

Shifting Geostrategic Interests as Determinants of Foreign Aid: Has the Era of Threats from Great Power Competition Eclipsed the Era of Threats from Violent Non-State Actors?

Jonah Isaac

Foreign assistance is intended to reflect a state's geostrategic interests; thus, it is reasonable to assume that donor states target aid to countries in which their interests are most threatened. In practice, do countries offering foreign aid direct it to places in which their geostrategic interests are most threatened? To investigate this question, this article explores the extent to which the United States' foreign aid flows are in line with its national security doctrines related to mitigating the ascendance of China (Era of Threats from Great Power Competition) on one hand, and international terrorism (Era of Threats from Violent Non-State Actors) on the other. Using a time-series, cross-sectional design that utilizes data regarding U.S. foreign assistance disbursements to Africa, casualties from African terrorist attacks, and Chinese investment in Africa, this article shows that U.S. interests do not align in these two realms: although competition with China and threats of international terrorism are both noted as U.S. geostrategic priorities, neither Chinese investment nor deaths by terrorism are correlated with increased U.S. foreign aid flows. These findings suggest that contrary to intuition, foreign aid allocation does not appear to reflect the United States' prioritization of its geostrategic interests.

On June 17, 2019, Boko Haram launched an attack in Borno, Nigeria, killing 30 Nigerians.¹ Two months later, Chinese investment in the Nigerian state-owned oil company reached \$16 billion.² While these two developments are not immediately related, they both represent the contemporary geopolitical epoch in which great power competition, especially the threat of China, has emerged while the threat of violent non-state actors remains salient. In the contemporary state of affairs and given the reality of limited resources, the United States is now allocating resources for both geostrategic interests related to combating violent non-state actors, especially counterterrorism, and geostrategic interests related to the threats from great power competition, despite claiming great power competition is the larger threat.³ To address these geostrategic interests, the United States often utilizes foreign assistance, which is money and equipment transferred to a recipient country. For example, the United States provided Nigeria with more than \$645 million in foreign assistance disbursements in 2017 alone.⁴

Against this backdrop, this article explores the extent to which geostrategic interests related to violent non-state actors or to the threat of China motivate the United States' foreign assistance disbursements. This research builds upon Morgenthau's seminal argument that geopolitical objectives motivate foreign aid allocation.⁵ In the case of

1 Dionne Searcey, "Boko Haram Is Back with Better Drones," *New York Times*, September 13, 2019.

2 Chika Oduah, "China Invests \$16 Billion in Nigeria's Oil Sector," *Voice of America*, August 28, 2019.

3 Uri Friedman, "The New Concept Everyone in Washington Is Talking About," *Atlantic*, August 6, 2019; "National Defense Strategy," U.S. Department of Defense, 2018.

4 "United States Agency for International Development Foreign Aid Explorer," USAID Foreign Aid Explorer, 2019.

5 Hans Morgenthau, "A Political Theory of Foreign Aid," *American Political Science Review* 56:2 (1962): pp. 301-309.

Jonah Isaac is a student of History and Arabic with a keen interest in data science. He has long been focused on foreign policy, having led and supported several humanitarian projects across Africa, the Middle East, and Central Asia. Much of his professional work involves the application of data science techniques to foreign affairs topics, including disinformation, foreign aid, and building partner force capacity. The author is especially grateful for guidance throughout his research from Professor Michael Denly, Professor Amira Jadoon, Professor Jason Warner, MAJ Michael Duda, and CDT Amir Udler.

the United States, countering violent non-state actors (what this article calls “The Era of Threats from Violent Non-State Actors”) and the threat of China (what this article calls “The Era of Threats from Great Power Competition”) are among the foremost geopolitical objectives that would theoretically motivate foreign aid disbursements. Given a limited foreign aid budget and a shifting priority of the threat of China over violent non-state actors, this article originally asked whether geostrategic interests related to violent non-state actors or to the threat of China more significantly fuel foreign assistance disbursements. This inquiry revolved around whether the United States prioritizes geostrategic interests related to violent non-state actors despite claiming that the rise of China is the most pressing threat to U.S. security. However, empirical evidence shows that neither geostrategic interest solicits aid in a statistically significant manner. As such, the inquiry of paper shifted to whether U.S. foreign aid disbursements from 2001 through 2017 were in line with its stated geostrategic objectives.

To answer this question, I explore the effect of terrorism and Chinese investment on U.S. foreign assistance to states in Africa. Terrorism, more specifically the number of casualties from terrorism, is an ideal indicator of the extent to which the threat of violent non-state actors is salient in a given country-year. I select Chinese investment, measured in USD, to demonstrate the extent of Chinese activity in a given country-year because it is one of the foremost vehicles of Chinese involvement abroad. African countries are ideal case recipients for studying U.S. foreign aid disbursements because the United States has been involved in foreign aid programs across Africa for many years and because many African countries have experienced high levels of terrorism and Chinese investment.

I hypothesize that terrorist attacks are a more powerful explanatory variable of U.S. foreign aid disbursements than Chinese investment. This theory draws upon the following causal mechanism: The United States, operating as a rational actor with limited resources, must disburse foreign aid in a way that matches its geostrategic objectives. During the scope of this research, from 2001 through 2017, the United States deemed terrorism its greatest security threat. As such, the United States would likely have disbursed its foreign aid resources in a manner that prioritized African countries that suffer from terrorism. Yet in 2018, the Trump administration’s National Defense Strategy explicitly announced a new focus on threats from great powers.⁶

This research uses various datasets. For data regarding kinetic terrorist attacks, this article uses the University of Maryland’s START Global Terrorism Database (GTD). In measuring Chinese investment in Africa, it uses AidData’s Geocoded Global Chinese Official Finance, Version 1.1.1. Additionally, it uses data from AEI’s China Global Investment Tracker. For data on the United States’ foreign assistance, this article uses data from the United States’ Agency for International Development’s Foreign Aid Explorer. In this research, foreign aid includes bilateral and voluntary multilateral foreign aid disbursements measured in U.S. dollars.

