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Do Negative Foreign Aid Shocks Worsen Respect for Human Rights?

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Abstract

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In this study, I examine the effects of negative foreign aid shocks, large sudden decreases in aid revenue, on the respect for human rights in recipient countries. According to the dependency theory argument, leaders in nations that receive foreign aid use aid revenues to help cement their power. Therefore, when a large amount of foreign aid is lost in these nations, this theory would predict that leaders in these nations would see a decrease in their capability to control elites in their society and their general populace. As a result, leaders in these nations would use other methods to cement their control such as increasing repressive activities. In order to examine this relationship, I ran a multivariate regression analysis using data on 154 countries from 1981 to 2011. This analysis drew data from the OECD's dataset on foreign aid and on physical integrity scores and empowerment scores for human rights from the CIRI Human Rights Dataset. These tests revealed no significant relationship between negative foreign aid shocks and physical integrity rights. However, these tests did reveal a significant relationship between negative aid shocks and empowerment rights and found that these two variables were positively correlated. Therefore, these results indicate that leaders either increase their respect for human rights after negative aid shock in an attempt to attract donors or that they increase respect for empowerment rights in order to disincentivize the general populace from protesting.

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Introduction

The impact of foreign aid on human rights has long been a topic of discussion in both the economic and political science communities. This investigation into the effect of foreign aid on human rights has been discussed fervently due to the implications for donor behavior. More specifically, when giving aid, many donors typically wish to either promote human rights in recipient nations or at least wish to follow a "do no harm doctrine" in regards to the aid that they are giving (Collier & Dollar, 2004). Therefore, it is important to study the possible effects of foreign aid on recipient nations in order to better understand its effects and to help donors form better giving strategies. In addition, human rights, while often difficult to enforce, are a highly important normative issue. As a result, any possible causes that may lead to an increase in human rights abuses or repressive activities should be examined. Finally, this examination of aid shocks, sudden large changes in the amount of aid a nation receives, is especially relevant as many major nations move towards more isolationistic policies and choose to cut foreign aid programs. Therefore, if large foreign aid cuts do become more common, it is important to understand what effects these cuts may have on recipient nations.

The impact of large aid shocks have on aid dependent nations has implications for debates in the aid literature. For example, there is a debate about whether aid is beneficial for or harmful to human rights recipient nations (Richards et al., 2001; Resnick, 2016). Examining aid shocks could lead to further evidence to one side or the other. Furthermore, there is a question in the literature as to what responses should be taken when aid causes negative effects in nations such as human rights abuses. There may also be a further empirical puzzle because, in the case of aid causing negative effects, revoking aid may result in a greater respect for human rights in these nations as the ability for leaders to violate human rights dissipates. Conversely, it may lead

to a further deterioration of respect for human rights. Examining aid volatility and aid shocks should hopefully provide information to help solve this puzzle. However, while much of the literature has thus far examined the effects of foreign aid on human rights in a multitude of contexts, little attention has been given to the effect of aid volatility, long-term exposure to sudden changes in the amount of aid a nation receives, on human rights. This examination of aid volatility and its effects on human rights is important for multiple reasons. For one, research into other sudden negative economic shocks in aid dependent nations have found that shocks from economic sanctions have led to increases in human rights violations, and similar mechanisms could be applied to aid volatility (Wood, 2008). Furthermore, research into aid volatility and its effects in the civil war literature has used theories that can be partially transposed onto human rights to explain why an increase in human rights violations would occur as a result of sudden negative aid shocks.

<center>Literature Review</center>

When investigating the effects of foreign investment on human rights, there are generally two schools of thought. The neoclassical liberal school claims that increased foreign investment leads to increases in respect for human rights. (Richards et al., 2001). More specifically, the dependency school of thought argues that increases in foreign investment lead to decreases in respect for human rights (Richards et al., 2001). Therefore, it is important to examine these two schools of thought and their application to foreign aid to better understand how aid volatility may affect human rights.

The neoclassical liberal school of thought broadly argues that foreign aid leads to increases in democratization and the respect for human rights in recipient nations. In support of this theory, Aronow et al. examined aid giving patterns through a natural experiment including

the rotating presidency of the Council of the European Union and the changes of aid allocation of the institution to meet the president's preferences. Their results indicated that nations receiving more aid increased respect for human rights, but this respect slowly dissipated to previous levels after the aid was removed (Aronow et al., 2012). Other studies have found that under the right circumstances aid can be an effective means to increase respect for human rights or will at the very least not cause decreases in a recipient's level of respect for human rights. Alticekic and Bearce oppose the dependency school and argue that aid is not as fungible as most other resources involved in the resource curse (Alticekic & Bearce, 2014). Bermeo found in a large-N study including 129 developing nations from 1972-2010 that as long as donors use certain incentives, then aid will not cause decreases in respect for human rights and that aid acts differently than other commonly associated resources like oil (Bermeo, 2016). In addition, other research has indicated that the political structure of the recipient nation can affect how effective the aid is, and leaders that have support from broader coalitions tend to better respect human rights when they receive aid (Wright, 2009).

While there have been many studies illustrating that foreign aid can lead to increased respect for human rights and increases in democratization, there are several causal mechanisms that help explain this relationship. In particular, three mechanisms have been suggested by the literature, which are that aid causes a diffusion of norms, a provision of incentives, and act as a coercive mechanism (Resnick, 2016). Aid, like other forms of economic penetration, can help diffuse global norms into the populace and leaders of nations. This diffusion can lead to increases in respect for human rights and increases in democratization (Resnick, 2016). Incentive provision can act as a way to incentivize increases in democratization and respect for human rights in aid dependent nations. Donors can choose to set standards as to basic levels of

democratization and respect for human rights in order for recipient nations to receive aid. These basic standards would then incentivize nations to meet those levels in order to receive aid (Faust et al., 2012). Lastly, donors can use aid as a coercive mechanism to induce change in recipient nations. This argument states that donors are able to condition aid based on a number of factors including how the aid is used and the recipient nation's respect for human rights. In addition, these donors are capable and willing to reduce or eliminate aid to nations that do not meet their standards. As a result, recipient nations will follow the intentions of the donors and will increase their levels of democratization and respect for human rights in order to not risk losing the income they receive from aid (Resnick, 2016). For example, a large N study conducted by Dietrich and Murdie revealed that donors may attempt to bypass normal aid channels when giving to nations with poor human rights records and low levels of democracy in order to ensure that their aid is used more effectively (Dietrich & Murdie, 2014). A similar mechanism has been observed in other areas of political economy such as sanctions, where donors impose sanctions on nations that have poor human rights records or poor levels of democracy (Cox & Drury, 2006). In addition, this mechanism has been observed in preferential trade agreements (Hafner-Burton, 2005).

