

# Democracy, Human Rights, and Development Assistance for Education: The USAID and World Bank in Latin America and the Caribbean.

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**Education projects in Latin America and the Caribbean have received funding from the World Bank and the United States Agency for International Development (USAID) in different manners based upon the democratic operations of each government. Most of the World Bank's allocations went to countries that had low ratings in the human rights and democratic government arenas while the opposite was true for USAID.**

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## I. Introduction

Interest in the process of introducing, renewing, and advancing the institutions and practices of democracy has attracted considerable attention to the countries of Latin America and the Caribbean. Democratization in this region is taking place in a unique historical context. In this context democratization processes have appeared before, only to give way to renewed cycles of authoritarian rule in a process of democratic breakdown. Mitchell Seligson has labeled this recognized oscillation of 20-year cycles of alternating democracy and authoritarian rule in the region as the "pendular pattern" of democratization.(1)

Scholars have held that the historical lack of stability of democratic regimes in the region has a variety of causes. A frequently cited cause is that the process of democratization has rarely been completed. These scholars affirm that democracy in this region has only infrequently meant true pluralism and popular participation in the political process.(2)

Research on democratization seeks to account for the factors that help explain the transition to democracy from some other form of government. Education has been one of the most commonly cited prerequisites for democracy. Empirical inquiry into the process of democratization has attempted to construct models that account for the role of educational expansion in democratization. This work includes the seminal research of Seymour Martin Lipset that used education as a structural prerequisite for democracy.(3) It also includes the efforts of researchers such as Seligson, who identified, for example, threshold values for literacy rates below which democracy is considered unlikely to arise.(4) These efforts have all pointed to the significant role played by education in contributing to the array of social and political conditions conducive to democratization.

Beyond the existence of obvious political features such as multiparty systems, separation of powers, and peaceful succession, a defining feature of democracy is considered to be respect for individual human rights. The acknowledgment of this trait as central to democracy has resulted as a consequence of recognizing that toleration of political opposition is a primary characteristic of democratic regimes.(5) This characteristic is particularly important in Latin America and the Caribbean, where repression and political terror have existed across a variety of regime types. In fact, it may be argued that the visibility of human rights abuses in this region contributed to the centrality of the preoccupation with human rights in modern discourse on democracy.

The relationship between development aid and the political and social circumstances of recipient states is also of interest. Many writers have argued that the foreign policy agenda of the United States is manifested in both bilateral and multilateral development agencies.(6) They have long claimed that this agenda supports repressive governments sympathetic to what Fernando Cardoso and Enzo Falletto called the "comprador elites"--the elites that serve the purpose of assuring the economic dependency of less developed countries.(7) This is an instantiation of the "donor self-interest" theory, which holds that nations do not provide development assistance motivated by altruism, but that they do so to derive economic, political, or military benefit for themselves.(8) A variation of this theory is particularly common in studies of foreign aid in Latin America and the Caribbean. This variation is what might be termed the "U.S. power-projection" theory of development assistance. The theory claims that the United States has historically obtained more commercial, political, and military benefits from association with repressive regimes than from other types of regimes. This and other models of development assistance have not been subjected to empirical study that tests for the case of assistance to education.

## Democracy, Human Rights, and Development Assistance for Education: The USAID and World Bank in Latin America and the Caribbean.

Many researchers have studied development assistance in multivariate analyses. Their interest has most often lain in development aid considered as a whole--few of these studies disaggregated the data to consider different types of assistance. Thus, these studies analyzed data on assistance for education, health, transportation, and so forth as a single unit, sometimes not even differentiating these data according to donor agency.

Research on development assistance from the United States considered in this way has uncovered both positive and negative relationships between the repression of civil or political freedoms and the allocation of foreign assistance. Still other studies reveal no evidence that the human rights practices of recipient nations are at all related to the allocations of U.S. foreign aid.(9)

An avowed purpose of the United States Agency for International Development (USAID) is to strengthen democracy and the respect for individual human rights, a role central to its mission from the agency's inception.(10) The charter of the World Bank does not contain similar goals.(11) It simply states that the overall objective of this organization is to raise standards of living in developing countries. The World Bank traditionally has regarded such standards of living almost exclusively in terms of economic criteria.

Although the stated policy of the World Bank seems to suggest that its loans and credits should be unrelated to noneconomic characteristics of recipient nations, multivariate studies have revealed that such relationships do exist. Yasushi Hirosato explained swings in World Bank lending practices as fluctuations in the relative importance of various priorities, among them criteria that are not strictly economic, such as considerations of social equity.(12) Before Hirosato, Haifa Al-Sharbaty presented some evidence of the use of noneconomic criteria in World Bank funding decisions, particularly the degree of social tension.(13)

However, a shortcoming of most multivariate studies of the allocation of development assistance is that no attempt is made to differentiate assistance according to the type of project or the particular sector that it is intended to benefit. This is done without considering the possibility that processes of granting or using assistance may vary according to the sectors involved. Focusing scholarship on distinct types of development assistance may uncover the different roles assistance has played in the various sectors of recipient countries.

