

## ARTICLE

### **Welfare and Foreign Aid Practices in the Contemporary United States: a Governmental Study**

Philippe Fournier, Université de Montréal (Canada)

**ABSTRACT:** This article aims to expose the main governmental shifts in recent American history (1961-2000) by examining two programs: the Assistance to Families with Dependent Children (AFDC) and the Agency for International development (US-AID). Through the exploration of primary and secondary sources, we analyse the production, organisation and circulation of governmental practices in the realms of both domestic and foreign policy. In the American context, practices of government typically revolve around freedom, efficiency models and individual responsibility. Throughout the analysis, we find that the general critiques which have guided reforms and experiments in both areas converge around the same elements. This testifies to the fact that the reflexions and technical models directed at the optimal management of populations are more far-reaching than they first appear. Moreover, the historical transformations in welfare and foreign aid practices bear out the increasingly disciplinary nature of the administration and objectification of the poor, both within the United States and internationally.

**Keywords:** efficiency, responsibility, neoliberalism, welfare, community, family, self-help.

#### **Governmentality**

In contrast to traditional historical and social scientific approaches, governmentality makes explicit the main standards that shape individual choices in daily life and that guide the strategies of institutions in the public realm. It provides the best possible assessment of the recent technical and ideational transformations that have pervaded important policy areas such as welfare and foreign aid in the United States.

The presentation and explanation of governmentality by Foucault and his followers is very well rehearsed and will not be treated here.<sup>1</sup> Instead, this article will focus on the power

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<sup>1</sup> See Michel Foucault, *The Will to Knowledge: The History of Sexuality: Volume 1* (London: Penguin Books, 1978); Michel Foucault, "Governmentality," in Colin Gordon, Graham Burchell and Peter Miller (eds.), *The Foucault Effect; Studies in Governmentality* (Chicago: University of Chicago, 1991); Michel Foucault, *Securité, Territoire, Population: Cours au Collège de France, 1977-1978* (Paris: Gallimard, Seuil Hautes Études, 2004); Michel Foucault, *Naissance de la Biopolitique: Cours au Collège de France, 1978-1979* (Paris: Gallimard, Seuil Hautes Études, 2004). For the best secondary sources on governmentality refer to: Mitchell Dean, *Govern-*

and knowledge configurations and the models of the self that are purported in the enactment of specific reforms and policies. Taking into consideration the peculiarities of American liberalism, the analysis presents a series of governmental arrangements that combine different aspects of welfare and neoliberal rationalities over the course of four decades. Notably, the main reflexions and solutions that apply to the management of the domestic population seem to be replicated in the management of economic and political relations with other countries. In spite of a few differences, international aid and welfare programs have the same general object: the study, observation and potential transformation of the “poor.” Within an advanced liberal rationality of rule, it becomes evident that the poor constitute the ever present, somewhat anonymous category upon which ideologues, experts and politicians base their research, discourses and policies.

This article will present the techniques and modes of thought that have been employed in the administration of the poor in the United States and abroad through the examination of two programs; the Aid to Families with Dependent Children (AFDC) and the United States Agency for International Development (USAID). These programs were chosen as objects of analysis because they embody some of the crucial transformations in recent American history and because they both take poverty as an object of inquiry and manipulation. The AFDC and USAID both originated in the early 1960s, a period of unprecedented involvement and enlargement of the national state. From the constitution of the American state as a technocratic entity through to its reincarnation as a partner in the promotion of individual enterprise and moral responsibility, these massive programs present an acute reflection of the combinations and displacements of modernizing and neoliberal rationales. Whilst the relationship between welfare and foreign aid has a long history, we chose to limit our enquiry to a period of forty years (1960-2000), which we believe contains the blueprint for contemporary debates on welfare and development. The programs in question have rarely been studied in a systematic way. However, they contain a range of influential directives on how to live one’s life: not through philosophical maxims but through concrete measures that dictate or in many cases limit one’s options. The historical study of welfare and foreign aid also reveals the fleeting contours and the ever changing dynamics of an advanced liberal rationality of government in the contemporary United States. Furthermore, it points to the increasingly strict conditions tied to state assistance and to the increasingly severe sanctions imposed on those who derogate to the rules.

Through this article, we hope to contribute to the already rich stream of Foucaultian scholarship by offering a critical study of contemporary forms of power in the United States. This entails destabilizing the conventional meanings associated with American values such as freedom and democracy, not by quantifying them in terms of presence or absence but by situating them as historical, discursive constructions that are configured according to the strategic necessities of a given rationality of government. By comparing domestic configura-

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*mentality: Power and Rule in Modern Society* (London, Thousand Oaks and New Delhi: Sage Publications, 1999); Colin Gordon, “Governmental Rationality: Introduction,” in Colin Gordon, Graham Burchell and Peter Miller (eds.), *The Foucault Effect*; and Nikolas Rose, *Powers of Freedom: Reframing Political Thought* (Cambridge: Cambridge University Press, 1999).

tions of power with those of American foreign policy, we also aim to extend the usual analytical scope of governmentality and to offer an investigation that could be of interest for a variety of fields (i.e. International Relations, Political Science and Sociology).

### **1. Welfare: a Governmental History**

We specifically chose to look at the Aid for Families with Dependent Children (AFDC) program because it relates to important areas of governmentality such as the family and labour, which means that it is also connected to the transcription and regulation of a range of personal dispositions. Since its inception as one of the largest welfare programs in recent U.S. history, it has undergone myriad reforms which bear out the wider shifts in governmental rationalities. For the sake of convenience, we look at the AFDC by decades.<sup>2</sup> Through the exploration of primary and secondary sources, we draw out the conflation of techniques, discourses and intellectual constructs that have contributed to shaping the roles and responsibilities of individuals and institutions in the contemporary United States. Although they are defined differently at any given time, the practices of government which have traversed these four decades typically revolve around the themes of freedom, responsibility and efficiency. The latter all play some part in the constitution and development of personal life, policy-making and knowledge constructions in the contemporary United States. As rationalities of rule play out and are assessed and modified, diverse power/knowledge configurations, from the theory of modernization through to the efficiency models of neoliberalism, emerge.

#### The AFDC (1962-1996)

In 1962, the Kennedy administration introduced the Public Welfare Amendment, of which the AFDC was an important component. From then on, assistance was extended to family members or relatives living under the same roof as the children whose upbringing was deemed to require more favourable conditions. This was one federal initiative among many (Office for Economic Opportunity, Maximum Feasible Participation, Community Action Program, etc.) in the general attempt to eliminate poverty. Subject to unprecedented visibility and increased political will, inequality became one of the main preoccupations of American public life during the 1960s. Indeed, the extensive program of social protection under John F. Kennedy was concomitant with the American people's 'rediscovery' of poverty.<sup>3</sup> Bestselling books such as Michael Harrington's *The Other America*<sup>4</sup> and MacDonald's *Our Invisible Poor*<sup>5</sup> revealed the unseen harms of American capitalism and the social problems which needed to be addressed by the state.

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<sup>2</sup>The division in decades is largely made for the sake of clarity. The continuities, discontinuities, combinations, struggles and conquests inherent to the constitution of rationalities of government elude temporal delineations.

<sup>3</sup> June Axinn and Herman Levin, *Social Welfare: A History of the American Response to Need* (New York: Harper & Row, 1995), 239.

<sup>4</sup> Michael Harrington, *The Other America: Poverty in the United States* (New York: Macmillan, 1962).

<sup>5</sup> Dwight MacDonald, *Our Invisible Poor* (New York and Sydney: Hillman Foundation, 1963).

