As Stable as the Dollar Stretches: The Impact of US Foreign Aid on Social Stability in Jordan

Jasmine Renee Jordan
University of Dayton

Follow this and additional works at: https://ecommons.udayton.edu/uhp_theses

Part of the International Relations Commons

eCommons Citation
https://ecommons.udayton.edu/uhp_theses/39

This Honors Thesis is brought to you for free and open access by the University Honors Program at eCommons. It has been accepted for inclusion in Honors Theses by an authorized administrator of eCommons. For more information, please contact frice1@udayton.edu, mschlangen1@udayton.edu.
As Stable as the Dollar Stretches: The Impact of US Foreign Aid on Social Stability in Jordan

Honors Thesis
Jasmine Renee Jordan
Department: Political Science and International Studies
Advisor: Dr. Jason Pierce
April, 2014
As Stable as the Dollar Stretches: The Impact of US Foreign Aid on Social Stability in Jordan

Honors Thesis
Jasmine Renee Jordan
Department: Political Science and International Studies
Advisor: Dr. Jason Pierce
April, 2014

Abstract
After the fall out of the Arab Spring in 2010, most of the countries in the Middle East and North Africa region suffered from extreme political, social, and economical instability. Usually, the citizens of these counties were revolting against the authoritarian regimes that have held power for decades. Jordan stands as the only obvious exception. How has Jordan maintained relative economic stability where others have failed? I have found that it is hard to judge the economic or social stability of Jordan without recognizing the large amounts of foreign aid Jordan has received from the US. This thesis asks what the relationship exist between developmental US foreign aid and political stability in Jordan The basic argument is that foreign aid affects the economic, social, and governmental structure in a country, which decreases unrest in the population and increases social stability. This thesis looks at the relationship between these factors and their influence on each other.

Dedication or Acknowledgements
I want to give a special thanks to everyone who helped me through the process of writing this thesis. Dr. Pierce, Dr. Miller, the Political Science, International Studies, and Honors departments, and my friends and family, thanks for everything.
# Table of Contents

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abstract</td>
<td>Title Page</td>
</tr>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>Background and Historic Stability</td>
<td>3</td>
</tr>
<tr>
<td>Defining Foreign Aid</td>
<td>11</td>
</tr>
<tr>
<td>Defining Stability</td>
<td>13</td>
</tr>
<tr>
<td>Methodology</td>
<td>18</td>
</tr>
<tr>
<td>Results</td>
<td>29</td>
</tr>
<tr>
<td>Conclusion</td>
<td>36</td>
</tr>
<tr>
<td>Bibliography</td>
<td>38</td>
</tr>
<tr>
<td>Appendices</td>
<td>40</td>
</tr>
</tbody>
</table>
Introduction

A few months after a Tunisian shopkeeper set himself on fire, launching a sweeping movement across the Middle East, the positive revival fire began to burn out in most countries, leaving the region in uncertainty and widespread chaos. While Tunisia itself has seen great improvements towards the democratic process, it stands as an outlier in the region. Movements in Egypt, Syria, and Libya, have gone sour and lead to destruction of any previous political and social structures. Countries like Israel, Saudi Arabia, Yemen, and other Gulf countries are still as oppressive as ever, controlling their populations with iron fist. While countries to the West like Afghanistan and Iraq were still recovering from the US invasions and terrorist groups that they barely felt the Arab Spring in the first place.

Yet, Jordan, a small, desert nation in the center of the Middle East with the only natural resource being the friendliness of the population, remained greatly untouched by the negative social effects of the Arab Spring. Besides a few minor protests, which resulted in governmental restructure, Jordan shined peacefully. Major news outlets, like CNN, BBC and even Al-Jazeera, barely covered events in Jordan admit the turmoil occurring in the other Middle Eastern nations. Out of all of the possible outcomes, why has Jordan remained stable?

One aspect that sets Jordan apart from the other Middle Eastern nations is the amount of long-term foreign aid it has received from the US. Since Jordan’s inception, the US has required Jordan to promote good economic and social practices in order to continue to receive the aid. In turn, the monarchy in Jordan has willingly enacted moderate policies that keep aid flowing in and the citizens relatively satisfied. In this
study, the impact for US foreign aid on social stability in Jordan will be explored. First, the background and historical stability of Jordan will be investigated, and then terms will be defined. After these descriptions, the methodologies used in this study will be reviewed and the results will be discussed, followed by a conclusion.
Background and Historic Stability

After the atrocities of World War I ended, the Ottoman Empire dissolved, leaving the future of its landmass in the hands of the European powers. Having an interest in the natural resources of the region, Britain and France divided control of the Middle East between themselves. Similar on some levels to an eighteenth century imperial colony, British and French mandates became the new ruling powers throughout the region. Formally established in 1921, the British Mandate of Transjordan stood as a counterbalance to the French mandate directly to the north in Syria. The British granted Abdullah I bin al-Hussein of Hashemite descent the throne, becoming the Emir of Transjordan, in order to pacify the broken promises made by Britain to the Hashemite nobles during the war.

Born from political motives, Transjordan lacked many qualities necessary for a modern country to thrive and succeed on a global level, natural resources being the most important aspect missing. Unlike many of its Middle Eastern counterparts, Transjordan had no access to oil, arable land, and limited amounts of water originating only from the Jordan River, the Aqaba Strait of the Red Sea, and the nearly useless, undrinkable Dead Sea.

Despite its inadequate resources, Transjordan began its legacy of welcoming slews refugees early in its history. Originally inhabited by tribes of Bedouin and Hashemite people, the influx of European Jewish Zionist arriving during the Aliyah’s in Palestine pushed many Palestinians permanently into Jordan. Within a few decades, it is

---

1 The Aliyah’s were a series of large migrations of Jewish individuals to the area of Palestine beginning in the late 19th century. The goals of the Aliyah’s were to ‘reclaim’ the Israeli land of the Bible and escape the persecution often suffered by Jewish people in Europe. The Aliyah’s were a vital part of the greater Zionist movement.
estimated that 55% to 70% of people living in Jordan were of Palestinian descent\(^2\). This unbalanced people-to-arable land ratio and the new political system spurred the need for external monetary assistance in Transjordan from the beginning.

After World War II and the destruction of Europe, both the British and French began to lose their foothold in the Middle East. This was due to the international cries of national independence as well as the inability of the British and French to maintain control of a distant land in the wake of their own national disasters. In 1946, Transjordan gained its independence from Britain, becoming the Hashemite Kingdom of Jordan with Abdullah I taking his position as King of Jordan until his assassination in 1951. Because of health issues, Abdullah’s son Talal I bin Abdullah only remained king for a year before his son Hussein bin Talal took the throne until his death in 1999.

