

Clark C. Gibson, Barak D. Hoffman, [Ryan S. Jablonski](#)
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role of technical assistance in Africa's
transitions**

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Did Aid Promote Democracy in Africa?
The Role of Technical Assistance in Africa's Transitions

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Clark Gibson
University of California, San Diego

Barak Hoffman
World Bank

Ryan Jablonski
London School of Economics and Political Science

Did foreign aid play a role in Africa's political transformation after the Cold War? After decades of authoritarian rule, the majority of these regimes came to an abrupt and unexpected collapse in the 1990s. Africa's political liberalization was slow at first.¹ Some autocrats established certain civil rights such as the permission to organize opposition parties. Others allowed a freer press.² Still others created commissions to examine the country's constitution. In most countries, these initial movements eventually led to multiparty elections so that by 1994 29 countries had held 54 elections, with observers judging the majority as "free." These elections boasted high turnouts and many opposition victories: voters removed eleven sitting presidents, and three more had declined to run in these contests. During 1995-97, 16 countries staged second-round elections and by 1998 only four countries in all of sub-Saharan Africa had not staged some sort of competitive contest. Given the continent's poor record of competitive elections in the post-independence period, rapid political liberalization during this time was a monumental political change.

Despite the magnitude and extent of these changes, scholars' accounts of these transitions have had only limited success (Gibson, 2002). Many studies argue for the primacy of domestic forces, such as economic crisis or political protest (e.g., Bratton & van de Walle, 1997; Westebbe, 1994). Others note the rapid collapse of autocracy at the end of the Cold War and suggest that international factors fostered the changes (e.g., Huntington, 1993).

Some studies suggest that foreign aid may have contributed to democratization (e.g., Gibbon, Ofstad, & Bangura, 1992; Nelson, 1990; Resnick and van de Walle 2013). After the fall of the Soviet Union, donors paid increasing attention to political reforms and began attaching conditions to their assistance; a number of anecdotes suggest that elections were in part a response to these pressures. Yet others contend that foreign aid has instead had the effect of

entrenching autocrats in power by increasing the resources available for patronage (e.g., Bates, 1994; Brautigam, 2000; Bueno de Mesquita, Morrow, Siverson, & Smith, 2001; Morrison, 2009; Rodrik, 1996).

We argue that foreign aid did both: in earlier periods, aid increased resources available for patronage. However in the 1980s and 90s donors paid attention to government spending and corruption, making it more difficult for governments to use foreign aid for patronage systems. Enhanced monitoring essentially reduced the resources a political leader could employ to remain in power. We argue that such a reduction in resources, and with few alternatives to maintain patronage networks, Africa's incumbents during this period were forced to concede political rights to their opponents

To test whether higher levels of monitoring contributed to political liberalization, we separate technical assistance from other forms of aid. Apart from a few studies (Finkel et al. 2007; Scott and Steele 2011; Resnick & Van de Walle 2013) much of the literature exploring aid's effects on democracy does not disaggregate foreign assistance into its various types (Djankov et al. 2008; Dunning 2004; Goldsmith 2001; Knack 2004; Wright 2009). We argue that technical assistance is associated with a higher degree of donor oversight than other aid modalities, and should have the marginal effect of decreasing fungible resources and promoting liberalization. In contrast, other types of aid should have little effect on liberalization. We find robust evidence that supports our claims: When technical assistance as a share of GDP increases, the probability of political liberalization also increases and fewer resources are available for patronage. We see no such effect for other forms of aid; in fact, we see an increase in patronage spending under some specifications.

Previous work has also been limited by available measures of democratization which

frequently lump together a number of institutional features which have, at best, an ambiguous relationship with foreign aid and the objectives of donor organizations. To improve upon this approach, we code an original dataset that includes different types of actions associated with political liberalization that political leaders can take, from a formal announcement that political liberalization will take place to the actual staging of a free and fair multiparty presidential election. We argue that our approach offers a more direct measure of how we should expect leaders to respond to the monitoring effects of foreign aid.

We present our analysis of aid and African political change in five sections. In the first section we describe the politics of patronage in Africa and place foreign aid in this context. In section two we construct a simple model of politics in which a ruler, starved of the funds needed to maintain a patronage system, has no reasonable option to retain power other than conceding political rights to his opponents. We present an empirical model in section three and present our results in section four. In the last section, we discuss the implications for our findings.

1. AID AND THE STRUCTURE OF POLITICS IN AFRICA

Striking agreement exists about the general structure of politics prior to Africa's democratic transitions in the 1990s. Scholars argue that post-independence leaders used the state primarily to maintain incumbency and augment their power (e.g., Bratton & van de Walle, 1997; Chabal & Daloz, 1999; Clapham, 1996). Their actions produced a style of politics characterized by personalized exchange, clientelism, and political corruption.³ Clapham's (1996) "monopoly state," for example, is "peculiarly consumption-oriented form of political management, which depends on the diversion of consumption opportunities to those groups which offer the most help, or pose the most danger, to people in power." In this paper, we use the term "patronage

politics” to capture these characteristics.⁴ While all countries may exhibit features of patronage politics (Keefer, 2003; Robinson and Verdier, 2002; Roniger, 1994), Bratton and van de Walle (1997: 62) argue that it is the “core feature of politics in Africa” (see also Chabal & Daloz, 1999; van de Walle, 2001). In its simplest form, patronage politics describe a system wherein rulers who remain in power by providing a constant stream of material benefits to retain the loyalty of their supporters and to buy out potential opponents. Mismanaging a patronage system often led to unpleasant consequences: over half of Africa’s heads of state in power from independence to 1991 were assassinated, executed, imprisoned, or forced into exile.

A large number of studies argue that aid feeds directly into this patronage system. Specifically, because donors are often unable or unwilling to completely monitor aid, autocrats can use it to bolster their regime (e.g., Ahmed, 2012; Alesina & Weder, 2002; Bauer, 2000; Bates, 1994; Brautigam, 2000; Brautigam & Knack 2004; Collier, 1997; Easterly, 2002; Holder & Raschky, forthcoming; Jablonski, 2014; Martens, 2002; Robinson 2003; van de Walle, 2001; World Bank, 2001). The value of foreign aid to fund patronage systems can lead autocrats to craft foreign policy specifically to meet this goal (Clapham, 1996). A country’s geostrategic importance to international actors also empowers autocrats to push against or ignore the enforcement of any conditions that might be part of a loan or grant (Stone, 2008). If such a view is correct, then aid should have helped leaders to fend off democracy in Africa.

But other scholars assert that foreign aid was (and is) a catalyst for democratic reform. The end of the Cold War saw bilateral and multilateral donors placing more emphasis on enforcing aid conditions, and donor objectives became more explicitly political. Two factors caused donors to place increasingly enforced political conditions on aid in the 1990s. First, donors recognized that macroeconomic changes alone could not eliminate structural barriers to

development, such as economically inefficient regulation and opaque application of the rule of law. Under the new rubric of “good governance,” donors thus designed aid packages that demanded institutional changes from governments in return for resources (Ake, 1996a; Chabal & Daloz, 1999; Gibbon et al., 1992; Goldsmith, 2001; Ihonvbere, 1996; Nelson, 1990; van de Walle, 2001; Goldsmith 2001; World Bank 1996). Second, without the ability to play one side against the other, aid recipients lost substantial bargaining power with respect to donors after the collapse of the Soviet Union and consequently were less able to evade donor conditions (Bratton & van de Walle, 1997; Clapham, 1996; Crawford, 2001; Dunning, 2004; Goldsmith, 2001). Given the increased bargaining strength of donors, their demands for political change allegedly led to liberalization on the continent.