Development assistance for education is an important component of the study of the development of educational systems in Latin America and the Caribbean. Many bilateral and multilateral agencies have provided resources for the design and implementation of educational projects in the region, and policy makers in these countries have striven to attract these resources. As a result, scholars such as John Meyer claim that development assistance is an important reason for the expansion of schooling.(14) Understanding how agencies distribute development assistance for education to countries with different endogenous characteristics is essential for our comprehension of how international assistance for education may help promote democratization and increased respect for human rights.

The particular features of the history of democratization and human rights in Latin America and the Caribbean distinguish it from other parts of the world. Researchers have determined that education has played an important role in the rise of democracy in this region.(15) There is also evidence that development assistance has exerted significant influence on the development of educational systems. Therefore, an investigation of the relationship between the manner in which development assistance is allocated to education and the democracy and human rights characteristics of recipient states would be a valuable contribution. This article pursues such an inquiry by addressing the question, How have the allocations of development assistance to education by the USAID and the World Bank been related to the democracy and human rights practices of recipient states in Latin America and the Caribbean?

### II. The Data

#### Education Project Aid

This study compiles and analyzes data on aid to education in Latin America and the Caribbean allocated by the USAID and the World Bank from 1972 to 1987. It includes all loans and grants that the USAID and the World Bank have awarded countries in this region to assist education projects during this period.(16) The data are a subset of a data set collected as part of an ongoing research project that investigates the role of bilateral and multilateral assistance in the development of

## Democracy, Human Rights, and Development Assistance for Education: The USAID and World Bank in Latin America and the Caribbean.

educational systems in the region.(17)

Data on education project assistance by the USAID were collected from the USAID Development Information Center in Washington, D.C., and data on loans and credits of the World Bank are from published compendia of development credit and loan agreements. I examined all project descriptions for assisted projects in the Latin American and Caribbean region for the period under study. Projects that could be identified as being directed toward the education sector of the recipient country, regardless of whether or not they were officially designated as "education" projects by the assistance agency, were included in the analyses reported here. This results in a data set representing 247 projects (see table 1).(18)

TABLE 1

NUMBER OF EDUCATION PROJECTS AWARDED ASSISTANCE BY THE USAID AND WORLD BANK ACCORDING TO RECIPIENT COUNTRY, 1972-87

| Country            | USAID | World Bank |
|--------------------|-------|------------|
| Argentina          | ...   | 1          |
| Bahamas            | ...   | 2          |
| Barbados           | ...   | 3          |
| Belize             | 5     | ...        |
| Bolivia            | 6     | 2          |
| Brazil             | 1     | 20         |
| Chile              | 2     | ...        |
| Colombia           | 6     | 6          |
| Costa Rica         | 7     | 2          |
| Dominican Republic | 12    | 4          |
| Ecuador            | 13    | 1          |
| El Salvador        | 14    | 4          |
| Guatemala          | 14    | 4          |
| Guyana             | 2     | 3          |
| Haiti              | 7     | 6          |
| Honduras           | 13    | 8          |
| Jamaica            | 5     | 1          |
| Mexico             | ...   | 6          |
| Nicaragua          | 7     | 4          |
| Panama             | 12    | 3          |
| Paraguay           | 7     | 8          |
| Peru               | 15    | 3          |
| St. Kitts-Nevis    | 1     | ...        |
| Santa Lucia        | 1     | ...        |
| Trinidad           | ...   | 1          |
| Uruguay            | 1     | 4          |
| Total              | 151   | 96         |

NOTE.--Total number of projects is 247.

### Democracy and Respect for Human Rights

Current thinking regarding the formulation of reliable and valid measures of democratic institutions and human rights practices is that such measures should take a broad variety of factors into account. Scholars also hold that differences in the degree of democracy should be identified, which means that simple dichotomous measures are not useful and that the strength and viability of democracy in each country may differ considerably even between ostensibly "democratic" countries.(19) The measures used in this study use data compiled by the Comparative Survey of Freedom conducted annually since the 1970s by Freedom House. These data are collected using a detailed instrument that measures a wide range of practices and institutions.

Freedom House, in its series of publications entitled "Freedom in the World" publishes two seven-point-scale country ratings for political rights and civil liberties.(20) The political rights rating ranges from 1 (most free) to 7 (least free) and

## Democracy, Human Rights, and Development Assistance for Education: The USAID and World Bank in Latin America and the Caribbean.

considers a checklist that assesses the extent to which a given country chooses political leaders in open electoral processes, passes and enforces fair election laws, provides for freedom of competition of political parties, includes all regions and sociodemographic groups in electoral processes, is free from military or foreign control, and a variety of other criteria that are commonly held to be characteristics of democratic states. Thus, the Freedom House rating evaluates how closely the formal organization of the political institutions of a country conforms to a standard of participatory democracy.

The civil liberties rating also ranges from 1 to 7 and is designed to measure a variety of democratic institutions and practices primarily related to the rights of individuals. These are, for example, the degree of media censorship; openness of public discussion; freedom of assembly and demonstration; nondiscriminatory rule of law in political matters; freedom from political terror and unjustified imprisonment; existence of free trade unions, peasant organizations, and so forth; free business; free religious institutions; guarantees of personal and social rights of property, travel, choice of residence, marriage and family, and others. This rating thus measures how much countries respect the rights of individual citizens and the institutions and practices of the civil society. It is a rich measure of human rights, gauging their personal, social, and, to a lesser degree, economic features.