Despite the fact that Jordan was now technically an independent state, it still remained under the influence and control of Britain, almost as a client state. Like many other British and French client states in the Middle East and North African (MENA), Jordan designed a European-style constitutional monarchy for its government. The lower House of Representatives holding 150 members, are democratically elected. Although Parliament holds some power over issues especially regional problems, the King ultimately decides the final outcome of important matters. The entire executive branch, the prime minister, and the 75 seats in the Senate are all appointed by the King and can be dismissed by the King just as easily. This ability of the King can sometimes be seen as a platform for corruption, but it can also be a positive option in some situations. In 2011 after the beginning of the Arab Spring, King Abdullah II ousted the Prime Minister

Samir Rifai and his cabinet after widespread protests by crowds. In this case, the instant dismissal of the Prime Minister without having to go through a slow election process was exactly what the people wanted and what the country needed to not fall into utter disorder like many of the neighboring countries.

However, in the 1950’s the only British goal in the area was to keep power centralized. The amount of monetary aid given to the region by the British was intended to assist the British cause rather that to improve standards of living for the citizens of the Middle East. In 1954, Britain signed an agreement with Egypt regarding access to the Suez Canal. This incited protest from the Jordanians who saw the agreement as a way for Britain to have greater direct control in Jordan. The Jordanians also strongly detested the British-French-Israeli invasion of Egypt a month later. Spurred by the wishes of the people and the Arab nationalism existing between Jordan and Egypt, King Hussein bravely dismissed the British army from Jordan and severed ties with Britain. Shortly thereafter in 1957, Jordan began receiving aid from the US.

Over the years Jordan has received over $13 billion in US aid.\(^3\) After World War II, President Harry Truman pronounced a new direction for American foreign policy. With new technologies like the television, individuals were made aware of the excessive underdevelopment of countries around the world, and the shambles of Europe plagued the eyesight of Americans. Also with many untapped resources in underdeveloped countries and the threat from the Soviet Union of introducing communism, the US strongly desired to assert its influence on the world. What better way to become a leader

\(^3\) Sharp, J. (2013).
in the world playing field than to provided much needed funding and strong intuitional programing?

During Truman’s inaugural address in 1949, he called for new, innovative policy. “Truman stated that experts from the US should share their technical knowledge with underdeveloped countries to create a domestic environment in which collaborative efforts of private capital and local labor could facilitate economic growth and raise standards of living.” This idea played well into supporting the recently created Bretton Woods organizations, the World Bank and the International Monetary Fund. The Marshall Plan for the rebuilding of Europe also came out of the new American foreign policy. A few years later under the presidency of Dwight D. Eisenhower, Jordan started its long-term relationship with the US.

Although this study does not have goals of dissecting the benefits that US foreign aid has on America, it is important to mention the general reasons why American would give its support to Jordan. Of all the Islamic and/or Arab countries in the MENA region, Jordan is the one that received the most support and has the best standing relationship with the US and other Western powers despite that fact that Jordan has no oil or gas resources for America to exploit. Actually, besides the Western border, the majority of Jordan is a desert wasteland with a small population and practically no resources besides a few extractable minerals. The main benefit offered to the US by Jordan is the strategic position it holds in the Middle East. To the north Jordan borders by Syria, and Iraq to the northeast, which during the 1950s and 60s was a strong nation with available oil reserves. The longest border held to the south southeast with Jordan is that of Saudi Arabia. Saudi

---

is an oil giant with extreme wealth, and although Saudi often shies away from being a military leader in the region, its economic power still influences much of the MENA region. Lastly and probably most importantly in the eyes of the US government, Jordan shares the largest border with Israel to the west. Since its inception, Israel receives more economic, military, and social support from the US and arguably has the strongest Western-Middle Eastern alliance in the world. It is sometimes said that without Jordanian support of the US, an Arab attack from the east would be inevitable. This can already been seen in history during the 1967 War. The need for Jordanian support tied to the willingness from King Hussein to enact moderate policies inside Jordan, have made Jordan the perfect MENA candidate to received aid from the US.

Jordan has received aid from the US in almost every section and situation necessary: humanitarian, military, food, governance, education, health, and refugee assistance just to name a few. In many donor counties, it can be argued that the government does not allocate the funds well; rather corrupt officials siphon the funds that were intended to better lifestyles of citizens into their coffers. Although it would be naive to believe Jordan does not suffer from corruption, it is fair to say that the monarchy has made significant attempts to improve social and economic life for the Jordanians. Aid given to Jordan from the 1950s to the 1980s allowed them to develop a state-run economy that provides good support to the private sector. During that time period, Jordan increased expenditures on infrastructure, expanded private sector institution, intensified government subsidies on basic goods and services like food, education, and health care. Foreign aid to Jordan has also allowed the government to avoid any
significant taxation on the private sector though efforts by the government have been made to change this.  

Economist organize the Jordanian economy into five phases that is has passed through from the 1950s until today. The first phase went from Jordan’s pre-country status in 1948 until the end of the 1967 War. Foreign assistance at this time allowed Jordan to maintain a large trade deficit and to build the economic organization it needed to have stability. The second period, ranging from the aftermath of the 1967 War to the mid-1980s, was a time a great economic growth. The average amount during this time pushed 11.6% in real GDP growth, one of the highest in the world at that time. The third period, lasting from the mid-1980s to the breakout of the Gulf War Crisis, was a period of economic retardation. This period displayed that Jordan’s growth in the 70’s was utterly dependent of on foreign aid. In the fourth period from 1992 to 1999, Jordan regained some of its economic standing and had a good amount of economic activity. The last period has some rough stops with the second Intifada and the September 11 aftermath of US assistance to the MENA region. However, most recently, Jordan has remained economically stable despite the turmoil in the region from the Arab Spring. In all these periods even in the negative times, Jordan has always succeeded in regaining stability. Why is this? In order to properly see the current Jordanian conditions, one must start tracking US foreign aid to Jordan beginning in 1991, during the Gulf Crisis.

In August 1991, Iraq invaded and occupied Kuwait. During the Iraq-Iran War previously, Kuwait helped fund the Iraqis, often times putting them considerable risk.

---

Iran targeted Kuwaiti oil tankers and lobbed bombs at Kuwait in an attempt to harm officials. After the Iraq-Iran war ended, Iraq owned Kuwait more than $14 billion, which Kuwait was unwilling to forgive. This created a significant amount of tension between the two counties, which ultimately lead to the Iraqi invasion of Kuwait. The Iraqis claimed that Kuwait stole a portion of petroleum belonging to them by slant drilling across the border. Since Kuwait stood as a strong ally and trading partner with the US, then President George H. Bush decided to invade Iraq in an attempt to promote stability.

These actions by the US negatively affected US-Jordanian relations. The citizens of Jordan strongly disapproved of any Western power entering the Middle East by use of force. And when King Hussein failed to immediately speak out against the US invasion of Iraq, protest erupted on the streets. The Hashemite monarchy of Jordan always has to be wary of the Palestinian majority and their desires. A major uprising from the citizens could be extremely detrimental to the position of the Hashemite’s in Jordan, especially after thirty Jordanians were killed on the Baghdad-Amman highway during the US bombing of Iraq. On the other hand, King Hussein had pressures coming from the US to support their endeavors in Iraq.

