

Avoiding an Unforced Error

Advice to the Trump Administration from the Empirical Study of U.S. Democracy Assistance

James M. Scott

Herman Brown Chair and Professor
Department of Political Science
Texas Christian University

SINCE HIS SURPRISE ELECTION VICTORY IN 2016, Donald Trump has pursued a broad, often controversial agenda to reverse the course of current policies in many arenas, both domestic and international. In the foreign policy arena, for example, the Trump administration has departed from decades of bipartisan commitment to free trade, the North Atlantic Treaty Organization, and support for the European Union, and it has abandoned the established practice of restraint regarding recognition of Jerusalem as Israel's capital, to name just a few examples. Its inconsistent, even self-contradictory approaches to Russia, China and other important states have generated uncertainty at home and abroad. Some critics fear that President Trump's pursuit of a muscular nationalism "seems determined to challenge the policies and practices that have cemented America's vast power and influence in the 20th and 21st centuries," as Stephen Sestanovich wrote in the spring of 2017.¹ President Trump did little to allay such fears when, in a July 20, 2017 meeting with key foreign advisors reported on by the *New York Times*, he asserted that the postwar international order, which all presidents since Harry Truman have been committed to building and sustaining, is "not working at all."²

In this context, the Trump administration has targeted U.S. democracy assistance – an element of U.S. foreign aid policy – for dramatic reduction, reversing more than three decades of expansion to this program by his predecessors from both political parties. Specifically, for example, in its first budget proposal in early 2017, the Trump administration proposed to cut U.S. foreign aid by more than thirty percent across the board, with even greater reductions to U.S.

1 Stephen Sestanovich, "The brilliant incoherence of Donald Trump's foreign policy." *The Atlantic*. May 2017 (at <https://www.theatlantic.com/magazine/archive/2017/05/the-brilliant-incoherence-of-trumps-foreign-policy/521430/>).

2 Mark Landler, "Trump, the insurgent, breaks with 70 years of American foreign policy." *New York Times*. December 28, 2017 (at <https://www.nytimes.com/2017/12/28/us/politics/trump-world-diplomacy.html>).

democracy aid part of the plan. In early 2018, the administration doubled down on this plan and proposed even more drastic cuts to foreign aid programs, including those for democracy aid and human rights programs. Its 2017 plans to restructure the U.S. Department of State specifically involved downsizing human rights and democracy promotion, while at the same time the State Department's 2018-2022 strategic plan significantly reduced and downgraded democracy and human rights as goals. In late 2017, the administration's first National Security Strategy departed from decades of bipartisan practice and avoided commitments to advance and support democracy in the world, while also refraining from the use of the term "human rights" almost entirely. In early 2018, reports indicated further diminution of democracy and human rights was on tap, with the annual State Department report on human rights reportedly downplaying the matter generally, while taking specific actions to remove language on women's rights, discrimination, and other matters.³

³ See, for example, Nahal Toosi, "State Department report will trim language on women's rights, discrimination." *Politico*. February 21, 2018 (at <https://www.politico.com/story/2018/02/21/department-women-rights-abortion-420361>).

Actions and proposals such as these were also accompanied by a notable shift in public diplomacy from administration officials, including Secretary of State Rex Tillerson and President Trump, who regularly downplayed democracy and human rights as U.S. foreign policy goals. President Trump himself also reflected the reversal of direction with his unusually warm engagement with authoritarian leaders around the world, accompanied by often-pointed criticism of America's democratic allies and friends. As one watchdog organization concerned with democracy and freedom noted:

[President Trump's] trips abroad rarely featured any mention of the word "democracy." Indeed, the American leader expressed feelings of admiration and even personal friendship for some of the world's most loathsome strongmen and dictators.⁴

⁴ Freedom House, *Freedom in the World 2018: Democracy in Crisis*. At <https://freedomhouse.org/report/freedom-world/freedom-world-2018>.