My purpose here is to contrast projects that have received aid from the USAID and the World Bank according to how recipient nations are grouped in relation to their degree of democracy and respect for human rights. To do this, I have used the Freedom House ratings to generate two three-point scales: a formal democracy rating and a human rights rating. The formal democracy rating uses the data from the political rights component of the Freedom House Survey. The human rights rating uses the civil liberties component. On each scale a rating of "most democratic" or "best human rights record" equals a Freedom House rating of 1 or 2. A rating of "partially democratic" or "fair human rights record" equals ratings of 3, 4, or 5. Finally, a rating of "least democratic" or "worst human rights record" equals Freedom House ratings of 6 or 7. Such a simplification of the scale was done to permit the comparison of groups of projects, while retaining much of the richness of the measures.

These ratings have in turn been used to formulate a combined measure of democracy. This measure takes both the formal political institutions surveyed by the Freedom House political rights rating and the individual rights surveyed in the civil liberties ratings into account. This combined measure is analogous to the previous two and follows a three-point scale ranging from the most democratic to the least democratic.

To measure democratization and growth in respect of human rights, new ratings were generated by registering changes in the previously described ratings after 5-year periods. These new three-point scales register, for a recipient country, a rating of "improvement" if the country has become more democratic or respectful of human rights in relation to its rating of 5 years before the year of the award of assistance. A rating of "no change" is assigned if there is no difference between the two ratings. Finally, a rating of "deterioration" is given if the same rating for the year in which assistance was granted shows less democracy or a lower degree of respect for human rights than the rating of 5 years before.

### III. Contrasts in Patterns of Allocation of Assistance for Education Projects

By categorizing recipient countries by scores on the measures of formal democracy, human rights, and the combined democracy ratings, we can examine patterns in the allocation of assistance. Table 2 presents the number of education projects that each agency assisted in the region during the period under study, according to the democracy and human rights ratings of the implementing countries.

TABLE 2

USAID AND WORLD BANK EDUCATION PROJECT ASSISTANCE ACCORDING TO FORMAL DEMOCRACY, HUMAN RIGHTS, AND COMBINED DEMOCRACY RATINGS IN THE YEAR IN WHICH PROJECT ASSISTANCE WAS AWARDED: NUMBER AND PERCENT OF PROJECTS ASSISTED (1972-87)

| USAID                 |                     |
|-----------------------|---------------------|
| Number of<br>Projects | Percent of<br>Total |

## Democracy, Human Rights, and Development Assistance for Education: The USAID and World Bank in Latin America and the Caribbean.

|                            |     |      |
|----------------------------|-----|------|
| Formal democracy rating:   |     |      |
| Most democratic            | 61  | 40.4 |
| Partially democratic       | 58  | 38.4 |
| Least democratic           | 32  | 21.2 |
| Human rights rating:       |     |      |
| Best human rights rating   | 24  | 15.9 |
| Fair human rights rating   | 107 | 70.9 |
| Worst human rights rating  | 20  | 13.2 |
| Combined democracy rating: |     |      |
| Most democratic            | 64  | 42.4 |
| Partially democratic       | 48  | 31.8 |
| Least democratic           | 39  | 25.8 |

| WORLD BANK                 |                       |                     |
|----------------------------|-----------------------|---------------------|
|                            | Number of<br>Projects | Percent of<br>Total |
| Formal democracy rating:   |                       |                     |
| Most democratic            | 22                    | 22.9                |
| Partially democratic       | 52                    | 54.2                |
| Least democratic           | 22                    | 22.9                |
| Human rights rating:       |                       |                     |
| Best human rights rating   | 16                    | 16.7                |
| Fair human rights rating   | 67                    | 69.8                |
| Worst human rights rating  | 13                    | 13.5                |
| Combined democracy rating: |                       |                     |
| Most democratic            | 26                    | 27.1                |
| Partially democratic       | 44                    | 45.8                |
| Least democratic           | 26                    | 27.1                |

When considering the formal democracy rating, the USAID granted assistance to a larger percentage of education projects in countries with the best ratings. The World Bank, however, allotted assistance to a larger proportion of projects in the partially democratic countries.

The proportion of projects receiving assistance in relation to the human rights rating of the recipient countries was similar for the US AID and the World Bank. Both awarded assistance mostly to projects in countries with a rating of "fair."

When combining both ratings on a common scale, we observe that the USAID awarded assistance for most projects in countries with better democratic institutions and practices while the World Bank assisted a greater percentage of projects in countries with a combined democracy rating of "partially democratic."

The large number of projects in Brazil that were awarded assistance by the World Bank dominates these tables. These project awards were made primarily between 1974 and 1987, a period during which Brazil held an unvarying rating of "partially democratic" and a "fair" human rights rating. Eliminating the 20 Brazilian projects, however, still shows the World Bank favoring countries with a "partial" rating in formal democracy and a human rights rating of "fair." For the combined measure, eliminating Brazil shows no marked preference by the World Bank for countries with any particular rating, with about 33% of projects destined to countries in each category.

