

# **The Transformation of The Us Foreign Aid within Southeast Asia: An Analysis Before, During, and After The Cold War**

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## **Abstract**

Due to the dissemination of democratic philosophy in the mostly-developing ten Southeast Asian nations following the dissolution of the Soviet Union in 1991, the United States has been aggressively applying long-term commitments to address and endorse the issue of democratization by granting or loaning financial aid to local governments, non-governmental organizations, and other politically-strategic groups. This research aims to explain the development of US foreign aid in Southeast Asia prior, during and following the Cold War by utilizing qualitative historical discourse as well as its impact on the region's democratization. The qualitative historical research reveals that in the past, American foreign policy implemented in Asian countries contributed to the internal instability of most Southeast Asian countries during the Cold War. The Cold-War era policies in Asia tended to support autocratic, oppressive, militaristic regimes to combat communist ideology. There are strong correlations between American Post-Cold War democracy aid and the reduction of civil war outbreak, which renders the hypothesis that the disbursement of US Democracy Aid helps to reduce the civil disharmony in democratizing Southeast Asian countries after the Cold War. The conclusive outcome from this thesis concerns about the ongoing aid-giving practices and the potential policy-making promotion in the foreseeable future for the US.

**Keywords:** democratization, Southeast Asia, foreign aid, USAID

## 1. Introduction

### US Foreign Aid and Democracy at a Glance

From time to time, we have been presented with various usages of the US foreign aid for American interests abroad. Comprising a big part of the US annual budget, the foreign aid is not merely allocated for trivial diplomatic purposes, but rather it serves as an instrument of US soft-power before resorting to the military action or opting for compensation when addressing any bilateral or multinational issues. Every single year, the Congress convene and discuss over the scope, size, aspects, and objectives of the aids spread out in many programs and initiatives. Yet, the emphasis on the aid itself has transformed from the end of World War II until the end of the Cold War. The reconstruction of European continent post-World War II posed as the biggest factor for the US aid disbursement in the decades following the wake of the Marshall Plan (Eichengreen et al., 1992; Leffler, 1988). Later, the focus shifted to the containment of communist ideology during the Cold War, which left a strong legacy of aid-giving to favorable countries. In the turn of the late 20th century, we witnessed George W. Bush and William Clinton have expressed that global development in Asia as the major objective of foreign aid and the third pillar of the US national security which was included in their national security strategies program (Palmer, 2001; Ikenberry, 2014). It would not be an overstatement to say that the dynamics of American foreign aid has evolved dramatically. Overall, the US aid-giving practice has seen changes in its emphasis objectives and emphasis, especially in the Southeast Asian nations.

## 2. Research Design & Method

This research focuses its finding on the US foreign aid expansion in Asia, more particularly concerning about the dynamics of its aid-giving practices in ten Southeast Asian nations under Association of Southeast Asian Nations (ASEAN): (on an alphabetical order) Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam. The changing emphasis on American foreign aid disbursement from previously European-centric nature to more globalized, Asian and African-centric fashion has engendered significant attention over the last decade (USAID, 2013). American foreign aid in ASEAN has sparked increasingly ubiquitous debate over its role in shaping the democracy of ASEAN. In the updated 2019 Congressional Research Report, the US allocated more 25% of its entire foreign aid budget to enforce the “democracy promotion”, and one of its major focus is on the Asian region (Lawson & Epstein, 2019, p.12).

Due to the aforementioned reasons, this research examines the past and ongoing implications of the democracy assistance as given by the United States as the primary promoter of the democratization and the developed country towards mostly developing Southeast Asian nations in before, during, and after the Cold War. The method used in this research is qualitative historical

discourse analysis by examining the past events of American foreign policies in Europe and Asia. The integral hypothesis posits that American democracy aid contributes to lessening the tendency of civil war break out in a democratizing state in ASEAN region following the end of the Cold War, and thus producing a relatively positive impact in the democratizing process to advance more peacefully. Nonetheless, US heavily-militaristic foreign policy in Asia during before and during the Cold War rendered the ASEAN members into a relative state of disarray. To corroborate such hypothesis, the research was then conducted on seeking the possible connection between the US foreign assistance and the notion regarding the conflict-inducing nature of democratization in ASEAN member states before and during the Cold War. Whereas, the post-Cold War discourse highlights the events that mark the change of objectives in American aid-giving practices from militaristic to economic and state-building purposes in ASEAN. The most fundamental theoretical framework here is the three US fundamental goals in conducting its aid-giving practices in Asia: security, societal, and ideological goals. (Waltz, 1979; Kolko, 1989; Krasner, 1978).

