U.S. Foreign Aid and UN Voting: An Analysis of Important Issues

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Many previous studies assessed the effectiveness of U.S. foreign aid by focusing on voting coincidence rates of *all* UN votes and found no relationship between U.S. aid distribution and UN voting coincidence rates. Most UN resolutions, however, are simply not important enough for the U.S. to expend its scarce resources in influencing the outcomes. The U.S. government would not be likely to exercise pressure on all UN resolutions but would do so on issues considered vital to America's national interests. If there is any effect from receiving U.S. foreign aid on political outcomes in the UN, it is therefore most likely to emerge in voting coincidence rates on important issues. Using data collected for sixty-five developing countries between 1984 and 1993, a pooled cross-sectional and time-series research design is adopted to examine this hypothesis. Contrary to the argument that foreign aid is an ineffective policy instrument in the pursuit of America's global influence, the current findings suggest that the U.S. government has successfully utilized foreign aid programs to induce foreign policy compliance in the UN on issues that are vital to America's national interests.

The end of the Cold War has dramatically changed the structure of the international system, and the rules that have guided U.S. foreign policy for the past forty years are now obsolete. The urgency of balancing the federal budget fuels political anxieties at home, and "the public is motivated by a pervasive sense that domestic problems warrant the bulk of America's energies" (Haass, 1995:43). Thus U.S. foreign aid, considered an important foreign policy instrument during the Cold War era, has found itself under intensive scrutiny in recent years (Doherty, 1995).

Opponents of U.S. foreign assistance have questioned the effectiveness of these programs in promoting U.S. national interests and have pointed out that recipients of U.S. aid have often been short on gratitude. A report from the Heritage Foundation, a conservative think tank in Washington, has suggested that 74 percent of the recipient countries voted against the U.S. a majority of the time in the United Nations in 1994.[1] On these grounds, U.S. foreign aid is viewed as largely ineffective in winning friends in the international arena.

The Clinton administration strongly opposes deep cuts in the budget for international affairs. In so doing, it has argued that foreign assistance remains an important instrument of American foreign policy through which the U.S. can exert

[1] *The Christian Science Monitor*, May 5, 1995, pp. 1, 5.

important political influence in international affairs. In his defense of the 1995 foreign affairs budget Secretary of State Warren Christopher contended that "[w]e will not be able to protect our interests as the world's most powerful nation if we do not marshal the resources to stand by our commitments." Thus, he added, "[o]ur foreign policy cannot be supported on the cheap" (Christopher, 1995:285).

The concern over the effectiveness of foreign aid in influencing recipient countries' UN voting behavior is not new. Deeply troubled by the erosion of support for the U.S. in the UN, the Reagan administration ordered an evaluation of the U.S. role in multilateral agencies in the early 1980s and started to monitor recipient nations' foreign policy behavior. When Congress authorized the president through Public Laws 98–164 and 99–190 to withhold aid from countries that regularly cast votes against U.S. positions in the UN, Reagan's attempt to establish a linkage between foreign aid allocations and UN voting was finally realized (Kegley and Hook, 1991).

How effective is foreign aid as an instrument to enhance U.S. influence in the UN? Has the increase or decrease of foreign aid successfully strengthened UN voting coincidence rates with U.S. positions? This research note attempts to answer these questions empirically by examining the relationship between political outcomes in the General Assembly of the UN, as represented by roll-call voting coincident with the U.S. position, and American foreign aid allocations. Using an "important issues" approach, this study tests the hypothesis that *on issues deemed important by the U.S. government, recipient countries are more likely to exhibit UN voting consistent with the U.S. position as the amount of American foreign aid gets larger*. Based on data availability, a pooled cross-sectional and time-series research design will be adopted to examine data collected for sixty-five developing countries between 1984 and 1993.