Table 3 depicts the number and percentage of projects assisted by each of these agencies according to the type of change the recipient countries experienced in their ratings from 5 years before the year in which assistance was granted.

TABLE 3

USAID AND WORLD BANK EDUCATION PROJECT ASSISTANCE ACCORDING TO CHANGE IN FORMAL DEMOCRACY, HUMAN RIGHTS, AND COMBINED DEMOCRACY RATINGS FROM 5 YEARS PREVIOUS TO THE YEAR ASSISTANCE WAS AWARDED: NUMBER AND PERCENT OF PROJECTS ASSISTED FOR WHICH CHANGE IN RATING DATA CAN BE CALCULATED, 1972--87

## Democracy, Human Rights, and Development Assistance for Education: The USAID and World Bank in Latin America and the Caribbean.

| USAID                                   |                       |                     |
|---|-----------------------|---------------------|
|   | Number of<br>Projects | Percent of<br>Total |
| Change in formal democracy<br>rating:   |                       |                     |
| Improvement                             | 36                    | 31.0                |
| No change                               | 70                    | 60.3                |
| Deterioration                           | 10                    | 8.6                 |
| Change in human rights rating:          |                       |                     |
| Improvement                             | 19                    | 22.1                |
| No change                               | 55                    | 64.0                |
| Deterioration                           | 12                    | 14.0                |
| Change in combined democracy<br>rating. |                       |                     |
| Improvement                             | 29                    | 33.7                |
| No change                               | 50                    | 58.1                |
| Deterioration                           | 7                     | 8.1                 |
| WORLD BANK                              |                       |                     |
|   | Number of<br>Projects | Percent of<br>Total |
| Change in formal democracy<br>rating:   |                       | I                   |
| Improvement                             | 5                     | 9.6                 |
| No change                               | 40                    | 76.9                |
| Deterioration                           | 7                     | 13.5                |
| Change in human rights rating:          |                       |                     |
| Improvement                             | 3                     | 7.1                 |
| No change                               | 32                    | 76.2                |
| Deterioration                           | 7                     | 16.7                |
| Change in combined democracy<br>rating. |                       |                     |
| Improvement                             | 4                     | 9.5                 |
| No change                               | 33                    | 78.6                |
| Deterioration                           | 5                     | 11.9                |

With respect to change in the formal democracy ratings of recipients, the USAID funded more projects in countries that had no difference in their rating from 5 years before. However, table 2 shows that it was funding most projects (about 40%) in countries with a higher degree of formal democracy. This suggests that the net results favored countries with the most highly developed array of formal democratic institutions and practices. Receiving the next largest proportion of assisted projects was the group of countries that experienced improvement in their rating. Countries experiencing a worsening of their rating received a very small proportion of projects.

The pattern for the World Bank was different. The bank also funded the largest proportion of projects in countries experiencing no change in their formal democracy rating, followed by countries experiencing a deterioration of their rating, and a smaller proportion in countries experiencing a positive change in their ratings. Table 2 indicates that the largest proportion of projects receiving aid from the World Bank was not in countries with the best formal democracy ratings; both tables 1 and 2 show that the largest proportion of projects receiving aid from the World Bank was in countries that did not experience any type of change in ratings. The result favored equilibrium, rather than transition or further development of democratic institutions. This pattern persists even when removing the 20 Brazilian projects from consideration.

Regarding human rights, the allocation patterns of both agencies were very similar, with the USAID awarding assistance to a greater number of projects in countries experiencing positive change in their ratings. However, both agencies granted assistance to a larger proportion of projects experiencing no change from 5 years previously.

As to the combined democracy rating, the USAID supported a much higher proportion of projects in countries experiencing positive change in their rating than did the World Bank. However, both allocated aid mostly to projects in

## Democracy, Human Rights, and Development Assistance for Education: The USAID and World Bank in Latin America and the Caribbean.

countries experiencing no change. For the World Bank, this was done in a context in which most projects are assisted in partially democratic countries, whereas the USAID was funding more projects in countries with the highest combined ratings.

After gauging the pattern of assistance by examining the percentage of total assisted projects carried out in countries with different democracy and human rights ratings, I will now examine the funds awarded per project.(21) Figure 1 illustrates that the median amount of constant dollars awarded in assistance per project was higher for the World Bank. This figure also shows that the median amount of education project assistance awarded by the USAID was highest for projects in countries with the greater respect for human rights. In the case of the World Bank, however, the median amount of dollars awarded per project was highest for the group of countries with ratings showing the poorest human rights records.(22)

[Figure 1 ILLUSTRATION OMITTED]

Classifying recipient countries by the types of change in human rights ratings shows (fig. 2) that the USAID has followed a pattern of awarding a higher median amount of dollars per project to countries that are experiencing positive change. The World Bank awarded higher median amounts to countries undergoing both positive and negative change. Slightly higher median amounts were awarded to countries that had a higher rating for human rights than they had 5 years previously, than to those in which this rating had worsened. However, as shown in table 3, most projects received assistance (40) in countries that showed no change in their ratings.

