

Covert for Consumers?: Understanding Motivations for US Covert Action in Latin America

Project Summary

I investigate the evolution of US intervention post-WWII. While US interventions prior to the conflict were typically overt in nature, the vast majority of interventions post-war were carried out covertly. Covert action was most often carried out by the CIA and involved efforts at destabilizing target governments through support to allied groups, propaganda, and bribes, among other activities. What did the US seek to accomplish through these operations? My study centers on Latin America, long considered to be in the US' sphere of influence dating back to the Monroe Doctrine. I have sought to bring both quantitative and qualitative research to bear in illuminating an aspect of US foreign policy designed to be kept secret.

Research Justification and Theoretical Grounding

- Mainly due to the nature of covert action, there are few studies examining its effects on targeted countries.
- Of 70 Cold War regime change operations, 64 were covert in nature.
- Without further study on covert action, scholars will only be scratching the surface of Cold War history.
- I draw considerable influence from structural Marxist theory, which posits that capitalist states do not serve the interest of short-term profit, but the preservation and stability of the capitalist system generally.
- This forms the basis for my hypotheses, as the US would hope to keep the flow of goods secure while also mitigating class conflict through modernization in the developing world. In short, the classic core-periphery dynamic is untenable.

Hypotheses

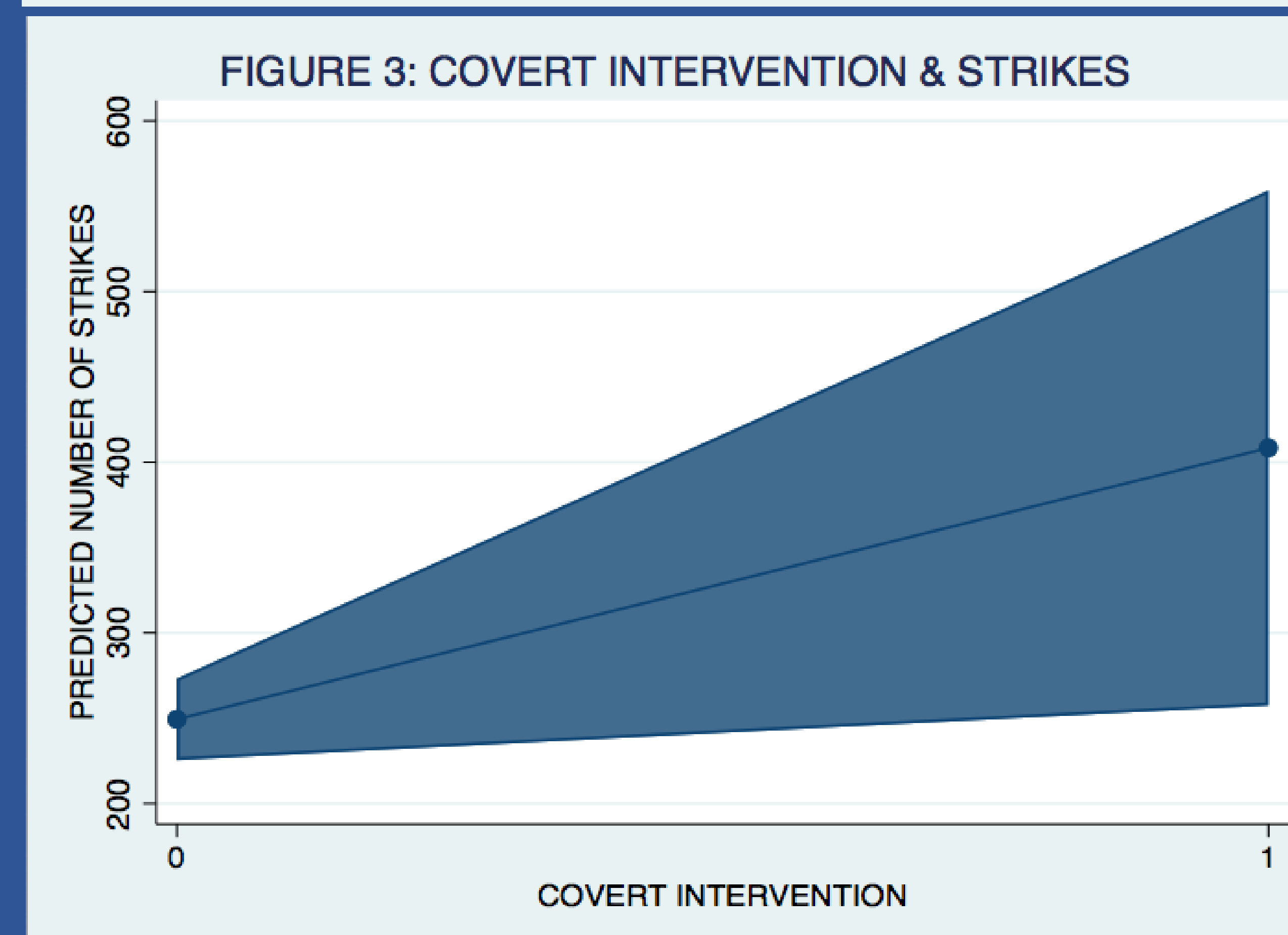
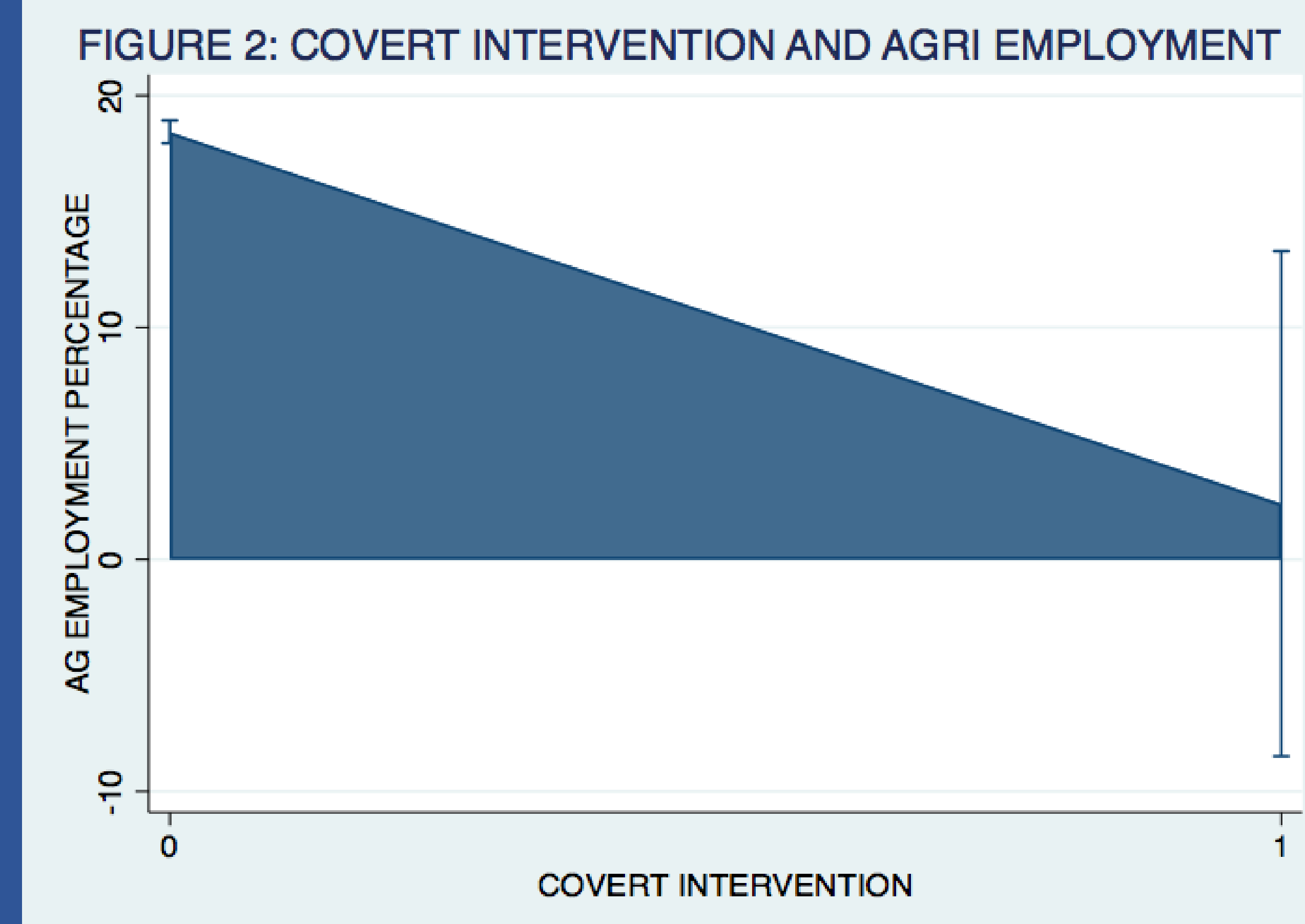
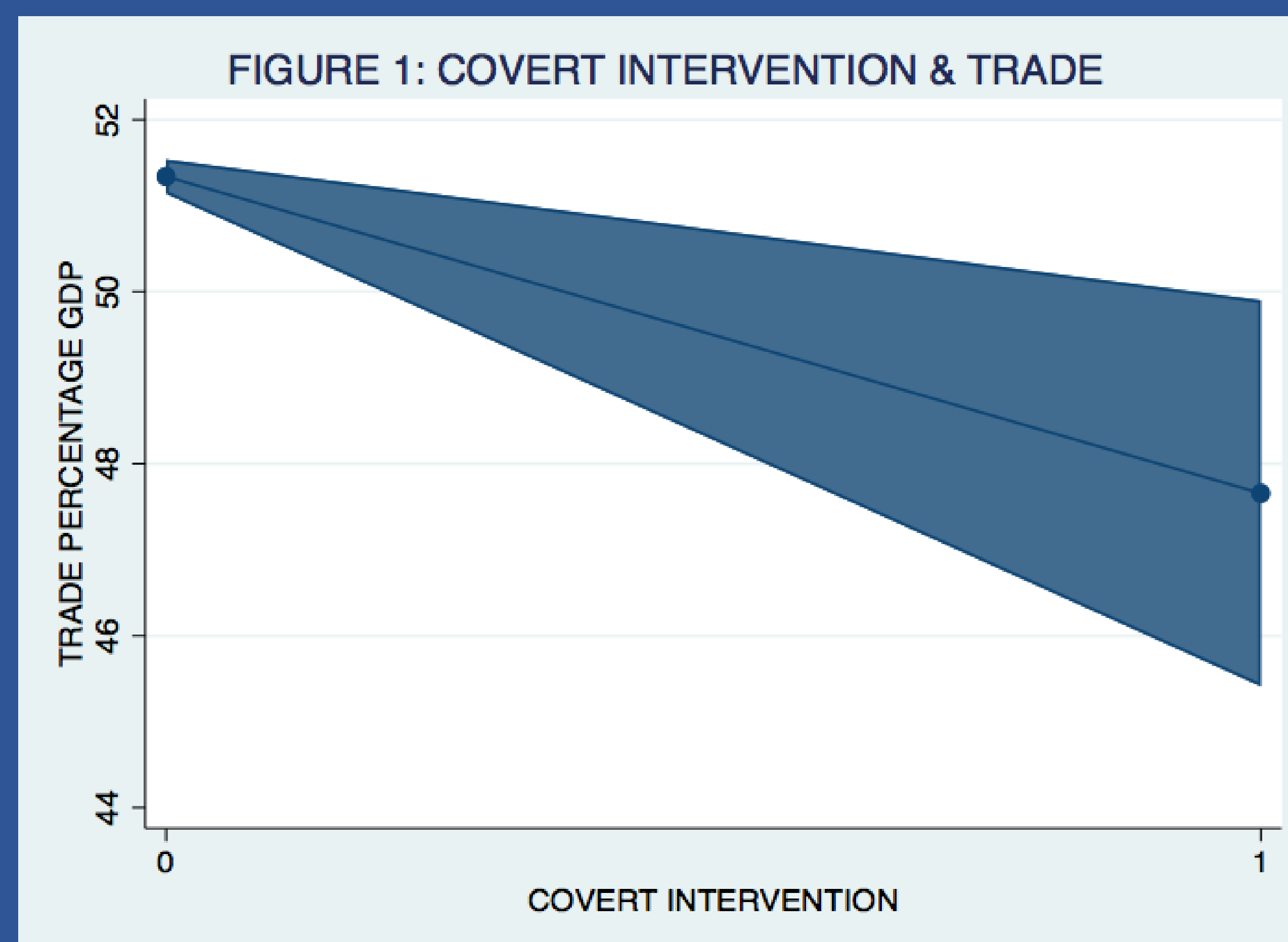
Independent Variable: Covert Action