While there is a large amount of support for the neoclassic liberal school of thought in regards to the effect of foreign aid on human rights, there is a similar amount of support for the dependency school of thought. Dependency theory's argument predicts that foreign aid causes increases in human rights abuses and leads to decreased levels of democratization (Richards et al., 2001). The idea that foreign aid can lead to decreased respect for human rights is explained primarily through two causal mechanisms. The first mechanism is that foreign aid works in a similar manner to the resource curse (Harford & Klein, 2005; Djankov et al., 2008). Aid can

work similarly to the resource curse because it supplies leaders with an external source of revenue, which makes them less dependent on their citizenry (Harford & Klein, 2005; Djankov et al., 2008). This lack of reliance on the citizenry makes these leaders less likely to invest in developing their nation economically and less likely to submit to internal pressure to democratize. Furthermore, the aid can be used to support patronage and rent-seeking to further cement leaders' power (Harford & Klein, 2005; Djankov et al., 2008). Aid can be used in this manner due to the fact that it can be a fungible resource (Morrison, 2009). As a result, leaders can use foreign aid in whatever manner they choose and still appear to fulfill the purposes' of the donor's intent. Therefore, instead of using aid to invest in their economy or to develop services, leaders may use aid to secure power in their nation by spending it on their own projects and by paying off elites (Harford & Klein, 2005; Djankov et al., 2008). Furthermore, foreign aid can be ineffective due to the fact that donors look for observable outputs as opposed to those that truly have a high-return, learn little from past mistakes, and actively suppress negative news regarding poor aid outcomes. In addition, large amounts of aid can put significant strains on recipient nations' bureaucracies, which can make the aid less effective (Easterly, 2010).

One of the other major criticisms of foreign aid in the dependency theory literature is the argument that aid sanctions are ineffective. Foreign aid sanctions can be ineffective for a number of reasons. One major reason why aid can be ineffective is the fact that most major nations give aid to strategically and politically important partners (Dietrich & Murdie, 2014). Therefore, these donor nations are unlikely to revoke aid due to the fact that revoking aid could create major costs for the donor nations with little to no gain (de Mesquita & Smith, 2009). This effect has been observed in other areas of political economy such as trade sanctions, where powerful states are unlikely to revoke trade agreement due to the costs it would cause them (Curtice & Reinhardt,

2016). Furthermore, a large N statistical study by Nielsen including 118 developing countries from 1981 to 2004 concluded that aid is rarely revoked for donor nations' allies. In addition, aid sanctions are more likely to be given for highly publicized events (Nielsen, 2013). As a result, the coercive mechanism of threatening to remove aid is almost nonexistent due to the reluctance or inability to make true on the threat. Thus, recipient nations do not have to worry about losing aid due to misappropriation or abuse of their populace and can use the aid to further their own agendas.

In addition to predicting that aid will have an overall negative effect on recipient nations, the dependency school also predicts that the form of the aid will make little difference in its effects due to the fact that it provides a nontax resource to the recipient nation and because it is largely fungible (Morrison, 2009). This prediction is directly contradictory to the neoclassical school of thought, which places a large emphasis on the ways in which aid is given and for what causes. For instance, many scholars distinguish between development aid and democratization aid when looking at how effective different aid programs are (Resnick, 2016). This focus on the form and structure of the programs is important to these scholars because aid packages that have strong incentives and coercive mechanisms should be able to better influence recipient nations into following donor wishes (Resnick, 2016). On the other hand, dependency scholars claim that the type of aid and the form of the program makes less of a major difference in how aid is used by recipients (Morrison, 2009). This structure of aid makes less of a difference due to the fungibility of aid. Therefore, while the form and the strength of the program should play a minor effect, leaders in recipient nations will largely be able to use the aid in the manner that they see fit, while being able to avoid relying on taxing their own citizens (Morrison, 2009).

When looking at the possible effects of negative aid shocks, it is also important to understand what causes aid volatility and negative aid shocks. One cause of aid decreases are human rights violations in the recipient states (Dietrich & Murdie, 2014). These decreases can be caused by highly publicized violations that lead donors to rescind their aid packages (Dietrich & Murdie, 2014). Unlike human rights violations, there are other causes of aid volatility that are outside of the recipient nation's control. Some of these causes are poor planning on the part of donors, budgetary changes, and changes in donor preferences (Desai & Kharas, 2008). All of these factors can lead to sudden large decreases in aid. Furthermore, the phenomena of donor herding is quite common, which is when donors follow the examples of other donors in their giving practices (Desai & Kharas, 2010). This practice can amplify what would be minor decreases in aid to large negative aid shocks as donors follow each other in reorganizing their budgets. For example, one major donor's choice to change its aid allocation from one nation to another nation may lead other donors to follow suit en masse (Desai & Kharas, 2008). Therefore, this phenomenon of donor herding can cause large negative aid shocks in nations due to factors largely outside of their control.

Recently, aid volatility has been examined in a number of contexts within the literature with an almost universal agreement upon its negative effects on recipient nations. One of these negative effects is that aid volatility tends to stunt economic growth in recipient nations (Lesnick & Morrissey, 2000; Arellano et al., 2009; Kharas, 2008). This volatility disrupts growth by making it difficult for recipient nations to make long-term investment plans due to the uncertainty surrounding their income from aid (Kharas, 2008). Furthermore, Nielsen et al. found that negative aid shocks have been linked to an increase in civil conflict (Nielsen et al., 2011). This link has been attributed to a weakening of the central government in respect to rebel groups,

which leads to the formation of a commitment problem. In addition, there is greater instability in society as a whole as the leaders in the nation lose their ability to pay-off elites (Sollenberg, 2009, Nielsen et al., 2011).

<div align="center">Theory</div>

Out of the neoclassical liberal school of thought and dependency theory, dependency theory appears to be more apt when describing aid-dependent nations (Harford & Klein, 2005). As a result, it is highly likely that aid-dependent nations that undergo large negative aid shocks will more closely follow the theories of the dependency theory literature. Nevertheless, it is also important to understand the arguments of the neoclassical liberal school and its predictions in order to make a better comparison.

In the case of exogenous negative aid shocks, if the neoclassical liberal school is correct, then there should be a loss of the coercive mechanism that ensured that the recipient nations democratized and followed human rights (Dietrich & Murdie, 2014; Resnick, 2016). This mechanism's influence would be greatly diminished due to the fact that the recipient nation would be less dependent on foreign aid. However, this lack of a coercive mechanism would not necessarily lead to immediate increases in human rights abuses. As Gartner and Regan observe, international pressure is not the only factor that effects whether leaders act in a repressive manner (Gartner & Regan, 1996). Therefore, leaders in these nations would not necessarily begin repressive activities immediately but would instead slowly increase their levels of repression and human rights abuses overtime as their need to do so increases. This prediction is exemplified by Aronow et al., who show in their natural experiment that losses from aid due to the rotating presidency of the European Council do not cause immediate increases in human rights abuses but instead cause a slow decline in respect for human rights over time (Aronow et al., 2012). As a

result, the neoclassical liberal school would predict that negative aid shocks caused by exogenous factors would not have a major immediate effect on a nation's human rights record but would lead to a slow decay in that nation's respect for human rights. However, if the aid shock were caused by a decreasing respect for human rights in the recipient nation, then it would be expected that the nation would increase its respect for human rights in response to the loss of aid in order to regain access to the aid that it had lost.