In the statement of intent of the Office of Economic Opportunity, created in 1965, poverty is defined as “a condition of need, helplessness and hopelessness.”<sup>6</sup> The discursive constitution of poverty as an unacceptable ill which required urgent intervention, prepared the ground for a series of new strategies. The delivery of an increasing array of programs dealing with poverty, but also with crime and unemployment, required the creation of new state agencies and of improved methods for the circulation of information between the various administrative tiers. In order to conceive and implement its ambitious welfare plans, the Kennedy administration enlisted an unprecedented number of experts and academics. The latter contributed to the mapping out, division and classification of the different areas of intervention and to the introduction of stricter efficiency quotas in the conduct of socio-political reforms. In the context of a dominance of behaviouralism and structuralism in American academic circles, quantitative research and other scientific methodologies were readily applied to social policy. Power/knowledge configurations characteristic of the Kennedy/Johnson administrations also represented a remarkable unity of purpose, which brought together a great variety of professional communities all intent on eradicating political and economic inequalities. This outlook was characteristic of “modernization,” which David Apter defines as “the process of consciously directing and controlling the social consequences of the increased role of differentiation and organizational complexity in society.”<sup>7</sup> Modernization was then a way to cope with the managerial, technological and infrastructural exigencies that emerged in the context of a rapidly growing economy and of an expanding welfare state, but it was also associated with the belief that knowledge and scientific progress had to be used to improve human life.<sup>8</sup>

In the American case, however, the realization of general welfare rested heavily on the development of individual qualities. Even as government in the 1960s intervened on the general “nexus of collective solidarities and dependencies,” one of the specific objectives of these sweeping reforms was to reverse the attitudes associated with poverty and to instil a new ethos of self-sufficiency, optimism and motivation.<sup>9</sup> Concurrently with the looming influence of neoliberal economists like Hayek and members of Chicago School such as Gary S. Becker, the notion of rational choice became one of the cornerstones of governmental plans, not only in the economic domain but in a variety of other spheres such as social security and family life. The more radical proponents of American neoliberalism tended to apply economics to “all purposive conduct entailing strategic choices between alternative paths, means, and instruments.”<sup>10</sup> Within the constraints of their personal traits and aptitudes, it was assumed that individuals would seek to maximize the rewards of a particular choice, whether it be the

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<sup>6</sup> Barbara Cruishank, *The Will to Empower: Democratic Citizens and Other Subjects* (Ithaca and London: Cornell University Press, 1999), 73.

<sup>7</sup> David Apter, *The Politics of Modernization* (Chicago: Chicago University Press, 1965), 56.

<sup>8</sup> *Ibid.*, 433.

<sup>9</sup> Nikolas Rose, “Governing Advanced Liberal Democracies,” in Barry et al. (eds.), *Foucault and Political Reason: Liberalism, Neo-liberalism and Rationalities of government* (New York and London: Routledge, 1996), 40.

<sup>10</sup> Gordon, *Governmental Rationality*, 43.

choice of a life partner or a job. If economics was indeed capable “of addressing the totality of human behaviour,” it could surely be used to program “the totality of governmental action.”<sup>11</sup>

The welfare subject of the 1960s was bound by the requirement of self-sufficiency, but was also compelled to lead a ‘moral’ life. Private life and individual attitudes were made into objects of observation and manipulation insofar as the sum of personal proclivities affected the general stability of the social order. The responsibility of generating and preserving the social order fell to the central state, which had every interest in producing autonomous and ordered subjects. One of the core objectives of the AFDC was to help “parents and relatives with whom (the children) are living to attain or retain capability for the maximum self support and personal independence.”<sup>12</sup> The state therefore exercised its responsibility to preserve the nuclear family by encouraging the development of self-reliance among its members. On the other hand, some legislators expressed concerns about the effects of programs like the AFDC on the rates of divorce, illegitimacy and unemployment.

The notion that it was the state’s duty to provide minimal sustenance for all Americans and to bring about the conditions that would allow for economic success, was associated with the “lack of economic opportunity” thesis. The other prevalent framework on poverty referred to an entrenched “culture of poverty,” particularly among low-income black families. It was argued<sup>13</sup> that enduring unemployment and marginalization had caused an intractable sentiment of hopelessness among black males in particular, which in turn affected the rates of divorce, abandonment and out-of-wedlock births in inner-city communities. If the “lack of opportunity” frame has somewhat receded in the wake of neoliberal reforms, the racialization of the welfare subject has endured to this day. Both of these strands informed the discursive and practical formulation of the War on Poverty put in motion by President Johnson.

The key developmental logics of governmentality in the 1960s mostly had to do with a complex amalgam of welfare and neoliberal rationalities. The estimated minimum of state assistance needed to sustain collective well being was almost invariably complemented with incentives to individual responsibility. Infused with the spirit of modernization, large welfare programs were engineered through the latest scientific advances and management techniques. This logic of rule endured through most of the 1970s but efficiency-based management models began to change the way social programs were administered and, in particular, the conceptualization of the recipient’s” rights and responsibilities. Notably, the 1970s marked the reassertion of paid labour as a paradigm of morality and rationality.

### The 1970s: Work and Autonomy

During the Second World War and the immediate years that followed, the creation of corporations with distinctive identities claimed the allegiance of individuals who had previously been estranged from their work. Workers became involved in the management of the enterprise and the state acknowledged the workers’ right to advantages like family health plans,

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<sup>11</sup> *Ibid.*, 43.

<sup>12</sup> Social Security Act (Washington: United States Congress 601, 1964 supp IV), 42.

<sup>13</sup> For the foremost exposition of this kind of argument see the controversial report *The Negro Family: The Case for National Action*, Office of Planning and Research, United States Department of Labor (Washington DC: March 1965).

paid holidays and leisure activities. Most Great Society programs were informed by this same commonly agreed upon 'right' to social protection. However, the renewal of the subject's emotional bond with his or her workplace and of the extensive role of the state in realizing the common good, soon gave way to a reflection on the adverse effects of uniform integration.

The solidarist ethos of enterprise and the focus on harmonious group relations began to slip away in the 1970s. The concern to increase productivity required that responsibilities be allocated according to competency. This meant that a hierarchy of skills and managerial experience was being progressively instituted in the workplace. The possibility of new skills acquisition and promotion constituted an inviting prospect for workers.<sup>14</sup> In the decades that followed the war, the Marxist-inspired critique of work as a series of dull and compulsive motions, and of the severance of labour from self-fulfilment, gave way to all kinds of psychological surveys on how to increase happiness in the workplace. Research institutions<sup>15</sup> in Europe, Scandinavia and North America published various studies on the "quality of working life."<sup>16</sup> Experts on work relations, government officials and psychologists joined forces to represent the worker's needs and aspirations and make them consistent with prevailing conceptions of democracy and liberty. Many American CEOs found that getting workers more involved in the production process and making work more interesting increased productivity.

The subject of government in the 1970s was essentially constituted through the mutually reinforcing tenets of self-help and labour. In a historical overview of the Work Incentive (WIN) program from 1968 to 1978, a congressional report vowed to increase the "quality and range of jobs," provide "high quality training, (and)... help youth further refine self-help techniques" in "order to enable WIN registrants to acquire the skills necessary for successful participation in the job market."<sup>17</sup> As Jacques Donzelot points out, the articulation of an emerging subject demanding personal fulfilment, independence, humane and interesting tasks, opens the way for a *formation permanente*: "a continuous process of retraining, from the cradle to the grave, designed to provide the individual with a feeling of autonomy in relation to work, and at work."<sup>18</sup> Through the careful identification of the individual's feelings, ambitions and misgivings, work was to become an integral element of a fulfilling life.

As a response to the budgetary pressures on the welfare system, international competition and technological advances in the production sector, a series of adjustments were put in motion. New management schemes were being developed in order to increase efficiency, reduce waste and streamline services. Training programs also had to be implemented to keep up with a flurry of technological ameliorations. U.S. government studies compared the

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<sup>14</sup> Nikolas Rose, *Governing The Soul* (London and New York: Free Association Books, 1989), 98.

<sup>15</sup> On this, see Peter Miller and Nikolas Rose, "The Tavistock Programme: The Government of Subjectivity and Social Life," *Sociology*, Vol. 22, No. 2, (1988) in which they assess the effect of psychological and managerial techniques on the reconceptualization of the workplace and the family from the welfare state to the advanced liberal state.

<sup>16</sup> Peter Miller and Nikolas Rose, "Governing Economic Life," *Economy and Society*, Vol. 19, No. 1 (1990), 439.

<sup>17</sup> US Department of Labor, *The Work Incentive Program: A Report at Ten Years (1968-1978)* (Washington, US Government Printing Office, 1978), 38.

<sup>18</sup> Jacques Donzelot, *Policing The Family* (London: Hutchinson, 1979), 273.