King Hussein attempted to pacify both parties by introducing an ‘Arab solution’ to the Iraq invasion of Kuwait. His goal was to convince Iraq to pull out of Kuwait and for the US and the other Gulf States to peacefully begin conflict resolution talks. Not only was this solution not attempted, but King Hussein also suffered a major backlash from America just for stating his opinion against the Western invasion. President Bush ordered a review of the foreign aid package that Jordan was receiving, which was quite

---

7 The other Gulf States (Saudi Arabia, Oman, and Yemen) surrounding Kuwait supported the US in the counter-invasion of Iraq.
meager at the time ($20 million in military assistance and $35 in economic assistance). Then Secretary of State James Baker III voiced the administrations unhappiness with Jordan’s stance, “We have a major disagreement with the King and what he said in that speech and the position that he has taken.” The US Senate passed a resolution suspending the package of $55 million in aid to Jordan, as a punishment for its support for Iraq.

Yet the relationship between the US and Jordan is mutually beneficial. Jordan’s location in the MENA region gives the US a strong position for its military and economic intentions and protects the US efforts in Israel. On the other hand, especially at that time in history, Jordan heavily relied on US economic, military and political support. These mutually necessary relationships lead the two countries to rekindle their positive negotiations with each other by the end of the Gulf War in April 1991. Upon the withdrawal of Iraqi forces from Kuwait, Jordan sent a congratulatory letter to President Bush on the restoration of the Kuwaiti government. Later, Secretary Baker and King Hussein meet in Aqaba to discuss arrangements. As a result of the Aqaba discussions, Jordan loosened its structural negotiations with Israel, and in turn the US reinstated its foreign aid while greatly increasing the annual amount received.

Since the end of the Gulf War, the US-Jordanian relationship has remained strong and unfaaltering. Even after the 9-11 attacks when American opinion on the Middle East took a strong downturn, the newly crowned King Abdullah II and the American government continued to negotiate. Actually, the Jordanian intelligence agency worked closely with the US during the Iraq War started in 2003 by the George W Bush

---

administration. Unlike other nations in the region, Jordan’s position with the US allowed for the establishment of a strong, central monarchy with the tools necessary to create a stable society. The question then remains of how Jordan uses these tools and what changes it might make to its socio-economic structure to benefit stability and its citizens.

Defining Foreign Aid

Foreign aid can be defined as the transfer of monetary assistance from one country’s government to another’s. Although technical and other forms of non-monetary assistance are often provided to countries, the impact of it will not be considered in this paper. Foreign aid flows from strong core nations to semi-peripheral and peripheral nations. The reason why aid is given is highly depended on the circumstances, but it usually benefits the core nation’s economic or political goals. With their own objectives in mind, core nations attempt to keep semi-peripheral nations stable by offering aid. Because of this, the aid usually comes in packages and programs with many strings attached.

Because of the Suez Canal Crisis, the US replaced Britain as the main Western influence in the Middle East. The US has been providing economic aid to Jordan since 1951 and military aid since 1957. In the beginning, the packages were quite small, amounting to approximately $50 million per year. Of course, the amount of aid has significantly grown, and to date the US has given Jordan over $13.1 billion.\(^9\) Jordan’s aid

comes from a number of different US departments, meaning that each portion of aid is subjective to different standards.

The US provides military assistance to Jordan with the purpose of keeping Jordan’s weapons systems up to date. The military cooperation is a key component in the relationship between the two countries. The US granted Jordan Major Non-NATO Ally status in 1996. Jordan is also the single largest provider of civilian police to the UN peacekeeping forces. Jordan receives military aid that allows them to maintain a modest F-26 fighter jet fleet, purchase Advanced Medium Range Air-to-Air Missiles and Blackhawk helicopters, and participate in anti-terrorist exercises.

The US Department of Agriculture periodically gives Jordan food aid. Since Jordan is located in a non-arable region, it is unable to self-maintain food levels. Between 1999 and 2006, Jordan received over $230 million in food aid to purchase wheat. However, this study will only focus on economic and developmental assistance.

Economic assistance is offered to Jordan through direct cash transfers, and through USAID programs. The USAID programs focus on improving sectors of the Jordanian economy, social standards, and politics. Since the economic assistance programs target improvements for the general population, the majority of relationships between stability and foreign aid stem from it. Over the years, the majority of the projects have been in the Governing and Civil Society sector, which relates directly to maintaining political stability. Water, Energy, and the Environment has the second most number of projects with Trade and Business coming in third. These sectors reflect what has been most important to both the US and Jordanian government over time.

---

10 Sharp, Jeremy
11 See Appendix
Better environmental practices help to curb Jordan’s dependence on outside sources of energy (especially water), and good business practices have assisted the GDP of private citizens.

Aid amounts have fluctuated over the years, but overall it has been trending up since its inception, with the past 20 years seeing significant surges in the numbers of USAID programs.\(^\text{12}\) During a few years in the late 1980’s, aid decreased and reached its lowest levels in 1989 and during the Gulf Crisis.\(^\text{13}\) Even though the actually dollar amount is not equal, the US has given Jordan aid whenever needed. For example, if one year a lot of new refugees from surrounding countries enter Jordan, the US will increase the official developmental aid for the next two years.

**Defining Stability**

The greatest issue of trying to compare foreign aid and stability is that the definition of stability itself is arbitrary. However, when looking at countries far on either end of the spectrum, clarity regarding their stability seems obvious. For example, it can be assumed that large industrialized countries like the US, China, and Britain will definitely not suffer from a civil war or political unrest in the near future. Also, the majority of people around the globe would trust the US, China, and Britain with their investments, which correlates with the economic stability of those countries. On the

\(^{12}\) See Appendix  
\(^{13}\) Al-Khaldi, M. (2008).
other hand, violence in sub-Sahara Africa is not only unsurprising, but also almost bound to happen with the current political instability the region suffers.

Yet many parts of the world like the Middle East, fall somewhere between the two extremes. Before the events of the Arab Spring, many Americans would have believed that Egypt had a relatively stable country. Egypt was even often revered as a model in the region; they were seen a Western ally and friendly to the Israelis. Of course, this assumption had many flaws, and it is now know by all that Egypt’s ‘stability’ really translated into an oppressive monarch with citizens waiting for the opportunity to revolt.\(^{14}\) Even Israel, the only declared democracy in the Middle East, suppresses and denies full citizenship to the large Palestinian population living in their borders.

So where does Jordan fall within this category? Unlike many other MENA countries, Jordan did not see a revolution during the Arab Spring even though it has a long-serving monarch. Also, unlike its neighbor to the west, Jordan is renowned for accepting slews of migrants from surround war-torn countries.\(^{15}\) Actually, Jordan’s good nature often has led it to act as an intermediary between the West and the Middle East, while receiving heaps of foreign aid and trading benefits from the US in the process. On the other hand, Jordan has seen periods of slight unrest, terrorist attacks, economic turmoil, and an abundant amount of social issues. So how can stability be defined and has Jordan reached this point in development?

Webster defines stability as something that is firmly established and unlikely to fail. Highly developed countries can definitely be placed in this category. However,

\(^{14}\) Although this assumption was indeed held by many individuals and media outlets, a number of academics and officials questioned the true stability of Egypt and other nations involved in the Arab Spring.