When looking at dependency theory and its predicted effects of negative aid shocks, there are two possibilities. One possibility is that negative aid shocks will lead aid dependent nations to improve their forms of government and act in less repressive ways as they lose their dependency on aid. This argument would be that leaders in these nations would increase benefits to their citizenry in order to disincentivize revolt due to the decrease in the amount of state resources. However, while this prediction is a possibility, observed effects in other economic shocks support a different outcome. This other outcome is that negative aid shocks will cause large amounts of instability in these nations as the leaders will no longer be able to pay off elites (Morrison, 2009). As discussed earlier, this mechanism was the explanation as to why civil conflict may occur more regularly in these nations (Nielsen et al., 2011). The onset of civil wars can appropriately be compared to human rights violations for a few major reasons. Most importantly, negative aid shocks cause increased instability in recipient nations because they can cause discontent among the populace as rulers are less able to spend income to support themselves and can decrease a ruler's ability to engage in rentier activities when they previously did so (Morrison, 2009). Therefore, this increase in discontent as well as this greater inability to use traditional means of paying off elites to retain control should force rulers to take alternative measures to cement their power. For instance, according to Gartner and Regan, in order for a

leader to cement his power, he can take a number of actions from giving concessions to instigating civil war. Human rights abuses and repressive activities fall in the middle of this range and are often one of the more common choices by leaders placed in this position (Gartner & Regan, 1996; Rost, 2011). Therefore, if negative aid shocks cause increased instability in these nations, then it will be likely the case that many leaders will increase their levels of repressive activities and human rights abuses in order to cement their power. These actions would create a short term spike in human rights abuses in these nations. Furthermore, this prediction is supported by research into other economic shocks and their effects on human rights. For instance, research on economic sanctions has indicated that sanctions lead to increases in human rights abuses due to the same reasons (Wood, 2008). These similar cases are important because, if aid acts in a similar manner to the resource curse, then negative aid shocks should follow the same results that are observed for shocks to commodity prices or economic sanctions. For instance, on his study on economic sanctions, Wood found that economic sanctions led to increases in state repression and human rights violations due to the growth of opposition strength relative to those in power and due to an increasing perception of a weakening position by those in power. These two factors led leaders to act in a more repressive manner in order to solidify their positions of power (Wood, 2008). As a result, this paper looks to apply this theory to foreign aid and see if the comparison holds true.

Finally, in regards to positive aid shocks, according to dependency theory, there should be no major effect on a nation's respect for human rights in aid dependent nations. Positive aid shocks should not change a nation's respect for human rights because leaders within these nations are already using aid to solidify their power through paying off elites and by funding their own projects (Nielsen et al., 2011). As a result, a sudden increase in aid will merely give

these leaders greater ability to solidify their power through these actions (Nielsen et al., 2011).

This line of thinking is exemplified by Nielsen et al., who show in their examination of aid

shocks effect on the onset of civil war that positive aid shocks have no major effect on civil war

onset. Part of their reasoning for this effect is that leaders in these nations are already in strong

positions, and new sources of aid do not change this position (Nielsen et al., 2011). Nevertheless,

the examination of positive aid shocks and their effects on human rights could be an important

topic for future research.

<div align="center">Hypothesis</div>

When negative aid shocks occur in aid dependent nations, they will likely lead to

increased instability (Morrison, 2009). This increased instability will then likely cause leaders to

look for methods to secure their power, one of which is to increase repressive activities and

human rights abuses. In addition, these abuses should occur shortly after decrease in aid.

Therefore, I hypothesize that a negative aid shock in a nation will lead to a near immediate

increase in the reported instances of human rights abuses within that nation. This near

immediacy would be able to be observed as an increase in human rights abuses the year of, the

year after, or two years after the aid shock occurred as opposed to a slow decay that takes place

over several years.

An alternative hypothesis would be that negative aid shock would lead to an increase in

respect for human rights. This hypothesis would argue that sudden losses in aid either removes

the negative effects aid has on recipient nations, which helps promote their respect for human

rights, or that negative aid shocks cause leaders in affected nations to increase their respect for

human rights in hopes of either solidifying their power through making concessions or in hopes

of regaining aid from foreign donors.

Data and Methods

The disaggregation of aid volatility into positive aid shocks and negative aid shocks is a relatively recent development within the literature (Nielsen et al., 2011). Furthermore, a general consensus has not yet formed on what constitutes an aid shock. For example, Kharas defines an aid shock as 15% of a nation's GDP, but Nielsen et al. defined it as .54% of a nation's GDP (Kharas, 2008; Nielsen et al., 2011). However, Nielsen et al. recognized that this measure was somewhat arbitrary and also tested for both higher and lower quantities (Nielsen et al., 2011). Therefore, in order to be fully accurate when testing for negative aid shocks, it may be necessary to test different levels of decreases. In regards to measuring human rights and political repression, there are a number of indexes and datasets that have data on reports of human rights abuses such as the Cingranelli-Richards Human Rights Dataset (CIRI), and Social Conflict and Analysis Database (SCAD) (Richards et al., 2001; Curtice & Reinhardt, 2016).

When examining the methods that other researchers have used to study foreign aid, there has been a nearly universal use of either large N statistic studies or natural experiments. These large N statistical studies are often cross-national and cross-temporal. These studies are so popular because they allow for a large sample size, which can lead to more accurate results when experiments are not possible. When specifically examining aid volatility, there are certain factors that are important to inspect. The foremost of these factors is the recognition of an endogeneity problem due to the fact that human rights abuses may lead donors to rescind aid (Nielsen et al., 2011; Dietrich & Muride, 2014). However, several solutions have been proposed to solve this problem. One solution is to properly select cases where the researcher knows that human rights abuses were not a factor in contributing to a decrease in aid. Another solution is to statistically analyze the cases through most similar case matching (Nielsen et al., 2011; Nielsen, 2014). This

statistical analysis is possible due to the fact that an aid shock acts similarly to a pre/post-test whereby the nation experiencing the shock can be measured before and after the shock occurred. Therefore, nations that do not experience aid shocks, but are similar to those that do, can be compared to control for this endogeneity problem (Nielsen et al., 2011).

As negative aid shocks and their effects are not necessarily unique to one particular region or one particular time-period, the unit of analysis for this paper will be country-year and will include 154 developing nations from 1981 to 2011. This time period has been selected due to the prevalence of human rights data during this period. This unit of analysis is appropriate for this research project because this project intends to look at foreign aid's effects on human rights globally and there is no reason to believe that this effect has changed over time in respect to negative aid shocks. In addition, while it may seem overbroad to include most developing nations in a study of foreign aid, especially in regards to the large variance between different nations within the world, this issue should be controlled for by a series of control variables that could likely effect human rights. Finally, the effects of negative aid shocks on human rights have not been studied generally. Therefore, it is important to examine the general trends of this relationship in order to better inform future studies regarding specific sets of cases.

There are several important variables in this study. Foremost, the independent variable for this study will be the occurrence of a negative aid shock. Choosing a specific point to delineate whether a negative aid shock has occurred or not is arguably arbitrary. However, Nielsen et al., disaggregated positive and negative aid shocks and set their aid shock at .54% of GDP (Nielsen et al., 2011). This point was chosen because it represented the 15% most extreme cases in their study (Nielsen et al., 2011). Therefore, to follow in line with this previous research, I will examine the 15% most extreme cases and set negative aid shocks as a dichotomous

variable. In this case, the 15% most extreme negative cases were a drop of 5.66% of aid as a percentage of GDP. Using this variable, I ran a multivariate regression to see if there is covariation between negative aid shocks and human rights abuses.