American workforce with that of countries with higher productivity such as Japan. The proliferation of psychological studies and government reports intent on discovering what made workers happy and therefore productive, meant that human relations in the workplace were now the object of conscientious calculation and manipulation. On the one side, the productivity of each worker was measured by attributing the roles of specific characteristics like age, sex and race.<sup>19</sup> On the other, each individual's behaviour was monitored through personalized counselling sessions and flexible arrangements were made available to the workers.

In parallel with the appropriation and modulation of individual perceptions in the workplace, the government of welfare was conducted through ever-more standardized and thrifty managerial models. The drive for efficiency characteristic of the emerging entrepreneurial culture of the 1970s began to affect state operation. Throughout the 1970s, social programs were subjected to closer scrutiny. Quality Control Programs conceived for the AFDC consisted in "producing a better administration of the Program by requiring States and localities to measure, identify and correct errors in administration. As stated in the 1978 administrative report, it was also directed at "reducing Federal matching of erroneous payments to a minimum."<sup>20</sup> Reforms then vowed for a transfer of responsibility from the central state to smaller administrative units and for a systematic review of welfare claims. Through the meticulous investigation of individual cases, quality control programs devised a formal selection process between deserving and undeserving recipients.

At the end of the 1970s, however, official discourse was still infused with the idea that poverty and unemployment were products of the economic structure. For example, the *1977 Report of the WIN Program and Related Experiences* persisted in blaming the American economy for "its inability to provide jobs" and states that "most persons are on welfare because they cannot earn enough in spite of their efforts to support their dependents."<sup>21</sup>

Throughout the 1970s, welfare was subject to contrasting conceptualizations. On the one hand, the individual's own efforts were considered to be the surest means to quell unemployment and welfare dependency. This continuing focus on developing self-reliance was bolstered by the valuation of work and efficiency-based managerial models. On the other hand, in the immediate aftermath of Great Society projects, the state was still expected to provide care for the most vulnerable. Recipients had to demonstrate their motivation to overcome the obstacles inherent to a competitive and rapidly changing labour market, but there was no real political emphasis on imparting responsibility to the individual for his or her poverty. This was to change with the election of Ronald Reagan in the early 1980s, as his administration actively favoured the transfer of "the social and economic risks of unemployment from state bureaucracies to the individual."<sup>22</sup>

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<sup>19</sup> William J. Baumol and Kenneth McLennan, *Productivity growth and U.S. competitiveness* (New York, Oxford: Oxford University Press, 1985), 106.

<sup>20</sup> Committee on Government Operations, *Administration of The AFDC Program* (Washington: US Government Printing Office, 1978), 202.

<sup>21</sup> US Department of Labor, *The Work Incentive Program: A Report at Ten Years (1968-1978)* (Washington: US Government Printing Office, 1978), 37.

<sup>22</sup> Catherine McDonald and Greg Marston "Workfare as welfare: governing unemployment in the advanced liberal state," *Critical Social Policy*, Vol. 25, No 3 (2005), 383.

### The 1980s: Neoliberalism and Individualism

The Reagan' era marked the intensification of the neoliberal logic of government, whereby the ability of individuals to judge and choose in a rational manner was given utmost value. This focus on individual rationality was accompanied by a wide-ranging reconfiguration of responsibility and the stigmatisation and disciplining of welfare recipients. Reagan blamed the country's poor economic performance on excessive federal interference and vowed to bring what he considered freedom of choice back to individuals, local authorities and state legislatures. For him, a partial withdrawal of the state from economic and policy domains was long overdue because the Great Society had failed to deliver on its promises of equality, employment, education and crime control. By the time Reagan came into office in 1980, work-for-welfare programs had generally failed to enrol recipients in permanent jobs. Most states were finding federal targets difficult to meet and recipients were subjected to growing resentment from the rest of the population. The administration was determined to end welfare dependency and put a number of discursive and practical injunctions to work. On the discursive level, it objectified the welfare client as idle and dishonest.<sup>23</sup> On the practical level, it imposed a variety of sanctions and obligations on applicants.

The rationalization of state programs and the disciplining of welfare recipients were epitomized in the Omnibus Budget Reconciliation Act (OBRA).<sup>24</sup> The AFDC was directly targeted by the reform, more specifically through the restriction of eligibility requirements, the reduction of payments and the obligation of individual states to develop WIN demonstration Programs.<sup>25</sup> Individual and institutional responsibility had become values of the highest order, and such values were imposed through a series of increasingly strict incentives.

At the same time, the state became increasingly concerned with the marital and educational habits of welfare recipients. In the federal programs of the 1980s and 1990s, participation in paid labour and enjoyment of a normal family life constituted the explicit foundations of a healthy social body. In a report on the AFDC in 1986, Jo Anne B. Ross, the associate commissioner on family assistance, explained that "a child who sees his parent get up every morning and go to work learns the rewards—both financial and non financial—that come from work. And he learns that goals are reached through work."<sup>26</sup> Ross continued: "with regular benefit payments, recipients tend to lose sight of their obligation to work toward self-sufficiency. They give up on themselves."<sup>27</sup> A premature descent into desperation was pre-

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<sup>23</sup> The 1980s generally marked the intensification of a trend among white middle-class Americans to label poor black single mothers as lazy and dishonest. Reagan used the story of a fictional 'Welfare Queen' from the Side South of Chicago who used state benefits to buy a Cadillac repeatedly.

<sup>24</sup> Committee on Ways and Means AFDC, *The President's AFDC Work Proposals and the White House Domestic Policy Council Evaluation of Federal Welfare Programs* (Washington: US Government Printing Office, 1986), 15. The program focused on three areas: targeting those in need, improving administration and strengthening work requirements.

<sup>25</sup> Nancy E. Rose, *Workfare or Fair work: Women, Welfare, and Government work Programs* (New Brunswick: Rutgers University Press, 1995), 129.

<sup>26</sup> Committee on Ways and Means AFDC, 7.

<sup>27</sup> *Ibid.*, 4.



cisely what was to be avoided if underprivileged citizens were to make it into the labour market. Defeatism had to make way for optimism and the state was bound to reward those who showed such inclinations.

In the 1980s, the state's responsibility had less to do with motivating people to work than with assisting those who were already inclined to do so. The targeted individual was "capable of self sufficiency" and could no longer be given the option to choose social benefits over employment.<sup>28</sup> Whereas government acted upon the social communities formed out of disparate individuals in the 1960s and 70s, it now sought to stimulate the innate capability of each individual to respond to criteria of fulfilment and productivity. Within this ethos, work once again occupied a central function as the purveyor of self-worth and purpose. Unless they were incapacitated, individuals could not reasonably oppose the fulfilment of their humanity through labour. The rewards associated with work were made as clear as the disadvantages of unemployment and the rhetoric employed continually reinforced that opposition. But if choices were valued as essential components of self-realization in a competitive economy, they also had to be oriented in specific ways. Dependency could no longer be a choice because it was represented as morally wrong and economically unproductive. Substantive moral education then took place through the control of incentives. Recipients were brought to prioritize values such as uprightness, dependability and dignity.

By the end of the 1980s, liberal as much as conservative platforms represented the American people's distaste for what was seen as the inappropriate lifestyle of the poor. Recipients needed public support, it was argued, because women were having children out of wedlock, men were sidestepping their responsibilities as fathers and because very few showed enough motivation to work.<sup>29</sup> However, aside from the occasional training program in community schemes, the governance of both crime and welfare in the 1980s and 1990s was characterized by the exclusion of individuals considered beyond the reach of state assistance. Some individuals were simply seen as irrevocably corrupt and ultimately responsible for making the wrong kinds of choices.<sup>30</sup> According to this rationale, penal and welfare institutions had no other option but to exclude them from the rest of society. Individuals were compelled to calculate the risks of their own actions, be they drug deals or the desertion of their wives, husbands or children. The regulatory instances of individual responsibility, self-control and self-management were to become embedded in mentalities of rule for years to come.

Through multiple discursive injunctions, the legitimacy of minimal state assistance dwindled in favour of assistance to the "'deserving," 'who had to prove that they were doing everything in their power to find work. As we have seen, the incentives and rewards surrounding employment, as much as the consequences of failing to find a job, marked an intensification of the disciplinary currents observed in the previous decades. The 1980s saw the successful establishment of a more drastic governmental program which relied heavily on individual rationality and conservative social values.