\(^{15}\) Jordan has accepted migrants from the 1948, 1967, both Gulf Wars, the Iraq War, and the Syrian Civil War.
Jordan falls far from being called highly developed by any standard. The World Bank places Jordan in the mid ranged developmental category. Stability has to be determined by more than one elementary category. A large amount of literature defines stability by correlating it with the degree of democracy in a country.\textsuperscript{16} Western democracies tend to have fewer uprisings, fewer wars, and very few large political shifts. Yet, democracies are messy and hard to create, and the voting power of some individuals does not directly translate into passiveness from minority populations. This can been seen in many cases in the Middle East. As mentioned before, Israel’s democracy still suffers from backlashing of the Palestinians even after 55 years. Egypt and Afghanistan’s recent flirtation with the voting process has resulted in batched elections and coup d'états. Undoubtedly, the significant presence of terrorist organizations could still cause major issues in any nation that desired to become a democracy. On the other hand, the lack of a democracy does not parallel to instability. China stands as the prime example of this.

Besides democracy, many define stability as economic standing.\textsuperscript{17} Countries with a large amount of diverse resources, high levels of GDP and positive trade agreements tend to be more stable. Positive economic variables push countries into the world’s playing field, giving them significant cloud and negotiating abilities. Look at the United Nations Security Council Permanent membership, with the emphasis on the word ‘permanent.’ All five countries on that list arrived there because of their economic strength. The economies of these countries have given them deceit military resources as well. Having such desirable international factors compared to other parts of the world


has created a stable environment that attracts people. Also, strong economics that correlate with right employment rates, low taxes, and low inflation have been found to decrease the changes of political instability. In the Middle East, many countries have had increasingly positive economic numbers over the past few decades. The only aspect to note is that sometime financial numbers can be deceiving. Some measures like GDP or the Balance of Payments do not take income distribution into account, nor does economic openness have a reflection on political openness.

Since stability is such a subjective measurement, no universal definition or index exists in political or economical literature. However, pulling from a number of definitions, this study will define stability by two broad factors: economic prosperity and social contentment. In addition to the discussed reasoning behind using the economy to measure stability and their appropriate measurements, income distribution will also be counted. In Jordan, the monarchy often resources attempting to influence the standard of living of individuals, knowing that a positive economy lessens the chances of riots, rebellions and other forms of instability.\(^{18}\) In the end, the economy is certainly a vital factor in what defines stability, yet it is still lacking a fundamental part in defining stability.

Along with economic prosperity, the stability of Jordan will be measured by the factor of social contentment. Social unhappiness has been recognized as one of the most important factors that cause unrest in the Middle East.\(^{19}\) Social contributors include ideas such as health, longevity, education, and fairness of the rule of law. This paper will


attempt to observe long-term social trends in Jordan and their improvements over time by using human development indicators and non-governmental surveys.

With the two factors of stability, the economy and social conditions in place, overall stability can be determined. Overall stability will be measured by using the Political Terror Scale (PTS). The PTS is an index that complies figures from Amnesty International and the State Department. A yearly report measuring physical integrity rights violations worldwide. The PTS measures levels of political violence and terror that a country experiences in a particular year based on a 5-level “terror scale.” In essence, the two factors will look at presence of positive aspects in Jordan that lead to stability, while overall PTS will directly track negative events that cause unrest. The PTS is a highly respected measure that appropriately processes political unrest in a country. This measures that type of instability that was seen in the Middle East during the Arab Spring, and is sensitive enough to measure the differences between individual years and countries in the region.

The last important notice about this stability definition is to realize that it is relative and not absolute. Comparing the stability of an industrial giant like America to a small desert country on the other side of the world like Jordan is ludicrous. The Middle East has a history riddled with occupation and conquest, which hindered development and self-determination. Even the borders of most countries in the Middle East were drawn by European powers with no regards to the topography, resource endowment, or populations of groups. While looking at stability of Jordan, it has to be in context and in

\[\text{Political Terror Scale (2013)}\]
comparison to other countries with similar backgrounds. With this in mind, comparing US foreign aid to the relative stability in Jordan becomes a more appropriate task.

Methodology

Many aspects come into play when testing two complex variables such as foreign aid and stability. Besides the historical attributes discussed earlier, things like the motives of the countries involved, the political climate, and other features can impact the effect of foreign aid. Many of these variables are hard to control since they cannot actually be altered in an empirical study. One can only theoretically assume how foreign aid would affect Jordan if it had a different political system. Also, since Jordan has received US foreign aid nearly from its inception, it is hard to determine how the stability of Jordan would differ if foreign aid was not provided. Because of this, a cross-country analysis of how US aid effects relative regional stability must be used.

In this study, the stability of six different countries in the Middle Eastern region is compared to the US aid they have received over time to determine the average impacts made since 1973. Jordan, Egypt, Afghanistan, Iraq, Lebanon, and Syria are the countries used in this study. These countries were chosen because of their relative proximity and their similar political, economic, and social structures. The powerful, oil-rich Gulf countries were excluded due to their economic differences, other North African countries were excluded due to differences in their historical, cultural, and social aspects.

\[21\text{ The year 1973 was used because it marks a major political and economic shift in the region. This is right after the 1973 War. After this time, Middle Eastern nations began to focus on their own countries needs instead of expending their resources on philosophical issues with Israel.}\]
and Israel was discounted due to its exceptional uniqueness. Keeping the cross-country differences in mind, the methodology used to associate foreign and stability can be discussed. The affects of foreign aid were tested both statistically and analytically on social stability through economic prosperity and social contentment.\textsuperscript{22}

The economic numbers of a country can be measured quite easily. Annual reports, financial statements, balance of payment sheets, and the like have been published and measured uniformly for years. The economic measurements that effect wellbeing of individuals in Jordan particularly were looked at in this project. This is because large-scale instability is usually caused by the masses instead of the elite. pcGDP\textsubscript{ppp}, inflation, foreign direct investment (FDI), and capital given to the private sector from the domestic government (CPS) were the four factors used to measure the economy of the region. Gross Domestic Product (GDP) is the first and most encompassing measure of the economy used. GDP is the monetary amount of final goods and services produced in a country. In this case, the GDP per capita and of purchasing power parity is used. Although pcGDP\textsubscript{ppp} is not a perfect measurement for the overall economic wellbeing of citizens in a country, it does have strong connections. Even critics will agree that good GDP is necessary for public satisfaction though not exclusive. But what amount is a ‘good’ pcGDP? Does it correlate to the amount above the poverty line or the amount necessary to live worry-free of monetary issues? Just as many of the other aspects, a good pcGDP is relative to the region, yet it must be positive and increase by year, especially in a developing country that has not yet reached a low marginal rate of return.