Aid and UN Voting Coincidence

The political controversy over U.S. foreign aid has rekindled the long-standing academic debate on the effectiveness of these programs. Thirty years ago Keohane (1966) noted that "[c]ertain states in the Assembly are very susceptible to bilateral pressure, no matter how subtle its application may be. The more dependent a state is on a great power for trade, aid, or protection, the more responsive it is likely to be to pressure." He continued, "Threats of retaliation of one sort or another—reducing foreign aid, for example—usually need not be made explicit. Often it is sufficient that the smaller state is aware that 'Big Brother' is watching" (p. 19). Similarly, Black (1968) has pointed out that "[t]he basic, long-range goal of foreign aid is political" (p. 18). "While UN votes may not, and should not, be a primary determinant in aid decisions, it is reasonable to assert that they cannot be ignored" (p.19).

The above observation on the presumed linkage between U.S. foreign aid and UN voting became a working hypothesis for many studies but the empirical findings were inconsistent. Some studies concluded that U.S. aid was effective in inducing recipient nations to support U.S. policies (Bernstein and Alpert, 1971; Rai, 1972, 1980; Wittkopf, 1973), while others suggest that there was no direct linkage between the two (Kato, 1969; Kegley and Hook, 1991; Sexton and Decker, 1992).

While different findings have been registered, most of the studies share two important similarities. First of all, a review of the literature suggests that the time period covered by many studies is rather brief with some studies employing only two data points (Wittkopf, 1973; Sexton and Decker, 1992).[2] Even if a longer time period is included, the statistical analysis usually involves simple bivariate

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[2] The study by Kegley and Hook (1991) is an exception, which employs 8 data points in its analysis.

correlations/regression techniques rather than a time-series analysis (Rai, 1972, 1980; Wittkopf, 1973). Given these methodological insufficiencies, it would be difficult, if not impossible, to observe a general trend in the relationship between U.S. foreign aid and UN voting patterns. Various time periods were adopted by each study and this could explain the different findings in the literature if the effect of foreign aid varies over time.

Furthermore, with the exception of Bernstein and Alpert, 1971, the findings of previous studies are based on voting records of *all* UN resolutions without paying specific attention to "important" issues, i.e., issues considered vital by the U.S. government to its national interests. Two reasons suggest that the assessment of U.S. foreign aid programs based on all UN resolutions is neither theoretically meaningful nor substantively interesting. First, as Keohane (1966) suggested, "[m]ost decisions of the General Assembly . . . are not important enough to United States interests for it to threaten convincingly to alter the level of aid or support that it is giving. . . . The costs of exercising pressure therefore tend to be too high for the marginal gains, particularly in view of the resentment and long-run antagonism that pressure can produce." Thus, he concluded, "[i]t is only on *very important issues* . . . that bilateral pressure becomes worthwhile for the great powers" (p. 20, emphasis added). Similarly, while recognizing the linkage between aid and UN voting pattern, Black also added that "[t]he State Department . . . places high value on the employment of foreign aid . . . to swing *critical votes*" in the UN (1968:19, emphasis added). Given this reasoning, we can safely assume that the U.S. government would not be likely to exercise pressure for all UN resolutions but would do so on issues considered vital to America's national interests. If there is any effect from receiving U.S. foreign aid on political outcomes in the UN, it is most likely to emerge in voting coincidence rates on important issues.

An analysis of the voting record of sixty-five developing countries included in this study also reveals that the average coincidence rate on all UN resolutions has been about 19 percent for the period 1984–1993. Even at its peak in 1993 the average rate was only 28 percent. As for individual countries, Israel is the only nation to have displayed strong political support for U.S. positions on all issues, with an average of 89 percent agreement during the ten-year period.[3] Forty-six of the sixty-five countries (or 71 percent) have an average overall coincidence rate below 20 percent. With this low coincidence rate on all UN resolutions, even a statistically significant finding between aid and coincidence rates may not have substantive meaning for critics regarding the effectiveness of U.S. foreign aid programs. By contrast, the voting coincidence rate on important issues is considerably higher, with an annual average of 55 percent during 1984–93. Forty-three of the sixty-five countries (or 66 percent) have supported U.S. positions a majority of the time on important issues. This suggests that recipient countries tend to be more sensitive to U.S. positions on issues deemed vital to America's national interests. The sheer difference between the two coincidence rates suggests that the emphasis on important issues is substantively the most interesting.

