

“Ideology and the Alliance for Progress: Charting the Boundaries of the Welfare State”

Revolution, progress, and empire converged on Latin America in the mid-20th century, each spurred by rapid globalization. Emerging states battled to assert their hegemony within their own borders, drawing the attention of foreign politicians, industrialists, and social planners alike—all eager for opportunities to extend their influence abroad. From this interplay grew an international coalition in support of institutionalized modernization under the banner of Pan-American modernization and development. Historians like Latham have studied the ideology undergirding the creed of modernization in foreign policy,¹ while Gilman has adroitly presented the role of Cold War social scientists who led the charge against “underdevelopment” abroad.² Post-development theorists like Escobar have correspondingly examined the evolution of the “development discourse” between Global North and South with roots in the same mid-century foreign policy.³ Lacking is a detailed study of these phenomena in relation to the domestic policy and ideology of the era. This paper attempts to examine this relationship in the context of the Alliance for Progress, a program of international reform spanning the 1960s. This paper will lean on a broad definition of social welfare to examine how the ideology of modernization crossed borders. Just as Esping-Andersen “re-specified” the welfare state with an “interactive approach,”⁴ this project is one of examining those elements that cross borders and politically interact, smudging the cleaner lines on the map of social policy.

Building on the scholarship of Latham, Gilman, Escobar, and others, several questions follow: How did the United States view Latin American social welfare in the context of its expanding commitment to international social reform? What can that tell us about American interests and motives? Surely a program of intervention on economic and social grounds pointed to a recognition of need on its own, but what type of prescriptions came with this reform?

Furthermore, what role did ideology play in shaping foreign development under the Alliance? More broadly, where are the boundaries of the welfare state? This project searches for answers in the history of US-Latin American political economy and diplomacy, proposing that domestic development cultivated by an evolving American welfare state served as a dynamic model for advancing modernization abroad.

The Foreign Assistance Act of 1961 marked the beginning of the Alliance for Progress under the newly-established US Agency for International Development (USAID).⁵ The broad goals of this program—closing the gap between the rich and poor through economic and social reform—evinced few easy solutions. Agreement on the urgent need to alleviate the effects of poverty deferred the need to formulate a singular, specific plan. Cold War *realpolitik* reinforced a spirit of both urgency and coalition-building. To be sure, the optimism of foreign aid policy was a pragmatic choice when compared to prior military and political interventions requiring money, political capital, and occasionally lives. But to interpret the Alliance for Progress on strategic considerations alone is to overlook the ideological considerations of American social policy in conjunction with the aims it was hoping to secure internationally.⁶

The moral impetus of the Alliance's ideology both reflected and renewed imperial themes in inter-American history. Robinson and Gallagher's "imperialism of free trade" thesis describes the Victorian colonial strategy of Britain, and the US followed a similar pattern.⁷ In "The Tragedy of American Diplomacy," Williams argued that the confluence of economic expansion, security concerns, and domestic conflict propelled the economic and ideological expansion of the United States southward.⁸ The preamble to the Act of Bogotá similarly recognizes "...that the interests of the American republics are so interrelated that sound social and economic progress in each is of importance to all and that lack of it in any American republic may have serious

repercussions in others.” The moral hegemony asserted in Cuba after the Spanish-American-Cuban War rested on combined political, social, and economic evangelism and was repurposed in foreign policy throughout Latin America in the 20th century.⁹ As the US maintained “spheres of influence” in China, military and economic might converged on Nicaragua, Honduras, and Haiti.¹⁰ New Deal programs also provided loans to Haiti and Brazil in an effort to reconcile the burgeoning Progressive ideology of the era with a powerful expansionist urge.¹¹