Analysis of empirical evidence reveals that neither terrorism nor Chinese investment is a statistically significant predictor of U.S. foreign aid to Africa in both continental and disaggregated models. This evidence suggests that foreign aid disbursements are not in line with the stated geostrategic objectives of countering the threat of non-state actors and the threat of China.

This paper proceeds as follows. In Section 1, I explore the global paradigm shift from a focus on violent non-state actors to the threat of great powers, namely China. I review the relevant academic literature related to foreign assistance in Section 2. In Section 3, I elaborate on my hypothesis and the causal mechanisms assumed to be underpinning U.S. aid disbursement. Section 4 addresses my research design. I interpret my results in Section 5. The final section explores the implications of my findings.

The Era of Threats from Violent Non-State Actors and the Era of Threats from Great Power Competition

This paper draws upon existing research to delineate two key geopolitical epochs as they relate to sources of threats to U.S. geostrategic interests: the Era of Threats from Violent Non-State Actors and the Era of Threats from Great

6 “National Defense Strategy,” 2018.

Power Competition.⁷ To understand the nature of foreign assistance as it relates to the epoch that I dub the Era of Threats from Violent Non-State Actors, I use Bermeo's delineation of geopolitical epochs, before and after September 2001.⁸ She notes that after 9/11, geostrategic interests revolved around "problems such as conflict, mass migration, climate change."⁹ Post-Cold War and post-9/11 geostrategic interests also included "civil war, transnational crime, terrorism, infectious diseases, and the proliferation of small arms."¹⁰ These geostrategic interests, while more pronounced after 9/11, emerged after the Soviet collapse. With the 1991 collapse of the Soviet Union came the emergence of violent non-state actors as formidable threats to international security.¹¹ In 1994, Kennan declared that "there are no great-power rivalries that threaten immediately the peace of the world."¹² Richard Haass then corroborated Kennan's logic in 2008 by saying that great power competition no longer drove international relations.¹³ The post-Cold War and post-9/11 era reveal a firm U.S. commitment to addressing violent non-state-actors given the lack of any other near-peer competitors at the time. Building upon these ideological contributions, I refer to the post-Cold War era, and especially the post-9/11 era, as the Era of Threats from Violent Non-State Actors.

Rhetoric emphasizing the Era of Threats from Great Power Competition has begun to eclipse that related to the Era of Threats from Violent Non-State Actors, although geostrategic interests during this era, especially terrorism, remain salient.¹⁴ This conceptual and ideological paradigm shift, defined as the rise of The Era of Threats from Great Power Competition, features the ascendance of China and resurgence of Russia.¹⁵ Key leaders in the U.S. defense community and official defense doctrine argue that the threat of China is now the most significant national security threat. For example, former Secretary of Defense James Mattis explicitly stated in a speech that "great power competition—not terrorism—is now the primary focus of U.S. national security."¹⁶ While the threat of China has no clear or official start date, the U.S. National Military Strategy of 2015 was among the first U.S. government publications to articulate its threat.¹⁷ More explicitly, the 2018 National Defense Strategy declared that "Inter-state strategic competition, not terrorism, is now the primary concern in U.S. national security."¹⁸

Foreign Assistance

Foreign assistance is the exchange of goods, resources, and money between a donor or group of donors and a recipient state. Foreign assistance includes Official Development Assistance and non-Official Development Assistance, bilateral and voluntary multilateral aid, as well as economic and military aid.

I consider Official Development Assistance and non-Official Development Assistance in my research because both aid flows represent large financial disbursements. The two terms differ insofar as Official Development Assistance denotes foreign assistance exclusively to states that the Organization for Economic Cooperation and Development has designated as eligible.¹⁹ This designation is based on a state's per capita income, and ODA does not include military aid.²⁰ Non-Official Development Assistance includes Official Aid (OA) and Other Official Flows (OOF),

7 Elke Krahmann, "From State to Non-State Actors: The Emergence of Security Governance," *New Threats and New Actors in International Security* (2005): pp. 3-19; Sarah Blodgett Bermeo, "Aid Allocation and Targeted Development in an Increasingly Connected World," *International Organization* 71:4 (2017): pp. 735-766; Friedman.

8 Bermeo.

9 Ibid.

10 Krahmann.

11 Alina Polyakova, "Are U.S. and Russia in a New Cold War?" Brookings, January 20, 2019; Krahmann.

12 George F. Kennan, "The Failure in Our Success," *New York Times*, March 14, 1994.

13 "United States-China Relations in the Era of Globalization," Committee on Foreign Relations, 2008.

14 Friedman.

15 "National Defense Strategy," 2018.

16 Friedman.

17 "The National Military Strategy of the United States of America," Joint Chiefs of Staff, 2015.

18 "National Defense Strategy," 2018, p. 1.

19 "United States Agency for International Development Foreign Aid Explorer," USAID Foreign Aid Explorer, 2019.