To provide a descriptive analysis of the issue, Table 1 shows the 116 issues considered important by Washington from 1984 to 1993, or from the thirty-ninth to the forty-eighth UN General Assembly. According to the nature of the issue, they can be roughly classified into ten categories: Middle Eastern peace, foreign intervention, human rights, nuclear weapons, UN budget and organization, North–South relations, chemical and biological weapons, peace in Bosnia and Herzegovina, apartheid in South Africa, and other issues.[4] As Table 1 shows, almost

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[3] Costa Rica is ranked second highest with an average overall coincidence rate of 28.05 percent.

[4] For instance, the calls for a withdrawal of foreign forces from Kampuchea, from Afghanistan, or for an end to foreign military assistance to El Salvador are considered foreign intervention issues; questions on Israeli delegation's

TABLE 1. Issues Deemed Important by the U.S. in the UN General Assembly, 1984–1993

Year	Mideast Peace	Foreign Intervention	Human Rights	Nuclear Weapons	UN Budget & Org.	N–S Relations	Chemical Weapons	Peace in Bosnia	Apartheid	Other	Total
1984	3	3	0	0	1	0	1	0	1	1	10
1985	2	3	2	0	1	0	1	0	0	1	10
1986	2	4	1	0	1	0	1	0	0	1	10
1987	2	3	2	0	1	0	0	0	1	1	10
1988	2	3	1	0	1	1	0	0	0	2	10
1989	5	4	0	4	1	0	0	0	0	2	16
1990	4	0	1	2	0	0	0	0	0	2	9
1991	6	0	1	2	0	1	0	0	0	2	12
1992	4	1	4	3	0	1	0	2	0	1	16
1993	4	1	4	1	0	1	0	1	0	1	13
Total	34	22	16	12	6	4	3	3	2	14	116

half of these important issues were Mideast peace or foreign intervention related, which are followed by human rights or nuclear weapon related issues. In fact, many of these issues were repeatedly raised in the UN General Assembly. For instance, during the ten-year period from 1984 to 1993, each of the calls for a withdrawal of foreign forces from Kampuchea and from Afghanistan was raised five times in the UN General Assembly and resolutions on ending nuclear test explosions were passed three times, while the question on the Israeli delegation's credentials has been voted on six times in a row since 1984. The consistency of the U.S. position[5] and the similarity of vote divisions on these issues suggest that the past UN voting pattern is the best predictor of the current or the future voting pattern in the General Assembly.

Figure 1 further displays the general trends of U.S. aid appropriations and UN voting patterns on important issues. It shows that the aggregate level of total U.S. aid fluctuated over the period 1984–93. The total U.S. assistance increased from $6.5 billion in 1984 to a high of $8.2 billion in 1985 before it dropped to $6.8 billion in 1989. According to Kegley and Hook (1991), the reduction in aid allocations since 1986 was in part a direct result of Reagan's linkage policy which tied aid allocations to recipient countries' foreign policy behavior. U.S. foreign aid programs experienced a short-lived expansion during 1989–91 when the Bush administration sought to promote new foreign policy initiatives, but then immediately suffered from repeated cutbacks in the 1990s.

The voting coincidence rates on important issues, as recorded by the State Department (various years), display a similar trend since they fell as the amount of aid fell and they ascended when aid rose. Specifically, the average coincidence rates dropped from 57.6 percent in 1986 to a recorded low of 21.5 percent in 1989 when aggregate U.S. aid declined by 17 percent during the same period. When Congress increased the total foreign aid allocation during 1989–91, the coincidence rates started to rise. It appears that there is a correlated pattern of change between foreign aid appropriation and the UN voting coincidence rates on important issues. The question is whether this apparent relationship between aid and coincidence percentages is real or spurious.