Of course, American foreign policy must change and adapt to ensure its relevance and effectiveness in shifting foreign policy environments. American foreign policymakers should also avoid reflexive commitment to existing initiatives that no longer serve important purposes or that prove ineffective or unsuccessful. Is that the case for U.S. democracy aid? Is the reversal of several decades of U.S. democracy assistance policy a wise and prudential response to changing circumstances or obsolete/ineffective policies, or is it a case of ill-considered pursuit of "nationalism" that actually works against American national interests, security, and prosperity?

Consider a radical premise: such decisions *should* reflect careful assessment of policy and context prior to decision. In that light, might the empirical study of U.S. democracy assistance provide lessons and guidance for President Trump, his advisors, and the U.S. Congress on what to do? What does *the evidence* suggest for the Trump administration's proposals and plans vis-à-vis U.S. democracy assistance?

The following paragraphs offer guidance for the administration drawn from the empirical study of democracy aid policy. I focus on a stream of my own studies, supplemented by key works of others as well. After describing the nature and trends of U.S. democracy aid over the past four decades or so, I outline a number of key findings about its effects. I then consider some salient aspects of the foreign policy context and conclude with summary policy advice for President Trump. The bottom line: the evidence on decades of U.S. democracy aid and its results strongly suggest that, by abandoning democracy assistance in its foreign policy, the current administration is headed toward an unforced error that unnecessarily sacrifices American interests and effective policy.

Context: Democracy Aid in U.S. Foreign Policy

Democracy aid is a sub-type of foreign aid and a part of a broader array of policies to support and promote democracy. For the U.S., the Agency for International Development (USAID) – a part of the U.S. Department of State – administers most U.S. democracy assistance through targeted programs supporting democratic institutions, processes, and participation, the rule of law, and human rights. USAID channels democracy aid through political institutions such as legislatures, courts, and political parties and through grassroots civil society and civic education organizations, other non-governmental organizations, and the media.⁵ About a third of such aid bypasses recipient governments to channel support directly to grassroots organizations.⁶ These targeted packages of assistance attempt to empower individuals, groups, and institutions within the recipient state and tend to be smaller, more focused, and more nimble and agile than other types of foreign assistance. In the two decades after 1990, democracy aid averaged about 13% of U.S. foreign aid, making it a significant element of U.S. foreign policy strategies. In Fiscal Year 2010, of the roughly \$33 billion in U.S. foreign aid (non-military), about \$5 billion went to democracy promotion, an amount greater than or roughly equal to that allocated for health initiatives, agriculture, emergency response, and other aid priorities.⁷

Ideational goals such as promoting democracy and human rights have a long history in American foreign policy. For example, Woodrow Wilson embraced democracy as a means to a safer, more cooperative world, Franklin Delano Roosevelt championed “four freedoms” essential for any person around the world, Jimmy Carter placed human rights in the spotlight of his foreign policy, and Ronald Reagan advocated for a “crusade for freedom” to spread and support democracy around the world. However, it was only after 1989 that post-Cold War presidents George Bush, Bill Clinton, George W. Bush and Barack Obama turned to democracy aid as a key strategy to achieve

5 Stephen Collins, “Can America finance freedom? Assessing U.S. democracy promotion via economic statecraft.” *Foreign Policy Analysis* 5 (2009): 367-389.

6 Timothy Peterson and James M. Scott, “The democracy aid calculus: regimes, political opponents, and the allocation of US democracy assistance, 1981-2009.” *International Interactions* 44:2 (2018): 268-293.

7 James M. Scott and Ralph G. Carter, “Distributing dollars for democracy: changing foreign policy contexts and the determinants of US democracy aid, 1975-2010.” *Journal of International Relations and Development* (Published Online November 12, 2017; DOI: 10.1057/s41268-017-0118-9).

8 James M. Scott and Ralph G. Carter, "From Cold War to Arab Spring: mapping the effects of paradigm shifts on the nature and dynamics of U.S. democracy assistance to the Middle East and North Africa." *Democratization*, 22:4 (2015), 738-763. Also, see, for example, William J. Clinton, *A National Security Strategy of Engagement and Enlargement*. Washington, DC: White House, 1995); George W. Bush, *The National Security Strategy of the United States of America*. Washington, DC: The White House, 2002.