While such an argument appears straightforward, few scholars have actually shown a robust positive effect of aid on democratization (Brautigam, 2000; Devarajan, Dollar, & Holmgren, 2001; Grosh, 1994; Hook, 1998; Knack 2004; Maren 1997; Moore, 1998; van de Walle, 1994). In Bratton and van de Walle’s (1997) foundational study, for example, explicit political conditions on loans were *negatively* related to average levels of liberalization in Africa from 1988-1992; additional tests found no link between overseas development assistance and democratization. Several studies (e.g., Bratton & van de Walle, 1997; Scarritt, McMillan, & Mozaffar, 2001) omit key variables that are well known to predict much of the variance in democracy such as per capita GDP and urbanization. Dunning’s (2004) argues that donors’ ability to condition aid on democratic reforms were more credible in the post-Cold War period, but he does not account for the level of democracy in the previous period – thus not correcting for serial correlation in the measurement of democracy.

These mixed findings may also in part be due to measurement issues. As several scholars

have noted, aid is not a uniform resource flow. It has myriad goals and modalities, only some of which fit with the theories posited in the literature (Renick and van de Walle 2014; Findley et al. 2011; Tarp 2000). Aid funds delivered directly to an NGO or to a project director, for instance, are likely to have very different effects than direct budget assistance to a government ministry (Dietrich 2014; Wright and Winters 2013). Donors also vary considerably in their willingness to monitor and evaluate aid projects. For instance, the United States puts few conditions on its economic aid to Pakistan and Egypt, though put considerable conditions on its structural adjustment loans to in the 1980s and 90s (Epstein and Kronstadt 2012; Ibrahim 2009; Gibbon et al., 1992; Mosley 1986;). The tendency of the literature to conflate these modalities and goals makes interpreting the effects of aid difficult at best.

In addition to measurement issues, these mixed findings may also have to do with the fact that elections are riskier for some autocrats than others: when elections create a significant possibility that an autocrat will lose power, or will be forced to redistribute government resources more widely, it is less likely that donors will be able to promote liberalization. Wright (2009) makes this argument explicitly: he contends that aid should only effect democratization when the risk of an incumbent losing office is low. He shows that when this risk is low—using measures of a winning coalition size and economic growth—foreign aid has a positive effect on democratization.

Building upon this work, we argue that the effect of aid on political liberalization depends upon the ability of governments to use aid to fund patronage. When aid increases donor oversight and thus reduces the fungible resources available to a leader, it has a positive effect on liberalization; when aid increases the ability of governments to engage in patronage spending, aid impedes political liberalization. In the next section, we outline a model that explores how the

choices of African autocrats can be constrained by certain types of aid.

2. FOREIGN AID, POLITICAL CONCESSION, AND AFRICAN LIBERALIZATION

We present an account of an African ruler's choices in a period of declining patronage resources to help explain why scholars hold different positions about the role of foreign aid in Africa's political liberalization, and why few empirical tests have emerged with robust findings. Our theory, of course, is an abstraction of the real world that confronted African rulers' during the late 1980s and 1990s. But while the choices of African autocrats included options unique to certain countries, we argue that there were important general trends that can help us to understand the role of foreign aid in the region's political liberalization.

At the center of our theory is the autocratic ruler who remains in power by maintaining a patronage system. This view is quite similar to the Clapham's (1996) monopoly state as well as a model of winning coalitions (i.e. a subset of the "selectorate" that keeps a ruler in power) in which a ruler grants members of the winning coalition benefits unavailable to nonmembers (e.g., Bueno de Mesquita et al. 2001).⁵ While the specific resources and distributive mechanisms of patronage networks vary by the cultural, economic, and political institutions found in particular countries, every ruler faces the task of keeping his network at a level that ensures his incumbency. The ruler's goal is to maintain power by devoting the minimum amount of resources necessary to those he must buy off, since he can consume any residual assets. Like the possible variation in the size of patronage networks, this minimum threshold will differ by country and depend not only on political factors (e.g., the number and power of his followers and rivals), but also on numerous non-political factors (e.g., state of the economy, religion/culture/ethnicity, social capital).

When the resources available to support a patronage system fall below the minimum level necessary to maintain it, either because of a shock to present resources or an increase in maintenance costs, the ruler can choose from three strategies to maintain his incumbency: economic, political, and repressive.⁶ The logic of patronage politics shows why these three options exhaust the ruler's set of choices. To maintain the size of the patronage network he must find additional resources (economic), decrease the size of the patronage network and reduce political monopolization (political), and/or repress those who are cast out (repression). A ruler would most prefer the economic strategy since he can maintain the status quo, whereas both political and repressive strategies require an increased risk of catalyzing opposition groups to press for political liberalization. However, when economic strategies are constrained—for example by donor monitoring—political responses like liberalization and repression can become more attractive options.

In the late 1980s and early 1990s, African rulers did indeed face new constraints on their choices and were forced to reevaluate their strategies. During the Cold War leaders could employ economic and repressive strategies to maintain power. Autocrats adeptly exploited the distrust between US and the Soviet Union to attract foreign aid. While the option of repression always presented some risk to African rulers (prior to the 1990s, most sub-Saharan African rulers left office through death or violence) some used the tensions of the Cold War to procure the material necessary to suppress dissent. Western powers routinely looked the other way when African government responded to citizen demands with repression (Ake, 1996; Dunning, 2004).

After the Cold War, the economic and repressive strategies for retaining power become less feasible. Economically, most African nations faced bleak prospects in the late 1980s and early 1990s as a consequence of domestic and international factors. Domestically, years of

mismanagement meant that many rulers had exhausted most of their internal sources of revenue.⁷ Internationally, Africa's geo-political importance to the West decreased after the fall of the Berlin wall, and a shift in strategy began to send aid to countries from the former Soviet bloc; the Soviets themselves cut their aid to Africa as well.⁸ While the total amount of aid going to sub-Saharan Africa did not substantially decline during this period, countries in the region found themselves competing to attract aid rather than selling loyalty to the highest bidder. And, as we outline below, the content of aid packages shifted, increasing forms of aid less amenable for patronage, such as technical assistance.

Repression also became a riskier choice at this time as donors began to sanction and withhold aid to regimes that routinely violated human rights (Bratton & van de Walle, 1997; van de Walle and Resnick 2013; Crawford, 2001). In 1990, the United States, Great Britain, and France all made public their new strategies about linking foreign assistance to progress towards democratization (Nelson 1992; Resnick 2012). In 1991, the Kenyan government arrested roughly 300 potential participants of a pro-multiparty democracy rally. The Consultative Group of donors responded by suspending about US\$350 million in new aid until the government opened up the political system and tackled corruption (Brown 2001; Roessler 2005). As a consequence of the Malawian government's killing of over 40 pro-democracy protesters in 1992, the Consultative Group suspended all non-humanitarian aid (Brown 2004; Ihonvbere 1997; Roessler 2005; Resnick 2012). By mid-1991 the World Bank indicated that good governance was a key part of economic growth (Nelson 1992). Some rulers responded to demands for multiparty politics with iron fists: in Burkina Faso, the Compaore government drove some opposition leaders into exile while executing others; President Biya of Cameroon had dissidents arrested and tried for subversion (Bratton and van de Walle 1997). But, in general, pressure

from donors (as well as some uncertainty about the loyalties of security forces) made repressive strategies more costly (Bratton and van de Walle 1997). African leaders were forced to consider other ways to remain in power; one such strategy was to concede rights to the opposition.

If a ruler chose to concede rights, he would do so along a continuum, from the least to the most politically costly. Allowing public discussions of multiparty politics, for example, may be one of the earliest concessions. As resources continued falling, autocrats may then a discussion about a new constitution, and allow the legalization of opposition parties. Further reductions to his patronage funds may force him to allow elections to be held. Because each step constitutes a transfer of political power from the incumbent to his potential challengers, each is likely to be resisted and characterized by delay and renegeing.