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<sup>28</sup> *Ibid.*, 5.

<sup>29</sup> Nancy E. Rose, 139.

<sup>30</sup> James Q. Wilson, "Crime and American Culture," *The Public Interest*, Vol. 70 (1983).

1990s: Community and the "Third Sector"

Whilst the government of welfare in the 1990s pursued neoliberal techniques that induced morality and responsibility, the level and scope of control exercised upon the personalities and habits of welfare recipients actually increased. A new element in the composition of governmentality was the play and integration of the ethical aspirations of the private citizen. Ethical aspirations were transformed into instruments of government, whereby the values emerging from the 'community' were to be used in order to create self-managing collectivities. These transformations reconfigured the meaning and the operationalisation of democracy and citizenship. The notions of welfare as a right and of state-sponsored outlets for civic participation, once firmly associated with democracy, were gradually losing ground.

As with most of the previous reforms of the AFDC since the early 1960s, the changes instated through the Personal Responsibility and Work Opportunity Reconciliation Act (PRWOR) were based on the assumption that welfare engendered a state of helplessness, low self-esteem and dependency.<sup>31</sup> The discursive objectification of individuals on welfare asserted the intrinsic value of labour, independently of the recipient's idea of what constituted a rewarding activity. Both work and marriage were presented as undeniable providers of self worth, and as the essential pillars of an ordered society. They lent meaning, pride and identity in an otherwise confusing and egotistical social environment. In her empirical study of the effects of marriage on quality of life, Linda J. Waite found that marriage was associated with increased purchasing power, greater health and had a moderating effect on children's propensity to either drop out of school or commit crimes.<sup>32</sup> Work and marriage were not only distant ideals proclaimed by nostalgic conservatives or well-meaning presidents; they were seen as concrete regulatory instances which informed the elaboration of welfare programs and the training of a multitude of case workers, precisely because of their effect on a great variety of potentially prejudicial behaviours. As Rose attests, "the technologies of welfare-to-work deploy a mixture of re-moralizing therapies, pedagogies for inculcating citizenship competencies and punitive measures."<sup>33</sup> Targeted individuals had to integrate and apply the guidelines learned in parenting classes, marriage preparation workshops and job seeking programs and their progress was routinely assessed by individual case workers. Such a concerted effort in the form of persuasive educational schemes was ultimately made possible by the American people's exasperation with the long-term 'dependency' of some elements of the underclass. In the years that followed Reagan's rhetorical assault on 'undeserving' recipients, academic and popular debate about welfare had effectively shifted toward a preoccupation with 'dependency.'<sup>34</sup>

Furthering the devolutionary efforts initiated through the OBRA in the 1980s, the PRWOR formally released the federal government from its responsibility to care for the poor

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<sup>31</sup> See Nikolas Rose, "Community, Citizenship and The Third Way," *American Behavioral Scientist*, Vol. 43, No. 9, (2000), 1407 and Cruishank.

<sup>32</sup> Linda J. Waite, "Social Science Finds; Marriage Matters," in Amitai Etzioni (ed.), *The Essential Communitarian Reader* (Lanham: Rowman and Littlefield, 1998).

<sup>33</sup> Rose, "Community, Citizenship and The Third Way."

<sup>34</sup> Mary Jo Bane and David T. Elwood, *Welfare Realities: From Rhetoric to Reality* (Cambridge: Harvard University Press, 1994), 67.

and displaced it onto individual states and local authorities. In line with the ever increasing role of the private sector in the delivery of welfare, the Act also appealed to the marketplace to provide competitive and high quality services. However, anti-poverty strategies of the 1990s were explicitly reliant on the market and set employment as a condition for any sort of reward or assistance.

Throughout the 1990s, the restrictive and punitive measures instigated during the Reagan era were actively sustained. The signing into law of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWOR) in 1996 once again tightened work requirements. Clinton's vow to "end welfare as we know it" basically meant exchanging welfare for work after two years for all 'able bodied adults,' and terminating benefits altogether after a period of five years on the rolls. Welfare provision was indeed completely transformed by those measures. Any reference to the notion of assistance as entitlement had formally disappeared and welfare was officially defined as a transitional and 'temporary' state.<sup>35</sup> The work-related component of the PRWOR, the Temporary Assistance for Needy Families (TANF), applied ever stricter performance quotas for states in the attempt to move recipients onto the labour market.<sup>36</sup> The Act also required states to develop "personal employability plans," which taught recipients about the necessary manners and qualities required to obtain and hold down a job. To stimulate performance, the various local instances in charge of welfare provision competed for monetary rewards allocated to those agencies that devised the best motivational programs and achieved the highest work placement percentages.

The 'third sector,' composed of private, public and voluntary organizations, constituted both an outlet for governmental goals regarding welfare and crime control, and an alliance of regulatory agencies that provided civic education in the hope of eliminating the need for direct state intervention. Responsibility for the management and implementation of basic state functions was in effect diffused to individuals and communities. The goals of safety and well-being, represented as commonly accepted goods in local and national life, ideally required the collaboration, involvement and notification of each and every citizen.<sup>37</sup> Citizens were beginning to see themselves in terms of their respective ethical commitments, as proud contributors to the changing outlooks on local, national and international issues. A number of Community Organisations, Interfaith Partnerships and community service institutions like AmeriCorps participated in the effort to assist, educate and restore underprivileged communities. Influential alliances like the Coalition of Human Needs, formed in 1993 out of hundreds of labour, religious and Women's groups, laid out a series of principles that were presented to Congress.<sup>38</sup> In terms of work placements, large organizations such as the Goodwill coalition contributed to employ and train thousands of recipients.

The other crucial component of the Personal Responsibility Act was its conceptualisation of marriage and family. The Act posed marriage as "the foundation of a successful

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<sup>35</sup> PRWRO, *Personal Responsibility and Work Opportunity Act* (Washington: Public Law 104-193, 1996).

<sup>36</sup> 25% of recipients were meant to be working by 1997 and 50% by 2002.

<sup>37</sup> For a good example on the notification of citizens in safety related schemes see the discussion of Megan's Law in Rose, *Powers of Freedom*, 174, and especially Ron Levi, "The mutuality of risk and community: The adjudication of community notification statutes," *Economy and Society*, Vol. 29, No. 4 (2000).

<sup>38</sup> Nancy E. Rose, 177.

society.”<sup>39</sup> Fathers and mothers were made responsible to manage the social risk of engendering an unruly child, and their ability to preserve their marriage as well as to rear children, were subject to increased scrutiny. Furthermore, to impress the consequences of irresponsible behaviour reflected in the high rates of divorce and teenage out-of-wedlock pregnancies, measures and programs insisting on ‘male responsibility’ were enacted. The state allocated competitive grants for the development of programs like “Fathers Work,” concerned with assisting fathers “who owe child support and help[ing] them connect with their children.”<sup>40</sup> Again, the management of these programs would be ensured by “one stop career centres, community groups and faith-based organizations under contract to local and state workforce investment boards.”<sup>41</sup> Parents were represented as having a key role in preventing crime, delinquency and teenage pregnancy by transmitting clear ethical principles to their children. If parents failed to assume that responsibility by, for example, deserting their family or refusing to pay child support, they risked having their wages reduced, their bank accounts seized and their tax refunds withheld.<sup>42</sup>

The PRA also included a “program for abstinence education” in which restraint from sexual activity outside of marriage was posed as an explicit norm. The plan “teaches that a mutually faithful monogamous relationship in the context of marriage is the expected standard of human sexual activity” and that sex outside of marriage “is likely to have harmful psychological and physical effects.”<sup>43</sup> This representation of marriage entails that it is the only legitimate institution to accommodate sexual activity and child-rearing. The notion that marriage is an essential means for social and moral regulation engendered a myriad of training programs to safeguard and promote it. Under George W. Bush, the Personal Responsibility, Work, and Family Promotion Act (2003), essentially following on from Clinton’s initiatives, proposed public advertising campaigns on the value of marriage and workshops on how to develop ‘marriage,’ ‘relationship’ and ‘budgeting’ skills.<sup>44</sup> The valuation of one particular form of family, which induced certain qualities and produced a certain kind of citizen (drug free, emotionally balanced, responsible, hard-working and principled), was not altogether new, but the fact that its normalizing function was explicitly recognized in law was unprecedented.