9 Graham Allison and Robert Beschel Jr. "Can the United States promote democracy?" *Political Science Quarterly* 107 (1992), p. 81.

10 Michael Cox, G. John Ikenberry, and Takashi Inoguchi (eds.). *American Democracy Promotion: Impulses, Strategies, and Impacts*. Oxford: Oxford University Press, 2000, pp. 5-6.

11 Peterson and Scott, "Democracy aid calculus," p. 273.

12 Robert Art, *A Grand Strategy for America*. Ithaca NY: Cornell University Press, 2003, p. 69.

13 See, for example, Bruce Russett, *Grasping the Democratic Peace: Principles for a Post-Cold War World*. Princeton, NJ: Princeton University Press, 1993; Jon Oneal and Bruce Russett, *Triangulating Peace: Democracy, Interdependence, and International Organizations*. New York: W.W. Norton, 2001.

14 Scott and Carter, "Distributing dollars"; Peterson and Scott, "Democracy aid calculus."

the spread of democracy.⁸ According to Graham Allison and Robert Beschel, Jr., "the democratic revolutions of 1989, coupled with the retreat of authoritarian regimes in Latin America and parts of Asia and Africa, prompted a resurgence of interest throughout the U.S. government and society at large in promoting democracy."⁹ As Michael Cox et al. concluded, democracy promotion "rather neatly filled the missionary gap left behind by the collapse of international communism."¹⁰

The first President Bush established special democracy aid programs through region-specific initiatives such as the 1990 tSupport for Eastern European Democracy (SEED) Act and the 1992 Freedom Support Act (FSA, for the republics of the former Soviet Union). President Clinton subsequently established an explicit "Democracy and Governance" aid initiative globally, and George W. Bush and Barack Obama continued and expanded those efforts. As Table 1 indicates, such aid surged from less than two percent to nearly fourteen percent of U.S. foreign aid.

Table 1: Democracy Assistance as a Proportion of Total U.S. Assistance¹¹

Time Period	Proportion of U.S. Aid
Cold War (1975-1989)	1.9%
Post-Cold War (1990-2000)	12.8%
Global War on Terror (2002-2010)	13.9%

The broad rationale for democracy aid has been consistent across Republican and Democratic administrations since 1989, combining ideational and interest-based factors. As Robert Art summarized, "The reasons to support democracy abroad are simple and powerful: democracy is the best form of governance; it is the best guarantee for the protection of human rights and for the prevention of mass murder and genocide; it facilitates economic growth; and it aids the cause of peace."¹² Presidents Bill Clinton, George W. Bush, and Barack Obama all justified democracy assistance as a means to peace, good governance, protection of U.S. political and security interests, and as a strategy to combat terrorism. Contributing to democratic transition and change generally has positive implications for other U.S. interests as well, with positive impact on peaceful interaction and commerce. The "democratic peace," by which democracies tend to avoid war with each other, refrain from threatening to use force against each other, seek peaceful resolution of disputes, and join together in alliances and security communities underlies these positive outcomes.¹³ Overall, a broad consensus has long agreed that a more democratic world is one more favorable to U.S. policy preferences and interests and improves the possibilities that conflicts can be solved via peaceful mechanisms rather than by force.¹⁴

This broad consensus and the accelerating trajectory of democracy aid over the past four decades beg the question: Why abandon this policy now? Has the foreign policy context changed sufficiently to make it unnecessary? Has it proved ineffective? Evidence from the study of democracy promotion and democracy aid indicates that the answer to both of these questions is a decisive “no.”