[Figure 2 ILLUSTRATION OMITTED]

Grouping projects according to the combined democracy ratings in the countries where they were assisted results in two disparate patterns. The USAID granted greater median amounts of assistance to the most democratic group of countries, while the World Bank awarded greater amounts to the group of less democratic countries (fig. 3).

[Figure 3 ILLUSTRATION OMITTED]

Exploring differences in median amounts of aid awarded according to the type of 5-year change in the recipient countries' combined democracy ratings reveals another important pattern. Evidently the USAID gave more funds per project to countries undergoing positive change. The World Bank awarded higher median amounts of dollars per project to the group of countries that had become less democratic in relation to 5 years previously (fig. 4).

[Figure 4 ILLUSTRATION OMITTED]

### IV. The Significance of Development Assistance Agency Bias regarding Transitions in Democracy and Respect for Human Rights in Recipient States

The central questions at issue are: Were the differences in the patterns of allocation of development assistance for education significant? Is there evidence that the agencies expressly favored groups of countries according to the types of changes in democracy and respect for human rights that they experienced?

In a series of analyses of covariance, each testing for significance in the differences in the mean amount of funds awarded to education projects according to types of changes in the democracy and human rights ratings of the recipient countries, I explore this question. In these analyses the criterion variable is the logarithm of the 1982-84 constant dollar amount of funds awarded to each project. The variants are changes in the democracy and human rights measures for each recipient nation over 5-year periods. The covariants are the values of the ratings at the beginning of the period for which change is rated--thus accounting for the "point of departure" of each recipient. Through this application of analysis of covariance, the analyses adjust for the possible effects of the original rating at the beginning of the period for which change is measured. Thus, the possibility of an effect, for example, of differences in improving in the democracy rating when starting from a rating of "partially democratic" rather than "least democratic" is accounted for.

Table 4 shows for both agencies the results of testing for an effect of transition (change to a greater or lesser degree of democracy--or no change at all) as measured by the change in the combined democracy rating of a recipient country from

## Democracy, Human Rights, and Development Assistance for Education: The USAID and World Bank in Latin America and the Caribbean.

5 years previous to the granting of assistance. Results for the World Bank show no statistical significance. For the USAID, however, there is evidence of a significant difference in the funds awarded to educational projects, according to whether or not the countries experienced improvements in their combined democracy rating. As shown, the covariant is not significant. This indicates that there is no influence on the results that can be explained by whether a recipient experienced the transition starting from a "partially democratic" or "least democratic" rating.(23)

TABLE 4

### ANALYSIS OF COVARIANCE RESULTS FOR THE WORLD BANK AND USAID, TESTING FOR EFFECT OF DEMOCRATIZATION IN RECIPIENT COUNTRIES

| Agency and Source of Variation | Sum of Squares | Degrees of Freedom | Mean Square | F        |
|--------------------------------|----------------|--------------------|-------------|----------|
| World Bank:                    |                |                    |             |          |
| CHDEM5                         | 9.714          | 2                  | 4.857       | 1.609    |
| CODEM-5                        | 3.754          | 1                  | 3.754       | 1.244    |
| Error                          | 114.699        | 38                 | 3.018       |          |
| Total                          | 128.167        | 41                 |             |          |
| US AID:                        |                |                    |             |          |
| CHDEM5                         | 27.138         | 2                  | 13.569      | 4.165(*) |
| CODEM-5                        | 3.915          | 1                  | 3.915       | 1.202    |
| Error                          | 267.142        | 82                 | 3.258       |          |
| Total                          | 298.195        | 85                 |             |          |

NOTE.--The dependent variable is logarithm of 1982-84 constant dollar amount awarded to each project. Definitions for variables in table are as follows: CHDEM5 = categorical variable denoting improvement, deterioration, or no change in combined democracy rating of recipient country from 5 years previous to the year assistance was awarded; CODEM-5 = combined democracy rating of the recipient country 5 years previous to the year project assistance was awarded.

(\*) Significant at the .03 level.

Table 5 introduces the results of tests for the effects of changes in the human rights ratings, as a measure of improvement, deterioration, or lack of change in respect for human rights. For the USAID there is strong evidence that the agency distinctly favored countries with increased respect for human rights. Results for the World Bank must be interpreted with caution. Although the results are significant, only three projects received assistance in countries that improved their human rights rating over the entire 15-year period under study. Again, the analyses accounted for the possibility that the human rights rating of the recipient at the beginning of the 5-year period may have influenced the results.

TABLE 5

### ANALYSIS OF COVARIANCE RESULTS FOR THE WORLD BANK AND USAID, TESTING FOR EFFECT OF CHANGE IN DEGREE OF RESPECT FOR HUMAN RIGHTS IN RECIPIENT COUNTRIES

| Agency and Source of Variation | Sum of Squares | Degrees of Freedom | Mean Square | F        |
|--------------------------------|----------------|--------------------|-------------|----------|
| World Bank:                    |                |                    |             |          |
| CHNHR5                         | 20.353         | 2                  | 10.176      | (*)3.657 |
| HR-5                           | .220           | 1                  | .220        | .079     |
| Error                          | 105.729        | 38                 | 2.782       |          |
| Total                          | 126.302        | 41                 |             |          |
| US AID:                        |                |                    |             |          |
| CHNHR5                         | 37.309         | 2                  | 18.654      | 5.933(*) |
| HR-5                           | 11.067         | 1                  | 11.067      | 3.520    |