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<sup>39</sup> PRWRO, *Personal Responsibility and Work Opportunity Act* (Washington: Public Law 104-193, 1996), HR 3734-6, Sec 101.

<sup>40</sup> William J. Clinton, *State of the Union Address* (January 27, 2000) (<http://www.presidency.ucsb.edu/ws/index.php?pid=58708>).

<sup>41</sup> Ibid.

<sup>42</sup> Ibid.

<sup>43</sup> PRWRO, HR 3734-250, sec 502.

<sup>44</sup> Quoted in US congress document; *To reauthorize and improve the program of block grants to States for temporary assistance for needy families, improve access to quality child care, and for other purposes*, (Washington: 107<sup>th</sup> Congress, 2nd Session, US Government Printing Office, 2002), HR4735-1, sec. 103.

## 2. Foreign Assistance: A Governmental History

### US-AID (1960-2000)

The above study of the AFDC was an attempt to better understand the recent history of rationalities of government within the United States through the observation of the shifting modes of power associated with the definition of freedom, responsibility and efficiency. In this section, we examine the United States Agency for International Development (USAID) to determine if the changing practices, ideas and techniques identified in the U.S. domestic sphere are reflected in the recent history of foreign assistance programs. Since its creation in 1961, USAID has played a considerable role in shaping the technological, economic and political landscape of several developing countries and the effects of its interventions can certainly be viewed as a form of governmentality. Although Foucault's analysis of government was largely confined to national spaces, forays have been made into the analysis of global networks of power.<sup>45</sup> One of the objectives of the analysis below is to demonstrate that rationalities of government can actually operate across the lines of domestic and foreign policy. To do so, we follow the thematic and temporal structure of part one and discuss modernization, self-help, efficiency models and neoliberal responsibility as alternating and combining modes of disposing people, things and ideas in foreign assistance ventures.

### 1960s: Modernization and U.S. Foreign Assistance

As much as poor Americans were rendered more visible through their heightened representation in public discourse and as objects of social scientific inquiry after the Second World War, developing countries emerged as objects of concern and study within the hierarchical and rationalizing discourse of modernization. As Nils Gilman notes, "modernization theory was the foreign policy counterpart to 'social modernism' at home, namely the idea that a meliorist, rationalizing, benevolent, technocratic state could solve all social and economic ills."<sup>46</sup> In the two decades that followed the Second World War, the depiction of poverty as morally unacceptable was particularly prevalent among liberal welfare states. The will to "improve" and to "empower"<sup>47</sup> developing countries was supported by the belief that technology, rational planning and economic growth would eradicate poverty globally. These modes of representation created grids according to which developing countries were assessed. Typically, countries under the gaze of a modernizing outlook were presented as technologically deficient, administratively inefficient and economically unproductive. These lacks or needs

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<sup>45</sup> See for example Wendy Larner and William Walters (eds.), *Global Governmentality: governing International Spaces* (London and New York, Routledge, 2004); Michael Merlingen, "Governmentality: Towards a Foucauldian Framework for the Study of IGOs," *Cooperation and Conflict*, Vol.38, No.4, (2003), 361-84; Ole Jacob Sending and Iver B. Neumann, "Governance to Governmentality," *International Studies Quarterly*, Vol. 50, No. 3, (2006), 651-672.

<sup>46</sup> Nils Gilman, *Mandarins of the Future: Modernization Theory in Cold War America* (Baltimore: John Hopkins University Press, 2003), 16.

<sup>47</sup> On the notion of improvement see Tania Murray Li, *The Will to Improve: Governmentality, Development, and the Practice of Politics* (Durham and London: Duke University Press, 2007). On the notion of empowerment see Cruikshank.

constituted a terrain for intervention, where specific elements of a country's productive capabilities were targeted for improvement. Poor countries were represented as "in need of government" and converted "into subjects of intervention" by wealthy countries like the United States.<sup>48</sup>

American aid policy in the early to mid 1960s comprised of three main elements, each of which replicated the neoliberal/welfare rationality observed in the domestic realm. First, scientific methods were applied to the management and implementation of aid and development programs. For the apostles of modernization, "technology was theorized as a sort of moral force that would operate by creating an ethics of innovation, yield and result."<sup>49</sup> Economic growth, technological transfer and infrastructural ameliorations were posed as goods in themselves, often independently of contextual needs. These technical and intellectual rationalizations set wide-ranging development standards, generated detailed information on targeted countries and coordinated the many state agencies involved in the delivery of foreign aid. Second, the implementation of foreign assistance objectives as to political participation, welfare programs, institutional capacity and economic growth supposed the gradual acquisition of the qualities presumably demonstrated by aid providers, most notably the attainment of "'self-help'" for recipient countries and their citizens. Third, national identity would be consolidated not only through its opposition to communism but through a demonstration of the superiority of American Welfare Capitalism as a model of development and as a way of life. All three elements were part and parcel of modernization, which offered a measure of 'civilization' and material development as much as a validation of the economic and social institutions of the United States.

The imprint of modernisation as a mode of government was clear in the discursive modalities and the legislative changes that surrounded foreign assistance. The passing into law of the 1961 Foreign Assistance Act represented a considerable change from the aid policy of the previous administrations. Under Eisenhower and Truman, aid programs were dispersed, poorly organized and served a mainly ideological purpose. President Kennedy's main objective was to regroup and reorganize the various agencies (International Cooperation Agency, Development Loan Fund, Export-Import Bank, Food for Peace Program) responsible for foreign assistance in one centralized, effectively managed organization: USAID. Kennedy asserted that Foreign Aid was important because the "economic collapse of those free but less-developed nations... would be disastrous to our national security, harmful to our comparative prosperity and offensive to our conscience."<sup>50</sup> He also believed that the prosperity and political will generated in the 1960s presented a timely opportunity to elevate poorer countries to self-sufficiency and stability. It was also clear for Kennedy that Americans were morally responsible to lead the free world and that international security could only be insured through a wide ranging increase in living standards. The 1961 Foreign Assistance Act stated the intention to "promote the foreign policy, security, and general welfare of the United States by assis-

<sup>48</sup> Christina Rojas, "Governing through the social: Representations and Global governmentality," in Wendy Larner and William Walters (eds.), *Global Governmentality*, 97.

<sup>49</sup> Arturo Escobar, *Encountering Development: the Making and the Unmaking of the Third World* (Princeton: Princeton University Press, 1995), 36.

<sup>50</sup> John F. Kennedy, *Special Message to Congress on Foreign Aid* (1961), ([www.americanpresidency.org](http://www.americanpresidency.org)).

ting people of the world in their efforts toward economic development and internal and external security, and for other purposes.”<sup>51</sup> The pursuit of peace and prosperity at home was therefore reflected in its pursuit abroad.

The *AID Program Guidance Manual* of 1962 stated that the purpose of foreign assistance consisted in developing “a community of free nations cooperating on matters of mutual concern, basing their political systems on consent and progressing in economic welfare and social justice. Such a world offers the best prospect of security and peace for the United States.”<sup>52</sup> The attainment of common welfare depended upon the constitution of an institutional structure that allowed for the realization of sovereign duties and the formulation of an equitable model of development, both domestically and in concert with a community of states committed to global welfare. Even if the institutional frameworks regulating international trade and politics were not as developed as they are today, the majority of Western powers agreed on the necessity and value of state assistance. In general, the elaboration of a social state first entailed the creation and education of a bureaucratic core. Secondly, it required elaborate methods to conceive and evaluate an increasing variety of social programs. Third, technical and financial means were needed for large infrastructural improvements. Fourth and last, a variety of informal and culturally sensitive means had to be devised in order to predispose local populations to the supposed benefits of industrialization and liberal democracy.<sup>53</sup>

The objective of this renewed aid impetus was no less than to transform the social structure of developing countries through political education, institution-building and infrastructural projects. Gilman notes that “as development projects began to take as their object not the palimpsest of traditional practices, but rather the “human material” itself—conceived as a universal subject whose needs, prospects, and norms could be discovered, interpreted, and fixed by science—modernization theory began to take a more revolutionary aspect that aimed at remaking the identities of traditional people and societies.”<sup>54</sup> Although USAID has exercised a degree of control over local populations and has either put in place or perpetuated structures of domination reminiscent of colonial policies, the outcome of its development ventures has been to “produce not so much extractive-effects on colonial bodies as governing-effects on colonial conduct.”<sup>55</sup>

Concrete measures such as progressive tax reforms, land reforms, voluntary work and political participation were actively encouraged, organized and monitored.<sup>56</sup> Depending on the ‘willingness’ of specific countries to “‘help themselves,’” U.S. development programs

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<sup>51</sup> Committees on International Relations and Foreign Relations, *Legislation on Foreign Relations through 2000* (Washington DC, US senate, Government Printing Office, 2001), 1.