20 "Official Development Assistance (ODA)," Organization for Economic Cooperation and Development (OECD), 2020.

which are both forms of foreign aid that do not fit the criteria of ODA. OA specifically includes foreign aid to states whose per capita income is above the threshold outlined in the ODA standards.²¹ OOF comprises foreign aid flows that are for “commercial purposes,” lack certain grant requirements, and include private sector subsidies.²²

My research includes bilateral and voluntary multilateral aid because both flows reflect the donor country’s political objectives. Bilateral aid is assistance from one state directly to the government of another state.²³ Milner and Tingley suggest that bilateral aid reflects the donor nation’s political objectives.²⁴ Dietrich adds that bilateral aid also often is sent to non-state actors in instances in which a potential recipient government lacks stability.²⁵ Multilateral aid draws upon the contributions of multiple states to enable an intergovernmental organization to execute a particular project.²⁶ Findley, Milner, and Nielson argue that multilateral aid is “seen as less political.”²⁷ However, I offer that “voluntary” multilateral foreign assistance also suggests the donor nation’s political objectives because the nature of the foreign assistance is, by definition, voluntary. This notion, however, includes the caveat that other motivators, such as international pressure, can undermine the extent to which voluntary multilateral aid represents the donor’s geopolitical interests.

This paper considers economic and military aid because both flows are pertinent to U.S. geostrategic interests of countering terrorism (the primary objective in *The Era of Threats from Violent Non-State Actors*) and Chinese investment (one of the primary objectives in *The Era of Threats from Great Power Competition*). Economic aid is a type of foreign policy tool that can address geostrategic interests related to violent non-state actors and the threat of China. USAID defines economic assistance as foreign assistance in support of a “humanitarian objective” and “sociopolitical stability.”²⁸ The desire to promote sociopolitical stability echoes the U.S. 2006 National Security Strategy’s argument that diplomatic relationships that promote stability will prevent terrorism.²⁹ Foreign economic assistance addresses fears related to China’s rise because China’s development programs have promoted corruption.³⁰ Strategies that counter violent non-state actor threats and the threat of China also utilize military aid, which promotes the capabilities of the recipient’s armed forces.³¹ Military aid supports the counterterrorism objective because it empowers local forces that can fight on their own behalf.³² Foreign military assistance also promotes an alternative to Chinese military partnerships with African nations, partnerships that have deepened in recent years.³³

Some researchers have argued that the economic needs of recipient countries—not the mere geostrategic pursuits of donors themselves—are the greatest motivators for foreign assistance.³⁴ While this may have validity, this finding might not hold true for the Era of Threats from Violent Non-State Actors and for the Era of Threats from Great Power Competition. With a focus on the Global War on Terror, Fleck and Kilby find evidence that foreign aid on

21 Steven Radelet, “A Primer on Foreign Aid - Working Paper 92,” Center For Global Development, July 24, 2006.

22 “Other Official Flows (OOF),” Organization for Economic Cooperation and Development (OECD), 2020.

23 George C. Abbott, “Economic Aid as a Unilateral Transfer of Resources,” *Journal of Political Economy* 78:6 (1970): pp. 1,213-1,227.

24 Helen V. Milner and Dustin Tingley, “The Choice for Multilateralism: Foreign Aid and American Foreign Policy,” *Review of International Organizations* 8:3 (2012): pp. 313-341.

25 Simone Dietrich, “Bypass or Engage? Explaining Donor Delivery Tactics in Foreign Aid Allocation,” *International Studies Quarterly* 57:4 (2013): pp. 698-712.

26 Abbott.

27 Michael G. Findley, Helen V. Milner, and Daniel L. Nielson, “The Choice among Aid Donors: The Effects of Multilateral vs. Bilateral Aid on Recipient Behavioral Support,” *Review of International Organizations* 12:2 (2017): p. 308.

28 “United States Agency for International Development Foreign Aid Explorer.”

29 Carmel Davis, “AFRICOM’s Relationship to Oil, Terrorism and China,” *Orbis* 53:1 (2009): p. 122.

30 Andreas Freytag, Paolo Savona, and John J. Kirton, *Securing the Global Economy: G8 Global Governance for a Post-Crisis World* (London: Taylor and Francis, 2016).

31 “United States Agency for International Development Foreign Aid Explorer.”

32 James Jay Carafano and Nile Gardiner, “US Military Assistance for Africa: A Better Solution,” *Backgrounder* (2003): pp. 1-9.

33 Lina Benabdallah, “China-Africa Military Ties Have Deepened. Here Are 4 Things to Know,” *Washington Post*, July 6, 2018.

34 Alberto Alesina and David Dollar, “Who Gives Foreign Aid to Whom and Why?” *Journal of Economic Growth* 5:1 (2000): pp. 33-63.

the basis of economic need “has been falling steadily for core aid recipients during the War on Terror.”³⁵ Additionally, a former USAID administrator declared in 2006 that “pure” development based on economic need would not continue.³⁶ In other words, economic needs of a recipient nation were not necessarily the driving force of foreign assistance disbursements during the Era of Threats from Violent Non-State Actors.

Instead, a plethora of research convincingly shows that political and strategic interests of donors—rather than needs of recipients—drive foreign assistance patterns.³⁷ For example, Kapfer, Nielsen, and Nielson suggest that access to natural resources drives foreign assistance.³⁸ Kono and Montinola argue that recipient government stability is another pertinent donor objective.³⁹ According to Alesina and Dollar, donors provide aid in support of democratizing countries and shaping “good” institutions.⁴⁰ Bailey, Strezhnev, and Voeten submit that favorable U.N. voting records solicit foreign aid.⁴¹

A large group of researchers find that preventing non-state actor violence is one of the main geostrategic interests promoting foreign aid flows. According to Bezerra and Braithwaite, foreign aid flow favors “areas with recent political violence [more] than . . . areas without political violence.”⁴² In another finding, a donor is more likely to select a recipient of foreign assistance based on the prevalence of political violence in that state.⁴³ Boutton and Carter find that U.S. foreign assistance disbursements focus on countries that “directly threaten its own security.”⁴⁴ Broadly, these researchers find that foreign assistance during the Era of Threats from Violent Non-State Actors had political objectives and targeted regions that experienced non-state actor violence.