(a) Technical assistance as donor monitoring

The shift away from the geopolitics of the Cold War also witnessed donors becoming increasingly focused on the linkages between political and economic development, highlighted by the policies generated by the Washington consensus. For instance, while the United States had strategic interests in supporting UNITA in Angola, Mobuto Seko allegedly captured hundreds of millions of dollars in western aid that flowed to the region. However after U.S. interests in Angola the Congo declined in the 1990s, many donors, including the United States, imposed considerable conditions on continued aid to the region, or cut off aid entirely (Reno 1997). In another famous episodes, donors suspended \$250 million dollars of aid to Kenya in 1991 – more than a quarter of all the country’s development assistance – to express their disapproval of the President Moi regime’s record on corruption and political repression, an event many believed contributed to Moi’s decision to allow multi-party elections in 1992 (Barkan,

2004; Branch, 2011).

One consequence of this growing donor attention to economic and political reform was an increase in technical assistance as a share of donor portfolios. Technical assistance refers to “the provision of donor funded personnel to supply missing skills and train local people” (Arndt, 2000, p. 159); the World Bank at this time stated that technical assistance was a “key instrument for improving policies and project design, enhancing skills, and strengthening implementation capacity, and for institutional development” (World Bank, 1996). The World Bank divided their technical assistance in this period into two types: in substitution technical assistance, “consultants and advisors fill in short term gaps when local capacities are insufficient.” Technical assistance for institutional development, on the other hand, “has the goal of building capacity and improving capacity use through developing skills and strengthening institutions” (World Bank, 1996: 1-2). The World Bank alone tripled its total technical assistance from 1980-1993 (to \$2.7 billion). At least some of this increase appears to have been due to the need for more extensive monitoring to enforce conditionality provisions (Cohen 1992).

Technical assistance can be disaggregated into three main types. First, some technical assistance is targeted to fill a recipient country’s knowledge gap by funding consultants and advisors. Consultants and advisors directly observe the project or program to which they are assigned, and thus generally know a great deal about their budgets, expenditures, and staffing. Consider the expatriate technical expert who is instructed to improve income tax policies within the Ministry of Finance. Charged with managing this particular project, she will be in a position to monitor its costs and outlays and prevent, on the margin, the diversion of resources for political reasons. In addition to working in a particular unit, she also walks the hall of the Ministry daily, interacting with dozens of bureaucrats and politicians during her assignment.

This indirect monitoring also makes the misappropriation of resources marginally more difficult by increasing the costs of avoiding detection. Directly and indirectly, this consultant reduces the amount aid a leader can use for his patronage network.

Second, technical assistance is given to support strengthening institutions. Derived from donors' beliefs that existing rules were either inefficient or missing altogether, this form of technical assistance generally intends to improve (or create) bureaucratic procedures, often those associated with the monitoring and accounting of expenditures (Cohen, 1992; Arndt, 2000). Without such procedures, resources are less likely to be monitored and thus far more fungible. Institution strengthening could also indirectly affect patronage by establishing standards that other government units may have to take into account. Realizing that creating institutions could augment aid's effectiveness more broadly than narrower programs, donors increasingly directed their technical assistance away from narrower projects and programs and toward institutional development during the late 1980s and early 1990s (World Bank, 1996).

A third key type of technical assistance was providing training to recipient country officials, usually to support the oversight or capacity building activities listed above. Training opportunities, especially those that allow foreign travel, can be distributed to political supporters as prizes, but accounts of technical assistance being used in such ways are rare.

The monitoring effect of technical assistance has been mentioned in other studies of aid (see Cohen 1992; Maipose, 2000; World Bank, 1996; World Bank, 2001). Helleiner (2000, p. 84), for example, bluntly asserts that technical assistance is "little more than a device for the monitoring and enforcement of external conditions." Similar arguments can be found in Arndt (2000) and Maipose (2000). Berg (2000), citing a review of technical assistance projects by Forss, et al. (1990), states that donors frequently employ technical assistance to oversee aid use

“because they felt they could not trust project implementation and project funds to existing government agencies.”⁹

As but one of many empirical examples of this monitoring effect, consider a technical assistance project delivered by the World Bank to Kenyan Ministry of Finance from 1990 through 1994.¹⁰ The project was designed to support a credit of over 100 million dollars to help address weaknesses in the Kenyan financial sector, many if not most of which had to do with the extent the Kenyan government had used the banking sector to fund risky loans to politically connected enterprises (Wrong, 2009).

Among other things, this project hired a number of consultants to evaluate Kenyan banks and financial institutions and assist in the restructuring of financial assets, many of which were owned by the government or by political elites. The resulting evaluations were strongly critical of both the political corruption in the financial sector as well as the recalcitrance of Ministry of Finance officials. As a result of this oversight, much of the World Bank’s credit to the financial sector was eventually cut, reducing aid that could possibly have been used for patronage. In addition, the Kenyan government eventually introduced a number of the reforms suggested by the Bank, including the elimination of government control over the management of a number of state owned corporations.

While there is no question that Kenya’s protracted democratic transition stemmed from many factors independent of this program, its consequences clearly hindered Moi’s ability to distribute patronage. Most importantly, Moi fired the Governor of the Bank of Kenya at the time, Eric Kotut. A close political ally of Moi, Kotut had used his position at the Bank of Kenya to provide campaign funds for Moi in the 1992 election (Center for Global Governance and Development, 2005). More broadly, greater external scrutiny of the Kenyan banks sector interfered with Moi’s

capacity to use weak regulations in the financial sector as a mechanism for maintaining political support (World Bank, 1995).

Because technical assistance programs such as that described above can have a dampening effect on a ruler's ability to engage in patronage, we argue that its increase helped push Africa toward political liberalization in the late 1980s and early 1990s. More specifically, we hypothesize that:

(1) an increase in technical assistance to Sub-Saharan African countries in this period will be associated with an increase in political concessions and,

2) an increase in technical assistance to Sub-Saharan African countries in this period will be associated with a decrease in patronage resources.

Of course technical assistance is not only used to monitor government spending and promote political reforms. Certain kinds of technical assistance, for instance a policy study, may have no effect on a leader's patronage resources. The more technical assistance is unassociated with monitoring, the less likely it is that we will find a positive relationship between technical assistance and political concessions. Nor is technical assistance the only kind of aid that may support political liberalization: donors funded civil society organizations, encouraged party competition, increased the costs of electoral fraud, and supported pro-democracy movements. All of these activities may increase the likelihood of political reform (Resnick and van de Walle 2013; Faye and Niehaus 2012; Hyde forthcoming) and we control for both overall aid and democracy assistance in our tests below.

3. DATA

(a) Measuring political concessions

To generate the dependent variable political concessions, we create a unique dataset that we believe better captures the concept than extant measures of political liberalization. Most existing studies of foreign assistance's effect on political outcomes rely on off the shelf measures such as Freedom House or Polity. These datasets are less suited to our study here: The Freedom House measure of civil liberties and political rights is an aggregate of several variables and contains subjective measures such as treatment of minorities and the degree of corruption, many of which have little or nothing to do with the extension of political rights. While some of the conceptual bases of Polity indicators lay closer to this study's focus, the data do not systematically capture the rapid political transitions that occurred during this period: approximately 20% of the country-year observations in our dataset take on values of -77 (interregnum) or -88 (transition) in the Polity database. Polity converts values of -77 and -88 into the -10 to +10 Polity range by imputation based on rules of thumb developed by the creators of the database. The coding of transition periods are based upon the outcome of the transition process, rather than actual concession events, as in our measure. Because we are most interested in capturing dynamics of the years exactly when the Polity values are most likely to be imputed, Polity is likely to introduce significant bias in our results, especially when looking at democratic transition periods (Plümper & Neumayer, 2010).¹¹

Some studies of African politics use the instance of a multiparty election as a measure of the political liberalization in a country, captured by a dummy variable for a particular year. We believe that events crucial to understanding the process of liberalization occur long before ballots are cast. It is precisely in this pre-election period that incumbents make choices about whether and how they will bargain with opposition groups. By the time elections actually occur, rulers have likely run out of most political options.