A Pooled Model of UN Voting Coincidence

In order to accurately assess the effect of U.S. foreign aid on voting patterns in the UN, a pooled cross-sectional and time-series research design is employed to analyze data collected for sixty-five countries for the period 1984–93. The dependent variable, *important voting coincidence rates*, is assessed by two indicators: the State Department measure and the alternative measure. The former is taken directly from the State Department publications (various years) which list the voting percentages of each member state on General Assembly resolutions regarded as "important" by the U.S. government. However, the State Department measure excludes abstentions and absences and uses only votes on which both the U.S. and the other country in question voted "Yes" or "No." This measurement approach necessarily increases the magnitude of coincidence rate as the denominator of the equation in calculating the coincidence rate is smaller than it would be if abstentions and absences were

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credentials, Palestine refugees, or Israeli occupation of Golan Heights are classified as Middle Eastern peace issues; resolutions on the limited Test Ban Treaty or arms race in outer space are nuclear weapons related matters; concerns over human rights in Iran, Iraq, or Sudan are human rights related issues; while resolutions commending the electoral assistance provided by the UN, or encouraging the development of entrepreneurship in all countries, are classified as other issues.

[5] For instance, the U.S. position has been to affirm the Israeli delegation's credentials in the UN General Assembly but oppose any resolution on the call for a Comprehensive Nuclear Test Ban Treaty.
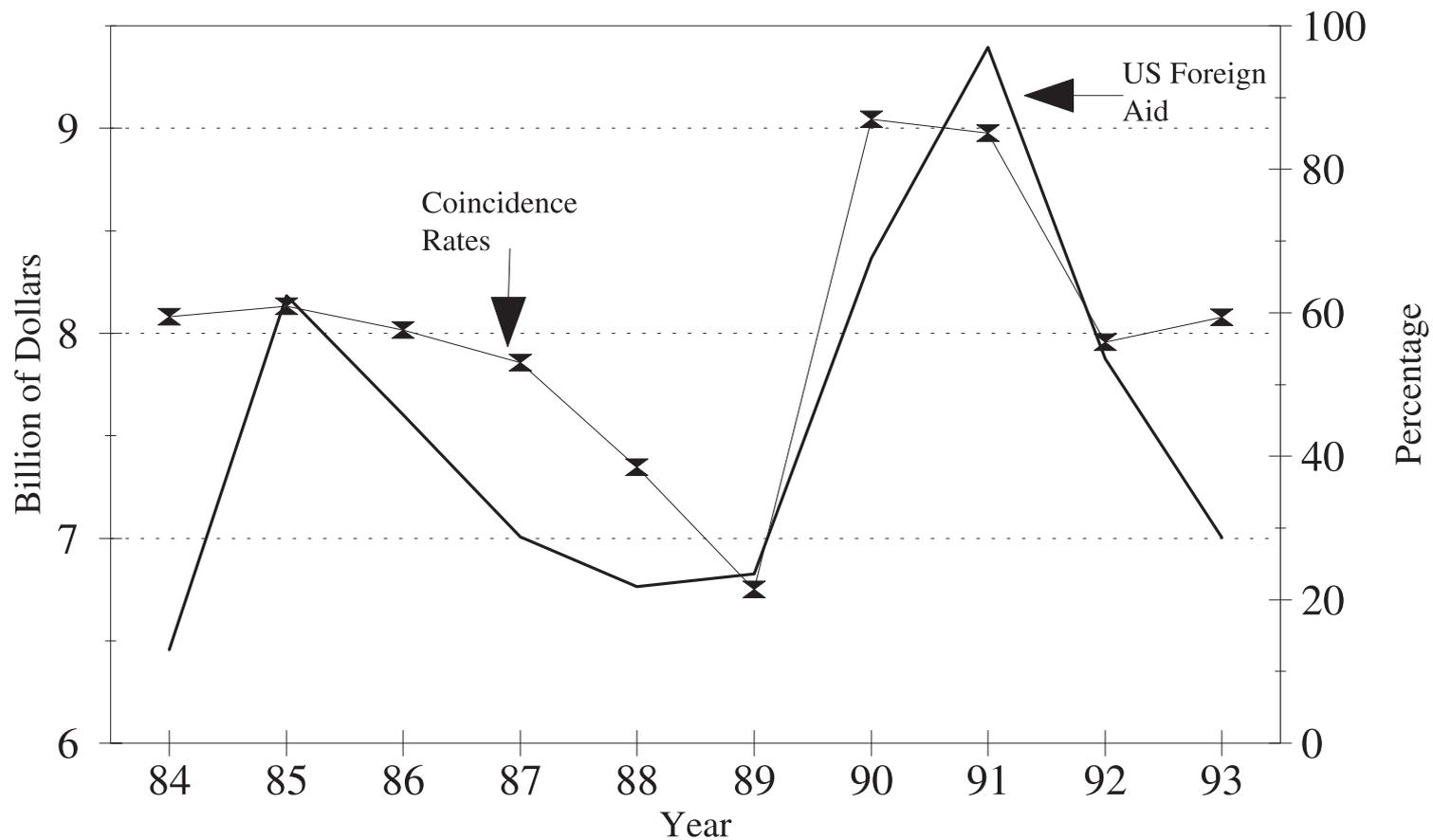
FIG 1. U.S. foreign aid and UN voting coincidence rates (N=65): 1984–1993. *Data source: State Department, 1985–94. The Report to Congress on Voting Practices in the United Nations; OECD (1987, 1991, 1994). Geographic Distribution of Financial Flows to Developing Countries.*