The data for this project is taken exclusively from pre-existing datasets. The data on foreign aid was taken from the OECD dataset. The OECD has a complete dataset on official development assistance (ODA) commitments and disbursements by country-year and is measured by both recipient and donor. Official development assistance is defined by the OECD as aid that is undertaken by the official sector, has the promotion of economic development as its main objective, and which is concessional, meaning that at least 25% of the flow is a grant. The OECD obtains these measures from members of the Development Assistance Committee (DAC), which is made up of most developed nations. Commitments are how much a nation commits to donate to a nation when they agree to give aid, while disbursements are the actual amount of aid given. Disbursements are a better measure because they show the real amount of aid that a country receives. However, the data on disbursements may be less accurate than that on commitments, especially when looking at earlier time periods. Yet, it is possible to use commitments as a proxy for disbursements because they have been found to be highly correlated (Nielson & Tierney, 2005). Therefore, I have chosen to use aid commitments as my measure of foreign aid due to the fact that the data is more accurate.

To calculate changes in aid, official development assistance aid commitments were taken in current USD from the OECD database. These commitments were then divided by GDP in current USD from the World Bank datasets. This division created the variable of aid as a share of GDP. This variable was calculated for all nations between 1980 and 2011. Next, I subtracted each year from 1981 to 2011 from the previous year to calculate the change in aid for that year. I

then dichotomized these variables so that any drop that was over 5.66% of a nation's GDP in a single year was coded as an aid shock. In addition, every time an aid shock occurred, I coded the next two years as a negative aid shock. These years were coded for a negative shock due to the fact that the receipts of commitments are sometimes delayed. In addition, while negative aid shocks should cause immediate drops in respect for human rights, these effects may take place over the course of a few years.

In addition to merely testing for negative aid shocks, general changes in aid were also tested to control for the fact that changes in aid could cause changes in human rights abuses as opposed to aid shocks. The variable for changes in aid was calculated in the same way as negative aid shocks but was not dichotomized and was used only for the year in which the change occurred.

The dependent variable within this study is a nation's respect for human rights. This respect for human rights was measured according to the Cingranelli-Richards Human Rights Data Project (CIRI), which measures human rights by country-year. This data project measures human rights across a number of factors and splits these rights into two different indexes. The physical integrity index is an 8-point additive scale that includes political and extrajudicial killings, disappearances, torture, and political imprisonment. Each individual abuse is given a score of zero, one, or two. A score of zero signifies that the abuse is practiced frequently, a score of one is that the abuse is practiced infrequently, and a score two is that the abuse in not practiced. CIRI also measures empowerment rights on a 14 point additive scale index that includes foreign movement, domestic movement, freedom of speech, freedom of association and assembly, worker's rights, electoral self-determination, and freedom of religion. In regards to foreign freedom of movement, domestic freedom of movement, freedom of assembly, freedom

of religion, and worker's rights, a zero represent severe restrictions, a one represents limited restrictions, and a two represents no restrictions. For freedom of speech and the press, a zero represents complete government censorship and/or ownership of the media, a one represents some government censorship and/or ownership of the media, and a two represents no government censorship and/or ownership of the media. Electoral self-determination is measured by whether the right for citizens to change their government through free and fair elections is respected. A zero, means that this right is not respected, a one is that there is limited respect, and a two is that this right is generally respected. This data is coded by assessing the language regarding each potential abuse in the US State Department Reports. CIRI supplements this source for the physical integrity rights by also analyzing Amnesty International's *Annual Report*.

Finally, I controlled for several important variables that may affect a nation's respect for human rights. Economic development, population size, domestic conflict, interstate hostility, and level of democracy have all been associated with human rights abuses (Richards et al., 2001). The economic development of a nation was measured by using the natural log of GDP per capita in constant USD from 2010 according to the World Bank Dataset. Population was measured by taking the natural log of population size from the World Bank Dataset. Level of democracy was measured according to the Polity IV Data Series, which measures countries' levels of democracy from -10 to 10, with -10 being a closed autocracy and 10 being a full democracy. Armed conflict was measured with the Uppsala Conflict Data Program (UCDP), which measures intrastate and interstate conflict. A high-intensity conflict was defined as any conflict with more than 1,000 battle deaths in a given year. A low-level conflict is any conflict with 25 battle deaths or more in a given year. For the purposes of this study, both high-intensity and low-intensity conflicts were measured separately as dichotomous variables. In addition, a civil conflict was coded for a

particular country-year if any conflict occurred within a nation where that nation was fighting

non-state actors within itself. Internationalized conflicts were coded for any country-year

whereby a country intervened in a domestic conflict of another nation, or engaged in hostilities

against another nation. Finally, after the Cold War, aid giving patterns changed significantly

(Nielsen, 2013). As a result, I used the Cold War as a dichotomous control variable set at 1991

and earlier. In addition, I controlled for a nation's aid dependency. I controlled for this variable

because nations' that are heavily aid dependent are more likely to undergo aid shocks. I

calculated aid dependency as aid as a share of GDP. I calculated this percentage by using official

development assistance from all sources in current USD as reported by the OECD. These

commitments were divided by GDP in current USD as reported by the World Bank dataset.

Therefore, because all of these variables may affect both aid donations and human rights abuses,

I controlled for these variables in the statistical tests in this study.

     These variables should be sufficiently reliable and valid for the purposes of this study.

Also, yearly aid data should accurately capture major shocks that occur within nations. This data

should accurately capture this effect because aid should influence how leaders act due to the fact

that aid is largely fungible (Morrison, 2009). In addition, yearly human rights data should

accurately convey changes in leader's respect for human rights. This data should accurately

convey this change in respect because it will include an index of many different possible abuses

that nations can commit.

     This project analyzed the effects of aid shocks by conducting a large-N statistical study.

This study discerned causality by examining whether a negative aid shock caused an increase in

human rights violations in a particular nation after the shock. The hypothesis would be falsified

if there was either no change in respect for human rights or if respect for human rights increased

in the case of a negative aid shock. A quantitative analysis was best suited for this project because this project intended to look at a large number of cases in order to see the effect of aid shocks in developing nations. With these variables, I ran a multivariate regression to test for covariation.

Results and Analysis

When looking at negative aid shocks and human rights it is important to examine the descriptive characteristics of the variables. When examining the dependent variables, physical integrity rights had a mean of 4.407, a median value of 5, and a standard deviation of 2.238. Empowerment rights had a mean of 7.402, a median of 7, and a standard deviation of 3.995. Furthermore, the independent variable of negative aid shocks also has several important descriptive characteristics. Out of the 154 countries analyzed in this project, 101 countries experienced a negative aid shock. In addition, if a country experienced a negative aid shock, then it would experience 5.911 negative aid shocks on average throughout the time period studied. Therefore, countries that experienced a negative aid shock tended to experience multiple repeated occurrences of these shocks. Figure 1 displays the number of negative aid shocks in a given year from 1981 to 2011. As seen in the figure, negative aid shocks have slowly decreased over time with a sudden decrease in 1998 as an outlier.