To test Hypothesis 1, we created a scale from zero to four where each shift to a larger number on the scale represents an increase in concessions by a leader to opposition groups. The cardinal values in this scale are not important; our analysis is based on the order of these phenomena. We code countries by these rules:

- Zero: Strict limits on political organization; President has announced no intention to change.
- One: Announcement by President that political liberalization will take place or announcement that an election will take place.
- Two: Formal change of constitution to open political system or formal lifting of ban on political organization.
- Three: Multiparty presidential election.
- Four: Free and fair multiparty presidential election

Our sources include Africa South of the Sahara (“Africa South of the Sahara”, various issues) and Nohlen, Krennerich, and Thibaut (1999). We follow the coding rules of Polity and Freedom House by keeping the value of the measure constant in the absence of a significant political event. Although existing measures of democracy and our indicator are correlated (Spearman’s rank correlation of .7 for both Polity2 and Freedom House’s composite measure of democracy), our measures seek to capture more accurately the degrees of liberalization in the theory we present. It has the additional advantage of being based on concrete events, and thus is replicable. In the appendix we provide the coding for all countries and years (1985 to 1998), and in Table 1 we show the trends in these data over time. We end the analysis in 1998 and most transitions in

the region had occurred by that time.

(Insert Table 1 about here.)

Because the data we use in this analysis are coded by country year, we also code an event once per year.¹² We use Kenya's political liberalization between 1990 and 1992 to illustrate how we coded our dataset. President Moi of Kenya lifted the ban on political parties in 1991 and held a multi-party presidential election in 1992, but the election was not considered free and fair because of the violence and intimidation surrounding the election ("Africa South of the Sahara", 2000). In terms of our measure of political concessions, Kenya moved from a zero to a two in 1991, and from a two to a three in 1992. We provide further details on the coding of this and other variables in the appendix.

We recognize that there are other measures of political concessions besides what we include in these data, including earlier legislative changes, legislative elections, specific acts of repression, the formation of proto-opposition parties, extra governmental conventions or actions, or more informal political negotiations. Some of these events may be correlated with our measure of concessions. We believe our variable, however, reflects the fundamental shifts on the political landscape and provides a parsimonious, replicable, and comparable measure.

To demonstrate that our results are not sensitive to idiosyncrasies in our coding scheme, we also replicate our results using the National Elections Across Democracy and Autocracy (NELDA) dataset from Hyde and Marinov (2012). Unlike Polity and Freedom House, these data allow us to code specific concessions. We use a similar scheme and use the NELDA data to code concession as zero if a country has never held an election for the incumbent office in our time frame, one if an election is held, and two if an election is held in which contestation with multiple parties was allowed.

(b) Measuring political patronage

There are few cross country measures of patronage with which to test Hypothesis 2, that an increase in technical assistance will reduce patronage resources. One approach would be to assume that patronage expenditures broadly correlate with government expenditure, and then to demonstrate the effect of technical assistance as a share of GDP on government expenditure. While we include this measure in our tests, it is clearly an imperfect proxy since government expenditure includes many types of spending that have little or nothing to do with patronage (see Holder and Raschky forthcoming; Jablonski 2014). A better measure would capture a type of government expenditure more closely related to patronage. We follow other scholars by using public sector wages as a share of GDP for a second measure of political patronage. (e.g., Gimpelson and Treisman 2002, Robinson 2003, Robinson and Verdier 2002).¹³ Public sector employment is used by political leaders as a flexible, targetable, and credible instrument of patronage. It “rewards supporters and their dependents through publicly provided income, and through the associated positive externalities for a community of actors embedded in the clientelistic networks” (Calvo and Murillo 2004: 743). Such rewards are particularly high in sub-Saharan Africa, where formal private sector employment is relatively rare. Unfortunately, data on public sector wages for the time period covered by this study is difficult to obtain. Nevertheless, using data from the World Bank (2012) and the International Monetary Fund (1989, 2013) we created a dataset for about half of our sample

(c) Measuring technical assistance

We construct our measure of technical assistance from the World Development Indicators, which provides data on technical cooperation grants for all reporting multilateral and bilateral donors. Consistent with other studies of aid and liberalization, we log technical assistance and

scale it by GDP. While we recognize that this variable does not perfectly measure donor oversight, we believe this is a more objective as well as more nuanced measure of donor oversight than used in other empirical studies, such as the three point, one period average of oversight created by Bratton and van de Walle (1997), or the Cold War time dummy variable used by Dunning (2004).

(c) Control variables

There are several alternative factors which might explain our relationship between technical assistance and patronage or concessions. To control for country-specific factors which might confound our results, we include country fixed-effects. To ensure that technical assistance is not just a proxy for the amount of aid given to a country using $\text{Log}(\text{Aid}/\text{GDP})$ (World Bank, 2012).¹⁴ We do not attempt to interpret the coefficient on $\text{Log}(\text{Aid}/\text{GDP})$ except to note how our estimates of the effect of $\text{Log}(\text{Aid}/\text{GDP})$ differ from estimates of $\text{Log}(\text{TA}/\text{GDP})$ and estimates from other studies. As we noted above, interpreting the effect of overall aid is problematic given variation in modalities and goals.

We use data from the *Political Terror Scale* to control for political repression, since leaders may sometimes delay concessions in the face of high patronage costs by suppressing opposition groups or voters. This is a one to five scale coded from U.S. State Department and Amnesty International Report which captures “violations of physical or personal integrity rights carried out by a state or its agents” (Wood and Gibney 2010).

The effect of aid on political concessions is also likely conditional on the political objectives of donors. We seek to account for this by using a measure of the political affinity of each country with the United States to proxy for the political interests of the United States and its allies. The *Affinity of Nations* measures and compares United Nations voting records (Gartzke

and Jo, 2006). In addition, we include a dummy for the Cold War which is equal to zero prior to 1992 and one afterwards. This helps to track donor concerns over aid spending changed after the fall of the Soviet Union in ways that might have altered the effect of aid on democracy (Dunning, 2004). We control for $\text{Log}(GDP \text{ per capita})$, $\log(Population)$ and $\text{Log}(Urban \text{ Population})$ since these are associated with democratization and more populous countries often receive higher levels of aid (World Bank, 2012). We control for $GDP \text{ Growth}$ (World Bank, 2012) since growth shocks may increase demand for aid and are likely also associated with demand for political reform (Haggard and Kaufman 1995).

This list is not exhaustive. Below and in the supplementary appendix we consider several alternative specifications and control for measures of financial turmoil, civil unrest, aid modalities, poverty, and donor conditionality. We also take additional steps to address concerns about reverse causation and selection bias.

The final form of our concession and patronage models are as follows:

$$(1) \text{PoliticalConcessions}_{it} = \beta_1 \text{Log}(TA/GDP)_{it} + \beta_2 \text{PoliticalConcessions}_{it-1} +$$

$$\varphi X_{it} + c_i + \epsilon_{it}$$

$$(2) \text{Log}(Patronage/GDP)_{it} = \beta_1 \text{Log}(TA/GDP)_{it} + \varphi X_{it} + c_i + \epsilon_{it}$$

where c_i are country fixed effects and φX_{it} are a vector of controls. In order to account for persistence in concessions, and consistent with other scholars, we include a lagged dependent variable in our concessions model.¹⁵ We use several techniques to estimate these equations. First, we estimate both models using OLS with country fixed effect and country clustered standard errors. In doing this we recognize that *PoliticalConcessions* is a categorical variable. However, since fixed effect ordered models are known to be biased, we follow the recommendation of Angrist and Pischke (2008) and estimate both models using an OLS framework. We also include

ordered probit estimates, which remain consistent.