### **3. Background**

#### **American Foreign Aid's Motives - Before, during, and After the Cold War**

##### **3.1 Security Goal**

The classical realist approach towards understanding the US behavior emphasizes on the system-level, although does not fully embody the entire approach on realism proposed by Waltz or Snidal (Snidal, 1985; Waltz, 1979). On the core, the nature of self-help and anarchism of governments above states should convince a state to concern about its survival. First, Waltzian realism focuses on the fact that the self-help mechanism, and constrain to compete count more significantly compared to the ideological interest of a state or the condition of its internal politics (Waltz, 2000). Ergo, the cardinal action of a state should be principally to defend its national interest such as the cohesion of its physical border/territory and retaining the sustainability of its sovereign power over its area and people. Second, the centralization or decentralization of power in the structure environing the state (for example the existence of bipolar or multipolar powers) tend to regulate the state's decision to amplify its attempt in maximizing the relative power to other entities.

From this perspective, in the wake of the Cold War, the United States was particularly worried about the continuation of its dominance in Europe and concerned about its long-lasting hegemony on the broader international system. The logic of maintenance of status quo was primarily prominent in the evidences of the US policies at the start of the Cold War (for example, the National Security Council-68 draft, which legitimized the first anti-Soviet American military policies and US-military aid to its allies) to the extent of Cold War's conclusion such as US Department of Defense's draft for "Defense Planning Guidance for the Fiscal Year 1994-1999" (Hixson, Brands & May, 1994). Acting as the most capable hegemonic power in an anarchic system with a myriad of liabilities to assert its influence, such inevitable occasion suggests during a time of an offensive attack on American soil or American allies, the maintenance of international security should be the number

one priority compared to other US foreign policies. On this subject, the argument of US behavior towards its aid-giving practices before and during the Cold War presents the most compelling explanation (Kegley, 1993). Nonetheless, following the dissolution of the Soviet Union, the security goal of the US and its explanatory power will slowly fade as the threat of communist Soviet lessened in the years after 1991.

### 3.2 Societal Goal

The next possible approach in understanding American foreign policy decision is through the societal goal, where most of its ideas are ramifications of liberalism theory in the domestic political level. This approach particularly concerns about the debate of pluralism and interest-groups within a state as a model of governance (McKeown, 1984; Schattschneider, 1975). Such approach sees that the development of American policies is a result of predilection of the dominant ruling group or class in its society or as a direct outcome of collective struggle taken place among eclectic interest groups within political parties to garner more influence (Ikenberry, Lake & Mastanduno, 1988). It completely opposes classical realist perspective that the state functions as the most imperative autonomous actor in international relations and further renounces the notion that national interest should be placed on the top priority above individual or societal interests. For this reason, to attest the validity of societal goal, the view of American foreign policy as well as aid-giving practices should demonstrate the actualization of the dominant interest groups' objectives.

Kolko (1989) states that the interests from industrialists and businessmen weigh more towards the consideration of American foreign policy: "At every level of the administration of the American state, business serves as the fount of critical assumptions or goals and strategically placed personnel," which serves as a logic for the US policies to search for ideal markets in order to endorse such business-oriented model in its governance. Therefore, if these presumptions pertaining to prioritizing businessmen and industrialists' interests are correct, the implication for a state shall suggest that the state's endeavors for international trade or free trade agreement as the root of US foreign policy is necessary (Krasner, 1978, p.29). In short, the societal goal of US foreign policy is to propose the idea that America will find itself supporting more and more liberal-leaning, free market-oriented foreign policy to accommodate the variety of its domestic interest groups.