included. An alternative approach is to define voting coincidence as those votes where both the U.S. and the other country took the same position and which treats their differences, including abstentions and absences, as opposite votes.[6] This alternative measurement assumes that only active agreement in policy position between the U.S. and a country in question is to be considered as voting coincidence and therefore it is more conservative than the one reported by the State Department. To examine whether the difference in measurement would affect the general conclusion about the effect of foreign aid on UN voting patterns, the data will be analyzed first using the State Department measure and then the alternative measure as indicators for the dependent variable. Because there is consistency of UN voting patterns, in each analysis a lagged dependent variable (*LagVotes*) is included as a control variable.

The key independent variable, U.S. aid dependence (*USAid)*, is also measured by two indicators. The first indicator, *the level of U.S. aid dependence*, is measured by the annual amount of U.S. foreign aid as a proportion of the total aid received by a recipient country. This measurement assesses the extent to which a country relies on the U.S. for its development assistance. Because it is unreasonable to expect the relationship between foreign aid and voting coincidence rates to change simultaneously, it is necessary to introduce a time lag (at *T-1*). Data for the level of U.S. aid dependence are thus collected from 1983 to 1992. The second indicator, *the change of U.S. aid dependence*, is measured by the difference between levels of aid dependence at *T-1* and *T-2*. This indicator attempts to assess the effectiveness of increasing (or decreasing) aid by the U.S. government as an instrument of inducing compliant behavior in the UN. Data for the two indicators on aid dependence are taken from OECD publications (various years) which provide a comprehensive presentation of external financial resources, including grants and loans, on economic development to individual developing countries.

Because changes in voting congruence are not only a function of the amount of U.S. aid received, five other independent variables are introduced. First of all, it is important to note that bilateral aid is not the only instrument used by the U.S. to induce foreign policy compliance of other countries. The American government has frequently used contributions to multilateral assistance programs in the pursuit of its global influence (McNeill, 1981; Sanford, 1982). To tap American influence on UN voting through multilateral agencies two indicators are also included to assess multilateral aid dependence (*MultiAid)*. Following the above measurement scheme of U.S. aid dependence, the first indicator, *the level of multilateral aid dependence*, is measured by the annual amount of multilateral aid as a percentage of the total aid received by a recipient country, with one-year time lag introduced (at *T-1*) from 1983 to 1992. The second indicator, *the change of multilateral aid dependence*, is measured by the difference between levels of multilateral aid dependence at *T-1* and *T-2*. Data are also taken from publications of OECD (various years).