One additional concern is that fixed effects models with a lagged dependent variable can be inconsistent and biased in small T panels when the c_i are correlated with the lag of the dependent variable (Wooldridge, 2010, 371-374). This may result in overinflated estimates of a treatment effect (Nickell 1981). To address this issue we take advantage of the Arellano-Bond estimator (Arellano and Bond 1991). This GMM estimator removes the fixed effects using first differences and uses time lags to instrument for the lagged dependent variable. We also instrument for the independent variable using a one year lag.¹⁶ In addition, in the appendix we also estimate models with year fixed effects rather than a lagged dependent variable. The results remain consistent.

4. RESULTS

There is clear and consistent evidence that an increase in technical assistance is associated with an increase incumbents' level of concessions. Technical assistance as a share of GDP is a statistically significant predictor of political concessions across all the models presented in Table 2, whether using OLS, ordered Probit, or using the restrictive Arellano-Bond specification. We also see similar results across the models if we estimate our effects using NELDA data, suggesting that these results are not just an artifact of our coding of concessions.

Although we cannot know which one (or more) of the mechanisms reviewed above links technical assistance to political concessions, these results are consistent with the theory that technical assistance played a role in leaders' decisions to liberalize politics in their country. We show the substantive effects of technical assistance on concessions in Figure 1: a change in TA/GDP from its minimum level to its maximum level is associated with a 1.3 change in our index of political concessions on average.¹⁷ Likewise, an increase of 10 percentage points (0.1)

in TA/GDP would increase political concessions by nearly a full point (0.8).

In contrast to others, we find no significant effect of overall ODA/GDP on political concessions.¹⁸ The effect of $\log(ODA/GDP)$ remains insignificant across all of our specifications and regardless of whether we condition on the Cold War, or look at democracy and governance assistance separately from other aid (Dunning 2004; Resnick and van de Walle 2014). This is consistent with our argument that overall aid is often proxying for the oversight of donors.

Since the effect of $\log(ODA/GDP)$ on concessions is insignificant, we also cannot confirm that foreign aid deterred concession events. In one sense this is surprising: if foreign aid played a strong role in patronage spending during this period, we might expect it to be associated with fewer concessions. However, as noted above, this coefficient cannot easily be interpreted. During this era, donors engaged in a number of strategies to prevent the capture of aid for political purposes, such increasing the use of conditionality provisions, channeling aid to NGOs, improving targeting and implementing better monitoring and evaluation procedures. Thus, even after controlling for $\log(TA/GDP)$, $\log(ODA/GDP)$ remains only a very imperfect measure of the amount of aid that was available to incumbents for patronage.

(Table 2 Here)

(Figure 1 Here)

Table 3 shows the results of testing Hypothesis 2, the effect of technical assistance on our two measures of patronage. Given the coarseness of government expenditure as a proxy for patronage, it is somewhat surprising that we still find that $\log(TA/GDP)$ has a significant and negative effect on total government expenditures (Models 1 and 3). $\log(TA/GDP)$ is also a significant and negative predictor of public wage expenditure – the measure more suited to capture patronage – as captured in Models 2 and 4 for the smaller subsample. As shown in

Figure 2, an increase in technical assistance from its minimum to its maximum level decreases government expenditures from 19% of GDP to about 10% of GDP. Wages likewise decrease from about 7% of GDP to 1.5% of GDP. In contrast to the effect of $\log(TA/GDP)$, $\log(ODA/GDP)$ has a large positive effect on government spending. It also increases public wages, though not quite at conventional levels of significance.¹⁹

One might still be concerned that this effect of technical assistance on wages and public spending is artificial, that technical assistance might be correlated in some way with other sources of public income, or the effect might be due to unmeasured relationships between aid and public budgets. Relatedly, one might be worried that technical assistance is systematically related to spending conditions associated with IMF structural adjustment programs. We take several steps to address these concerns. In Model 3 and 4 we control for $\log(Tax\ Income/GDP)$ (World Bank, 2012), $\log(Public\ Debt/GDP)$ (World Bank, 2012) and $\log(Donor\ Budget\ Support)$ (Tierney et al. 2011). We also include a variable for whether a country was under an IMF agreement in each year from Vreeland (2003).²⁰ In Model 4, we also control for overall public spending to evaluate whether the effect of technical assistance on wages is just due to the public spending effects. In none of these specifications do we see a substantive change in the coefficient on technical assistance.

(Table 3 Here)

(Figure 2 Here)

(Figure 3 Here)

5. ROBUSTNESS CHECKS

There are challenges to this analysis as technical assistance may be correlated with factors

that may themselves be predictive of liberalization. These challenges are difficult to address completely in an observational setting and without a credible instrumentation strategy; however we attempt to deal with these issues on a case-by-case basis. First, our estimates could be biased if donors choose to give technical assistance for reasons which may themselves be correlated with concessions or patronage. For instance, technical assistance is often a core component of IMF programs to support trade or financial reform. This, of itself, is not a problem; however if trade or financial reform is correlated with concessions, we might be concerned the relationship between technical assistance and concessions is spurious. To assess whether this is the case, we control for a binary variable which equals one when a state is under an IMF agreement (Vreeland 2003).

Relatedly, it might be that technical assistance is associated with a particular type of aid in a way that introduces bias. For instance, it is possible that some technical assistance is given to aid in the democratization process, for example, by funding election monitors and campaigns. If true, this could substantially bias our estimates. However, we believe this is unlikely as very little direct democracy assistance was provided to Africa in the 1980s and early 1990s. Still, we control for democracy assistance by creating the variable $\text{Log}(\text{CivilAid}/\text{GDP})$, which is the log of all aid given to support government and civil society, including institutional capacity building and election support (Tierney et al. 2011). In addition, to ensure that technical assistance is not correlated with other types of aid in ways that might introduce bias, we control for $\text{Log}(\text{Donor Budget Support}/\text{GDP})$ (Tierney et al. 2011), $\text{Log}(\text{Bilateral Aid}/\text{GDP})$ (World Bank, 2012) and $\text{Log}(\text{Multilateral Aid}/\text{GDP})$ (World Bank, 2012).

A third concern is that technical assistance is associated with financial or civil turmoil, both of which are common near democratic transitions. There are several reasons one might be

concerned about this: First, donors might choose to give more technical assistance when they are unable to deliver more traditional forms of aid because of insecurity or capacity issues.

Alternatively financial or political turmoil could increase a government's need for foreign expertise.²¹ Thus if political or economic turmoil is related to concessions, we could observe a spurious correlation between technical assistance and concessions. A related problem arises from the fact that donors might have more leverage over leaders when countries are facing a financial or political crisis, making monitoring and conditionality more effective (van de Walle and Resnick, 2013). This of itself is not a challenge to our results; however if during financial crises donors increase monitoring, it is possible we could observe a spurious correlation.

We include several variables to account for the possible confounding influence of civil and financial turmoil. First, we include controls for the number of riots, revolutions, anti-government demonstrations and strikes (Banks et al. 2013). Second, we include controls for several commonly used measures of financial turmoil: *Log(Public Debt/GDP)*, *Government Budget Balance*, and *Growth Crisis* (World Bank, 2012). *Growth Crisis* is a binary variable which equals one if there is greater than one standard deviation drop in growth in a year and zero otherwise.

All of these robustness checks are shown in Table 4 for the political concessions models. Across all specifications, we see little change the coefficient on TA. In the Supplementary Appendix, we also include estimates of our patronage models which include all of these control variables. All of the results are consistent with the main findings as found in Table 2.