Judging from the US behavior before and during the Cold War, America had a tendency to advocate for capitalistic trade alliances with Western European countries, which also directly benefited its relative hegemonic security power over the region (for instance: the Marshall Plan allocated funding for both economic and security-related issues to US allies). In other words, oftentimes the societal goal of American foreign aid and policy do not negate its systemic security goal, but rather cooperate concurrently. Thus, the societal goal is not perfectly suitable to explain the US aid-giving practices before and during the Cold War since the US motives were first and foremost trying to secure its hegemonic power on the region, but rather it serves as a complimentary justification on the adoption of Marshall Plan and other Cold War aid policies. As a number of prior scholarly works have exhibited, if there are to be a growing economic issues in the world politics

and a reducing urgency to end disputes via military warfare, a state shall instead be pushed to dissipate its economic power to defend its relative hegemony to other states (See Keohane, 1984; Keohane & Nye, 1989). In this regards, the role of private capitalistic economic sectors will play a bigger role in shaping a state's foreign policies. Hence, the societal goal is better at describing American foreign policies and aid-giving practices after the Cold War. The absence of the Soviet Union as a direct and physical threat for the US, its Western European and Asian allies strips the necessity for America to retain a ubiquitous military presence in the regions. As interstate economic exchange flourished, so did the international competition which led to increasing demand for American goods. Consequently, the demand from American business and industrial community for the state to pour more extensive investment and commercial opportunities abroad will intensify and shape both American foreign policies and aid-giving practices in the post-Cold War period (Rosner, 1995).

### 3.3 Ideological goal

Following the essentially-similar argument with the security goal's discourse, the ideological approach places the state as the main actor, however, the ideological goal emphasizes the state as being constituted with roles and institutions whose unpredictable objectives are distinctive to those of certain interest groups within a state (Krasner, 1978, p.10). The state's interests shall be the predominant concern of its people, particularly if the pertaining state possesses relatively strong international hegemony. The role of ideological pursuit becomes consequential for the state to pave more chances in instilling its own "good" image and familiarizing other states with its deeply-seated values (Krasner, 1978, p. 340; Ikenberry & Kupchan, 1990). As a hegemon, the United States holds the capability to disseminate its ideological influence over other periphery states which the US has direct relations with. Ikenberry & Kupchan (1990, p. 283) wrote in their book that the political establishment in a periphery country tends to internalize the norms and values promoted by the hegemonic power in its area and thus will likely follow policies comparable to the hegemon's recommendation of ideal norms and values.

Referring back to the American aid-giving practices and foreign policies before, during, and after the Cold War, the number of implemented policies that were based on ideological concerns were overwhelmingly abundant. Either the United States attempted to earnestly promote its values in the international platform or not, the leadership in American government (both the presidents and the Congress) never ceased to underscore the gravitas of America as the world's moral compass, more specifically in the long-lasting efforts to elevate the value of democracy and human rights (Meernik, Krueger & Poe, 1998). Amid the Cold War, US policy-making conducts indicated the government's beliefs to highly prioritize the promotion of democracy, anti-Soviet rhetoric, capitalism, and security. Hence, the ideological goal can widely explain the extent of American policies in this particular period (Packenham, 1973).

Due to the ample number of prior scholarly publications on the American foreign aid and foreign policy in the preceding paragraphs, this research shall divide the American aid-giving differing

motives into three separate periods of the Cold War: before, during, and after the Cold War. Systemic security goal had the upper hand but soon deteriorated following the fading threat of the Soviet Union. The societal goal describes the American stance in its policy for the course of the Cold War but saw higher importance after the Cold War due to rising urgency for the US to protect its economic dominance. The ideological goal, on the other hand, fits perfectly to characterize American foreign policies on all periods of before, during, and after the Cold War since it embraces the entirety of American values reflected by the aid-giving practices and gesture towards the promotion of democracy, human rights, and development.