{Insert Figure 1}

Before examining the regressions for negative aid shocks, I examined general changes in respect for human rights before and after negative aid shocks without controlling for other variables. In these graphs, each time a negative aid shock occurred, a zero was recorded. Then, each year previous to the negative aid shock was labelled up to five years prior and each year after the negative aid shock was labelled up to five years afterwards. If two negative aid shocks

occurred within the same ten year period, then the count restarted with the second aid shock at zero. For instance, if a negative aid shock occurred three years after the previous negative aid shock, then it would be coded as follows: …-1,0,1,2,0…. This coding scheme was chosen because cases where multiple aid shocks occur within the same time frame are likely different than those where aid shocks occur less frequently. However, due to this coding scheme, certain values were much more common than others. More specifically, the values from -1 to 3 were much more common than other values, which could have skewed the results. For example, countries that have few negative aid shocks will appear more frequently in the -5 to -3 range than those that experience many. Nevertheless, these results can be helpful to illustrate changes in human rights after negative aid shocks, especially when comparing the records the year before to several years after.

{Insert Figure 2}

{Insert Figure 3}

These figures produce interesting results. Figure 2 seems to illustrate that physical integrity rights drop after a negative aid shock. However, they tend to increase in the years prior to the negative aid shock. However, this increase prior to the negative aid shock may be caused by the fact that there are much fewer observations several years before a negative aid shock than after. Therefore, the data during this time period may be skewed by over representing nations that undergo fewer aid shocks and underrepresenting those that undergo many. Nevertheless, this increase in respect for physical integrity rights prior to a negative aid shock gives evidence against the danger of possible endogenous effects. When examining, Figure 3, it appears that empowerment rights increase slightly after a negative aid shock. However, before the negative aid shock there are also slight increases in respect to empowerment rights but these observations

face the same problems as those for physical integrity rights. Therefore, I ran a series of

regressions to test for the relationships between negative aid shocks and physical integrity and

empowerment rights while controlling for other variables.

{Insert Table 1}

First, I ran two models to determine whether changes in aid affected human rights

generally. Model 1 analyzed the effects of changes in aid as a share of GDP with all of the

control variables and with high-intensity conflicts or conflicts with 1000 or more battle deaths on

physical integrity rights. Model 3 analyzed the effects on changes in aid as a share of GDP with

all the control variables and with high-intensity conflicts or conflicts with 1000 or more battle

deaths on empowerment rights. Both models resulted in negative relationships whereby positive

changes in aid led to decreases in respect for human rights. However, they both produced non-

significant results in respect to continuous aid change as a percentage of GDP. Model 1 resulted

in p=0.336 for continuous aid changes' effects on physical integrity rights, and Model 3 resulted

in p=0.445 for continuous aid changes' effects on empowerment rights. I ran two additional

models for the sake of robustness with low intensity conflicts or conflicts with 25 battle deaths or

more as opposed to high intensity conflicts. These robustness tests resulted in similar results with

a p=0.435 when testing for physical integrity rights and p=0.436 when testing for empowerment

rights.

As expected most of the control variables produced significant results in each model. The

presence of the Cold War led to increasing respect for both physical integrity rights and

empowerment rights in both models. Democracy scores from the Polity Data Series also resulted

in highly significant results in both models with a higher democracy score leading to higher

respect for physical integrity rights and empowerment rights. The natural log of the population

was also correlated with human rights as expected. More specifically, a higher population was associated with a lower respect for physical integrity rights and empowerment rights. Increased GDP per capita, which was used to measure economic development, was significantly associated with increased respect for physical integrity rights but was not significantly correlated with empowerment rights. Civil wars that were high intensity conflicts or over 1000 battles deaths in a given year were also negatively correlated with respect for physical integrity rights and empowerment rights in both models. In addition, internationalized wars that were both high intensity and low intensity were also negatively correlated with respect for physical integrity and empowerment rights in both models. Finally, aid as a share of GDP, which was used to measure a nation's dependency on foreign aid, was found to be significant as expected and to have a positive correlation with respect to physical integrity rights and empowerment rights in both models.

Next, I tested for negative aid shocks whereby a negative aid shock constituted the 15% most extreme cases or a 5.66% drop in aid as a percentage of GDP from the previous year. In addition, I coded the two years after a negative aid shock occurred for the occurrence of a negative aid shock. I ran two models for these tests. Model 2 examined the relationship between negative aid shocks and physical integrity rights with controlling for high intensity conflicts. Model 4 examined the relationship between negative aid shocks and empowerment rights with controlling for high intensity conflicts. In regards to negative aid shocks' effect on physical integrity rights, no significant relationship was found. In Model 2 $p=0.317$. Unlike Model 2, Model 4 resulted in significant results for negative aid shocks' effects on respect for empowerment rights. Model 4 had $p<0.001$. However, while this model resulted in significant results, it was in the opposite direction as predicted. More specifically, negative aid shocks were

found to be correlated with an increase in respect for empowerment rights. This result was found to be robust when tested with low intensity conflict as well. When controlling for low-intensity conflicts with empowerment rights, a positive correlation was still found with a $p<0.001$. In addition, when controlling for low-intensity conflicts, physical integrity rights were found to have no significant correlation with aid shocks with a $p=0.386$.

The control variables had similar results to those observed when testing for continuous changes in aid. More specifically, the presence of the Cold War was found to be significant in all models and had a positive effect on respect for physical integrity and empowerment rights. Level of democracy, which was measured using the Polity IV Data Series, was found to have significant positive correlation with physical integrity and empowerment rights in all models. The natural log of population was also found to have a significant negative correlation with physical integrity and empowerment rights in all models. GDP per capita was significantly positively correlated with respect for physical integrity rights but had no significant relationship with empowerment rights in Model 4. Civil conflicts had a significant negative correlation with physical integrity and empowerment rights for both high level and low level conflicts in all models. Internationalized conflicts were significant for high intensity conflicts in regards to physical integrity rights and had a negative correlation. They were also negatively correlated and significant when compared to empowerment rights for high intensity conflicts. Aid as a share of GDP was found to have a significant positive correlation with physical integrity rights in Model 4 but did not have a significant relationship in Model 2.

{Insert Table 2}

Due to the findings of significant results for empowerment rights a series of additional tests were conducted to check for robustness. These tests were conducted with negative aid

shocks set at the ten percent most extreme cases or a 9.112% drop or greater and at the twenty percent most extreme cases or a 3.638% drop or greater. These tests can be considered especially necessary as there is no major theoretical reason to set aid shocks at the fifteen percent most negative cases. Model 5 examines negative aid shocks set at the 10% most extreme cases for physical integrity rights with high-intensity conflicts, while Model 7 does so far empowerment rights. Models 6 and 8 follow this pattern but with negative aid shocks set at the twenty percent most extreme cases.

These robustness tests produced results that supported the previous results. More specifically, when testing for physical integrity rights, no significant relationship was found. For example, when testing with negative aid shocks set at the 10% most extreme cases $p=0.206$ and when testing for the 20% most extreme cases $p=0.134$. When testing for empowerment rights, significant relationships were found at both the 10% most extreme cases and at the 20% most extreme cases like they were for the 15% most extreme cases. At the 10% most extreme cases $p<0.001$ and at the 20% most extreme cases $p=0.049$. Therefore, the results of these negative aid shocks were found to be robust when both testing for different levels of conflict and when testing at different levels of negative aid shocks.