## Democracy, Human Rights, and Development Assistance for Education: The USAID and World Bank in Latin America and the Caribbean.

|       |         |    |       |
|-------|---------|----|-------|
| Error | 257.835 | 82 | 3.144 |
| Total | 306.211 | 85 |       |

NOTE.--The dependent variable is logarithm of 1982-84 constant dollar amount awarded to each project. Definitions for variables in table are as follows: CHNHR5 = categorical variable denoting improvement, deterioration, or no change in human rights rating of recipient country from 5 years previous to the year assistance was awarded; HR-5 = human rights rating of the recipient country 5 years previous to the year project assistance was awarded.

(\*) Significant at the .03 level.

### V. Discussion

The research reported here indicates that the USAID and the World Bank have allocated their assistance for education projects in Latin America and the Caribbean quite differently. The degree to which these institutions appear to have favored countries that are democratic or that were undergoing transitions to fuller democracy is clearly different. These agencies were also different in the degree to which they supported education in countries with a greater or lesser degree of respect for human rights.

From 1972 to 1987, the World Bank awarded aid to a majority of projects in "partially democratic" countries--that is, countries rated neither with the fullest degree of democracy nor with the most meager. The World Bank also awarded assistance to more projects in countries with a "fair" human rights rating, again favoring neither the countries with the best nor the worst ratings, and it awarded project assistance to very few countries experiencing any type of change in their ratings. The analyses do not uncover statistically significant differences in the mean amount of funds awarded to projects in countries experiencing democratization. Regarding human rights, there is only tenuous evidence of the World Bank having allocated significantly more funds per project to countries that experienced improvement in their human rights rating. However, the data presented in figure 1 show that, when considering the human rights ratings of countries at the time they were awarded assistance, the World Bank awarded higher median amounts of funds to projects in countries with the worst ratings. Most of the World Bank's resources for education projects went to projects in countries with neither high democracy ratings nor high human rights ratings and countries that showed no transition toward more democracy or greater respect for human rights.

The results for the USAID are different. Most projects that received assistance from the USAID were in countries with the highest democracy ratings. In terms of mean amount of funds awarded per project, the results of the analyses clearly demonstrate that the USAID significantly favored countries that had experienced democratization and an increase in respect for human rights.

Two measures of democracy were used in this study: one gauging the status of formal political institutions, another combining this measure of political institutions with a measure of respect for human rights. It is important that the results for the USAID indicate a definite bias toward countries with a richer array of institutions and practices that evidence democracy and high regard for human rights. Scholars have argued that the United States may favor democratization in Latin America and the Caribbean because increased liberal democracy impedes the primary goal of revolutionary movements in the region, which is the overthrow of the existing government and is thus a natural part of the "U.S. power-projection" model of development assistance.(24) However, the results reported here suggest that, even if this is true, the USAID favored countries with more developed democratic institutions and practices, which, consequently, were more likely to be stable. Such countries were less apt to fall back into authoritarianism in the cyclic pattern typical for the region, as noted in the introduction of the article. In addition, it is also important that these are the countries that experienced the best human rights environments at the time that assistance was awarded. This presents a much different view of possible "donor self-interest" in U.S. development assistance allocation than is asserted in some of the literature. As the measures of democracy and human rights are constructed from data collected by an independent monitor--Freedom House--these results are especially significant.

The World Bank allocated assistance to more projects in countries that had not experienced democratization and that were rated "partially democratic" and only "fair" for human rights, and it provided higher median amounts of funds per

## Democracy, Human Rights, and Development Assistance for Education: The USAID and World Bank in Latin America and the Caribbean.

project to countries rated the "least democratic." The fact that results of the analyses of covariance revealed no statistical significance for most of these contrasts suggests that one must exercise some caution in interpretation. However, noting that the World Bank also awarded higher median amounts of funds to education projects in countries with the worst human rights ratings and countries that experienced a breakdown in democratic practices compounds the evidence for an allocation pattern that sharply contrasts with that of the USAID.

These data show that more assistance for education from the World Bank went to countries with less developed democratic institutions and practices at the time of assistance. It could be argued that such countries were perhaps more likely, according to the pendular pattern of democratization in the region, to slip back into authoritarianism. In fact, substantially higher median amounts of funds per project were awarded to countries that had already become less democratic. It is readily apparent that by focusing on economic criteria in allocating assistance for education projects the World Bank has mostly favored countries that are sociopolitically very different from those favored by the USAID. Given this, it is important to recognize that the World Bank is not a "neutral" or "purely financial" organization.<sup>(25)</sup> Comparing the World Bank with other donor organizations is important, despite suggestions to the contrary. Such comparisons help identify significant features of the international political environment that influence the development of education in the region. They also help reveal the different roles played by development assistance organizations in that international political environment.

Certainly other types of development projects exist, and the patterns of assistance allocations to education projects may be in no way similar to the patterns for other types of projects. Yet, these results are of consequence for a comparative study of organizations that provide development assistance for education. That patterns of development assistance to countries undergoing democratization or improvement in their human rights records are sharply distinct among agencies is also noteworthy because it suggests that the role of international assistance in the development of education systems is also different, depending on the agencies and countries in question.