## **4. Historical Discourse Analysis & Results**

### **4.1 Containment in Southeast Asia: Mishaps and Repercussions**

The alteration of American European-centric foreign policy was marked for the first time by the breakout of the Korean War in 1950. The war symbolized America's gradual attempt to change the scope of its foreign policy including its aid-giving practices from European-centric to Asian-centric (Mozingo, 1967). However, the degree of success of American foreign policy in Asia was less miraculous to that of the Marshall Plan in Europe. The form of the threat, as well as the sphere of the perceived danger, never embodied the degree of concerns tantamount to that of the Soviet Union and American allies in Western Europe, but rather the United States stressed the significance to contain China's development in the region (Kelly, 2010). Only when the threat of ideological alteration went into play later on in Vietnam, the US began to initially assert defensive mechanism as a response to the expansion of communist North Vietnam to the generally-liberal US-friendly South Vietnam. The same narrative occurred in the Korean Peninsula where the American interventionist policy had contributed to the division of Korea by 1953 (Pillitter, 1969).

Many scholars criticized Asian containment as creating rather than resolving relationship issues in Asia even in the contemporary period (See Stairs, 1970; Jervis 1980; Meernik, 1996). Despite its preceding European policy model, the Asian containment saw rampant hastily-made policies to undertake the Korean War and continued implementation of Post-Korean War policies with a dearth of considerations towards the Asian necessities. In terms of American aid-giving practices in Asia after the Korean and Vietnam War, the US treated economic assistance as a secondary instrument for the most part with relatively little emphasis on nation-building objectives or democratization at first. As the then-US Secretary of State John Foster Dulles stated: "economic aid to nations not militarily allied with the United States was an extravagance (the U.S.) could not afford," the US stance on aid-giving conducts did not metamorphose into a scale as grandiose and extensive as the Marshall Plan, which was indeed a primary instrument of the US government to achieve containment operative in European continent (Huntington, 1970). Dulles' reasoning involved the concerns of US conservative Republican policy-makers who questioned the potential reciprocity of granting economic aids to Asian countries that showed no sign to adopting American democratic philosophy. This created an attitude in the Congress that the United States, which was essentially far-flung from Asia and the exposure of Chinese communist sphere, should take a stand against Peking since the

majority of the countries surrounding China had espoused favorable view towards Mao's China (Mozingo, 1967). As a result, under President Eisenhower's tenure, the majority Republican Congress approved the largest part American foreign assistance to the Far East (Asia) with one fundamental objective: to strengthen the defensive abilities of the Far East countries bordering southern and eastern part of communist China and Soviet Union (Wolfers, 1962).

Nonetheless, there was a sizable miscalculation in the US foreign aid that stresses broadly on militarization to combat communist influence: Asian countries did not require military assistance. The main problem encountered by Asian leaders during the Cold War was economic development all along with state-building issues. Moekarto Notowidigdo, the former Indonesian Ambassador to the United States in 1954, delineated undergoing problems with Asian countries: "The significance of the danger is inherent in the failure of economic developments ... to keep pace with those in other parts of the world is not fully appreciated by the West. The emphasis of the Western Powers has been on achieving a military balance of power (Vandenbosch, 1966)." Indonesian Ambassador's statement created a wave of consent from Asian leaders, including Thailand, which was one of the closest US allies in Asia. The US foreign assistance in the Far East seemed to never bother looking at Marshall Plan's success in channeling the aid towards development and commerce, but instead singlehandedly overlooked the needs and wants of Asian countries, and estranged Asian leaders from engendering productive outcomes to their respective countries (Reuss, 1961). Ergo, this proves the security goal of American foreign assistance before and during the Cold War in Asia as mentioned in the previous section.

At this point also, due to the heightening tension of the Cold War, American distrust in regards to the communist ideology progressed from viewing such ideological distinction as tolerable during World War II into fully perceiving communism as principally the absolute threat in Asia. The American government was willing to grant military assistance to any countries that tended to surrender their communist agenda and reorient themselves to US democratic values (Aron, 1962). Correspondingly, the "easy money" paved a way for Asian leaders to utilize the minor subversive communist movement in their countries as a commodity to be exchanged with American military aid. The US Department of State (1963) wrote in their bulletin saying that Asian government's endeavors to discover internal communist movements were predicted to give these countries more American dollars in the form of military aid than unearthing oil or uranium. Therefore, the exploitation and suppression of suspicious communist minority in the Asian countries during the 1960-1970s became extremely commonplace to garner as much American military assistance as possible.