Although the literature related to foreign assistance disbursements is developed, much of it articulates that a particular geostrategic interest drives foreign aid and not which geostrategic interests drive foreign aid more than others. Alesina and Dollar point out a similar criticism in their seminal work: “There is virtually no solid evidence on the relative importance of different variables.”⁴⁵ I seek to fill the gap in the literature related to the relative importance of geostrategic interests. Specifically, my research compares the findings of Bezerra and Braithwaite with those of Kilama. Bezerra and Braithwaite find that foreign aid flows favor areas that suffer political violence.⁴⁶ Conversely, Kilama finds that the amount of U.S. foreign aid to African states has a positive relationship with the amount of Chinese investment in a given state.⁴⁷ The findings of Bezerra and Braithwaite and Kilama represent an interesting dichotomy and beg the question of which of these two interests, terrorism or Chinese investment,

35 Robert K. Fleck and Christopher Kilby, “Changing Aid Regimes? U.S. Foreign Aid from the Cold War to the War on Terror,” *Journal of Development Economics* 91:2 (2010): p. 185.

36 Giles Mohan and Emma Mawdsley, “The War on Terror, American Hegemony and International Development,” *Review of International Political Economy* 14:3 (2007): p. 439.

37 Alesina and Dollar; Axel Dreher, Jan-Egbert Sturm, and James Raymond Vreeland, “Development Aid and International Politics: Does Membership on the UN Security Council Influence World Bank Decisions?” *Journal of Development Economics* 88:1 (2009): pp. 1-18; Clair Apodaca, “Foreign Aid as Foreign Policy Tool,” *Oxford Research Encyclopedia of Politics*, 2017.

38 Steve Kapfer, Rich Nielsen, and Daniel Nielson, “If You Build It, Will They Come? Foreign Aid’s Effects on Foreign Direct Investment,” MPSA National Conference, April 2007.

39 Daniel Yuichi Kono and Gabriella R. Montinola, “Does Foreign Aid Support Autocrats, Democrats, or Both?” *Journal of Politics* 71:2 (2009): pp. 704-718.

40 Alesina and Dollar.

41 Michael A. Bailey, Anton Strezhnev, and Erik Voeten, “Estimating Dynamic State Preferences from United Nations Voting Data,” *Journal of Conflict Resolution* 61:2 (2017): pp. 430-456.

42 Paul Bezerra and Alex Braithwaite, “Locating Foreign Aid Commitments in Response to Political Violence,” *Public Choice* 170:1-2 (2016): pp. 177-180.

43 Eliana Balla and Gina Yannitell Reinhardt, “Giving and Receiving Foreign Aid: Does Conflict Count?” *World Development* 36:12 (2008): pp. 2,566-2,585.

44 Andrew Boutton and David B. Carter, “Fair-Weather Allies? Terrorism and the Allocation of US Foreign Aid,” *Journal of Conflict Resolution* 58:7 (2013): pp. 1,144-1,173.

45 Alesina and Dollar, p. 35.

46 Bezerra and Braithwaite, p. 333.

47 Eric Gabin Kilama, “Evidences on Donors Competition in Africa: Traditional Donors versus China,” *Journal of International Development* 28:4 (2015): pp. 528-551.

more significantly solicit U.S. foreign assistance to Africa. Given these contributions, my research answers which of the two geostrategic interests, terrorism or Chinese investment, has more relative influence on foreign aid flows.

Theory

I hypothesize that foreign assistance between 2001 and 2017 addressed geostrategic interests related to the Era of Threats from Violent Non-State Actors more so than geostrategic interests related to the Era of Threats from Great Power Competition. This is because terrorism was the predominant geopolitical concern of the Bush and Obama administrations and because many near-peer competitors did not present a threat, in the eyes of many defense experts, until Obama's second term.

H1: Geostrategic interests related to violent non-state actors, such as terrorism, fuel foreign assistance more than geostrategic interests related to great power competition, such as Chinese investment.

This theory relies upon the key assumption that the U.S. government is a rational actor that contends with limited resources. As such, the United States takes into account its many geopolitical objectives and logically expends its foreign aid resources in a manner that addresses its greatest priorities. This assumption is in dialogue with the seminal finding of Morgenthau, who provided evidence that political and foreign affairs objectives motivate foreign aid disbursements.⁴⁸

Under the Bush and Obama administrations, terrorism was the highest security priority. Soon after the 9/11 attacks, President George W. Bush initiated military operations in Afghanistan as a part of the Global War on Terror. President Barack Obama then maintained many of Bush's military endeavors, even raising the number of troops deployed across the Middle East. The advent of ISIS further demonstrated the extent to which President Obama prioritized the threat of violent non-state actors in his security efforts.