\textsuperscript{22} Think of the economy and social factors as sub-levels of political stability.
As it turns out, average pcGDP in the Middle East is approximately $15,000 USD. Yet when the oil producing countries are removed from the equation, pcGDP is only $5,300, and even less, $3,500, when excluding Israel. Current pcGDP in Jordan falls around $7000.23 Although this may not seem like much money compared to America’s standard of living, the World Bank categorizes Jordan as a middle-income nation. Also average GDP growth over the past ten years has been over 5.75%, which even compared to most Western countries is exceptional. Graph 1 shows Jordan’s pcGDPppp over the past 40 years. Besides the slight downfall in the early 1990’s, which can be attributed to the Gulf War, it can be seen that Jordanian GDP has been increasing significantly.

\[\text{Graph 1}\]

\[\text{Jordan's pcGDPppp over Time}\]

---

23 Depending on how GDP is calculated, Jordan’s pcGDP falls between $5500 and $6000 USD. When using pcGDPppp constant 2005 international dollars, Jordan’s pcGDPppp is currently at $6,147.
The biggest issue with using GDP as a measure of stability is that it does not capture the standard of living for individual citizens, rather for the country as a whole. Often in nations, a high GDP can mean unequal income distribution among individuals living in the nation. Some of the Gulf States, like Oman and Bahrain are examples of this. In those nations, which have pcGDP’s of $23,000 and $21,000 respectively, large immigrant populations live and work below the poverty line, preforming service jobs. In other nations, like Saudi Arabia, the majority of the wealth in the private and public sector is held within the grasp of the 5000 plus members of the ruling Saud family. To make sure that Jordan’s GDP growth is not too skewed, the Gini Index and its graphical representation, the Lorenz Curve, must be calculated. The Gini index measures the magnitude to which the distribution of income among individuals or households within an economy strays from a perfectly equal distribution. A Lorenz curve plots the cumulative percentages of total income received
against the cumulative number of recipients. The Gini index measures the area between
the Lorenz curve and a hypothetical line of absolute equality, expressed as a percentage
of the maximum area under the line. Thus a Gini index of 0 represents perfect equality,
while an index of 100 implies perfect inequality.\textsuperscript{24} No nation in the world has a Gini
Index of 0, and the lowest scores in the world are in the mid 20s. Jordan’s Gini Index
stands at 35.43, which is far below any of the other five countries tested, and even far
below the US Gini, which is close to 41.00. The Lorenz Curve represented in Graph 2
shows that income is actually shared quite equally in Jordan to the extent that the
increases in pcGDPppp must affect most members of the population.

Next to pcGDPppp, inflation is the second factor used to measure the economy of
the region. Inflation was used as a measure because it not only affects the financial and
Islam banking sectors, but it also impacts the daily lives of ordinary citizens. Inflation
in prices can disturb the populations buying power and ability to be active consumers.
Since 1973, inflation in the region has been quite high, usually between 6-10\% per year
and has even reached levels as high as 20\%. Although inflation is often determined by
world market factors that cannot be internally controlled, the central banks of the nations
can control some aspects of inflation and currency control if proper exchange controls
and revaluations are used if they hold the funds necessary to buy and sell domestic and
foreign currency. Like many of the other nations, Jordan’s inflation has fluctuated
throughout the years, yet in the past 20 years it has been exceptionally low, and overall
decreasing. Graph 3 is a representation of Jordan’s inflation over since 1973.

\textsuperscript{24} Definition from the World Bank, Development Research Group (2013).
Foreign direct investment (FDI) is the third factor used to measure the economic standing of the region. Increased FDI is usually a sign of how abundant a country’s economy is faring. Foreign countries that invest capital in the Middle East help to create jobs and opportunity for support sectors to bloom. Jordanians are exposed to international companies and can perhaps learn skills and traits necessary to develop their own products. Economic product life-cycle theory states that production entering into a country through FDI is eventually taken over by locals. In short, FDI’s serve as artificial resources in the Middle East, simultaneously stemming from and promoting growth. US foreign aid can stimulate FDI by providing economic and tax incentives for foreign companies to invest in the region. Jordan’s FDI was not at high levels in the 1970s and 80s, but has seen tremendous increases over the past 20 years. The boom in the technology and Internet sector has played a part in this. Graph 4 shows the trends in FDI in Jordan, which is measured in percentage of GDP.
The last factor used to measure the economy is credit paid to the private sector from the domestic government (CPS). CPS refers to the financial resources provided to the private sector, such as loans and grants, purchases of nonequity securities, and trade credits. Along with displaying the ability for the private sector to receive finances and therefore higher more workers, this also shows the relationship between the government and the private sector. In some countries, this may just seem like a transfer of funds from one government power to a corrupt private sector that is effectively run by the government. This is the case in Saudi Arabia were the entire private sector is run by members of the Saud family. Fortunately, in Jordan, the monarchy allows the private sector to function with little government intervention. The government also allows the private sector to be run by the Palestinian majority. Since the Palestinians are the largest population in Jordan, this ability to control the private sector gives the majority of the population the opportunity to have economic mobility. The CPS in Jordan has not only multiplied significantly over the years, but the percentage of CPS has been far above to
the rest of the region, with the only downturn in numbers occurring in 2008 due to the worldwide economic regression. Graph 5 shows the CPS of Jordan measured in percent of GDP. The only country in the region that comes close to these numbers is Israel.

Graph 5

Now that is it clear to see that pcGDPppp, inflation, FDI, and CPS in Jordan have been significantly improving for the majority of the population, the next step is to analyze the social contentment of the region. Health, education and empowerment rights are the three factors used to measure social contentment in the region. The health of citizens in nations has strong implications of the happiness of a country. The inaccessibility to affordable health care in a nation is often the cause behind government mistrust. What determinates should be included in evaluations of health can be complicated. Should access to cancer and HIV treatment be basic rights of a population? Are self-inflicted health issues like obesity measures of the overall health of the population? In this study, in order to keep the measure of health uniformed across the region, the most basic aspects of health, mortality rate and longevity, are used. Mortality rates not only measure the ability for a community to care for the health of its most venerable population, the youth
and pregnant women, but it also has implications of other social issues like teen pregnancy. On the other hand, no matter what exclusive health issues may face a country, longevity looks at the ability for the nation to overcome its health issues to provide long lives for the citizens. In Jordan, both aspects of health have fared well in comparison to the other nations in the region. Actually, health care prices and accessibility are far lower than many Western nations. Graph 6 below shows the decreasing mortality rate and increasing life expectancy of Jordan over the years. Mortality rate is measured in deaths per 1000 live births, and life expectancy is measured in years expected to live from birth.