The ideology of modernization was one of the most powerful drivers behind a foreign aid system that was rapidly evolving and expanding. Latham summarizes modernization as an ideology “...that articulated a common collection of assumptions about the nature of American society and its ability to transform a world perceived as both materially and culturally deficient.”¹² In underlining the many commonalities among social scientists, scholars have portrayed modernization as a relatively homogeneous ideology—or at least an ideology with a relatively homogenous set of applications. However, focusing on some divisions within the theory of the “military-industrial-academic complex”¹³ can help shed light on its character. While scholars like Rostow and Morgenthau favored security over social dogma, their strain of modernization theory dovetailed with one that professed an “end of ideology” and advanced the list of global obstacles to include more general inequality.¹⁴ Social scientists like Shils, Bendix, and Aron believed that development abroad was a natural and positive result of industrialization and an analogue of the domestic welfare state. The effects of ideological clashes were limited by the fact that both sides harmonized on the importance of cooperation for immediate intervention: Morgenthau and Rostow stressed the need to quickly reach a developmental “take-off” point as economic principle, while a more humanist push came from the urgent need to ameliorate global social ills with a similar model. Kennedy summarized the urgent need for collaborative

intervention: “Hungry men and women cannot wait for economic discussions or diplomatic meetings; their need is urgent, and their hunger rests heavily on the conscience of their fellow men.”¹⁵ The old institutions of moral imperialism were also not directly transplanted onto the growing foreign aid regime; rather, US-Latin American diplomacy took on a more cooperative tone after two world wars. A revitalized system of mutual beneficence allowed for a measure of reciprocity and acted as a sounding board for American ideology. To be sure, these attitudes generally worked in concert to promote modernization through development, but the nature of Alliance diplomacy underlines the growing importance of ideology.

The OAS was founded in May 1948 with proclaimed “essential purposes” of peace, security, and “economic, social, and cultural development” guaranteed by granting each state “the right to develop its cultural, political, and economic life freely and naturally.” History since 1948 would suggest this framework was interpreted loosely, but the recognition of national sovereignty—even if nominal—provided for a measure of legitimacy to later Latin American requests for development assistance. Overall the Charter of the OAS looked ahead with hopes of mutually beneficent relations in the Americas. Despite the growing power disparity between North and South, the OAS created a framework for the emergence of an international moral and social order—the only thing missing was a means of achieving it.¹⁶

By 1959, the continuing success of the Marshall Plan and the intriguing prospect of applying these concepts to Latin America were cause for optimism. Operation Pan America, introduced by Brazilian President Kubitschek in 1959, called for a very broad framework of international cooperation in the Americas with a focus on “a reorientation of hemispheric policy.”¹⁷ The linkage of security and prosperity reemerged, but this time the calls to “more dynamic action to carry on the struggle against underdevelopment” rose from Latin American

voices.¹⁸ The Act of Bogotá was adopted on September 13, 1960 by the Council of the OAS and served as a concrete agreement between the powers of Global North and South on how to achieve shared prosperity through improving social and economic ties. In calling for a Pan-American social welfare standard, it was a broad step toward inter-American cooperation and a shaping of the goals of development. The Act of Bogotá also gave the United States a continued claim to a moral hemispheric hegemony by acknowledging the inability of Latin American states to assure the social welfare of their citizens.

The institutionalization of amalgamated social and financial rhetoric would ultimately define the Alliance—in addition to shaping the short-lived relationships under its banner and bridging the gap from imperialism to development. In this way the Act of Bogotá serves as a reminder that the expansive network of international finance that would grow between the US and Latin American powers was originally grounded in—or at least pitched as—a social reform program with greater equality at its core. Escobar solidly argues that the “space of development” was created primarily by economists;¹⁹ however, by the outset of the Alliance, the OAS Council had in mind a space that still gave serious consideration to ideas of international social reform and welfare.

