Additionally, studies consistently show that most Americans believe that the U.S. spends over a quarter of the federal budget on foreign aid. When informed that the U.S. spends approximately 1% on foreign aid, opposition to expansion significantly decreases. As a result, the US should tackle this issue from a policy standpoint and

utilize the support of its citizens for leverage. Since public opinion on foreign aid is heavily influenced by the information available, if properly informed of both the U.S.'s prior commitments and its current lack of aid, the public will support an increase in foreign assistance.

## II. Conclusion

In the past, the United States has failed to fulfill past foreign aid commitments due to prioritizing political interests instead of humanitarian ones. Without aid, these foreign nations can fall deeper into political instability, exacerbate the existing refugee crisis, and ultimately harm the United States' sphere of influence. Solutions must be undertaken at the policy level. It is important to acknowledge that while policy-driven solutions may produce the most optimal long-term solution, but proposed policies can take a very long time to implement. This paper considered leveraging public opinion to give momentum to drive policy. Future applications and extensions of this research can explore strategies and historical precedents in which public opinion helped lead to a swifter and more favorable outcome for the proposed policies.

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