Recent studies suggest that democracies rarely have wars with each other because "the political bonds of liberal rights and interests have proven a remarkably firm foundation" for democratic states (Doyle, 1986:1162).[7] Extending this argument, one may expect that a more democratic developing country would tend to share such principles as free speech, private property, elected representation, and other political interests with the U.S. It is thus hypothesized that developing countries with higher levels of democracy would vote more frequently with the U.S. in the UN General Assembly than less democratic countries. To tap the level of democracy,

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[6] For instance, for the sixteen important issues in 1992 Chad's votes had 5 identical votes and 5 opposite votes with the U.S. position while it also had 2 abstentions and 4 absences. The coincidence rate as reported by the State Department is 50 percent (=5/10), but the alternative measurement yields 31.25 percent (=5/16).

[7] For a debate on democratic peace theory see Russett, Layne, Spiro, and Doyle, 1995.

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Gastil's annual combined rating on his 7-point rank-order scales of political rights and civil liberties are used (Gastil, various years; McColm, various years).[8] A more democratic country (*democracy*) is operationally defined as one with a rank order less than the mean value of 8.7 and is coded as 1, while a less democratic country is coded as 0 and has a rank order larger than the mean value of 8.7.

The inclusion of *military strength* and *the level of economic development* is based on the theoretical expectation that a militarily and economically strong nation would be more likely to show foreign policy defiance. These nations may thus show different voting patterns from countries that are economically and militarily weak. The level of economic development is measured by GNP per capita *(GNPPC)*, and military strength is measured by the size of the military per 1,000 people *(military)*. Data for military strength and level of economic development are taken from USACDA (1995). Finally, while scholars are actively debating the nature of the post–Cold War international system, there is a general consensus that the break-up of the Soviet Union in 1991 marked a dramatic change in the international power structure (Nye, 1992; Kegley, 1993; Volgy and Imwalle, 1995). Developing countries may be more sensitive to Washington's positions on important issues as the U.S. becomes the only superpower in the post–Cold War era. A dummy variable, *the break-up of the former Soviet Union (D91)*, is created to mark the event, with observations scored 0 before 1991 and 1 for observations on and after 1991.[9] The pooled model is written as

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\begin{aligned}
\textit{Important Voting Coincidence} &= \alpha + \beta_1 \, \textit{D91} + \beta_2 \, \textit{Lag Votes} + \beta_3 \, \textit{USAid (level)} \\
\textit{Rates} \quad &+ \beta_4 \, \textit{USAid(change)} + \beta_5 \, \textit{Multiaid (level)} + \beta_6 \, \textit{Multiaid (change)} \\
&+ \beta_7 \, \textit{Democracy} + \beta_8 \, \textit{Military} + \beta_9 \, \textit{GNPPC} + \varepsilon_{ij}. \quad \textbf{(1)}
\end{aligned}
$$

Assuming that the break-up of the Soviet Union has a gradual and continuous effect on the international power structure, β_1 of equation (1) is estimated by the Box-Tiao first-order transfer function as $\dfrac{\varpi_0}{(1-\delta_1 B)} D91$, where B is the backshift operator such that $BX_t = X_{t-1}$ and $\dfrac{\varpi_0}{(1-\delta_1 B)}$ models the dynamics of change (Box and Tiao, 1975; McCleary and Hay, 1980:154ff).

Findings

Table 2 displays the findings. Panel 1 lists results using the State Department measure of important voting coincidence rates, while the results of Panel 2 are based on the employment of the alternative measure as the dependent variable.[10] A glance

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[8] Another common source for the measurement of democracy level comes from the Polity III data (Jaggers and Gurr, 1996). However, sixteen out of the sixty-five countries included in this study (or more than one fourth of the countries) of the Polity III data have at least one year missing value on the relevant variable (DEMOC), while Gastil's data have no missing values at all. I have therefore decided to use Gastil's data.

[9] A more dynamic measurement of the influence of the former Soviet Union in the UN is the volume of Soviet foreign aid to developing countries. Such data are not available on a time-series basis.