When examining the effect of continuous change in aid on respect for human rights, there is no significant correlation. This lack of correlation would help further illustrate the uniqueness of negative aid shocks if a correlation was found when these negative aid shocks were dichotomized. Therefore, because some effects were found when testing for negative aid shocks, there is greater support that the observed effects of negative aid shocks were truly caused by the negative aid shocks as opposed to general changes in aid at all levels. More specifically, negative aid shocks were significant in some instances. Negative aid shocks resulted in a significant

increase in respect for empowerment rights and had no significant effect on physical integrity rights. Because of these results, the null hypothesis is accepted. However, the fact that significant results were found in the direction opposite of what was expected indicates that alternative hypotheses may be accepted. For instance, it may be proper to accept the hypothesis that negative aid shocks lead to increased respect for human rights. Nevertheless, while this hypothesis may be accepted, it does not explain the fact as to why a significant relationship was found between negative aid shocks for empowerment rights but not for physical integrity rights.

In order to understand the true effects of negative aid shocks on human rights, it is important to look at the results in detail. In regards to physical integrity rights, negative aid shocks had no significant correlation. However, in regards to empowerment rights, negative aid shocks were positively correlated with an increased respect for these rights. Yet, the effect of this correlation was relatively small for a dichotomous variable on a 14-point scale with an estimate of 0.376 In Model 4. This result is especially small considering that the standard deviation for empowerment rights is 3.995. Therefore, while negative aid shocks do have significant relationship with empowerment rights, their effects are still relatively small especially when compared to other variables. In addition, this relationship was further supported by the robustness tests. More specifically, the tests of negative aid shocks set at 10% found that there was still a significant correlation. In addition, the tests set at 20% also found this relationship. These robustness tests further support the results that negative aid shocks lead to an increase in respect for empowerment rights. Furthermore, the fact that this relationship was not found when looking at continuous changes in aid helps confirm the theory that negative aid shocks are unique in causing this effect as opposed to general changes in aid.

Finally, because negative aid shocks were not found to have a negative correlation with respect to human rights, it was not necessary to control for endogeneity in this study. It was not necessary to control for endogeneity in this instance because these potential endogenous effects would work in the opposite direction as to what was observed. More specifically, they would further increase the chances of examining a negative relationship. However, in this instance either no relationship was observed or a positive relationship was observed. As a result, these controls were unnecessary. Nevertheless, it is still important to discuss the possible effects endogeneity may have had on the results of these tests. One potential cause of endogeneity could be that donors revoke aid when nations increase their respect for human rights in order to better allocate their aid to nations in which the aid could now have a greater influence. If this were the case, then this could explain why human rights appeared to increase before negative aid shocks in Figure 2 and Figure 3. However, while this is a possible cause of endogeneity, it appears to go against common theories in the aid literature, which state that donors tend to reward states that have good human rights records and revoke aid from those that have poor records (Resnick, 2016).

In order to better understand these results, it is important to examine why negative aid shocks may have led to an increase in respect for human rights. One highly plausible explanation is that neoclassical liberal school was correct in determining that aid can be used to incentivize nations to respect human rights. Therefore, sudden losses in aid may lead nations to increase their respect for human rights in an attempt to regain the aid that they had lost. Another plausible explanation comes from the dependency school. This argument would be that aid has a negative effect on human rights in developing nations and therefore a sudden loss of foreign aid forces leaders to invest in their citizens and to increase their respect for human rights. Yet, it is unclear

whether these increases in respect would occur in the short time-frame after the shock that this study examines. Furthermore, both of these theories could interact together to lead to an increase in respect for human rights. However, the most likely theory would be that leaders in nations that undergo aid shocks increase their respect for empowerment rights in an effort to help gain the support of the populace. This explanation is plausible because it would mean that leaders would choose to use co-optation rather than repression in the event of a negative aid shock. Nevertheless, it is difficult to confirm which of these theories is truly at work As a result, further research is likely required to examine what mechanisms are truly at work in leading to an increase in respect for human rights after negative aid shocks.

Finally, it is important to note that a relationship was only observed for empowerment rights and not for physical integrity rights. Past literature does not give a clear indication as to why this type of divergence may have occurred. Furthermore, this divergence was not minor. In both models physical integrity rights were found to be non-significant and in the opposite direction of empowerment rights. There are not many obvious answers as to why this divergence may have occurred. However, some potential solutions could be that leaders are less likely to change their human rights practices in respect to physical integrity rights as a result of a negative aid shock due to the fact that these practices tend to target specific individuals and are more extreme uses of force. On the other hand, they may be more likely to reduce their abuse of empowerment rights because these restrictions tend to be less targeted and may not always be used against existential threats but against the citizenry as a whole. This argument would be that leaders increase their respect for empowerment rights in order to co-opt their citizens but do not do so for more repressive actions such as violations of physical integrity rights (Slovik, 2012). In order to solve this conundrum, further research is likely required, which could examine more

fine-grained data to determine what specific rights are seeing increases in respect after negative aid shocks and to determine the mechanisms effecting these increases.

As observed, while aid shocks were found to be significant in respect to empowerment rights, their effect was relatively small. This small effect may indicate that only certain cases see increases in respect to empowerment rights after an aid shock. For example, there may be some regional effect whereby nations in certain regions see an increase in in respect to empowerment rights, while others do not. In addition, there could be an effect whereby nations that receive multiple negative aid shocks see increases in empowerment rights, while those that experience a single negative aid shock do not see this increase. These possible effects could also be used to explain the non-significance of the relationship between negative aid shocks and physical integrity rights. More specifically, if this relationship is only found in certain cases, then it may appear insignificant when examining all cases. In addition, this small result may indicate that this effect only occurred for certain sections of the empowerment rights index. For instance, the index is made up of seven different rights. Therefore, it could be the case that negative aid shocks only affect certain parts of this index and not others, which could account for the relatively small result. As a result, it is likely worthwhile for future studies to examine specific cases of aid shocks to see if certain variables interact with aid shocks to cause these observed effects.

In order to better examine the mechanisms underlying the effects of negative aid shocks, it is helpful to examine a series of case studies. However, while these case studies may help illustrate how negative aid shocks interact with human rights in specific instances, it is also important to note that the mechanisms observed in these specific cases do not necessarily apply to other cases, which is why future research is likely required.

One case where a negative aid shock occurred was in Mongolia in 2009. Mongolia is a relatively small country with a population of around 3 million people. The country's GDP per capita was around $2,500 from 2008-2010. Before the negative aid shock in 2009, the country had experienced four other negative aid shocks, with the most recent occurring in 2005. In 2008, Mongolia had received $837,220,000 in aid from various donors, which was equivalent to approximately 15% of the country's GDP. In 2009, Mongolia only received $420,800,000, which was equivalent to approximately 9% of the country's GDP. Therefore, Mongolia experienced a negative aid shock that accounted for the equivalent of approximately 6% of the country's GDP, which is above the 5.66% mark required for a negative aid shock in this study. In addition to this negative aid shock, the amount of aid received by Mongolia would continue to decrease for the next two years, although neither year would see a decrease large enough to constitute another negative aid shock.