(Table 4 Here)

6. CONCLUSION

African autocrats in the 1980s appeared safely in power. While limping domestic economies restricted their ability to create a more extensive patronage network, a permissive international assistance environment facilitated their continued incumbency. The roots of the Washington consensus that grew in the 1980s and the end of the Cold War quickly changed this status quo: in addition to strong external pressure to liberalize, rulers faced increasing constraints to using foreign aid to support their followers. While aid continued to flow, it came in forms less amenable to patronage politics, such as technical assistance. The World Bank, for example, gave about 20% of its total technical assistance to sub-Saharan Africa from 1970-1995, but that share was 32% from 1991-1995, the period which witnessed the greatest political liberalization on the continent (World Bank, 1996).

We argue that increased levels of technical assistance reduced African incumbents' patronage resources, driving them to bequeath greater economic and political rights to their political opposition. Those rulers with more extensive patronage networks and constraints on their capacity to turn aid into patronage felt this squeeze the most deeply, and conceded more rights to opposition groups.

The political concessions model helps to tie together the facts, theories, and conventional wisdoms associated with Africa's recent liberalization. The model helps to account not only for the post 1989 timing of the political transformations on the continent, but also for some of the variation in the rate and extent of those changes across countries. It combines both the international and domestic factors identified by scholars as important, and incorporates new insights into how the type of aid matters to explaining political change. And it helps resolve the apparent contradiction in the literature about how aid works in African politics: foreign assistance before the fall of the Berlin wall helped entrench Africa's autocrats, and the increased

monitoring of aid -- through means such as increasing technical assistance – reduced patronage resources and helped to unseat them.

Although we found some evidence to support our concessions model, we do not of course capture all the important factors that shaped the nature of politics in these countries. This analysis included broad features of this period; certainly the individual characteristics of the leaders, opposition groups, and other political and economic institutions all shaped the changes that occurred. They cannot all be controlled, for example, by a country fixed effect variable. Such diverse domestic political histories should not prevent us, however, from attempts to identify and test theories about continent-wide patterns. Domestic considerations alone have difficulty explaining the multitude of transition elections that occurred over a short time period in sub-Saharan Africa.

Our study finds compelling evidence for the idea that the composition of foreign aid had a role in Africa's Third Wave. The significance of technical assistance as an independent variable proves quite resilient over a number of robustness checks and in the face of conventional factors used to explain this transition period. Teasing out the political logics of different types of aid may be a fruitful line of scholarship seeking to explain the domestic political effects of foreign aid.²²

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Table 1. Aid, Technical Assistance, and Per capita GDP Growth in Africa, 1985-1998

	Aid/GDP	Technical Assistance/GDP	Technical Assistance/Aid	Per Capita GDP Growth
1985	17.9%	3.7%	20.7%	0.8%
1986	18.7%	4.7%	25.1%	-0.1%
1987	18.4%	4.2%	22.8%	-0.4%
1988	17.9%	4.4%	24.6%	2.5%
1989	18.8%	4.2%	22.3%	0.7%
1990	19.7%	3.9%	19.8%	-0.5%
1991	19.0%	4.6%	24.2%	-0.7%
1992	21.4%	5.4%	25.2%	-2.0%
1993	19.7%	5.4%	27.4%	-1.7%
1994	22.6%	5.0%	22.1%	-0.9%
1995	19.7%	5.3%	26.9%	2.3%
1996	16.1%	4.4%	27.3%	2.6%
1997	13.5%	3.6%	26.7%	2.6%
1998	13.3%	3.4%	25.6%	1.2%

Table 2: The Effect of Technical Assistance on Political Concessions, 1985-1998

	(1)	(2)	(3)	(4)
Log(TA/GDP)	8.91**	12.78*	10.21***	2.08*
	3.56	6.89	3.78	1.04
Log(ODA/GDP)	-0.55	1.01	-0.37	-0.22
	1.13	2.22	1.40	0.27
Political Terror Scale	-0.16**	-0.29**	-0.13*	-0.01
	0.07	0.12	0.07	0.01
U.S. Affinity	-0.57	-0.78	-0.39	0.09
	0.39	0.83	0.50	0.08
Log(Urban/Pop)	1.45**	3.38**	3.34***	0.11
	0.69	1.60	1.18	0.08
Log(GDP/Pop)	-0.84**	-1.81**	-0.53	-0.01
	0.32	0.79	0.58	0.05
Log(Pop)	0.50**	1.49***	0.21	-0.03
	0.19	0.47	0.31	0.04
Cold War	-0.38**	-0.47	-0.33*	-0.08**
	0.16	0.30	0.19	0.03
GDP Growth	-0.002	-0.007	-0.0004	-0.0007*
	0.002	0.006	0.003	0.004
Political Concessions _{t-1}	0.66***	0.83***	0.44***	0.85***
	0.05	0.12	0.08	0.03
Observations	515	515	466	721
R-Squared	0.73			0.84
OLS	Yes	No	No	Yes
Ordered Probit	No	Yes	No	No
Arellano-Bond GMM	No	No	Yes	No
NELDA Concessions Coding	No	No	No	Yes

*p<10%; **p<5%; ***p<1%. Estimated with country fixed effects. Standard errors are clustered on country. For model 4, we expand the sample from 1980 to 2000. Model 3 instruments for Log(TA/GDP) using Log(TA/GDP)_{t-1}.

Table 3: The Effect of Technical Assistance on Patronage Spending, 1980-2000

	Government Spending (log) (1)	Public Wages (log) (2)	Government Spending (log) (3)	Public Wages (log) (4)
Log(TA/GDP)	-3.76**	-10.59**	-4.81***	-12.08**
	1.64	4.21	1.45	4.71
Log(ODA/GDP)	1.00***	2.04	1.10***	2.27
	0.35	1.31	0.37	1.39
Political Terror Scale	0.02	0.20**	0.02	0.19**
	0.03	0.09	0.03	0.09
U.S. Affinity	0.04	0.04	-0.04	0.38
	0.10	0.24	0.11	0.29
Log(Urban/Pop)	-0.06	-0.21	0.22	-0.30
	0.24	0.66	0.22	0.85
Log(GDP/Pop)	0.09	-1.05	0.10	-0.63
	0.13	0.67	0.15	0.66
Log(Pop)	-0.01	-0.35	-0.10	-0.29
	0.09	0.21	0.12	0.22
Cold War	0.09	-0.14	0.04	-0.03
	0.06	0.17	0.07	0.18
GDP Growth	-0.0009	-0.0003	-0.001*	-0.002*
	0.0006	0.0017	0.001	0.001
Log(Tax Income/GDP)			-0.09	0.03
			0.10	0.22
Log(Public Debt/GDP)			-0.08	0.71
			0.09	0.53
Log(Budget Support Aid)			-0.00	0.01
			0.00	0.01
IMF Agreement			-0.04	-0.22
			0.04	0.16
Log(Government Spending)				0.09
				0.31
Observations	734	297	403	196
R-Squared	0.09	0.42	0.10	0.47