[10] Pindyck and Rubinfeld (1991:226) have recommended an F-test to test the presence of unit effects in a pooled data:

$$
F_{N+T-2,NT-N-T} = \frac{(ESS_1 - ESS_2)/(N+T-2)}{(ESS_2)/(NT-N-T)} \quad \textbf{(2)}
$$

where ESS[1] and ESS[2] are the error sum of squares using the ordinary least squares regression (OLS) and the least squares with dummy variables (LSDV) models. The F-test is used to test the null hypothesis that there are no significant unit

at the table suggests that findings from both equations are almost identical, which indicates the robustness of empirical results.[11] First of all, the statistically significant lagged important votes confirm the previous observation that the past voting pattern is the best predictor of the current or the future voting pattern in the UN. Countries which voted with or against the U.S. position on an issue tend to take the same stand if the issue comes up for a vote again.

As hypothesized, the break-up of the Soviet Union does have an effect on international power structure as coefficients for both ϖ_0 and δ_1 are statistically significant. The linear intervention coefficient ϖ_0 is usually interpreted as the intervention impact at its onset and δ_1 as the rate of dynamic growth to a new equilibrium level. The intervention model suggests a rise of 16 and 8 average percentage points in the State Department measure and the alternative measure, respectively, immediately after the break-up of the former Soviet Union. Such an impact approaches an eventual equilibrium level about 8 and 4 percentage points higher than that prior to the collapse of the Soviet Empire. In other words, while developing countries have tended to be more sensitive to issues deemed important by Washington, this tendency has become even stronger in the post–Cold War era. The question is whether such an effect is permanent. Unfortunately, the short postintervention series prevents us from generalizing beyond available data.[12] As the answer to this question may help clear the debate on unipolar vs. multipolar international system in the post-Cold War era (Nye, 1992), it is an important research question for future studies.

Turning to the issue of aid dependence, neither of the two coefficients of the level of U.S. aid dependence *(USAid, level)* in panels 1 and 2 is statistically significant, but both measures assessing the effects of the change of aid dependence *(USAid, change)* bear positive and significant results. This finding suggests that a country's voting coincidence with America's position is not a response to how much aid it has already acquired from the U.S. Instead, foreign policy compliance is exhibited in the UN when Washington convincingly alters the level of aid as a reward or a punishment. Indeed, during the ten-year period from 1984 to 1993, the U.S. government has successfully induced recipient countries into supporting its positions in the General Assembly on important issues by manipulating the level of foreign aid.

For the measures assessing multilateral aid dependence, only the change of multilateral aid dependence *(MultiAid, change)* is statistically significant in Panel 1. As discussed previously, Panel 2 uses a more conservative measure for the dependent variable. The statistically significant coefficient of *MultiAid (change)* in Panel 1 may be an artifact of an overboosted measurement by the State Department. The effect of multilateral aid dependence on the UN voting pattern is thus in doubt. Finally, none of the three measures of *democracy*, *military*, and *GNPPC* is statistically significant, which rejects the hypothesis that a developing country's democratic level, military strength, and economic well-being are relevant factors in explaining its important voting coincidence rates in the General Assembly.

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effects. The diagnostic information indicates the existence of unit-specific effects for Panel 1 and 2 as both F-tests are statistically significant at .05 level (F=1.67 and 1.4, respectively). Since pooled autocorrelations for the first five lags are rather small for both panels (.14, –.20, –.04, .13, .18 and .11, -.06, -.03, .00, .15), the LSDV specification is adopted for statistical estimation so that unit-specific effects can be controlled (Stimson, 1985).

[11] The square root of the variance inflation factor (VIF) is used in this study to test multicollinearity, where $VIF_j = 1/(1 - R^2_j)$ (Fox, 1991). None of the square roots of the VIFs is greater than 2 in this study. Thus, it is concluded that multicollinearity is not a problem.

[12] Please note that the values of the dynamic growth parameter δ_1 are quite large even though they are still within the bounds of system stability. It implies that the post–Cold War international system is changing at a nearly constant rate. Readers should be cautious about such an interpretation because, as McCleary and Hay (1980) suggested, an impact of this sort may occur due to a short postintervention time-series segment.