Education is the second aspect used to measure the social contentment of the region. Just like health, education tends to affects a slew of other social issues. A higher educated population usually corresponds with lower unemployment and poverty rates, higher mobility, and overall happier lives.\textsuperscript{25} Since school enrollment in secondary education facilities is an accepted measure of education

\begin{center}
\begin{tabular}{l}
\textbf{Jordan's Mortality Rate over Time} \\

\begin{tikzpicture}
\begin{axis}[
    title={Jordan's Mortality Rate over Time},
    xlabel={Years},
    ylabel={Deaths per 1000 births},
    ytick={0,10,20,30,40,50,60,70,80,90},
    grid=both,
    legend pos=north east,
]
\addplot[orange,mark=none] table [x=Years, y=Deaths per 1000 births] {data.csv};
\legend{Mortality Rate}
\end{axis}
\end{tikzpicture}
\end{tabular}
\end{center}

Graph 6

according to most international organizations, it is also utilized in this study. Jordanian school enrollment has either maintained or slightly increased over the years as can be seen in graph 7. School enrollment is measured in percentage of secondary aged children attending school. Many USAID projects in Jordan are directly related to increasing the education of the population. Just over the past few years USAID has constructed 27 new schools, rehabilitated 32 existing schools, renovated 185 kindergarten classrooms, and provided training to more than 8,000 teachers.\textsuperscript{26}

Empowerment is the last factor used to measure social contentment. Empowerment is an index created by the Cingranelli and Richards Human Rights Data Project that “is created from seven individual indicators (the rights to freedom of foreign and domestic movement, electoral self-determination, workers’ rights, freedom of expression, freedom of religion, freedom of assembly) and ranges from 0 (no respect for

\textsuperscript{26} USAID Jordan Education. (2013).
any of these five rights) to 14 (full respect for all five of these rights)”. The highest level of empowerment in the region reaches 8 in Egypt during the 1990s, but since has declined, while the lowest numbers hit 0 in recent years in Egypt, Syria, Afghanistan, and

Graph 7

Graph 8

Iraq. Graph 8 shows Jordan’s empowerment rights since the 1980s, when the country data began being collected. Although never reaching very high levels, empowerment rights in Jordan have maintained relatively stable over the years compared to other nations in the region, which have seen fluctuations and steep regressions in the last few years since the Arab Spring.

**Results**

Now that all the economic and social contentment factors have been described, their relationship to US foreign aid and stability can be determined. Most researches agree that foreign aid usually has a long-term positive effect on some economic factors. Yet, depending on the country, foreign aid can sometimes be misused, causing a weak or even nonexistence relationship between foreign aid and economic and social growth. Growth models are not only based on the amount of aid given, but also the productivity of the aid. Does the government in power effectively use the aid to create jobs, restore crumbling portions of the economy?

Fortunately, on average, countries in the Middle East have seen significant improvements in economic and social factors due to the amounts of foreign aid it receives from the US. Using a linear regression model, it follows that both total US aid and aid per capita to the six countries tested are statistically significant when compared to the economic and social factors.

---

Table 1 shows this relationship. The first column shows the dependent variables being tested against the independent variable, US foreign aid per capita. The constant amount represents the dependent variable if the independent variable on the regression line is equal to zero. So for example, if no foreign aid is given, the average life expectancy in the region would be around 65 years. The second column shows the increase or decrease in the dependent variable per every $100 per capita of US aid. All of the variables predicted to increase are, in fact positive, and the factors hypothesized to decrease,

<table>
<thead>
<tr>
<th>Dependent Variable: US Foreign Aid Per Capita</th>
<th>Unstandardized Coefficients</th>
<th>Std.Coefficient</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>pcGDPppp (Constant)</td>
<td>12.210</td>
<td>2.903</td>
<td>.272</td>
<td>4.207</td>
</tr>
<tr>
<td></td>
<td>4726.304</td>
<td>472.642</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CPS (Constant)</td>
<td>.044</td>
<td>.013</td>
<td>.226</td>
<td>3.352</td>
</tr>
<tr>
<td></td>
<td>37.672</td>
<td>2.278</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inflation (Constant)</td>
<td>-6.922</td>
<td>.000</td>
<td>-.328</td>
<td>-2.084</td>
</tr>
<tr>
<td></td>
<td>8.382</td>
<td>1.247</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FDI (Constant)</td>
<td>8.885</td>
<td>.000</td>
<td>.436</td>
<td>2.949</td>
</tr>
<tr>
<td></td>
<td>1.293</td>
<td>1.150</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortality rate (Constant)</td>
<td>-.111</td>
<td>.027</td>
<td>-.238</td>
<td>-4.073</td>
</tr>
<tr>
<td></td>
<td>71.531</td>
<td>4.106</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 1

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Standard Error</th>
<th>T-ratio</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>LifeExpectancy (Constant)</td>
<td>.019</td>
<td>.004</td>
<td>.277</td>
<td>4.752</td>
</tr>
<tr>
<td>SchEnrollment (Constant)</td>
<td>.061</td>
<td>.011</td>
<td>.353</td>
<td>5.603</td>
</tr>
<tr>
<td>Emp Rights (Constant)</td>
<td>.007</td>
<td>.001</td>
<td>.431</td>
<td>6.173</td>
</tr>
</tbody>
</table>

Inflation and mortality rate, are negative. The third column represents the possible range of standard error. This is the amount B could fluctuate depending on the significance of the results. The fifth column is the T-ratio, which measures the possibility of null hypothesis being true. If t-ratio is below the absolute value of 2, then null hypothesis is probably true. The last column is the most important. It shows if there is or is not in fact a statistically significant relationship between the independent and dependent variables. If the number is below .050, then the two variables are related. The table shows that all economic and social factors are correlated US foreign aid per capita.

Now that it can be seen that US aid and the factors of stability are related, the relationship between the stability index and foreign aid can be tested. This can be done using a means coefficient, which is represented in table 2. The original PTS created from Amnesty International and the State Department ranks levels of political violence on a scale of 5 like the following:

- **5**: Terror has expanded to the whole population. The leaders of these societies place no limits on the means or thoroughness with which they pursue personal or ideological goals.
• 4: Civil and political rights violations have expanded to large numbers of the population. Murders, disappearances, and torture are a common part of life. In spite of its generality, on this level terror affects those who interest themselves in politics or ideas.

• 3: There is extensive political imprisonment, or a recent history of such imprisonment. Execution or other political murders and brutality may be common. Unlimited detention, with or without a trial, for political views is accepted.

• 2: There is a limited amount of imprisonment for nonviolent political activity. However, few persons are affected, torture and beatings are exceptional. Political murder is rare.

• 1: Countries under a secure rule of law, people are not imprisoned for their view, and torture is rare or exceptional. Political murders are extremely rare.

In this study, the 5 level terror scale has been rescaled to a 3 level ordinal scale. The new highest level is named ‘Stable’ which encompassed a range of the old first and second measure. The middle level is the old third measure called ‘Midstable,’ and the lowest level is the old forth and fifth level, which is now called ‘Chaos.’

<table>
<thead>
<tr>
<th>PTS</th>
<th>US</th>
<th>pcGDPp</th>
<th>Inflati</th>
<th>FD</th>
<th>CPS</th>
<th>Mortali</th>
<th>Enrollm</th>
<th>Life</th>
<th>Empw</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stab</td>
<td>43.8</td>
<td>4834.78</td>
<td>3.14</td>
<td>4.2</td>
<td>58.4</td>
<td>52.01</td>
<td>71.06</td>
<td>69.40</td>
<td>4.90</td>
</tr>
</tbody>
</table>
Table 2

As can be determined from the both tables, countries that receive high levels of US aid also have higher economic and social contentment factors. Table 2 specifies that counties with higher means in US Aid correspond with higher means in economic and social contentment factors, and therefore lead to being placed in a higher level of stability\textsuperscript{29}. In this study, individual T-tests were also tested to compare the significant between the Stable and Midstable means and between the Stable and Chaos means. This was done to show that there is in fact a statistical difference between being labeled a Stable country and a Chaos country\textsuperscript{30}. In some cases, as with empowerments rights, strong statistical differences do not exist between the Stable and the Midstable categories, yet strong differences exist between Stable and Chaos countries. This leads to the conclusion that as long as countries have a US Aidpc mean at or above 43.85 and a high majority of economic and social contentment factors at or above the means listed, then they will fall into the stable category. This also indications that countries that receive higher means of US Aidpc will on average have higher stability levels.