The Empirical Record: The Impact of Democracy Aid

Is it past time for democracy aid policy? Empirical evidence on the policy context of democracy assistance demonstrates its continued relevance. Indeed, global developments not only indicate continued need for democracy aid, they suggest *greater* need. According to Freedom House’s annual study of democracy in the world, global democracy is in crisis, facing twelve years of stagnation and decline. As Freedom House put it:

Political rights and civil liberties around the world deteriorated to their lowest point in more than a decade in 2017, extending a period characterized by emboldened autocrats, beleaguered democracies, and the United States’ withdrawal from its leadership role in the global struggle for human freedom.¹⁵

Freedom House data shows seventy-one countries – more than a third of the world – experienced declines in democracy in 2017, driving the 12-year net decline to 113 countries, almost sixty percent of the world. These reversals reach countries in every region of the world, with notable growth in the antidemocratic influence of Russia and China a key part of the trend. At the same time, 35 countries were experiencing progress toward democracy, indicating further opportunity (and need) for help from the U.S. and others. These developments strongly indicate a growing, not declining, need for vigorous support and aid for democracies.

If the policy context does not provide evidence of the irrelevance of democracy aid, perhaps its effectiveness is the problem? Could it be that the Trump administration is abandoning an unproductive policy? Simply put, the answer is no. Here is where a stream of empirical studies of democracy aid offer important guidance for the Trump administration. These studies *clearly* indicate that the policy has delivered significant benefits – both direct and indirect – at a very efficient cost.

First and foremost, empirical studies of democracy show that it is an effective and cost-efficient means to promote democratization. For example, democracy aid allocations from 1988-2001 are associated with significant progress toward democracy in recipient states, even after controlling for a wide variety of other factors that might impact democratization. As Scott and Steele conclude, “\$10 million in democracy aid is associated with about a one-point increase in

15 Freedom House, *Freedom in the World 2018: Democracy in Crisis*. At <https://freedomhouse.org/report/freedom-world/freedom-world-2018>.

16 James M. Scott and Carie Steele, "Sponsoring democracy: The United States and democracy aid to the developing world, 1988-2001." *International Studies Quarterly* 55 (2011): p. 62-63. See also Steven Finkel, Anibal Perez-Linan, and Mitchell A. Seligson, "The effects of U.S. foreign assistance on democracy-building, 1990-2003." *World Politics* 59 (2007), pp. 404-439.

17 Scott and Steele, "Sponsoring democracy." See also Steven Knack, "Does foreign aid promote democracy?" *International Studies Quarterly* 48 (2004), pp. 251-266; Finkel et al., "The effects of US foreign assistance."

18 James M. Scott and Carie Steele, "Assisting democracy or resisting dictators? The nature and impact of democracy support by the National Endowment for Democracy, 1990-2000." *Democratization*, 12:4 (2005), pp. 439-460. See also Jorge Heine and Brigitte Weiffen, *21st Century Democracy Promotion in the Americas: Standing Up for the Polity*. New York: Routledge, 2015; Philip Levitz and Grigore Pop-Eleches, "Monitoring, money and migrants: countering post-accession backsliding in Bulgaria and Romania." *Europe-Asia Studies*. 62:3 (2010), pp. 461-479.

19 James M. Scott, "Funding freedom? The United States and US democracy aid in the developing world, 1988-2001." In *Liberal Interventionism and Democracy Promotion*, edited by Dursun Peksen. New York: Lexington/Rowman-Littlefield, 2012, pp. 13-36. See also Scott and Steele, "Sponsoring democracy."

20 James M. Scott and Ralph G. Carter, "Promoting democracy in Latin America: foreign policy change and US democracy assistance, 1975-2010." *Third World Quarterly*, 37:2 (2016), pp. 299-320; Scott and Carter, "From Cold War to Arab Spring."

democracy score. Hence, aid packages of \$40 million would result in a 4-point increase," a meaningful change that amounts to the difference between governance in Russia and Mexico in 2014.¹⁶ Notably, other forms of economic assistance *do not* contribute to democratization, even in much greater aid amounts.¹⁷ Furthermore, small packages of democracy aid are also effective in slowing or reversing "backsliding," situations in which countries in transition to democracy suffer anti-democratic reversals.¹⁸