<sup>52</sup> Quoted in Edward Mason, *Foreign Aid and Foreign Policy* (New York and Evanston: Harper and Row, 1964), 37.

<sup>53</sup> *Ibid.*, 37.

<sup>54</sup> Nils Gilman, *Mandarins of the Future: Modernization Theory in Cold War America* (Baltimore: John Hopkins University Press, 2003), 10.

<sup>55</sup> David Scott, “Colonial Governmentality,” in Jonathan Xavier Inda (ed.), *Anthropologies of Modernity: Foucault, Governmentality and Life Politics* (Malden, Oxford and Carlton: Blackwell Publishing, 2005), 35.

<sup>56</sup> George M. Guess, *The Politics of United States Foreign Aid* (London: Croom Helm, 1987), 38.

would strive to instil desirable qualities such as entrepreneurship, efficiency and self-reliance. Foreign assistance encouraged initiatives at the level of 'society' and empowered those individuals who showed a desire to improve their lives by participating in development schemes. Assistance programs in the 1960s therefore emphasized the training and education of local populations in view of their integration in a working network of institutions related to the central state. Development aid was then given directly to state administrations and civil society associations in an effort to encourage "the transition into self-sustained growth"<sup>57</sup> as opposed to a permanent contract of assistance. The treatment of recipient countries, much like that of individuals in domestic welfare programs, rested on incentives to self-help. This meant that aid would serve as a "catalyst for local self-sufficiency and (eventually) contribute to its own self-elimination."<sup>58</sup> As Lyndon B. Johnson asserted in his special Message to Congress on Foreign Aid in 1967, aid should not be provided as a 'substitute,' it had to be applied to and integrated with the fabric of social, economic and political development of poor countries. Again, in the 1960s, the substantial responsibility of the state in facilitating the attainment of "'self-help'" was taken for granted. It was also made possible, in part, by the distinct unity of moral purpose translated in the solidarist ethos of the Kennedy-Johnson era.

In effect, development aid was part of an integrated system of thought which included goals as varied and ambitious as the use of scientific methods for administrative purposes, the suppression of communism and the promotion of international peace and prosperity through the extension of welfare capitalism. As one commentator put it, foreign aid became "a handy multipurpose instrument of foreign policy, which we have been tempted to use in an increasingly wide variety of ways, for an increasingly broad range of purposes."<sup>59</sup> The extension of technological and bureaucratic *know-how* and the increase of welfare standards throughout the world were viewed as two sides of the same coin. Michael E. Latham associated these aspirations with the ideology of 'modernization.' As he put it, "building infrastructure, furnishing technology, providing training, and even demonstrating the virtues of efficiency, long term planning, pluralist politics and personal discipline" and generally adopting an "achievement-oriented ethos," would ensure the development of targeted countries.<sup>60</sup>

As subjects of governmental intervention, developing countries were constructed as culturally and materially backward and judged according to indicators of "modernity" such as the state of the infrastructure, public institutions and economic performance.<sup>61</sup> Rostow's influential formulation of the five stages of growth provided a classificatory scheme for national economies frequently referred to by the Kennedy and Johnson administrations.<sup>62</sup> Once levels of development were determined, a series of requirements could be elaborated.

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<sup>57</sup> Kennedy.

<sup>58</sup> Guess, 38.

<sup>59</sup> Max F. Millikan, *The Political Case for Economic Aid*, in Robert A. Goldwin (ed.), *Why Foreign Aid?* (Chicago: Rand McNally and Company, 1963), 91.

<sup>60</sup> Michael E. Latham, *Modernization as Ideology: American Social Science and "Nation Building" in the Kennedy Era* (Chapel Hill and London: University of North Carolina Press, 2000), 7.

<sup>61</sup> *Ibid.*, 5.

<sup>62</sup> Walt Whitman Rostow, *Politics and the Stages of Growth* (London: Cambridge University Press, 1971), 4-10.



The populations, resources and existing institutions of less developed countries (LDCs) were mapped out more rigorously and an increasing amount of data was processed in order to tease out the productive capacities of poorer nations. Specific factors impeding or enabling development such as population growth were isolated and studied through “censuses and demographic (reports), surveys of knowledge practices of conception control, fertility patterns, and methods of evaluating family planning programs.”<sup>63</sup>

#### 1970s: Responsibility and Efficiency

Similarly to the domestic situation, the all-embracing ambitions of modernization proved difficult to realize. The willingness to increase living standards throughout the world was thwarted by a lack of resources and organization. Partly because of these contingencies, the content of responsibility began to shift. Throughout the modernizing era, the representation of poverty as the product of economic imbalances meant that most of the responsibility for international development lay with wealthier countries. However, beginning in the early 1970s, states who received financial assistance were being held accountable for their own shortcomings. U.S. foreign assistance focused on the most deprived individuals of a designated country instead of trying to build up infrastructural capabilities. As with domestic welfare programs, the conceptualization and techniques pertaining to the U.S. development effort in the 1970s were informed by more stringent efficiency standards. As we show here, poor countries receiving aid were inserted in new power and knowledge configurations; new spaces of intervention were opened up in concert with the materialization of a discourse on responsibility and efficiency. In response to the perceived failures of modernization, the government of welfare and of foreign assistance entailed a renewed focus on individual accountability and a sustained appeal to technical rationalization.

In times of fiscal restraint, foreign assistance programs were among the first to be targeted for budgetary cuts. The U.S. government was no longer justified in allocating funds to endeavours that did not advance American interests or the causes of peace and prosperity. Much like the domestic initiatives to deal with poverty, the aspirations of the aid effort were seen as too hasty, far-reaching and ambitious. However, if international involvement was seen neither as a moral obligation nor as a budgetary priority, the need to preserve the domestic welfare system benefited from a more solid consensus. This lack of public will exposed foreign assistance to experimental reforms such as privatisation, new evaluation methods and selective budget cuts earlier than welfare programs. Aside from the variations in degrees of priority, both governmental areas were transformed by increasingly strict standards of efficiency and performance.

The Foreign Assistance Act of 1973 suggested that programs and missions be better evaluated and monitored as well as better coordinated with existing civil and state institutions. This could be done through “specifying and elaborating quantitative and behavioural models, constructing and testing hypotheses in the field of local action capabilities

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<sup>63</sup> United States Agency for International Development, *Population Program Assistance. Aid to Developing Countries by the US, Other Nations, and International and Private Agencies* (Washington D.C: Office of War on Hunger, 1968), 8.

and providing consulting assistance to field missions and local collaborating entities” to enhance their ability to collect, analyse and utilize local data to improve the effectiveness of rural development programs.<sup>64</sup> As Escobar attests, the forms of power that appear in the midst of such rationalizations “act...by controlled knowledge” and by “the bureaucratization of social action,” instead of by imposition or altruistic motives.<sup>65</sup>

Underneath the linear history of administrative reforms lies a more general rethinking of the activity of government. The separation of centralized aid programs in specialized areas of intervention, the increase of effectiveness through the reduction of bureaucratic impediments to decision-making, the increase of coordination between existing institutions and the evaluation of project performance, are all measures that modified the attitudes, roles and expectations of state institutions and individuals involved in development initiatives. The focus on administrative efficiency translated the progressive loss of coherence in the foreign assistance logic of the 1960s. The unity of purpose implicit in the diffusion of capitalist democracy was tainted by the failure of the American war effort in Vietnam. Consequently, foreign assistance programs became less outward and were subjected to a host of internal reforms. A new development rationale seeped through a variety of practical changes. These covert governmental transformations formed new identities, validated new credos, generated new practices and created new requirements, one of which was the diffusion of responsibility.