It is important to note that the majority of economic and social contentment factors in Jordan like pcGDPppp have seen an upward trend in Jordan over the past 40 years and even greater surge since 1991. Inflation has fluctuated with the market, but has generally decreased. The inflations rate in Jordan averaged close to 11\% in the 1970’s, but by the time of the 1990’s, inflation was at its lowest point of 0.6\%. Since then,

\textsuperscript{29} Lower inflation and mortality rates correspond with higher levels of stability.
\textsuperscript{30} See Appendix to view the T-Test
inflation has stabled to approximately 3.7%, which is close to the current US inflation percentage. Compared to other Middle Eastern countries, Jordan’s inflation rate is only second to Israel. FDI into Jordan has not always been high or even positive, yet over the past 15 years, it has seen an increasing amount of firms entering Jordan. Before 1996, FDI to Jordan nearly zeroed; while since 1997,

<table>
<thead>
<tr>
<th>Jordan’s Stability Means Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>PTS</td>
</tr>
<tr>
<td>Stabl</td>
</tr>
</tbody>
</table>

Table 3

FDI has averaged at 8.6% of GDP. CPP has also seen great improvements in Jordan. In the early-1970’s, the CPP dollar amount was at 19% of GDP. A steady incline of CPP occurred over the years, and in 2007 it peaked at 91% of GDP. Again, the Israeli numbers can be compared to Jordan, but all the other Middle Eastern nations for way behind in the mid-twenties. Mortality rates in Jordan have decreased by

Graph 9

Graph 10

31 Inflation has seen an increase in the late 2000s, namely due to the economic crash of 2008 and the instability of surrounding countries, pushing the inflation rate above average.
32 Since 2008, CPP for Jordan as decreased slightly to 70% of GDP. However it is beginning to increase again.
over 75% since the 1973 and by nearly 50% since 1991, while life expectancy has
increased by 13% since 1973 and by 2% since 1991. Similarly, school enrollment has
increased by 76% since 1973 and by 11% since 1991. Empowerment rights have
maintained relatively stable.

All of these positive attributes of economic and social factors has corresponded to
a higher mean in US Aidpc compared to that of the other nations tested. Table 3 above
shows Jordan’s means. As can be seen by Graphs 9 and 10, countries that receive more
US Aidpc on average have higher levels of stability and Jordan receives more US Aidpc
than any of the other countries tested.
Conclusion

In the end, the amount of aid has Jordan received over the years, tied to the moderate practices of both King Hussein and King Abdullah, have lead Jordan to become one of the most socially stable centuries in the region. Since the Arab Spring began over four years ago, many of the Middle Eastern countries involved have unfortunately taken a turn for the worse. Jordan’s neighbor to the north is a prime example of the brutalities that can occur during extreme political and social unrest. The Jordanians general content with the economic and social conditions of the country and the King’s willingness to reform unpopular portions of the government has allowed them to stand as an example of strength in the region. Similar to many times in the past, Jordan’s stability has brought throngs of fleeing refugees into its border areas, all hoping that the Jordanian government will provide them with asylum and resources for survival. No doubt exist that the American backed monetary coffers plays a large role in this.

Yet, despite the fact that Jordan is a regional example of stability, it still has a long way to go before it can compete on international levels. In order to maintain stability and continue growth, Jordan needs to address its looming social issues. The few protest that did occur in Jordan usually dealt with unemployment rates and corruption of government officials. Jordan should consider investing and taking risk in potential growth sectors like technology, pharmaceuticals, and healthcare. This includes starting new educational programs to train individuals in preforming skilled work in these sectors. Likewise, King Abdullah should be wary of the government appointments he makes, and work to alleviate corruption. Even though he may have allegiances to other Hashemites and feels the need to honor them, an angry, young Palestinian majority tired of privileged
officials is exactly the type of group that could potentially lead the country to instability. Lastly, the Jordanian government needs to either fully incorporate the Syrian refugee population or have a solid exit plan for them to leave the country. After a while, Western government will lose interest in the Syrian refugee population and stop supplying addition aid for their humanitarian issues. If this happens without Syria returning to a peaceful state, Jordan will be left with over a million additional people living in camps within their borders, which could case major instability.

After all, with the support of the US, Jordan has managed to represent a Muslim monarchy that can succeed without being riddled by war, terrorism, or oppression. In the future, Jordan’s ability to continue on this path will have large impacts on the stability of its people, its nation, and the Middle East/ North African region as a whole.
Bibliography


Appendix A. Additional Graphs and Charts

1. T-Test

The following three T-test show the additional significance test that correlate with the means test from table 2 and 3 in the paper. They show that in accordance with the means numbers, a significant difference exist between stability and chaos categories and midstability and chaos categories.

<table>
<thead>
<tr>
<th>T-test between Stability and Midstability</th>
<th>pcGDPppp</th>
<th>Inflation</th>
<th>FDI</th>
<th>CPS</th>
<th>Mort rate</th>
<th>Life expec</th>
<th>Sh. enroll</th>
<th>Empwr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sig.</td>
<td>.004</td>
<td>.012</td>
<td>.455</td>
<td>.065</td>
<td>.728</td>
<td>.370</td>
<td>.207</td>
<td>.061</td>
</tr>
<tr>
<td>Means dif</td>
<td>645.40</td>
<td>-3.80</td>
<td>.707</td>
<td>13.08</td>
<td>.326</td>
<td>-.161</td>
<td>3.96</td>
<td>-.549</td>
</tr>
</tbody>
</table>

The difference between stability and midstability is expected to be relatively small. This means the statically significant difference for each variable may be more the .05.

<table>
<thead>
<tr>
<th>T-test between Midstability and Chaos</th>
<th>pcGDPppp</th>
<th>Inflation</th>
<th>FDI</th>
<th>CPF</th>
<th>Mort. rate</th>
<th>Life expec</th>
<th>Sh. enroll</th>
<th>Empwr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sig.</td>
<td>.048</td>
<td>.005</td>
<td>.000</td>
<td>.006</td>
<td>.002f</td>
<td>.000</td>
<td>.134</td>
<td>.356</td>
</tr>
<tr>
<td>Means dif</td>
<td>1451.84</td>
<td>-11.45</td>
<td>2.06</td>
<td>22.13</td>
<td>-20.07</td>
<td>6.62</td>
<td>13.85</td>
<td>2.93</td>
</tr>
</tbody>
</table>

The difference between midstability and chaos is expected to be large. This means the statically significant difference for each variable should be under .05.