Escobar also points out that the key factor in creating an internationally hegemonic discourse of development was the “problematization of poverty,” or the application of the “discourse of war... onto the social domain.”²⁰ But this phenomenon was not exclusive to social problems abroad. The assault on foreign social ills was enabled by a historical confidence in the ability to achieve positive outcomes domestically. Anthropologist Oscar Lewis pioneered the “culture of poverty” thesis to describe the roots of urban poverty in America; he also wrote parallel critiques of the cultural problems plaguing Latin Americans with books like “Life in a

Mexican Village.”²¹ Kennedy’s proposal speech for the Alliance for Progress pointed out similar cultural obstacles to modernization in challenging the “*paesano* in the fields... the *obrero* in the cities... the *estudiante* in the schools” to prepare their hearts and minds for the task of modernization. In commemorating the signing of a contract between the USAID and the National Rural Electric Cooperative Association (NRECA) for development projects in Nicaragua, Colombia, and Brazil, Kennedy explained the opportunity present in extending this domestic problem to Latin America:

*“One of the dramatic stories of this nation’s development is the sweeping electrification of our nation’s farms and rural communities undertaken on a national basis in the 1930s. Increased farm productivity and a higher standard of living were the inevitable twin benefits of electric power lines which moved to our farms, our remote mountain areas, and in fact, almost literally throughout the entire country... One of the most significant contributions that we can make to the underdeveloped countries is to pass on to them the techniques which we in this country have developed and used successfully.”*²²

In measuring the importance of these private-public extensions, Kennedy was unequivocal: “I don’t think there is any program which... will help the Alliance for Progress... more than this association between the REA and the AID agency and the countries that are involved.” The Alliance advanced the cause of modernization by echoing the call for Pan-American solidarity, taking for talisman the hemispheric history of being a “vast crucible of revolutionary ideas and efforts.”²³ Time would prove this conclusion to be mistaken, but at the outset of the Alliance, development was a natural and optimistic extension of domestic ideology.²⁴

To qualify this relationship it must be acknowledged that social welfare and foreign aid are not direct analogues and cannot be compared carelessly. Hattori calls upon Sahlins and

Polanyi to point out three distinct types of resource allocation: economic exchange, redistribution, and giving. He argues that the latter two of these models differ in that redistribution is generally determined by “customary obligation or politically achieved rights.” Meanwhile, giving “involves neither certainty of return nor political entitlement.”²⁵ But these social relations became more difficult to delineate as a framework of mediation and institutionalization was erected around aid to Latin America. US policymakers agreed that underdevelopment and a broadening Pan-Americanism were incompatible and constituted a problem that morally compelled action. Puerto Rico provides an opportunity for future case studies of the extensive crossover between ideas of social citizenship and the application of the welfare state in a “foreign” environment.²⁶ Problems are presented by the breadth of the “welfare state” designation and the astounding complexity of the Alliance in action, which often represented an amalgamation of all three types of allocation above. But the international application of the model of American social welfare strongly points to the emergence of a hemispheric coalition intending to use political, economic, and social development as a means to achieve modernization.

For all the rhetorical similarities, these proposals ultimately rested on America’s ability to lead by example towards the alleviation of poverty. The breadth of the Alliance’s goals combined with a dual-pronged urgency to create an immediate need for experts in both social science and the science of development. Enter David Lilienthal, chairman of the US Atomic Energy Commission, who by 1961 was known as “the Father of the Tennessee Valley Authority.”²⁷ One of the original three directors of the key New Deal initiative, he built a sterling reputation for developing river valleys across the Appalachian South in the 1930s and 40s. In addition to providing hydroelectric power for vast regions previously off the electrical

grid, his work was nationally celebrated for creating jobs, expanding infrastructure, and strengthening education in these remote areas. Later in life his international development projects in Colombia, Iran, Venezuela, India, and Ghana attempted to export the example of the TVA through public-private partnerships. Like the mainstream story of American liberalism, Lilienthal increasingly spurned state intervention over time and became a vocal advocate for a more laissez-faire approach throughout the 1970s and 80s.