#### **4.2 Democratization & State-Building in Southeast Asia**

The most contemporary discourse about "the negative side" of democratization has produced significant response in scholarly communities, especially on the African and Asian regions (Goldsmith, 2010; Gleditsch & Ward, 2000). The notion of violent democratization, however, cannot escape from the discourse considering a country's tendency to resort to violence when

transitioning to democracy, for example: democratizing states are vulnerable to undergo civil unrests and interstate conflicts (Mansfield & Snyder, 1995). For this reason, the research proceeds on the idea that the transition to democracy engenders a situation susceptible to the potential of a social dissonance by allowing the development of nationalism and polarization within the people. The Southeast Asian case is interesting in particular due to the historical background of its democratization process since the time of decolonization from its former imperial powers (excluding Thailand). In the years nearing the fall of Soviet Union, these Southeast Asian countries experienced a series of decolonization wave, which encouraged major shifts in their government systems as well as their way of living. There are overwhelming instances of conflicts in the post-independent Southeast Asian states in plural societies such as Malaysia and Singapore, plus countries such as the Philippines and Indonesia that possess vast area consisting of differing group of people (Hack, 2012).

Also to note from the democratization trend in Southeast Asia is the existence of a reliable factor that reduce the tendency of these countries to fall into a civil conflict. The factor, which shall also be the centerpiece of the discussion in this research, is the contribution of American foreign aid in the form of its democracy aid. Through the previous section, which discussed the heavily-militarized objectives of American foreign aid in Southeast Asia prior to the 1980s, this part examines the changing goal of US foreign aid after 80s, but more importantly following the end of the Cold War. The argument focuses on the process of how American aid's shifting goal: from military to more economic-centered assistances brought about democratization in the region. The objective of American aid began to shift under the presidency of Ronald Reagan, who initiated the disbursement of humanitarian aid in the Philippines following the withdrawal of Soviet aid in ASEAN regions in September 1989 (Mauzy & Job, 2007). As the time progressed, more and more American aid for ASEAN are directed towards economic, democracy, and humanitarian development, rather than the security-related reasons such as weapon-procurement and anti-communist training. Although in the time of George H. W. Bush (1989-1991) and Bill Clinton (1993-2001), the US saw dearth of encompassing foreign policies equal to European containment in Southeast Asia. Regardless of this, the two administrations shared similar perspective about the American role in Asia, which was seeing the United States as an "Asian Power" (Ikenberry, 2014). Under the first Bush's administration, the primary goal on US-Asia relations was to establish reliable market for US goods in Asia, hence the presence of US military remains to be seen as crucial aspect to showcase hegemonic control over the area and in line with the societal and ideological goals of the US foreign assistance. In addition, the US still maintained a military base in the Philippines during the 1980s (before receiving a request to leave the country in 1991), which paved smoother way for America to shift its attention to Southeast Asia, from security to economic issues, especially the endeavors in constructing a free trade agreement with ASEAN (Palmer, 2001).

The increasing American foreign aid in ASEAN from Clinton era continued until nowadays, where the portion of American economic aid in South/East Asia is trumping the amount of its military aid (Lum, 2008). The economic aid, in particular, contains to some extent the main subject of this research: democracy aid. The democracy assistance helps democratizing states to further the



development of not only their political institutions (for example: the foundation of legislative and judiciary branches in a state), but also endorse non-state actors such as civil society to participate in policy-making processes. A country's active and functional political institution grants the state's ability to legitimately engage in a formal manner with the opposition group and also signal a change in the state's policies to its people. Likewise, the democracy-promotion aid boosts the electoral participation of recently-enfranchised group of people and allow civil society organizations in monitoring the scope of governance to prevent centralization of power by the state (Savun & Tirone, 2011).