In his address to Congress in 1970, Nixon insisted that developing countries had to “assume a larger role in defining their own development strategies.”<sup>66</sup> Countries deemed unable to use their aid money properly saw their assistance reduced or in more extreme cases withdrawn. The earlier priority of increasing general economic output meant that issues surrounding accountability and quality control had not yet surfaced to the fore. But around the mid 1970s, assistance was redirected towards “deserving” countries which, through the comparative assessment of their performance, had shown that they could “help themselves.”<sup>67</sup> If the larger portion of aid was still being channelled through state institutions, the latter were placed under increased scrutiny. The world was now increasingly seen as a collection of responsible sovereign nations considered capable of looking after their own populations. Their success or failure to do so was a matter of their making the right kinds of choices. In its effort to make aid more direct, visible and effective, American Foreign Assistance held indigenous state institutions responsible for identifying ‘high priority’ development and relief needs.

At the same time, the New Directions (1973) approach for bilateral aid was to “be carried out to the maximum extent possible through the private sector, particularly those institutions which already have ties in the developing areas, such as educational institutions,

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<sup>64</sup> Donald R. Michelwait, *New Directions in Development: A Study of USAID* (Boulder: Westview Press, 1979), 4.

<sup>65</sup> Escobar, 42.

<sup>66</sup> Quoted in Vernon W. Rutton, *United States Development Assistance Policy: The Domestic Politics of Foreign Economic Aid* (Baltimore and London: John Hopkins University Press, 1996), 96.

<sup>67</sup> United States Congressional Budget Office, *Assisting the developing countries: Foreign Aid and Trade Policies of the US* (Washington: US Government Printing Office, 1980), xviii.

cooperatives, credit unions and voluntary agencies.”<sup>68</sup> The responsibility for the task of developing third world countries in times of fiscal restraint had to be distributed through a greater array of agencies. Federal initiatives at the end of the 1970s essentially continued the reforms of 1973 by multiplying evaluation programs, decentralizing decision-making overseas, encouraging the private sector and soliciting international donors.

### The 1980s: Neoliberalism and the Critique of Foreign Aid

The growing role of private enterprise, International Financial Organizations and local actors in the development ventures of the 1970s only became more apparent in the 1980s. A discourse defined by its staunch criticism of state intervention and the “dependency” it produced, established itself with great force throughout the 1980s. The emerging neoliberal rationality of government effectively posed the “market” as a universally applicable solution to poverty. Since it was deemed that the state had failed in its efforts to eliminate poverty, the market would offer a rationalization of the complex relationships between the various development actors. As Timothy Mitchell argues in his study on Egypt, the market became a “simple image for picturing the relations between farmers, labourers, landowners, state officials, international agribusinesses, and consumers, an image that reduces these interrelated but very unequal concentrations of power into nominally equivalent buyers and sellers.”<sup>69</sup> Neoliberalism’s imprint on public policy had the double effect of dehumanizing the subjects of state intervention and of depoliticizing poverty by submitting it to the law of numbers and efficiency. What’s more, individuals and developing countries that remained in a state of need and deprivation were now simply viewed as anomalies, either unwilling or unable to accomplish what was being asked of them.

Just as he did with domestic welfare, Reagan identified the size of the developing countries’ governments as one of the main impediments to economic progress and adopted measures to increase the contribution of the private sector. In fact, the very notion of foreign assistance was put in doubt, as it “undercut the recipient’s ability for sustained growth.”<sup>70</sup> In 1982, USAID set up the Bureau for Private Enterprise, intent on the “growth of productive, self-sustaining income and job-producing private sectors in developing countries, using the financial, technological expertise of the U.S.’ private sector, indigenous resources, multilateral institutions and agency resources.”<sup>71</sup> By teasing out the productive capabilities of target countries, purveying technical know-how and demonstrating efficiency standards, American governmentality was beginning to remodel developing countries according to its own benchmarks.

For the most part, free market ideologues dictated the modalities through which deficiencies in the internal management of developing countries were apprehended. Com-

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<sup>68</sup> Brian H. Smith, *More Than Altruism: The Politics of Private Foreign Aid* (Princeton: Princeton University Press, 1990), 5.

<sup>69</sup> Timothy Mitchell, *Rule of Experts: Egypt, Techno-Politics, Modernity* (Berkeley, Los Angeles, London: University of California Press: 2002), 227.

<sup>70</sup> David Osterfeld, “The Failures and Fallacies of Foreign Aid,” *The Freeman: Ideas on Liberty*, Vol. 40, No. 2, (1990), 12.

<sup>71</sup> *Ibid.*, 135.

mentators such as Nicholas Eberstadt, Doug Bandow and Peter Bauer hinted at what they saw as the fundamental problems facing developing countries. The basic fact being that “even when public officials are not corrupt they are human. Relief from the economic constraint of serving consumers enables public officials to substitute their own priorities, however well intentioned, for those of consumers.”<sup>72</sup> For conservative development experts, the motivations and calculations of individual consumers served as the basic materials for economic growth. They blamed foreign assistance programs such Food for Peace (PL 480), introduced in the 1950s, for discouraging the local production and consumption of agricultural stocks. Following a plain cost/benefit calculation, individuals were naturally inclined to choose free goods over costly ones. Furthermore, the initial provision of aid had only created a subsequent need for more aid and generated an unbroken circle of dependency.<sup>73</sup> According to radical proponents of free market ideals, the very notion of foreign assistance or welfare benefits (apart for seriously impaired individuals) was irrational and had to be abolished.

Once again, government acted upon the individual’s potential ability to self-regulate. In the 1980s, local development projects began to foster the participation of the poor, enlisting them as agents of their own transformation. As stated in a congressional report on countries receiving U.S. assistance, one of the objectives of USAID programs was to “improve the fundamental life skills of adults,”<sup>74</sup> which presumably meant enhancing their ability to organize their own lives, start viable enterprises and take responsibility for the welfare of their families and communities. As a governmental disposition, the free expression of individual energies in the market place seemed to apply as a rational solution to economic and political problems across time and space. Means for neoliberal economic development included “encouraging individuals to capitalize themselves, to invest in the management, presentation, promotion and enhancement of their own economic capital as a capacity of their selves and as a lifelong project.”<sup>75</sup> As targets of intervention, individual subjects in poor countries were at once free to pursue their own economic goals and made responsible to integrate the guidelines for economic success. They were inserted in new systems of relations and their treatment and definition in project reports changed overnight. As one commentator on USAID agricultural programs put it, “farmers suddenly become rural entrepreneurs.”<sup>76</sup>

### Conditionality

More than any other set of measures or discourses, conditionality embodied the sharp disciplinary turn that marked the relationship between wealthy and developing countries in the

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<sup>72</sup> Ibid., 9.

<sup>73</sup> Doug Bandow, *U.S. Aid to The Developing World: a Free Market Agenda* (Washington: Heritage Foundation, 1985), xiv.

<sup>74</sup> United States Agency for International Development, *Fiscal Year 1982 Congressional Presentation: Economic and Social Data Statistics for Aid-Recipient Countries* (Washington: Agency for International Development, 1982), 43.

<sup>75</sup> Rose, *Powers of Freedom*, 162.

<sup>76</sup> Richard S. Newfarmer, “Cuba: Going to the Source,” in Robert J. Packenham (ed.), *Liberal America and the Third World; Political Development Ideas in Foreign Aid and Social Science* (Princeton: Princeton University Press, 1973), 45.

1980s. The official objective of conditionality was to increase the role of markets relative to the public sector, improve incentive structures, augment the efficiency of the public sector and mobilize additional domestic resources.<sup>77</sup> Towards the end of the 1970s and through the 1980s, the U.S. government started to apply it more decisively through the co-financing of the World Bank's policy-based operations. USAID, not associating directly with the Structural Adjustment programs of International Financial Institutions, used program headings such as "policy dialogue" to further macro-structural reforms in some countries.