Depending on the interplay between endogenous sociopolitical characteristics of recipient states and the manner in which international aid is allocated, development assistance may influence educational systems in varying degrees. Presence or absence of international funds for different types of projects will affect how educational systems formulate policy, set goals, and mobilize resources. During the period under study the USAID has manifestly followed its policy of assisting governments undergoing democratization in the pursuit of their educational goals, while the World Bank for the most part assisted the educational policy of governments not experiencing democratization.<sup>(26)</sup>

This finding is of particular significance because it contradicts some basic tenets of the U.S. power-projection theory of development assistance as applied to project aid to education. First, the important differences between USAID and World Bank assistance demonstrate that the high capital subscription and extensive influence of the United States in the World Bank has not meant that this multilateral agency echoes the policy of the bilateral USAID. Thus, had the United States been pursuing ulterior benefits from its foreign assistance policy, it is unlikely that the criteria for assistance would have been so different for the World Bank and the USAID. Second, the bilateral assistance for education provided by the USAID (presumably a much more malleable foreign policy instrument for the projection of U.S. power than the World Bank) has been shown here to have resulted in an active promotion of democracy and human rights. Thus, results of this study refute, at least in the case of assistance for education, the multiple criticisms of the researchers and commentators who have claimed that the United States has not actively promoted democracy nor supported humane regimes through its foreign assistance.<sup>(27)</sup>

More research is needed to isolate the factors related to the allocation of development assistance for education. Such research will help uncover some transnational mechanisms that have affected the development of educational systems. Further, these inquiries should aid the formulation of better models of development assistance. Such models would be sensitive to the particularities of various types of assistance and to various distinguishing characteristics of assistance agencies and recipient nations. The role of development assistance for education could then be contrasted with the allocation patterns and policies associated with other types of development aid. Studying the relationship between development assistance for education and democratization also serves the additional purpose of uncovering how assistance agencies have contributed--or not--to the troubled rise of a common regional standard of democracy and human rights.

## Democracy, Human Rights, and Development Assistance for Education: The USAID and World Bank in Latin America and the Caribbean.

### Notes

(\*) This article benefited from the helpful comments of Leonard Bianchi, David Plank, and Curtis McKnight.

(1.) Mitchell A. Seligson, "Democratization in Latin America: The Current Cycle," in *Authoritarians and Democrats: Regime Transition in Latin America*, ed. J. M. Malloy and M. A. Seligson (Pittsburgh: University of Pittsburgh Press, 1987).

(2.) See, e.g., Manuel A. Garreton, "Political Democratization in Latin America and the Crisis of Paradigms," in *Rethinking Third World Politics*, ed. J. Manor (New York: Longman, 1991). Also see Eduardo A. Gamarra, "Market-Oriented Reforms and Democratization in Latin America: Challenges of the 1990s," in *Latin American Political Economy in the Age of Neoliberal Reform*, ed. W. C. Smith, C. H. Acuna, and E. A. Gamarra (New Brunswick, N.J.: Transaction, 1994); and Guillermo O'Donnell, "The State, Democratization, and Some Conceptual Problems," in Smith, Acuna, and Gamarra, eds.

(3.) Seymour Martin Lipset, "Some Social Requisites of Democracy: Economic Development and Political Legitimacy," *American Political Science Review* 53, no. 1 (1959): 69-105, p. 80.

(4.) Seligson.

(5.) See, e.g., the treatment in Stephanie Lawson, "Conceptual Issues in the Comparative Study of Regime Change and Democratization," *Comparative Politics* 25 (January 1993): 185-205; and Sara Steinmetz, *Democratic Transition and Human Rights: Perspectives on U.S. Foreign Policy* (Albany: State University of New York, 1994).

(6.) See recent treatments of these topics in Earl Coneth-Morgan, *American Foreign Aid and Global Power Projection: The Geopolitics of Resource Allocation* (Aldershot: Dartmouth, 1990); and Katarina Tomasevski, *Development Aid and Human Rights Revisited* (London: Pinter, 1993).

(7.) Fernando Henrique Cardoso and Enzo Falletto, *Dependency and Development in Latin America* (Berkeley: University of California Press, 1980).

(8.) To prove the "donor-self-interest" model, most researchers have simply noted that the United States has not allocated most foreign aid to the most "needy" recipient countries. One of the most often cited multivariate studies of this type is Alfred Maizels and Machiko K. Nissanke, "Motivations for Aid to Developing Countries," *World Development* 12 (September 1984): 879-900.

(9.) Lars Schultz, "U.S. Foreign Policy and Human Rights Violations in Latin America: A Comparative Analysis of Foreign Aid Distributions," *Comparative Politics* 13 (January 1981): 149-70; David L. Cingranelli and Thomas E. Pasquarello, "Human Rights Practices and the Distribution of U.S. Foreign Aid to Latin American Countries," *American Journal of Political Science* 29 (August 1985): 539-63; David Carleton and Michael Stohl, "The Role of Human Rights in U.S. Foreign Assistance Policy: A Critique and Reappraisal," *American Journal of Political Science* 31 (November 1987): 1002-15.