#### **4.3 US Democracy Aid in Southeast Asia**

The famous and widely-known democratic peace theory (will later be abbreviated into DPT) states that democracies tend to be more hesitant to engage in a conflict with each other, becoming one of the most prominent discoveries in international relations (Russett, 1993). There is virtually no way to argue against the theory since there has been no research invalidating the regularity of a democratic state's relatively peaceful behavior towards other democratic states. Thus, several international relations scholars often use DPT to explain the significant increase in the democracy promotional endeavors by Western democracies following the decolonization waves in the 1980s (Diamond, 1995, Carothers, 1999). Nonetheless, the notion of DPT is not immune to critics, especially when more quantitatively-conducted scholarly works about the frequently violent process of democratization were later published in the 1990s (See Gleditsch & Ward, 2000; Ward & Gleditsch, 1998). DPT, regardless of its credibility, still garners no academic consensus among scholars in regards to whether it shall help non-democratic countries to avoid destructive intrastate conflicts.

According to Snyder (2000), there are two suitable environments to incite a conflict in the embryonic phase of a country's democratization: first is the exploitation of newly-developed sense of nationalism by political elites for their benefits to produce social dissonance, and second is the incapability of central government to preclude the political elites to foment the aforementioned polarizing and divisive exploitation. Regarding the first reason, in a democratizing state, political elites are prone to distrust the intentions and promises of the opposition or even their allies. Karl (1990) elaborates that in this stage, political elites will have a difficult time to distinguish their intentions, who their trustworthy endorsers are, and which groups or parties will end up being their long-term allies or opponents. The old and new political elites have a tendency to fear each other's intentions and therefore it is very improbable for any policies, promises, or agreements made during the transitional process will be fully respected and executed before there is a credibly functional central political institution.

The existence of US democracy aid in this particular time of democratization process serves as the probable force to constrain the likelihood of intrastate political conflict. However, before proceeding to a further explanation on the way US democracy aid contributes to creating less tendency for democratizing states to fall into civil conflicts, this research shall define the

understanding of US democracy aid itself and how it is fundamentally distinctive to developmental aid. Thus, the sole focus of the research is around the idea of official development assistance given by the United States of America principally for democracy promotion. Carothers (1999) defines the democracy promotion aid as “aid that is specifically designed to foster a democratic opening in a non-democratic country or to further a democratic transition in a country that has experienced a democratic opening.” Therefore, for the sake of the research, the US democracy aid needs to be divided further into three categories of recipients: first, the state institutions; second, the non-governmental organizations (NGOs), media, and civil society organizations; and third, electoral organizations. Also, the essential goal of American democracy aid is to assist the states in building credible and stable governance. When constructing the aid system, the United States aims to help the democratizing countries to espouse the democratic philosophy such as the power delegation mechanism through founding credible and transparent trias politica (separation of power in the government via executive, legislative, and judicial branches), as well as advocating a robust system of check and balances (Munzhedzi, 2018). By equipping the state’s officials with sufficient funding, while simultaneously monitoring its expenditure, American democracy aid can strengthen the legislative body’s capabilities to check the head of the government’s (the executive body) actions and policies, and to settle political disputes through fair and unequivocal means by a plausible judicial body in the recipient countries (Freedon, 2006).

Indonesia is one of the countries in ASEAN that can be categorized as the “success story” of American Democracy Aid. The United States Agency for International Development’s policies and support in the transition from autocratic Soeharto’s era towards democracy is the landmark testament of democracy aid’s role in the creation of a democratic society. Soeharto was Indonesia’s longest-serving president and was considered by many as the epitome of a dictatorial autocrat, whose past abuse on human rights and corruption remains unsolved until now (McLeod, 2000; King, 2000). 1998 marked the end of Soeharto’s oppressive regime was predicted to be one of the most unstable periods of Indonesia’s governance by several politicians. It released a series of ethnic, religious, and economic tensions in Indonesia with a relatively momentous tendency for big-scale civil conflicts.