Part of the success of democracy aid rests on its targeted nature: relatively small packages of assistance to support election processes, the development and growth of democratic institutions, and the empowerment of grassroots citizen organizations have proven to be more efficacious than larger aid packages without such targets.¹⁹ Democracy aid is also nimble and agile, shifting to target and take advantage of need and opportunity. Thus, over time, democracy aid allocations shift from region to region, from state to state within a region, and, most importantly, among different targets (e.g., elections, institutions, citizen groups) with a given state to meet different circumstances, needs and opportunities.²⁰ Finally, the evidence indicates that democracy aid is successful because it is strategically allocated to places that are likely to be fertile fields for democracy. For example, democracy aid tends to go to places that exhibit some initial openings or movement toward democracy.²¹ This also appears to be true for "hard cases" for democratization: some initial evidence indicates that, when democracy aid is allocated to more authoritarian states, it tends to be targeted toward those with more accountable, proto-liberal institutions like multiparty systems, whose nascent institutions and greater openness hint at the promise of successful democratization.²²

So, democracy aid is certainly not ineffective in its central aim: supporting and promoting democratization. The evidence indicating its successful contributions to democratization over the past several decades alone makes that clear. However, democracy aid has at least four additional positive effects that make it even more compelling. First, democracy aid has tangible benefits for quality of life and human security for residents of recipient countries. Recipients of U.S. democracy aid end up with improved human rights performance as well as progress toward democracy. According to one study, for example, each relatively modest democracy aid package of \$10-20 million is associated with a 5-10% improvement in a country's human rights behavior, an impact that is not duplicated by other forms of foreign assistance in any amount.²³

Additionally, democracy aid has important implications for conflict/war as well. Because democracy aid contributes to progress toward democracy, and democracies tend to be peaceful with each other, democracy aid makes indirect contributions to the cause of

peace. This, indeed, was a central foundation of the Clinton administration's expansion of democracy promotion and democracy aid as a foreign policy strategy twenty-five years ago, and one that his successors George W. Bush and Barack Obama also embraced. However, according to Edward Mansfield and Jack Snyder, while democracies tend toward peace with each other, countries in the process of transitioning to democracy are highly prone to violent conflict. In addition to the prospects for civil war during transition periods, in some cases, competition for power among elites in the uncertain transition environment prompts leaders to resort to war against an external enemy as a way to generate a "rally around the flag" reaction to gain support in the public. In other cases, the instability of the transition environment leads hostile neighbor states to try to take advantage of the situation and use force against what they deem a vulnerable target. In any case, what results is a "dangerous democratization" scenario.²⁴ However, other scholarly research shows that democratizing countries who receive democracy aid from the U.S. (and/or other democratic donor states) are far less likely to get engaged in violent conflict at home or abroad. Transitioning countries with democracy assistance are less likely to fall into internal civil conflict, to attack others, or to be attacked by opportunistic neighbors.²⁵

Furthermore, the evidence indicates that democracy aid also appears to be an effective tool against terrorism as well. Research indicates that democracy assistance from the U.S. (and other democracies) significantly dampens terrorism in recipient countries, especially if those recipients are not involved in a civil war. Because democracy alters the political conditions of a country – namely by improving democracy and human rights behavior – the resulting reduction in grievances seems to translate directly into fewer incidents of terrorism.²⁶

Moreover, evidence indicates that democracy aid has positive political/strategic effects for the U.S. in its foreign policy as well. Providing such aid to friendly countries appears to provide protection and deterrence for them against potential adversaries, who recognize the links to and commitment from the U.S.²⁷ At the same time, some initial evidence shows that democracy aid strengthens the relationship between the U.S. and the recipient, contributing to greater affinities, common interests, and mutually beneficial trade as well.²⁸ Since democracy tends to "travel" through regional diffusion mechanisms, democracy aid to one country in a region has a high likelihood of contributing to a "contagion" effect that helps to spread it to other neighboring countries as well.²⁹

Democracy aid therefore appears to be a highly effective and efficient policy. Not only does the evidence indicate that it achieves its main purpose – maintenance and expansion of democracy – but it also contributes significantly to a cluster of desirable outcomes that

21 Peterson and Scott, "Democracy aid calculus"; Scott and Carter, "Distributing dollar's"; Scott and Steele, "Sponsoring democracy"; See also James M. Scott, Charles M. Rowling and Timothy Jones. *Democratic Openings and Country Visibility: Media Attention and the Allocation of US Democracy Aid, 1975-2010*. Paper Presented at the International Studies Association-Midwest Annual Conference, St. Louis, Missouri, November 17-18, 2017.