Towards the end the 1980s and through the 1990s, economic and political reforms under the auspices of conditionality were presented as being in the interest of poorer countries. Once those interests were constituted in a rudimentary form in the subjects' cognition or that contractual obligations for aid were firmly established, more conditions such as 'good governance' could be added. The very notion of conditions for assistance, namely a forced adaptation of state and society structures to the mechanisms of international financial markets, was a defining development of the 1980s. The poor countries who failed to develop were penalized. Again, this had striking similarities with the disciplining of welfare recipients. The enactment of these measures marked the passage from the modern development theory espoused by Kennedy to the regulation of individuals and institutions through market mechanisms. Economic development was effectively becoming the responsibility of recipient countries and individual entrepreneurs. The standards of living and social structures of many developing nations suffered immensely from the imposition of these ideational and financial parameters.

#### 1990s: Development and Neoliberal Internationalism

If Structural Adjustment Programs managed by the IMF and the World Bank endured throughout the 1990s, the consequences of their zealous application in the 1980s were widely criticized and addressed in a variety of reforms. The neoliberal turn in the administration of international economy was reconsidered according to new normative covenants put forth by governments, civil society institutions and individuals alike at the beginning of the 1990s. The shift to global governance was marking the progressive disappearance of "coordinated, hierarchical structures and processes of societal steering" in favour of "a network-based process of exchange and negotiation."<sup>78</sup> As Ferguson and Gupta point out, global governmentality

includes not only new strategies of discipline and regulation, exemplified by the WTO and the structural adjustment programs implemented by the IMF, but also transnational alliances forged by activists and grassroots organizations and the proliferation of voluntary organizations supported by complex networks of international and transnational funding and personnel.<sup>79</sup>

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<sup>77</sup> Tony Killick, *Aid and The Political Economy of Policy Change* (London: Routledge, 1998).

<sup>78</sup> Dorte Salskov-Iversen, Hans Krause Hansen and Sven Bislev, "Governmentality, Globalization and Local practice: Transformations of a Hegemonic Discourse," *Alternatives*, Vol. 25, No. 2, (2002), 184.

<sup>79</sup> James Ferguson and Akhil Gupta, "Spatializing States: Towards an Ethnography of Neoliberal Governmentality," in Inda (ed.), 115.

In contrast with the transposition of modernizing planning or with the imposition of fiscal discipline unto recipient countries, the emerging compact of development appealed to the inherent ability of state and non-state actors to integrate the now universal norms of economic growth and good governance. In line with the progressive displacement of state functions toward self-regulating spaces such as the market and the third sector, International Governmental and Non-Governmental Organizations took a more active part in elaborating and implementing particular criteria for targeted countries. Where neoliberalism was becoming 'moralized' through the integration of community in the micro-management of the domestic sphere, foreign aid and development practices were also increasingly defined through a multiplicity of sites of power, each faced with the unspoken necessity to internalize and perpetuate good conduct and best practice. In and amongst the governmentalization of an international civil society, the market remained a very important benchmark in the self-assimilation of desirable behaviour. As Tania Li comments, "in the distinctly neoliberal formulation of the World Bank, communities of poor people were encouraged to take on responsibility for their own improvement by engaging with markets, learning how to conduct themselves in competitive arenas."<sup>80</sup> Development was beginning to be constituted in and amongst the mutually reinforcing standards of administrative efficiency, decentralization, market economics and liberal democracy. The governmental rationale behind the transformations of foreign assistance programs of the 1990s then stood at the intersection of managerial techniques and ethical criteria, as well as between domestic hesitations and cosmopolitan sentiments. The combination of self-help, competitiveness and ethical self-identifications contributed to define the governmental landscape of the 1990s both at home and abroad.

In line with the dual tendency toward entrepreneurship and responsabilization, USAID became more focused on its "clients," in this case, the poor. In the early 1990s, themes such as "decentralization" and "local empowerment" became common in the vocabulary of many international organizations. In 1990, the World Bank reunited several IGOs and NGOs, among which was USAID, and formed 'participation learning groups' intent on discussing how best to involve and empower the local beneficiaries of development projects. Following the movement of decentralization in donor countries, which was intimately tied to the objective of delivering services effectively and at a minimal cost, USAID progressively began to encourage a participatory approach in client countries. For example, when a study found that few local actors were getting involved in a decentralized water project in Nicaragua, USAID "trained municipal officials in ways to increase participation, resulting in a campaign that brought about the involvement of students, teachers, community members and religious leaders."<sup>81</sup> The involvement of local communities entailed the development of competencies to do with planning, organizing and budgeting as well as the long-term establishment of standards of participation and accountability. By impressing the correct ethical and procedural practices in the projects it financed, USAID could hope to instil self-reliance among local beneficiaries.

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<sup>80</sup> Li, 243.

<sup>81</sup> Jeremy Shiffman and Faith Corneille, "Scaling-up Participation at USAID," *Public Administration and Development*, Vol. 24 (2004), 259.

Without the impetus to support the cause of freedom and democracy in countries under communist threat, the American public doubted the agency's legitimacy and effectiveness, which somewhat hampered USAID's ability to integrate and meet the emerging standards of humanitarian internationalism. On the one hand, the coordination of US foreign assistance required an improved linkage with the expanding array of aid agencies and International Financial Institutions. It also had to assimilate the "good governance agenda,"<sup>82</sup> considered as the "prevailing paradigm of development" comprising of "democracy, human rights, transparency and political decentralization." On the other hand, one of the core objectives of Clinton's foreign policy program was to expand international markets and to use this expansion as groundwork for peace and democracy. Clinton's foreign policy was largely informed by the promotion of what he called "the new fabric of commerce."<sup>83</sup> His brand of liberal internationalism did translate a belief in the "civilizing" virtues of the market. But unlike classical liberalism, the marketplace of the 1990s was a highly controlled and regulated environment, and economic transactions as much as infrastructure projects were subject to greater scrutiny; transparency and efficiency were often posed as conditions to do business. The extension of the virtues of market economy required specific moral and technical competencies, but also a political system which accommodated enterprise and innovation. It was therefore worthwhile to form individuals in developing countries to diffuse norms through educational forums on human rights, anti corruption programs and democracy workshops. Again, the resulting emergence of a civil society aware of common rules for economic and non-economic development, constituted a field of intervention which regulated itself in parallel and in cooperation with state institutions.

### Conclusion

The examination of American welfare and foreign aid programs in this article has revealed ideas, techniques, discourses and policies that combined to produce more or less coherent rationalities of rule such as modernization, neoliberalism and government through community. These rationalities invariably built from pre-existing foundations and they alternatively combined or competed through changing contexts. As we have seen, the poor constitute the principal object for political and economic platforms of all ideological leanings. Constituted as anomalies in behavioural and socio-economic terms, the poor are ascribed an identity that corresponds with an optimal way of government at the expense of a more complex, "politicized" portrayal of their subjectivity.

Conveying both a general and a specific character, rationalities of government pervade the economic and political doctrines presented as solutions to problems in the management of populations, but also shape the lives of many individuals by suggesting and formulating specific attitudes and expectations. As our analysis has shown, the deployment of techniques, theories and discourses that define and direct objects of government stretches across the

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<sup>82</sup> The World Bank report on poverty in 1990 cites 3 axes for "good governance": 1. The role of competitive markets, 2. The Government's responsibility to manage state functions, and 3. The importance of private rights and individual initiative (civil society).

<sup>83</sup> William J. Clinton, *American University's Convocation, speech at the American University (Feb. 26, 1993)* (<http://www.american.edu/media/speeches/1993centennial.htm>).

domestic and the foreign policy spectrum. This demonstrates not only the flexibility and pervasiveness of rationalities of government but also casts doubt on the time-honoured distinction between the domestic and the international, and on the idea that they should be studied separately because they evolve under different conditions.

Foucault's theory of governmentality provides insights into the often-unnoticed directives that pass through our daily activities and highlights the importance of seemingly benign changes in the spatial, temporal and procedural dispositions of social institutions. The detailed and lucid appraisal of what constitutes our personal and social identities is the first step towards imagining and practicing new ways of being.

Philippe Fournier  
Département de science politique  
Université de Montréal  
C.P. 6128, succursale Centre-Ville  
Montréal QC H3C 3J7  
Canada