The United States government under Clinton’s presidency approved the establishment of the Office of Transition Initiative (OTI) that was highly-important in assisting the transitioning Indonesian government with the application of some democratic transformation. For example, not only did the USAID dramatically increased the total amount of foreign aid to Indonesia from 35 million to 101 million from 1997 to 1998 in 2010 constant US Dollars, the USAID was also responsible to urge the Indonesian government to pass a series of legislation to grant more powers to regional governments all over Indonesia, as a part decentralization endeavors to increase the authority’s legitimacy following Soeharto’s fall (Scott & Steele, 2011; USAID, 2019). This was, in fact, an effective way for Indonesia to preclude a centralization of power in Jakarta and thus ameliorating the fear from the minorities of the exploitation from the political elites. As reciprocity for such decentralization efforts, regional government officials have to be completely accountable to their respective constituents. However, this group of first-time publicly-elected officials from newly-enfranchised Indonesians’ capability to carry out the constituents’ concerns was quite

questionable at that time. For this reason, the USAID via National Endowment for Democracy Grant to National Democratic Institute, also conducted training for these regional officials to familiarize themselves with the process to raise transparency in an attempt to build trust within Indonesian public about the new democratic government's capacity to fairly sustain a novel regime.

The result of OTI's Indonesian democracy promotion activities can be seen in the sudden hike in Indonesia's polity score. Polity score is a 21-point scale measuring the regime trend of a country from autocratic to democratic. Larger values of the polity scale indicate increased levels of democracy while smaller values show higher levels of autocracy (Marshall & Gurr, 2014). Throughout the 32 years-long Soeharto's rule over Indonesia, Marshall & Gurr (2014) presented the country with a polity score of -7, which was easily translated as a highly autocratic and oppressive regime. However, in the year of 1999, only one year after the end of Soeharto's regime, Indonesia's polity score jumped to -5, then -4 in 2000, and significantly leaped to +6 in 2001. +6 indicates a country's governmental regime to be highly leaning towards democracy. Again from 2004, Indonesia experienced another rise in the polity score to +8, which is in fact, the highest among other nine ASEAN member states.

All in all, the US democracy aid in Southeast Asia, with the special case of Indonesia, can strengthen newly-created political institutions, endorse a state's capability, and function as an instrument for the democratizing state to actualize its fair and transparent governance model. Carothers (1999) posits that even if the democracy aid fails to realize its objectives in the recipient country, it still serves as a crucial platform in increasing the public commitment and trust in the embryonic phases of democratization. Enhancing public commitment and trust in democratic philosophy during the democratization phases is important for stabilizing domestic politics because higher commitment and trust in democracy is likely to dampen conflicts opposing the new regime.

## 5. Conclusion

Throughout history, the nature of US foreign aid has dramatically changed in response to its foreign policy and international environment. Started from the Marshall Plan, the US aid-giving practices were widely praised for its seen effectiveness in helping Western European countries to recover from the ash of World War II. However, Communist China participation in the Korean War, soon brought the American government to consider that containment policy needed to be shifted to Asian-centric. The affinity of Asian countries with communist China was thus seen as a threat in Asia compared with the Soviet threat in Europe. Seeing the great potential in allying with newly-independent Asian countries, the US set to approach Asian leaders with a series of financial inducements in military actions against suspected communist movements. This is in line with the security and ideological goals of the US foreign assistance. Nevertheless, such aid was not the right choice to address the needs and wants of Asian countries, thus never achieving the degree as monumental as the Marshall Plan.

Following the dissolution of the Soviet Union, the US rearranged its foreign policy direction and commenced new aid-giving practices that emphasize economic growth, rather than militarization in Asia. The case of Indonesia's regime change after Soeharto's abdication was one of the exemplary cases where the US democracy aid helped a country to avoid a full-scale civil conflict. This proves that there may also be theoretical reasons as to why democratization does not sometimes lead to war. For example, some democratizing countries receive external assistance while others do not. Through the historical discourse analysis, it appears that the countries that received the US democracy aid have fewer tendencies to resort into civil conflicts during the democratization process. Although the benefits of US democracy aid might also be affected by other factors, it still plays an important role as a conflict-dampening instrument in the Southeast Asian region.

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