The year before the negative aid shock, Mongolia's respect for human rights were middling. In July, post-election protests occurred, which caused the Mongolian government to declare a state of emergency and to engage in human rights abuses. The government restricted certain parts of the press during this state of emergency. In addition, there were reports of arbitrary arrests and mistreatment by police forces (Amnesty International, 2009). In the years that followed, the Mongolian government began to increase its respect for both physical integrity and empowerment rights. The Mongolian government established a sub-committee to investigate the riots and human rights violations that occurred during the protests (Amnesty International, 2010). Furthermore, while Mongolia did not drastically increase its respect for human rights, it did take certain steps towards increasing its respect for human rights, such as announcing a moratorium on the death penalty and investigating reports of torture in police stations (Amnesty

International, 2010; Amnesty International, 2011). Therefore, the Mongolian government did increase its respect for human rights after the negative aid shock occurred.

This example of Mongolia could have several implications for theory regarding negative aid shocks. Foremost, it is likely that the Mongolian government's response to the riots in 2008 caused the negative aid shock in 2009. Therefore, one possibility is that the Mongolian government's respect for human rights had dipped during this conflict but returned to normal after the state of emergency had passed. While this is possible in regards to empowerment rights, although not certain, respect for physical integrity rights did not drop in 2008 but rose after the negative aid shock. Therefore, another possible explanation is that the Mongolian government increased its respect for human rights in an attempt to become more attractive to donors whose money it had lost. This explanation would help explain why Mongolia took several measures to increase its human rights record such as investigating torture in its prisons when it had not previously done so in the past.

Another negative aid shock that can be used as a case study is that of Liberia in 2005. Liberia is a small country with a population of around 3 million people in 2005. The country's GDP per capita in 2005 was around $280, and the nation is heavily aid-dependent. From 1981 to 2004, Liberia had experienced seven negative aid shocks with the most recent occurring in 2000. In 2004, Liberia received $336,900,000 in aid, which was approximately the equivalent of 71% of the country's GDP. In 2005, Liberia received $268,500,000 in aid, which was approximately equivalent to 49% of the country's GDP. Therefore, Liberia saw a drop in aid equivalent to approximately 22% of the country's GDP, well above the 5.66% mark required for a negative aid shock in this study.

After this negative aid shock in 2005, Liberia's respect for empowerment rights increased slightly but its respect for physical integrity rights decreased slightly. During this time period, Liberia experienced civil conflict, which incentivized the government to abuse human rights in numerous ways. These abuses led to a series of sanctions on exports from Liberia (Amnesty International, 2005). In 2005, Liberia began to interact with numerous donors and international institutions to increase its respect for human rights and to reduce corruption. These measures led to the creation of a truth and reconciliation committee (Amnesty International, 2006). Eventually, the nation's increasing respect for human rights led to the removal of some sanctions in 2006 and the restoration of diplomatic ties with several important donor nations (Amnesty International, 2007). However, as stated, while Liberia's respect for empowerment rights increased, it still continued to violate physical integrity rights. Nevertheless, this case seems to give evidence to support the theory that donors are able to use the rescinding of aid to coerce nations to increase their human rights records as evidenced by the fact that Liberia increased its human rights record and actively worked with the international community to do so.

Conclusion

This research study examined the effect of negative aid shocks on respect for human rights abuses. In conducting this study, a series of tests were run that compared the 15% most extreme negative drops in aid with both physical integrity rights and empowerment rights. Unlike what was predicted, an increase in empowerment rights was observed and there was no relationship with physical integrity rights. As a result, I accepted the null hypothesis. This observation appears to go against observations that would have been expected according to dependency theory. More specifically, it seems to go against similar reasoning in regards to other commodity shocks that observed that those shocks led to decreased respect for human rights.

Therefore, this study appears to indicate that aid may act differently than other non-tax revenue sources.

In order to better analyze the veracity of this argument, future studies are required that can use more detailed data to examine what specific rights were better respected and when. More specifically, it could be helpful to examine event data or data that illustrates reports of human rights abuses on a daily basis. The analysis of this type of data could be helpful because it would allow for a better illustration of the immediate changes in respect for human rights after a negative aid shock. In addition, future studies could look at indicators of increasing levels of instability following negative aid shocks. For instance, increasing levels of strikes and protests could be examined following a negative aid shock. This examination is important because it could better help explain the causal mechanisms underlying the findings in this study and to help resolve the question as to what motivates leaders to increase respect for empowerment rights. For example, if there was an increase in indicators for instability, then it would support the theory that leaders increase respect for these rights in hopes of co-opting their population. However, if an increase in these indicators were not found, then it would support other hypotheses such as that leaders increase respect for these rights in order to regain aid from donors. Therefore, future studies could greatly help explain the puzzles presented by this study. Finally, in addition to this study, it may be helpful to examine the effects of positive aid shocks on respect for human rights in order to further examine the effects of aid shocks in this area of the literature.
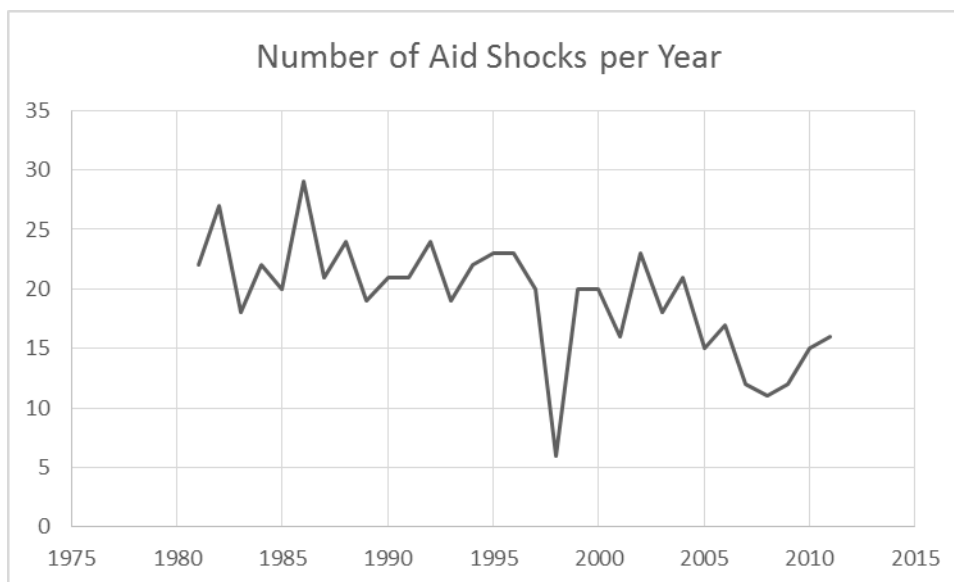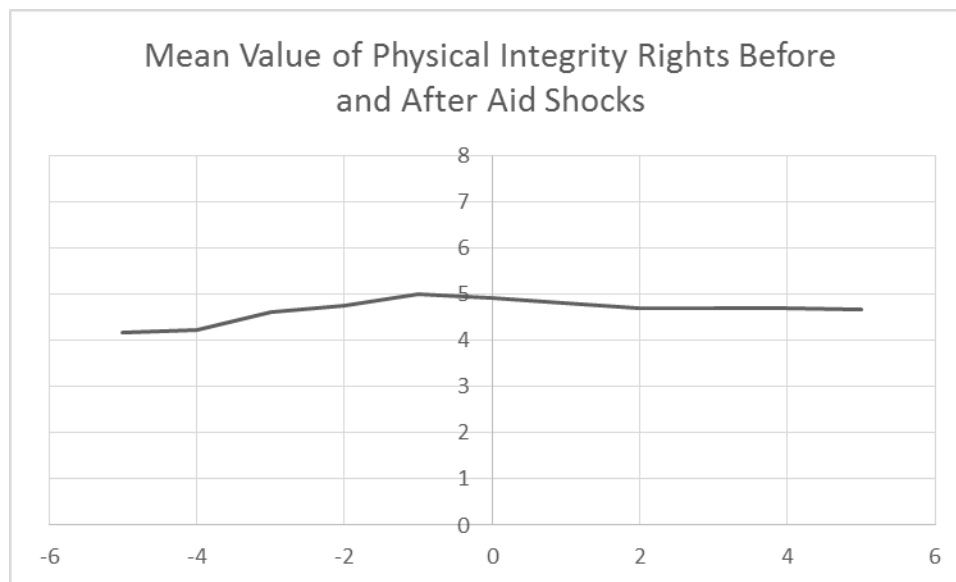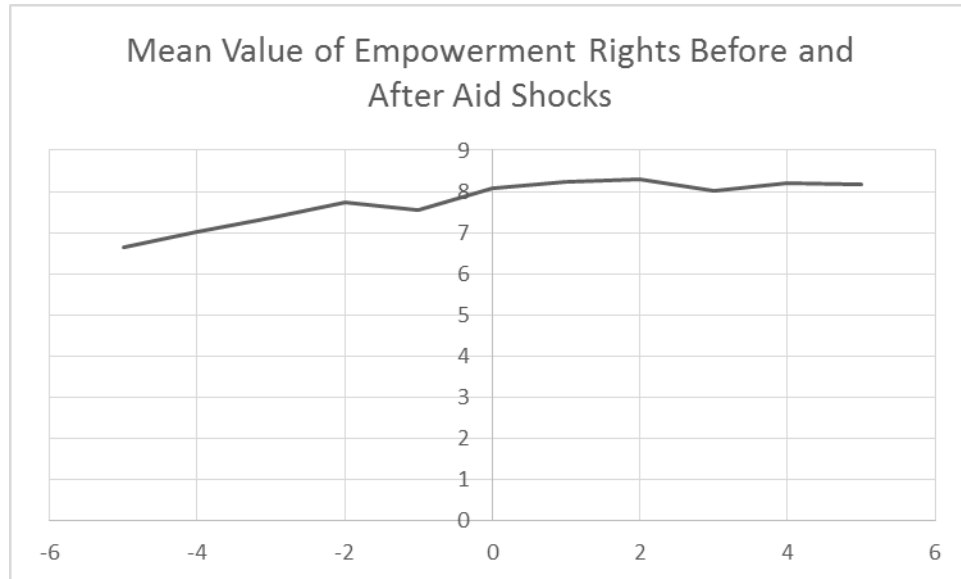
Figures and Tables