The U.S. focus on the threat of terrorism also extended beyond the Central Command Area of Responsibility and into Africa. In his first term, President Bush launched the East Africa Counterterrorism Initiative, a \$100M program to support partner-forces fighting Islamic extremism.⁴⁹ In 2004, a representative from the U.S. State Department's Office of Counterterrorism testified before Congress that conditions ideal for terrorist recruitment across Africa warranted massive U.S. development programs.⁵⁰ In 2007, President Bush institutionalized the significance of Africa to the United States as well as reinforced the U.S. commitment to the counterterrorism mission in Africa with the creation of the Africa Command.⁵¹ Obama continued Bush's counterterrorism efforts in Africa, calling for aggressive action against al-Qa`ida franchise organizations across the continent.⁵²

With U.S. defense and diplomacy officials fixated on the threat of terrorism, the threat of China only gradually entered the purview of many policymakers as China ascended to near-peer status. In 2000, China introduced its Go Global strategy, in which China encouraged its corporations to invest specifically in developing states.⁵³ Ten years later, China had become Africa's largest trading partner, revealing deepening geopolitical ties between the continent and China.⁵⁴ Most significantly, China embarked on the Belt and Road Initiative in 2013, a massive development program designed to place China at the center of international commerce.⁵⁵

In security terms, President Xi has led the largest military development in all of modern Chinese history.⁵⁶ In 2017,

48 Morgenthau.

49 Karl Wycoff, "United States Department of State," 2004.

50 Ibid.

51 Brett Schaefer, "Creating an Africa Command: Bush Administration Makes the Right Call," Heritage Foundation, 2006.

52 Barack Obama, "Barack Obama's State of the Union Address," *Guardian*, January 28, 2014.

53 Michaela Pedersen-Macnab, "Timeline of China's Foreign Direct Investment Policy Evolution (With Attention to Canada's Investment Policies)," University of Alberta, October 30, 2020.

54 Ibid.

55 Ibid.

56 Ben Wescott, "China's Military Is Going from Strength to Strength under Xi Jinping," CNN, March 5, 2019.

China's navy established its first-ever foreign military base in the African coastal state of Djibouti, fewer than 10 miles away from the U.S. base Camp Lemonnier.⁵⁷ China has also reignited international controversy related to the South China Sea, having claimed more territory in the disputed region than ever before.⁵⁸

Despite these many developments, U.S. policymakers did not begin to emphasize the threat of China until Obama's second term.⁵⁹ For example, Obama wrote in his 2006 book, *The Audacity of Hope*, that "competition between the great powers ... no longer exists."⁶⁰ By 2015, publications from the Obama administration attempted to reconcile the increasingly apparent reality of the threat of China while recognizing the persistent threat of violent non-state actors. That year, Deputy Defense Secretary Robert Work declared that the most "stressing" and "significant" security issue had become great power competition but that "the Department [of Defense] is not forgetting one bit about the threat of violent extremism."⁶¹ Additionally, the U.S. National Military Strategy of 2015 opened with this statement: "We now face multiple, simultaneous security challenges from traditional state actors and transregional networks of sub-state groups."⁶² By 2017, the U.S. National Security Strategy featured an emphasis of the threat of great power competition across the document.⁶³

Research Design

I select the United States as the case donor to test my hypothesis because it is involved in disbursing foreign aid to African states, counterterrorism missions, and great power competition. It goes without saying that the United States has been the hallmark actor in Pax Americana. Therefore, the threat of China represents a strategic challenge with special significance for the United States. That the United States also still conducts counterterrorism missions in Africa places it in watershed circumstance. Have U.S. foreign aid disbursements changed to reflect a prioritization of the threat of China over counterterrorism?

I select African countries as the case recipients because many of these governments are both experiencing an increase in terrorist attacks and Chinese investment.⁶⁴ That few other countries beyond those in Africa experience nearly as many casualties from terrorism in tandem with high levels of Chinese investment makes African countries an ideal case recipient. African countries are also an ideal object of study because the United States considers Africa to be a key continent with regard to international relations, security, the threat of China, and the persistent threat of violent non-state actors. To this end, the United States has engaged in extensive foreign aid programs across Africa for all of the years in this research scope.⁶⁵

I limit the scope of foreign assistance to data from 2001 through 2017, establishing a one-year lag time between my dependent and independent variables. This time span includes the following critical events: China's Go Global initiative; the establishment of the United States' Africa Command (AFRICOM) in 2007; the Bush and Obama presidencies; and the spread of Islamic State-affiliated franchises across Africa. It is important that the scope of my research contains the above events as they might serve as watershed moments in which geostrategic prioritization and foreign aid disbursements shifted.

57 Nick Turse, "U.S. Generals Worry About Rising Russian and Chinese Influence in Africa, Documents Show," *Intercept*, August 13, 2019.

58 David Shear, "Statement of David Shear Assistant Secretary of Defense for Asian and Pacific Security Affairs Before the Senate Committee on Foreign Relations," May 13, 2015.

59 Friedman.

60 Barack Obama, *The Audacity of Hope* (New York: Crown Publishers, 2006).

61 Robert Work, "Remarks by Defense Deputy Secretary Robert Work at the CNAS Inaugural National Security Forum," Center for a New American Security, 2015.

62 "The National Military Strategy of the United States of America," 2015.

63 "National Security Strategy," U.S. Department of Defense, 2017.

64 "National Consortium for the Study of Terrorism and Responses to Terrorism: Global Terrorism Database," University of Maryland, 2019; David L. Altheide, "Terrorism and the Politics of Fear," *Cultures of Fear* (2006): pp. 54-69; Austin M. Strange, Axel Dreher, Andreas Fuchs, Radley Parks, and Michael J. Tierney, "AidData's Chinese Official Finance to Africa Dataset, Version 1.1.1.," *William and Mary AidData* 61:5 (2017); "GDP (current US\$)," World Bank, 2017.

65 "United States Agency for International Development Foreign Aid Explorer."

To better examine the effects of some of the above historical developments, this paper produced two disaggregated models. The first disaggregated model compared foreign aid disbursements before and after the establishment of AFRICOM in 2007 because its establishment represented an increase in the securitization of U.S.-Africa relations. Therefore, I had expected terrorism to be a statistically significant predictor of foreign aid flows before 2007 and very much statistically significant after AFRICOM's establishment. I additionally produced a disaggregated model comparing the foreign aid disbursements of the Bush and Obama presidencies because their national security strategies were substantially different; President Bush focused his security policies on addressing terrorism, whereas President Obama's security strategies included an increased recognition of the threat of China. Therefore, I had expected terrorism to be a statistically significant predictor of foreign aid across both presidential administrations and Chinese investment to be a statistically significant predictor of foreign aid only under Obama's administration.