<table>
<thead>
<tr>
<th>T-test between Stability and Chaos</th>
<th>pcGDPppp</th>
<th>Inflation</th>
<th>FDI</th>
<th>CPF</th>
<th>Mort rate</th>
<th>Life expec</th>
<th>Sh. enroll</th>
<th>Empwr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sig.</td>
<td>.000</td>
<td>.005</td>
<td>.000</td>
<td>.006</td>
<td>.059</td>
<td>.042</td>
<td>.003</td>
<td>.031</td>
</tr>
</tbody>
</table>

Again, the difference between stability and chaos is expected to be large. This means the statically significant difference for each variable should be under .05.
2. Amount of projects

This bar graph represents that amount of aid projects dedicated to development sectors since the inception of US foreign aid to Jordan.

Bar Graph 1

3. Main data set

The main data set used for this study is listed below. The data comes from a number of sources including:

- The World Bank (http://www.worldbank.org)
- World Governance Indicators (http://info.worldbank.org/governance/wgi/index.aspx#home)
- Aid Data 3.0 (http://aiddata.org)
- Congressional Service Reports (http://www.fas.org/sgp/crs/)
- Jordanian Central Bank (http://www.cbj.gov.jo)

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>USAidf</th>
<th>USAid</th>
<th>Median</th>
<th>Empower</th>
<th>pGDPppl</th>
<th>FDI</th>
<th>creditpr</th>
<th>Inflation</th>
<th>Schoolexpr</th>
<th>Mortalityr</th>
<th>Lifespecta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egypt</td>
<td>1973</td>
<td>3400</td>
<td>87.78</td>
<td>5.99</td>
<td>11.07</td>
<td>15.04</td>
<td>10.04</td>
<td>19.62</td>
<td>7.81</td>
<td>10.32</td>
<td>59.4</td>
<td>59.4</td>
</tr>
<tr>
<td>Egypt</td>
<td>1974</td>
<td>2400</td>
<td>5.99</td>
<td>16.04</td>
<td>9.62</td>
<td>26.05</td>
<td>27.08</td>
<td>21.8</td>
<td>21.8</td>
<td>54.7</td>
<td>54.7</td>
<td>54.7</td>
</tr>
<tr>
<td>Egypt</td>
<td>1975</td>
<td>2800</td>
<td>5.99</td>
<td>17.04</td>
<td>10.32</td>
<td>29.36</td>
<td>22.7</td>
<td>22.7</td>
<td>29.36</td>
<td>55.4</td>
<td>55.4</td>
<td>55.4</td>
</tr>
<tr>
<td>Egypt</td>
<td>1976</td>
<td>3000</td>
<td>5.99</td>
<td>3.0</td>
<td>10.32</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
</tr>
<tr>
<td>Egypt</td>
<td>1977</td>
<td>3000</td>
<td>5.99</td>
<td>3.0</td>
<td>10.32</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
</tr>
<tr>
<td>Egypt</td>
<td>1978</td>
<td>3000</td>
<td>5.99</td>
<td>3.0</td>
<td>10.32</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
</tr>
<tr>
<td>Egypt</td>
<td>1979</td>
<td>3000</td>
<td>5.99</td>
<td>3.0</td>
<td>10.32</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
</tr>
<tr>
<td>Egypt</td>
<td>1980</td>
<td>3000</td>
<td>5.99</td>
<td>3.0</td>
<td>10.32</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
</tr>
<tr>
<td>Egypt</td>
<td>1981</td>
<td>3000</td>
<td>5.99</td>
<td>3.0</td>
<td>10.32</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
</tr>
<tr>
<td>Egypt</td>
<td>1982</td>
<td>3000</td>
<td>5.99</td>
<td>3.0</td>
<td>10.32</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
</tr>
<tr>
<td>Egypt</td>
<td>1983</td>
<td>3000</td>
<td>5.99</td>
<td>3.0</td>
<td>10.32</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
</tr>
<tr>
<td>Egypt</td>
<td>1984</td>
<td>3000</td>
<td>5.99</td>
<td>3.0</td>
<td>10.32</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
</tr>
<tr>
<td>Egypt</td>
<td>1985</td>
<td>3000</td>
<td>5.99</td>
<td>3.0</td>
<td>10.32</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
</tr>
<tr>
<td>Egypt</td>
<td>1986</td>
<td>3000</td>
<td>5.99</td>
<td>3.0</td>
<td>10.32</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
</tr>
<tr>
<td>Year</td>
<td>Iraq</td>
<td>Afghanistan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>------</td>
<td>-------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>5.00</td>
<td>7.22</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>1200</td>
<td>2.80</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>1150</td>
<td>2.22</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>2500</td>
<td>3.80</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>3100</td>
<td>0.80</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>4300</td>
<td>3.80</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>4400</td>
<td>5.20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>11100</td>
<td>5.80</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Iraq</th>
<th>Afghanistan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>5.00</td>
<td>8.17</td>
</tr>
<tr>
<td>2011</td>
<td>1200</td>
<td>2.70</td>
</tr>
<tr>
<td>2010</td>
<td>1150</td>
<td>3.00</td>
</tr>
<tr>
<td>2009</td>
<td>2500</td>
<td>3.20</td>
</tr>
<tr>
<td>2008</td>
<td>3100</td>
<td>0.80</td>
</tr>
<tr>
<td>2007</td>
<td>4300</td>
<td>3.80</td>
</tr>
<tr>
<td>2006</td>
<td>4400</td>
<td>5.20</td>
</tr>
<tr>
<td>2005</td>
<td>11100</td>
<td>5.80</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Iraq</th>
<th>Afghanistan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>5.00</td>
<td>7.22</td>
</tr>
<tr>
<td>2011</td>
<td>1200</td>
<td>2.80</td>
</tr>
<tr>
<td>2010</td>
<td>1150</td>
<td>2.22</td>
</tr>
<tr>
<td>2009</td>
<td>2500</td>
<td>3.80</td>
</tr>
<tr>
<td>2008</td>
<td>3100</td>
<td>0.80</td>
</tr>
<tr>
<td>2007</td>
<td>4300</td>
<td>3.80</td>
</tr>
<tr>
<td>2006</td>
<td>4400</td>
<td>5.20</td>
</tr>
<tr>
<td>2005</td>
<td>11100</td>
<td>5.80</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Iraq</th>
<th>Afghanistan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>5.00</td>
<td>7.22</td>
</tr>
<tr>
<td>2011</td>
<td>1200</td>
<td>2.80</td>
</tr>
<tr>
<td>2010</td>
<td>1150</td>
<td>2.22</td>
</tr>
<tr>
<td>2009</td>
<td>2500</td>
<td>3.80</td>
</tr>
<tr>
<td>2008</td>
<td>3100</td>
<td>0.80</td>
</tr>
<tr>
<td>2007</td>
<td>4300</td>
<td>3.80</td>
</tr>
<tr>
<td>2006</td>
<td>4400</td>
<td>5.20</td>
</tr>
<tr>
<td>2005</td>
<td>11100</td>
<td>5.80</td>
</tr>
</tbody>
</table>