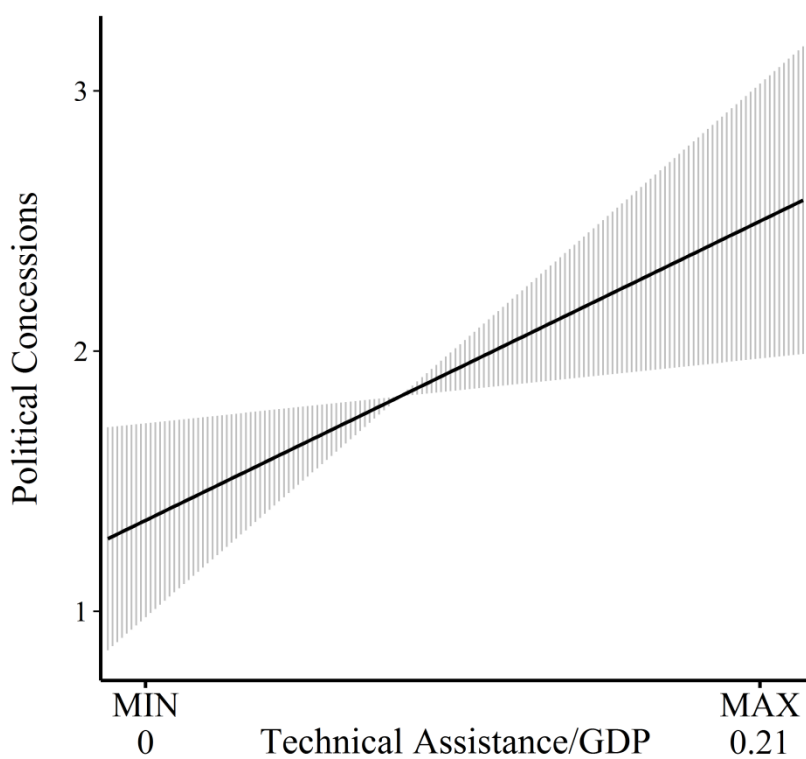
*p<10%; **p<5%; ***p<1%. Estimated using country fixed effects. Standard errors are clustered on country.

Table 4: Robustness Checks for the Effect of Technical Assistance on Political Concessions

	(1)	(2)	(3)	(4)
Log(TA/GDP)	8.66**	8.98**	10.20**	8.52**
	3.72	3.38	4.97	4.13
Observations	501	502	326	465
R-Squared	0.73	0.73	0.67	0.72
Aid Type Controls	Yes	No	No	No
Financial Crisis Controls	No	Yes	No	No
Civil Crisis Controls	No	No	Yes	No
IMF Agreement Control	No	No	No	Yes

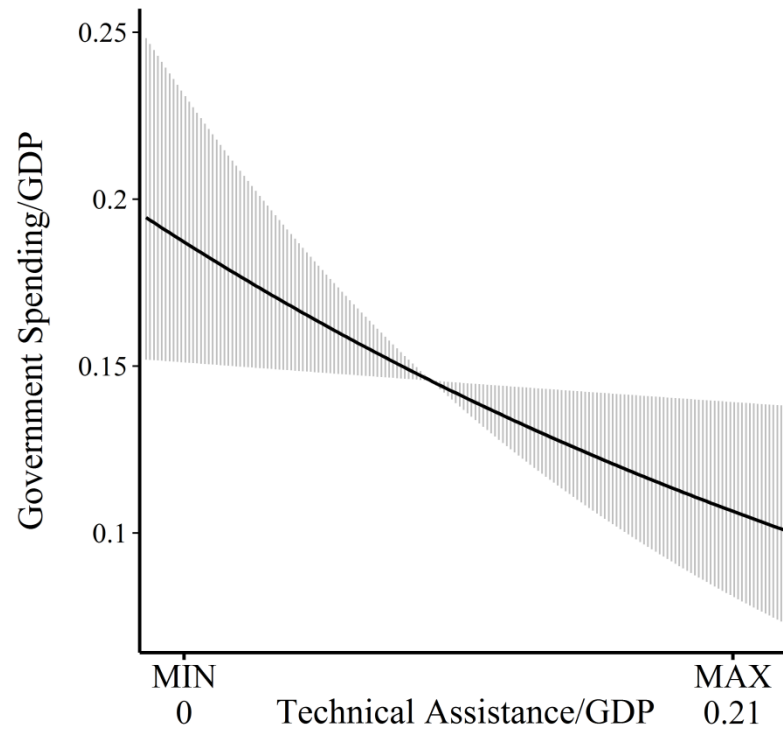
*p<10%; **p<5%; ***p<1%. Estimated using country fixed effects. Standard errors are clustered on country. All models include the control variables included in other models, Model 1 also includes controls for budget support, democracy aid, multilateral aid and bilateral aid. Model 2 includes controls for budget balance, public debt and growth crises. Model 3 includes controls for riots, revolutions, anti-government demonstrations and strikes. Model 3 includes a control for whether a state is under an IMF agreement.

Figure 1: The Effect of Technical Assistance on Political Concessions



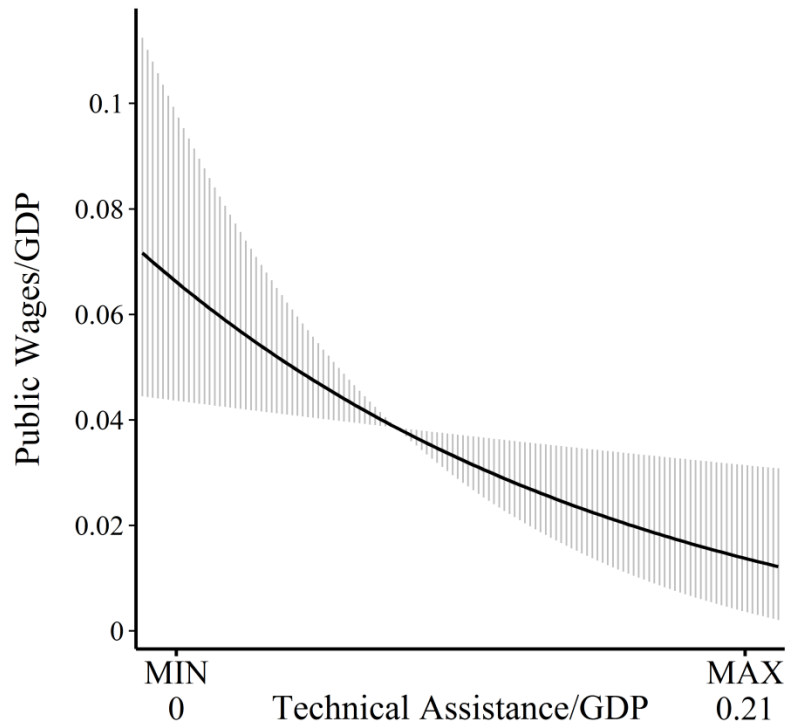
Predicted from the fixed effect estimates in Table 2, Model 1. All control variables are held at their mean. Vertical lines show the 95% confidence interval.

Figure 2: The Effect of Technical Assistance on Government Expenditures



Predicted from the fixed effect estimates in Table 3, Model1. All control variables are held at their mean. Vertical lines show the 95% confidence interval.

Figure 3: The Effect of Technical Assistance on Public Sector Wages



Predicted from the fixed effect estimates in Table 3, Model 2. All control variables are held at their mean. Vertical lines show the 95% confidence interval.

¹ We use the terms democratization and political liberalization interchangeably in this paper.

² In most cases, these rights reestablished rights that had existed prior to the autocratic period.

³ On Kitschelt's (2000) continuum of clientelism, the political structure of Africa is close to the terminus he describes as "personalistic clientelism based on face-to-face relations with normative bonds of deference and loyalty between patron and clients" (p. 849). This definition is similar to Bratton and van de Walle (1997, p. 61-62) interpretation of Weber's concept of patrimonialism.

⁴⁴ We use patronage politics as a generic term. We do not argue that patronage politics is necessarily distinct from neopatrimonialism, the monopoly state, clientelism, or any other term used to describe a political system that includes the vertical exchange of loyalty for excludable benefits.

⁵Our model is akin to small winning coalition, large selectorate type in Bueno de Mesquita, Morrow, Siverson, and Smith (2001).

⁶ Our model follows the same logic as the formal model of Acemoglu and Robinson (2001). Diaz-Cayeros, Magaloni, and Weingast (2001) argue that a similar set of choices were, in part, responsible for the decline of the PRI in Mexico, as does Frieden (1991) in his work regarding the demise of the military regime in Brazil.