Drawing upon the precedent of Usama bin Ladin's 1998 Embassy Bombings, this paper utilizes a one-year lag time between the occurrence of a geostrategic event and the U.S. foreign assistance that ensues. A lag time is important for this research because there is delay between the events related to the dependent variables and the implementation of foreign aid programs. Although USAID disbursed \$50 million USD aid to Kenya and Tanzania in the five years following the bombings, merely months after the attacks U.S. policymakers began to allocate foreign assistance.⁶⁶

I use data from multiple reputable sources to test my hypothesis. For metrics regarding U.S. foreign assistance after 2001, I consult the USAID's Foreign Aid Explorer (FAE), which is a particularly reliable source for data on U.S. foreign assistance disbursements because the U.S. government produces it. As such, the units of analysis for this project are African country-year.

For geostrategic interests related to the Era of Threats from Violent Non-State Actors, I utilize data from the University of Maryland's National Consortium for the Study of Terrorism and Responses to Terrorism.⁶⁷ Specifically, I analyze the numbers of casualties per terrorist attack to represent the extent to which terrorism exists within an African country. The number of casualties is the sum of the number of persons killed and wounded in a particular attack. I selected casualties of terrorism rather than the number of terrorist attacks because the number of casualties better demonstrates the severity of terrorism within a country. For example, a country experiencing a high number of unsuccessful terrorist attacks with few victims does not have as great a threat of terrorism as a country that suffers fewer but highly devastating and lethal attacks.

For geostrategic interests related to the Era of Threats from Great Power Competition, I use AidData's Geocoded Global Chinese Official Finance, Version 1.1.1 and consider the sum of Chinese investments across all economic sectors for a given country-year. My research includes both data that AidData has characterized as ODA-like and OOF-like. I also use AEI's China Global Investment Tracker because AidData's dataset only captures data from 2000 through 2014. With regard to AEI's dataset, I include all categories of investment.

This research utilizes the above data in a time-series, cross-sectional design with linear regression and with country-year fixed effects. Such a design is ideal because this project encompasses multiple independent variables across multiple years and a continuous dependent variable: foreign assistance disbursements. I measure foreign aid in terms of the U.S. dollar, adjust the data for inflation, and perform a logarithmic transformation to ensure a consistent distribution of foreign assistance disbursements.

The many factors that determine foreign assistance distributions make it essential to account for multiple control variables.⁶⁸ First, states consider the economic need of receiving states when they disburse aid. Therefore, I control for a state's economic needs by making constant a state's GDP using the World Bank's GDP dataset.⁶⁹ To this end, I also control for a state's population.⁷⁰ Donors also disburse aid to serve their own economic and political interests,

66 Saade Abdallah, Rebekah Heinzen, and Gilbert Burnham, "Immediate and Long-Term Assistance Following the Bombing of the US Embassies in Kenya and Tanzania," *Disasters* 31:4 (2007): pp. 417-434.

67 University of Maryland, 2019.

68 Alesina and Dollar.

69 "GDP Dataset (Current US\$)," World Bank, 2017.

70 "Population, Total Dataset," World Bank, 2018b.

so I control for natural resource availability with WDI's natural resource rent dataset.⁷¹ Based on Bermeo's paper, I control for a state's U.N. voting pattern using historical voting records and its favorability for the United States and China.⁷² It is important to include controls for U.N. voting because the United States disburses aid to countries that vote in line with U.S. interests. Additionally, it is possible that the United States disburses aid to countries that vote in line with Chinese interests so as to provide them with a favorable incentive to adjust their voting habits. Donor states often consider the quality of governance in a receiving state, so I control for democracy scores with the Polity IV dataset.⁷³ Similarly, I control for a state's corruption levels using the WDI dataset on a state's estimated corruption.⁷⁴

Empirical Results

My empirical analysis suggests that neither casualties of terrorism nor Chinese investment are statistically significant predictors of U.S. foreign aid across my continental pan-Africa model as well as in disaggregated models, discussed below. As depicted in Table 1, my linear regression analysis of terrorism and Chinese investment in Africa, as well as my control variables, returned results that neither aforementioned geostrategic interest explains U.S. foreign aid to Africa in a statistically significant way.

Table 1: Continental Model of All African Countries from 2001-2017

	<i>Dependent variable:</i> U.S. Foreign Aid (Logged)
Casualties of Terrorism	-0.00005 (0.0002)
Chinese Investment (Logged)	0.007 (0.007)
Population (Logged)	1.331*** (0.066)
GDP	-0.248*** (0.063)
Natural Resource Rent	-0.010** (0.005)
Polity 2 Score	0.079*** (0.014)
U.S.-favorable U.N. Voting	-0.746*** (0.209)
China-favorable U.N. Voting	-0.663** (0.280)
Observations	487
R ²	0.623
Adjusted R ²	0.604
F Statistic	95.602*** (df = 8; 463)

Note: *p<0.1; **p<0.05; ***p<0.01

71 "Total Natural Resource Rents (% of GDP)," World Bank, 2018c.

72 Bermeo; Bailey, Strezhnev, and Voeten.

73 Monty G. Marshall and Ted Robert Gurr, "Polity IV Project," Polity IV Project: Home Page, 2013.

74 "Control of Corruption," World Bank, 2018a.