The work of David Lilienthal's company, the Development and Resources Corporation (DRC), demonstrated this evolution. A report sent to the President of the Inter-American Development Bank in 1966 analyzes current conditions for development in the Cauca valley of Colombia and recommends improvements on the "institutional framework" of development. The main problem identified by the DRC was the fractured nature of Latin American economies—without a greater level of cohesion, development would be inhibited, poverty and hunger prolonged. Thus, building a broader international coalition for development was seen as a way to achieve both geopolitical security and prosperity. The model for the Cauca valley rested on the continuing legacy of Pan-American coordination, followed the multi-state model of the TVA, and would require broader and more rapid institutionalization.²⁸

In conclusion, support for the Alliance for Progress was diverse, reflecting its core of Pan-American cooperation towards the goal of hemispheric security and prosperity. The expert opinion that emerged from social science almost uniformly recognized the need for American intervention, though discord did arise over which facet of intervention was most important. Regardless of political or academic rifts, policy emanated from an understanding that Latin America was broken and could be fixed by the United States—the faster, the better. Latin American political elites did not necessarily concede the same in their support of the Alliance.

In Mexico, the domineering Partido Revolucionario Institucional was struggling to build a state in any way possible after a half-century of ongoing strife; aligning oneself with the growing American consensus was not a particularly daring political move. But the emphasis on social concerns that emanated from Latin America was not to be ignored. Incorporating these ideas into foreign aid not only served a strategic purpose, it conferred legitimacy on a blossoming social brand of American liberalism.

The particular version of the liberal welfare state present at the outset of the Alliance was especially alluring. While national borders and social citizenship would surely matter, the crux of this Pan-American improvement rested on the replication of American ideology abroad. It extended the program as one of comprehensive mutual betterment emanating from the physical and ideological model of the United States. Whether due to idealism, hubris, inexperience, or something else entirely, this connection advances the analysis of the interplay of ideologies in the mid-20th century. It can be argued that the stagnation, coercion, and interference resulting from foreign aid reflect the imperial discourse, but more convincing proof lies in the problems foreign aid hoped to solve and the proposed solutions. To frame the Alliance in mainly practical or realist terms is to discount the corresponding internationalization of ideology that served as the rudder of the program. Shadowed by a consensus around the need for intervention, ideological disparities in United States politics were often reflected abroad.

These reflections also suggest an opportunity to explain the growing financialization of foreign aid and its relationship to impending domestic neoliberalization in the 1970s and 80s. To be sure, the Alliance eventually came to favor capital loans and an investment obsession, largely as a way to financially justify the protracted program despite lackluster results. Whether this process was a mutation of the original plan or whether it suggests a Machiavellian bait-and-

switch could serve as a topic for further study. The DRC report also recommended change in both state and society: “We find, however, that it is not in the private but in the public sector that the greatest efforts must be exerted to overcome inertia.”²⁹ In searching for the source of foreign aid neoliberalization, perhaps the aid contractors and their financiers exerted this influence on “the development of development” over time.³⁰

Ultimately, political dogma could not easily cross borders without extending the institutional foundation to support it. The internationalization of social reform through hemispheric cooperation was based in a growing transnational bureaucratic structure. It must have seemed intuitive that this structure be made in the image of an emerging locus of global power, but time proved that the Cauca Valley was too different from the hills of Tennessee. The Alliance searched for ideological footing on the precarious ground of an invigorated Pan-Americanism that attempted to link Martí with Jefferson, Bolívar with Washington. Ironically the results of the Alliance seemed to confirm Martí’s warnings against “the giant in seven-league boots”³¹ and Darío’s admonition of the “future invader of the naïve America,”³² at least in the public mind. It is difficult to determine whether the soaring rhetoric of the Alliance was undermined by a forced idea of Pan-Americanism or by artifacts created by imposing a foreign order. While an inherently messy endeavor, examining the transnational exchange of ideas and institutions under the lens of the welfare state shines light on important historical problems throughout the hemisphere.