22 James M. Scott and Ralph G. Carter. *Changing Channels: Non-Democratic Regime Conditions and the Allocation of US Democracy Assistance, 1975-2010*. Paper presented at the Pan-European Conference on International Relations, European International Studies Association Conference. Barcelona, Spain. September 13-16, 2017.

23 Scott, "Funding freedom."

24 See Edward Mansfield and Jack Snyder, "Democratization and the danger of war." *International Security* 20:1 (1995), pp. 5-38; Edward Mansfield and Jack Snyder, *Electing to Fight: Why Emerging Democracies Go to War*. Boston: MIT Press, 2007.

25 Burcu Savun and Daniel Tirone, "Foreign aid, democratization, and civil conflict: how does democracy aid affect civil conflict?" *American Journal of Political Science* 55:2 (2011), pp. 233-246. See also James M. Scott, *Building the Democratic Peace: Democracy Promotion and Dangerous Democratization*. Paper presented at the 2009 International Studies Association Conference, New York, February 15-18, 2009.

26 Burcu Savun and Daniel Tirone, "Foreign aid as a counterterrorism tool: more liberty, less terror?" Forthcoming, *Journal of Conflict Resolution* (Published online May 5, 2017. <https://doi.org/10.1177/0022002717704952>). See also James M. Scott, *Combating Terrorism by Supporting Democracy? The Reciprocal Effects of Terrorism and U.S. Democracy Assistance in the Developing World, 1975-2010*. Paper presented at the 2015 American Political Science Association Annual Conference, San Francisco, California, September 2-6, 2015.

27 Peter Rudloff, James M. Scott and Tyra Blew, "Countering adversaries and cultivating friends: indirect rivalry factors and foreign aid allocation." *Cooperation and Conflict* 48:3 (2013), 401-423; Peterson and Scott, "Democracy aid calculus."

28 See James M. Scott, "Cultivating friends: the political payoffs of US democracy aid, 1975-2010," unpublished manuscript. See also Timothy Peterson, "US disaster aid and bilateral trade growth." *Foreign Policy Analysis* 13:1 (2017), pp. 93-111.

29 David Brinks and Michael Coppedge, "Diffusion is no Illusion: neighbor emulation in the third wave of democracy." *Comparative Political Studies*, 39(4), pp. 463-489.

strengthen the security, political influence, and prosperity of the U.S. The evidence is in and the policy of democracy aid is both relevant to the time, and effective in its practice.

The Bottom Line: Advice for the President

The Trump administration's hostility toward democracy aid appears to be highly misguided, and its plans and proposals to slash democracy assistance funds and programs are unforced errors that detract from effective American foreign policy and harm longstanding American interests that have been embraced by past presidents, Republican and Democrats alike. And these are, indeed unforced errors. The empirical evidence makes plain the foundations, rationale and trajectory of U.S. democracy aid policy. It demonstrates its continued relevance in the current context. It reveals its salutary effects, direct and indirect, for a variety of important foreign policy goals. To abandon the policy and forego its benefits willfully disregards the historical trajectory and empirical evidence. The lessons and guidance for President Trump, his advisors, and the U.S. Congress appear to be clear. As a component of U.S. foreign policy, democracy aid offers significant "bang for the buck." To put it in terms likely to resonate with the current president, democracy aid's return on investment (ROI) is high. Heeding the evidence means preserving democracy aid and continuing efforts to build the democratic peace. To do otherwise is to err...unless supporting, sustaining and spreading democracy and its tangible benefits for U.S. relations with other states, good governance and human rights abroad, and peace and prosperity for the U.S and others are not what the administration seeks. A