Figure 1

Number of Aid Shocks per Year

Figure 2

Mean Value of Physical Integrity Rights Before and After Aid Shocks

Figure 3

Table 1: Aid Changes' Effects on Physical Integrity Rights and Empowerment Rights

Estimate	Model #1	Model #2	Model #3	Model #4
Dependent Variable	Physical Integrity Rights	Physical Integrity Rights	Empowerment Rights	Empowerment Rights
(Intercept)	13.365 ** (0.496)	13.684 ** (0.524)	14.540 ** (0.708)	13.670 ** (0.746)
Continuous Changes in Aid	-0.276 (0.287)		-0.319 (0.417)	
Aid Shocks		-0.077 (0.077)		0.376 ** (0.11)
Cold War	0.5445 ** (0.068)	0.550 ** (0.068)	1.490 ** (0.098)	1.490 ** (0.097)
Polity Democracy Scores	0.060 ** (0.004)	0.060 ** (0.005)	0.459 ** (0.007)	0.459 ** (0.007)
Population (Natural Log)	-0.670 ** (0.021)	-0.679 ** (0.021)	-0.471 ** (0.03)	-0.444 ** (0.031)
GDP per Capita (Natural Log)	0.191 ** (0.033)	0.173 ** (0.034)	-0.048 (0.046)	0.000 (0.048)
Civil Conflict (1000 Battle Deaths)	-2.461 ** (0.139)	-2.471 ** (0.139)	-1.146 ** (0.198)	-1.132 ** (0.198)
Internationalized Conflict (1000 Battle Deaths)	-0.481 ** (0.122)	-0.489 ** (0.122)	-0.929 ** (0.175)	-0.907 ** (0.175)
Aid as a share of GDP	0.792 ** (0.22)	0.752 (0.21)	1.165 ** (0.315)	0.939 ** (0.3)
Adj R^2	0.435	0.435	0.640	0.641
N	3066	3066	3071	3071
F	295.4 **	295.4 **	681.6 **	685.5 **

Standard errors in parenthesis. Denotes 2-tailed t-test * p<0.05, ** p<0.01

Table 2: Robustness Checks

Estimate	Model #5	Model #6	Model #7	Model #8
Dependent Variable	Physical Integrity Rights	Physical Integrity Rights	Empowerment Rights	Empowerment Rights
(Intercept)	13.643 **	13.87 **	13.99 **	13.936 **
	(0.499)	(0.548)	(0.711)	(0.782)
Aid Shocks (10%)	-0.109		0.456 **	
	(0.086288)		(0.124)	
Aid Shocks (20%)		-0.111		0.209 *
		(0.074)		(0.106)
Cold War	0.549 **	0.547 **	1.493 **	1.498 **
	(0.068)	(0.068)	(0.097)	(0.106)
Polity Democracy Scores	0.060 **	0.060 **	0.459 **	0.459 **
	(0.005)	(0.005)	(0.007)	(0.007)
Population (Natural Log)	-0.678 **	-0.684**	-0.454 **	-0.453 **
	(0.021)	(0.022)	(0.03)	(0.031)
GDP per Capita (Natural Log)	0.175 **	0.162**	-0.017	-0.014
	(0.033)	(0.035)	(0.046)	(0.05)
Civil Conflict (1000 Battle Deaths)	-2.469 **	-2.478 **	-1.145 **	-1.132 **
	(0.139)	(0.139)	(0.198)	(0.198)
Internationalized Conflict (1000 Battle Deaths)	-0.489 **	-0.489 **	-0.911 **	-0.929 **
	(0.122)	(0.122)	(0.174)	(0.175)
Aid as a share of GDP	0.782 **	0.744 **	0.837 **	1.044 **
	(0.213)	(0.209)	(0.305)	(0.298)
Adj R^2	0.435	0.435	0.641	0.640
N	3066	3066	3071	3071
F	295.5 **	295.7 **	686.1 **	682.7 **

Standard errors in parenthesis. Denotes 2-tailed t-test * $p<0.05$, ** $p<0.01$

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