Given this finding, I produced disaggregated models of U.S. foreign aid to Africa, including U.S. foreign aid to Africa pre- and post-AFRICOM's establishment in 2007, and U.S. foreign aid to Africa delineated along the lines of Bush's and Obama's presidencies. None of these disaggregated models revealed any empirical, statistically significant relationship between terrorism and Chinese investment on U.S. foreign aid. Table 2 corresponds to pre-AFRICOM and post-AFRICOM findings; Table 3 corresponds to Bush's administration and Obama's administration.

Table 2: Pre-AFRICOM (1) and Post-AFRICOM (2)

	<i>Dependent variable:</i> U.S. Foreign Aid (Logged)	
	(1)	(2)
Casualties of Terrorism	0.0003 (0.003)	-0.0001 (0.0002)
Chinese Investment (Logged)	-0.005 (0.012)	0.014 (0.008)
Population (Logged)	1.234*** (0.116)	1.359*** (0.082)
GDP	-0.224* (0.115)	-0.249*** (0.075)
Natural Resource Rent	0.002 (0.010)	-0.015** (0.006)
Polity 2 Score	0.057** (0.025)	0.094*** (0.017)
U.S.-favorable U.N. Voting	-1.127** (0.447)	-0.580** (0.241)
China-favorable U.N. Voting	-0.734 (0.617)	-0.639** (0.319)
Observations	161	326
R ²	0.598	0.648
Adjusted R ²	0.565	0.628
F Statistic	27.482*** (df = 8; 148)	70.728*** (df = 8; 307)

Note: *p<0.1; **p<0.05; ***p<0.01

Table 3: Bush Administration (1) and Obama Administration (2)

	<i>Dependent variable:</i> U.S. Foreign Aid (Logged)	
	(1)	(2)
Casualties of Terrorism	0.0002 (0.001)	-0.0001 (0.0002)
Chinese Investment (Logged)	0.003 (0.010)	0.010 (0.009)
Population (Logged)	1.320*** (0.095)	1.320*** (0.094)
GDP	-0.267*** (0.092)	-0.216** (0.088)
Natural Resource Rent	-0.005 (0.008)	-0.017** (0.007)
Polity 2 Score	0.067*** (0.020)	0.097*** (0.019)
U.S.-favorable U.N. Voting	-0.966*** (0.320)	-0.509* (0.280)
China-favorable U.N. Voting	-0.664 (0.446)	-0.649* (0.359)
Observations	241	243
R ²	0.610	0.648
Adjusted R ²	0.586	0.625
F Statistic	44.148*** (df = 8; 226)	52.283*** (df = 8; 227)

Note: *p<0.1; **p<0.05; ***p<0.01

I believe that my results can be interpreted causally. As my models demonstrate empirically, a variety of the control variables that I selected were very statistically significant predictors of U.S. foreign aid to Africa, although terrorism and Chinese investment were not statistically significant. These findings reinforce Morgenthau's seminal contribution that political motivations propel foreign aid flows; however, my findings reveal that terrorism and Chinese investment are not among the geostrategic interests that empirically motivate foreign aid. In this sense, my causal mechanism of political representatives prioritizing counterterrorism over the threat of China might hold true in terms of political rhetoric and stated strategy, although not in empirical models of foreign aid flows.

Across the continental pan-Africa model as well as in disaggregated models, neither casualties from terrorism nor Chinese investment were statistically significant predictors of U.S. foreign aid, yet many of the control variables were. Factors like good governance, corruption, and U.N. voting record did, in fact, motivate U.S. foreign aid disbursements to African countries. While these factors are not explicit national security objectives, these variables are fundamental values in U.S. foreign policy. For one, the United States generally advocates for support to institutions and governments with respect for human rights and corruption-free leadership. Additionally, the United States has a long history of creating and maintaining alliances with other states, a pattern reflected in foreign aid disbursements on the basis of U.S.-favorable ideology at multinational institutions like the United Nations.

Population and natural resource rent were also potent motivators of U.S. foreign aid, which reveals a pragmatic element to aid disbursement decisions. Here, it appears that in foreign aid disbursements, the United States wanted to maximize a return on investment of sorts in how many people aid programs could reach per dollar spent. Aid disbursements motivated by natural resource rent were also pragmatic in that U.S. policymakers understand that

foreign aid can create economic opportunities in the energy sector.

I do not believe that my results have external validity to the foreign assistance patterns of other key donors. This is because the United States is in a unique geopolitical position in the Era of Threats from Great Power Competition. For example, France and Great Britain are both major players in the counterterrorism operations globally, yet these countries both do not consider China to be a major geopolitical threat to the extent that the United States does.

Conclusion

My research aimed to answer a question of the relative influence of violent non-state actors and the threat of China on U.S. foreign aid flows. Despite my initial hypothesis that between 2001-2017, casualties of terrorism more so than Chinese investment would motivate U.S. foreign aid disbursements to African states, my data demonstrated that neither of these geostrategic interests were statistically significant motivators of foreign aid. In this research, the empirical results did not match my hypothesis that terrorism would fuel foreign aid more so than instances of great power competition. Yet the critical assumptions of my theory, that the United States is a rational actor that must contend with limited resources and that political and international objectives motivate foreign aid, held true. It appears that the United States did carefully select recipients for its foreign aid programs based on geopolitical objectives, but that the motivators of foreign aid disbursements are more nebulous values than tangible security threats. For example, good governance, based on democracy and a lack of corruption, as well as geopolitically favorable ideology, based on U.N. voting records, are enduring American ideals in foreign policy. Therefore, foreign aid disbursements did reflect the United States' championing of good governance and alliances but did not reflect its stated security objectives.