(10.) USAID, Bureau for Latin America, "Strengthening Democracy in Latin America: USAID's Experience to Date and Plans for the Future," in *Development and Democracy: Aid Policies in Latin America*, Organization for Economic Co-operation and Development (OECD) (Paris: OECD, 1992).

(11.) In this article I use the name "World Bank" to signify the International Bank for Reconstruction and Development and the International Development Association.

(12.) Yasushi Hirosato, "A Case Study of the Changing Policies of the World Bank for Educational Intervention: 1946-1986" (Ph.D. diss., University of Pittsburgh, 1987).

(13.) Haifa I. Al-Sharbaty, "Cluster Analysis of Lending Objectives Utilized for Funding of World Bank Education Projects" (Ph.D. diss., Catholic University of America, 1976).

(14.) John W. Meyer, "The Social Construction of Motives for Educational Expansion," in *The Political Construction of*

## Democracy, Human Rights, and Development Assistance for Education: The USAID and World Bank in Latin America and the Caribbean.

Education: The State, School Expansion, and Economic Change, ed. Bruce Fuller and Richard Robinson (New York: Praeger, 1992), pp. 225-38.

(15.) Previously cited researchers who have identified a relationship between education and democratization include Seligson and Lipset, although neither claims to have characterized the precise nature of this relationship. Other research has also uncovered a significant positive relationship between education and democracy; see John W. Meyer and Richard Robinson, "Education and Political Development," *Review of Research in Education* 3 (1975): 134-62; John W. Meyer, "The Effects of Education as an Institution," *American Journal of Sociology* 83 (July 1977): 55-77.

(16.) The definition of Latin America and the Caribbean in this research is simple: the data include all countries that have ever belonged to the Organization of American States (OAS) or the Caribbean Community (CARICOM), except the United States and Canada, and that have received assistance for education projects from either of the two agencies during the period 1972-87.

(17.) Complete details of the data collection and generation of dependent and independent variables were reported in Gilbert A. Valverde, "International Development Assistance for Education: An Exploratory Study of Three Decades of World Bank and USAID Project Assistance in Latin America and the Caribbean" (Ph.D. diss., University of Chicago, 1994).

(18.) The data also include subprojects: separate educational components of other projects for which funds within the larger grant or loan are provided and specified.

(19.) See, e.g., Kenneth A. Bollen and Robert W. Jackman, "Democracy, Stability, and Dichotomies," *American Sociological Review* 54 (August 1989): 612-21; also Elvis E. Fraser, "Reconciling Conceptual and Measurement Problems in the Comparative Study of Human Rights," *International Journal of Comparative Sociology* 1-2 (1994): 1-18.

(20.) See, e.g., Freedom House Survey Team, *Freedom in the World: The Annual Survey of Political Rights and Civil Liberties, 1992-1993* (New York: Freedom House, 1993).

(21.) The amount of funds awarded to each project is expressed in 1982-84 constant U.S. dollars.

(22.) For this and the remaining analyses in this section, elimination of the Brazilian projects funded by the World Bank did not alter the allocation patterns.

(23.) Perhaps some projects are necessarily more expensive than others because of the size of the recipient country. However, when controls for recipient country size, such as the total population or the school age population, were included as covariates in the ANCOVA analyses, they proved nonsignificant. It is also possible that the allocation of World Bank loans to countries with different levels of development than those that are usually assisted by the USAID may explain the difference in the democracy and human rights profiles of recipient countries. Recent research suggests, however, that economic development has little impact on the repression of human rights (see Steven C. Poe and C. Neal Tate, "Repression of Human Rights to Personal Integrity in the 1980s: A Global Analysis," *American Political Science Review* 88 [December 1994]: 853-73).

(24.) Jeffrey J. Ryan, "The Impact of Democratization on Revolutionary Movements," *Comparative Politics* 27 (October 1994): 27-45.

(25.) Phillip W. Jones, *World Bank Financing of Education: Lending, Learning and Development* (London: Routledge, 1992), p. 265.

(26.) World Bank policy may be changing. A 1995 policy document highlights the potential of education for strengthening civil institutions and contributing to good governance. The preoccupation of the World Bank has been largely technical, with strong civil institutions and good governance being regarded as contributing to a nation's ability to carry out programs more effectively. However, explicit regard for these social factors may result in new allocation patterns. See World Bank, *Priorities and Strategies for Education* (Washington, D.C.: World Bank, 1995).

## **Democracy, Human Rights, and Development Assistance for Education: The USAID and World Bank in Latin America and the Caribbean.**

(27.) There are many who have made these claims, particularly since the development decade of the 1960s. For more recent criticisms maintaining that U.S. foreign aid has been unconcerned with social factors in recipient nations or that it has not effectively favored democracy in the region, see Abraham F. Lowenthal, *Partners in Conflict: The United States and Latin America* (Baltimore: Johns Hopkins University Press, 1991); and Thomas Carothers, *In the Name of Democracy: U.S. Policy toward Latin America in the Reagan Years* (Berkeley: University of California Press, 1991).

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