Dependent Variables: Number of strikes, trade as a percentage of GDP, and agricultural employment as a percentage of the total labor force

Countries targeted by US covert action will exhibit:

- Decreased trade as a percentage of GDP
- Decreased agricultural employment
- An increase in strikes

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Data, Methods, and Results

- Latin American political data drawn from Huber and Stephen's *Social Policy in Latin America & the Caribbean* dataset.
- Covert intervention is a self-coded, dichotomous variable based on concerted periods of CIA activity by year.
- For example, Allende's Chile would be coded from 1970-1973 based on documented CIA destabilization efforts during that period.
- These graphs represent the results of an OLS regression with PCSE.
- LDV for serial correlation.
- Country and year fixed-effects.
- Controls include regime type, GDP, GDP per capita, and US troop presence in the country.
- As the figures demonstrate, countries targeted by covert action experienced substantial decreases in trade and agricultural employment.
- Targeted nations also experienced a major increase in strike activity.
- Political and economic stability caused, in part, by covert action is evident in increased strikes and decreased trade.
- In this sense, covert action backfires.
- However, covert action seems to change the economic composition of targeted states away from agriculture, a result the US desires under the assumptions of structural Marxism.

Conclusion

- While the US is unable to maintain and expand existing trade relationships through covert action, it does succeed in bringing to power "modernizing" regimes that move away from agriculture dominated economies.
- In most cases, this occurred under military dictatorships that received continued support from the US.
- The destabilization and terror caused by US covert action calls into question the US' role in the world.
- Are we to be a force for stability and freedom, or an agent of disruption for potential economic gain?