I expect that my contributions will encourage policymakers to allocate foreign assistance resources to better match stated national security strategies. If the present pattern continues, in which nebulous values motivate foreign aid more so than tangible indicators of security and geostrategic objectives, foreign aid might not be efficacious. In this vein, policymakers may be interested in considering terrorism and Chinese investment data during future aid disbursements, given their stated security objectives. My paper will also contribute to the academic literature insofar as it fills the gap related to the relative importance of geostrategic interests that fuel foreign assistance. Moving forward, I hope to see whether my findings have external validity beyond Africa; Pakistan and Indonesia are powerful examples of states with high casualties from terrorism as well as Chinese investment.

Additionally, I plan to re-examine my findings when there is data available for foreign aid to Africa in response to COVID-19. The COVID-19 pandemic makes for circumstances especially worthy of research because the pandemic has obfuscated the delineation between the Era of Threats from Violent Non-State Actors and the Era of Threats from Great Power Competition; in this vein, COVID-19 is a geostrategic interest clearly in line with other non-state actor threats, yet it has also become a domain in which the United States and China are engaging Africa with newfound vigor. It is very possible that this pandemic is the watershed period in which ordinary citizens begin to pay more attention to the threat of China and the power of foreign aid to shape political narratives. If these changes take hold, perhaps the threat of China will more significantly motivate foreign aid than the threat of violent non-state actors.

Appendix**Table 4: Does Terrorism or Chinese Investment More Significantly Solicit Foreign Aid?**

	Dependent Variable: U.S. Foreign Aid (Logged)			
	cl. se		cl.se	
	(1)	(2)	(3)	(4)
Casualties of Terrorism	0.001*** (0.0003)	0.001*** (0.0004)	-0.00005 (0.0002)	-0.00005 (0.0001)
Chinese Investment (Logged)	0.058*** (0.010)	0.058*** (0.009)	0.007 (0.007)	0.007 (0.006)
Population			1.331*** (0.066)	1.331*** (0.044)
GDP			-0.248*** (0.063)	-0.248*** (0.030)
Natural Resource Rent			-0.010** (0.005)	-0.010*** (0.004)
Polity 2 Score			0.079*** (0.014)	0.079*** (0.009)
U.S.-favorable U.N. Voting			-0.746*** (0.209)	-0.746*** (0.146)
China-favorable U.N. Voting			-0.663** (0.280)	-0.663*** (0.165)
Observations	553	553	487	487
R ²	0.087	0.087	0.623	0.623
Adjusted R ²	0.056	0.056	0.604	0.604

*p<0.1; **p<0.05; ***p<0.01

Table 4: Does Terrorism or Chinese Investment More Significantly Solicit Foreign Aid?

Variable	Description	Source
Foreign Aid	This variable corresponds to US foreign assistance disbursements from USAID's Foreign Aid Explorer. Per the codebook, the variable corresponds to "any tangible or intangible item provided... to a foreign country or international organization... including but not limited to any training, service, or technical advice, any item of real, personal, or mixed property, any agricultural commodity, [and dollars]". Given the reliability of the FAE Database, I replaced any NAs with 0s in cleaning my data. The few NAs in the dataset included Libya from 2001-2003, South Sudan in 2001, 2002, 2004, and 2005, and Equatorial Guinea in 2001.	USAID (2019)
Chinese Investment	This variable represents all Official Development Assistance (ODA) and Other Official Flows (OOF) from 2000-2014, the extent of the data available. I fill in the gap from 2015-2017 with data from AEI's Global Chinese Investment Tracker and include all Chinese investment, including construction.	Strange et al. (2017), American Enterprise Institute and The Heritage Foundation (2019)
Terrorism	This variable corresponds to casualties of terrorism as documented in the University of Maryland's Global Terrorism Database. It is the sum of the number of persons killed and wounded in a given attack per country-year.	University of Maryland (2019)
GDP	This variable is "monetary value of all finished goods and services made within a country during a specific period"	USAID Foreign Aid Explorer (2019)
Population	This variable captures the number of persons in a given country-year.	The World Bank (2017)
Natural Resource Rent	This variable represents that percent of a GDP for a given nation's natural resource rent.	The World Bank (2018c)
Corruption	This variable is the estimated extent of corruption in a given country-year.	The World Bank (2018a)
Polity 2 Score	This variable represents the degree to which a given country is democratic.	Marshall and Gurr (2013)
U.N. Voting	This variable represents the extent to which a given country voted at the U.N. in a manner that is favorable to either the United States or China.	Bailey, Strezhnev and Voeten (2017)

Table 5: Summary Statistics

Statistic	N	Mean	St. Dev.	Min	Pctl(25)	Pctl(75)	Max
Country ISO ₃ N Code	913	457.769	250.246	12	231	694	894
Year	913	2,009.095	4.891	2,001	2,005	2,013	2,017
U.S. Foreign Aid (Logged)	911	18.375	2.262	10.677	17.133	19.944	22.878
Population	890	16.820	1.587	12.305	15.552	17.894	20.067
GDP	874	23.853	1.636	19.146	22.682	24.811	28.066
Natural Resource Rent	869	13.063	12.806	0.001	3.960	17.646	68.778
Casualties of Terrorism	913	94.273	377.639	0	0	13	5,758
Chinese Investment (Logged)	557	14.527	9.036	0.000	0.000	20.832	28.927
Polity 2 Score	856	1.883	5.190	-9.000	-3.000	6.000	10.000
U.S.-favorable U.N. Voting	863	-3.321	0.354	-4.713	-3.489	-3.112	-2.013
China-favorable U.N. Voting	863	-0.303	0.240	-1.624	-0.418	-0.121	-0.001