TABLE 2. UN Voting Coincidence Rates on Important Issues
and US Foreign Aid (LSDV Specification)

Dependent Variable	State Department Measure (1)	Alternative Measure (2)
Lagged Important Votes (*t*-1) *(LagVotes)*	.18**	.28**
	(.04)	(.04)
Breakup of Soviet Union *(D91)* (ϖ_0)	.16**	.08**
	(.03)	(.02)
Dynamic Growth Parameter (δ_1)	−.90**	−.97**
	(.17)	(.21)
Level of U.S. Aid Dependence *(USAid, level)*	−.06	.09
	(.17)	(.11)
Change of U.S. Aid Dependence *(USAid, change)*	.31*	.21*
	(.14)	(.09)
Level of Multilateral Aid Dependence *(MultiAid, level)*	−.23	−.02
	(.15)	(.10)
Change of Multilateral Aid Dependence *(MultiAid, change)*	.31*	.13
	(.15)	(.09)
More Democratic Country *(Democracy)*	.04	.02
	(.03)	(.02)
Military Strength *(Military)*	−.009	−.004
	(.005)	(.003)
Level of Economic Development *(GNPPC)*	−.00001	.00001
	(.00001)	(.00001)
R^2	.44	.55
Estimated equilibrium level $\varpi_0 / (1 − \delta_1)$	.08	.04
N	650	650

* p < .05; ** < .01, two-tailed test
Standard errors are in parentheses.
Unit effects coefficients for the LSDV specification are omitted to save space.

Conclusions

Contrary to the argument that foreign aid is an ineffective policy instrument in the pursuit of America's global influence, the current findings suggest that the U.S. government has successfully utilized foreign aid programs to induce foreign policy compliance in the UN on issues that are vital to America's national interests. Such policy compliance did not come as a result of how much aid a developing country has already acquired from the U.S. but of Washington's manipulation of the level of foreign aid as a reward for political deference or a punishment for political defiance. Although the UN voting pattern was only one of many factors influencing U.S. foreign aid appropriations, Washington has spent considerable time during the past decade trying to establish a linkage between aid allocations and UN voting coincidence rates. The linkage policy established during the Reagan administration, in conjunction with subsequent manipulation of aid allocations, has sent a strong signal to recipient countries: vote in the UN according to U.S. positions or run the risk of losing aid. Indeed, the repeated cutbacks in foreign aid in recent years may actually have made the marginal utility of each remaining dollar higher and thus would have made compliance even more likely. The prospect of suffering economic sanctions for political defiance on issues that are considered vital by the U.S. government may help to explain the association between U.S. aid and coincidence rates of important voting in the UN.

This analysis also demonstrates that it is unreasonable to focus on voting coincidence rates of all UN votes when the effectiveness of U.S. foreign aid programs is assessed. Most UN resolutions simply are not important enough for the U.S. to apply its precious resources influencing the outcomes. As previous quotes from Keohane (1966) suggest, the costs of repeatedly exercising pressure would be too high for marginal gains and would invite resentment and antagonism over the long run. Empirical evidence, as demonstrated by low voting coincidence rates on all UN resolutions, seems to suggest that leaders of recipient countries also understand this logic. They tend to be more likely to submit their political deference to American positions when issues are important to the U.S. government because they know that "Big Brother" is watching.

Finally, the sense that domestic programs should come first during the post–Cold War era is certainly prevalent in American society in recent years. Such a pervasive sense places considerable limitations on the employment of foreign aid programs as a policy instrument. However, while the break-up of the Soviet Union has indeed changed the international power structure, it has not made the U.S. a hegemon which can use its military might indiscriminately to demand political deference from all other nations. Thus Congress, the president, and the American people need to recognize that "economic statecraft" (Baldwin, 1985) is even more important in the current international system. By skillfully manipulating the level of foreign aid, the U.S. can effectively pursue its global influence in the post–Cold War era.

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