⁷ Between 1980 and 1990, per capita GDP growth in sub-Saharan Africa was -0.7%.

⁸ Grants and concessional loans to sub-Saharan Africa increased by about \$1.3 billion (from \$14.7 billion to \$16 billion) from 1989 to 1995 while grants and concessional loans to Eastern Europe and Central Asia rose by \$10 billion (from \$600 million to \$10.8 billion) over the same period.

⁹ This is not to say that donors do not have alternative monitoring strategies at their disposal. Among other strategies, donors can bypass state agencies (Dietrich 2013), they can more precisely define project locations and objectives (Winters forthcoming), and they can empower local communities with better information (Reinikka and Svensson 2005).

¹⁰ Information comes from the Implementation Completion Report for the Financial Sector Technical Assistance Project available at <http://www.worldbank.org/projects/P001350/financial-sector-technical-assistance-project>.

¹¹ In 1991, 11 out of 47 countries in sub-Saharan Africa have a polity value of -77 or -88, in 1992 and 1993 eight countries take on this value, and in 1994 and 1995 six countries stake on this value. Because 20 of the 25 transitions that led to an election in sub-Saharan Africa occurred over this time period, a substantial portion of the liberalizations we attempt to model would be based on imputed data if we use the Polity2 variable.

¹² We use the end of the year position of the country to code the level of political liberalization.

¹³ Relatedly, by using a proxy for patronage, we run the risk of introducing measurement bias if our measurement error is correlated with the error term in our estimates (Wooldridge, 2010: 76-77). This is difficult to fully rule out, however by using multiple measurement strategies we reduce the risk of systematic measurement bias.

¹⁴ Nor does technical assistance appear to be a proxy for a type of aid: our results also remain consistent if we separately control for bilateral aid, multilateral aid, budget support, or democracy aid.

¹⁵ We also estimated the patronage models with a lagged dependent variable and obtained consistent results.

¹⁶ Our results are also consistent if we exclude the lagged dependent variable.

¹⁷ Note that in a fixed effects setting, the coefficients tell us the within country effect – that is, the effect of deviations from the mean level of TA/GDP on deviations from the mean level of political concessions within each country. Thus, while the full range of TA/GDP varies from 0 to 21%, after demeaning, TA/GDP varies from -6% to 9%. After demeaning, Political Concessions vary between -3.1 and 3.3. The figures below are predicted based upon this demeaned range.

¹⁸ If we drop TA/GDP from the models, the coefficient on ODA/GDP is positive, though remains insignificant in most specifications.

¹⁹ The effect of overall foreign aid on public spending has been well studied. For discussion see Remmer 2004, Morrissey 2014, Feyzioglu et al. 1997.

²⁰ We also estimated a model that excluded all years in which a country was under an IMF agreement. We obtain consistent results.

²¹ This does not appear to be the case: technical assistance is, on average, considerably lower during times of civil strife, such as riots, strikes or revolutions. This is true regardless of whether we control for overall levels of aid. This alternative explanation would also predict a spike in technical assistance before and after a concession event. In Figure A1 in the supplementary appendix we plot the distribution of technical assistance around concession events. There is no systematic spike in technical assistance around concessions.

²² See for example, Nicolas Van de Sijpe (2012) Is foreign aid fungible? Evidence from the education and health sectors. *World Bank Economic Review* (2013) 27 (2): 320-356; Keisuke Okadaa and Sovannroeun Samreth (2012). The effect of foreign aid on corruption: A quantile regression approach. *Economics Letters* 115(2), 240–243. Viktor Brecha and Niklas Potrafke. (2014). Donor ideology and types of foreign aid. *Journal of Comparative Economics* 42(1): 61-75.

Supplementary Appendix

Did Aid Promote Democracy in Africa? The Role of Technical Assistance in Africa's Transitions

Table 1A: The Effect of Technical Assistance on Government Spending, 1980-2000

	(1)	(2)	(3)	(4)	(5)
Log(TA/GDP)	-3.58**	-3.88**	-4.58**	-4.52***	-8.14**
	1.65	1.64	1.76	1.61	1.49
Observations	713	713	416	673	250
R-Squared	0.10	0.12	0.22	0.09	0.16
Aid Type Controls	Yes	No	No	No	No
Financial Crisis Controls	No	Yes	No	No	No
Civil Crisis Controls	No	No	Yes	No	No
IMF Agreement Control	No	No	No	Yes	No
No IMF Agreements	No	No	No	No	Yes

*p<10%; **p<5%; ***p<1%. Estimated using country fixed effects. Standard errors are clustered on country. All models include the control variables included in other models, Model 1 also includes controls for budget support, democracy aid, multilateral aid and bilateral aid. Model 2 includes controls for budget balance, public debt and growth crises. Model 3 includes controls for riots, revolutions, anti-government demonstrations and strikes. Model 3 includes a control for whether a state is under an IMF agreement.

Table 2A: The Effect of Technical Assistance on Public Wages, 1980-2000

	(1)	(2)	(3)	(4)	(5)
Log(TA/GDP)	-11.87**	-10.01**	-10.82**	-12.05**	-15.96**
	4.44	4.22	4.62	4.57	3.88
Observations	292	293	194	279	122
R-Squared	0.44	0.45	0.50	0.45	0.63
Aid Type Controls	Yes	No	No	No	No
Financial Crisis Controls	No	Yes	No	No	No
Civil Crisis Controls	No	No	Yes	No	No
IMF Agreement Control	No	No	No	Yes	No
No IMF Agreements	No	No	No	No	Yes

*p<10%; **p<5%; ***p<1%. Estimated using country fixed effects. Standard errors are clustered on country. All models include the control variables included in other models, Model 1 also includes controls for budget support, democracy aid, multilateral aid and bilateral aid. Model 2 includes controls for budget balance, public debt and growth crises. Model 3 includes controls for riots, revolutions, anti-government demonstrations and strikes. Model 3 includes a control for whether a state is under an IMF agreement.

Table 3A: The Effect of Technical Assistance on Political Concessions,
Alternate Coding of TA with Interaction

	(1)	(2)	(3)	(4)
Log(TA/ODA)*Log(ODA/GDP)	14.11***	23.18**	17.30***	3.36**
	5.14	11.49	6.29	1.58
Log(TA/ODA)	-0.31	-0.87	-1.23*	-0.07
	0.41	1.40	0.74	0.08
Log(ODA/GDP)	-0.93	-0.08	-0.54	-0.33
	1.35	2.90	1.73	0.30
Political Terror Scale	-0.16**	-0.29**	-0.16**	-0.01
	0.07	0.12	0.08	0.01
U.S. Affinity	-0.53	-0.71	-0.24	0.09
	0.38	0.80	0.43	0.08
Log(Urban/Pop)	1.44**	3.45**	2.22*	0.11
	0.69	1.60	1.14	0.08
Log(GDP/Pop)	-0.85**	-1.84**	-1.05*	-0.01
	0.32	0.78	0.58	0.05
Log(Pop)	0.53***	1.54***	0.44	-0.02
	0.19	0.47	0.32	0.04
Cold War	-0.39**	-0.47	-0.44**	-0.08**
	0.16	0.30	0.19	0.03
GDP Growth	-0.002	-0.008*	-0.002	-0.001*
	0.002	0.005	0.003	0.0004
Political Concessions t-1	0.66***	0.82***	4.56***	0.85***
	0.05	0.12	0.07	0.03
Observations	515	515	466	721
R-Squared	0.73			0.84
OLS	Yes	No	No	Yes
Ordered Probit	No	Yes	No	No
Arellano-Bond GMM	No	No	Yes	No
NELDA Concessions Coding	No	No	No	Yes

*p<10%; **p<5%; ***p<1%. Estimated using country fixed effects. Standard errors are clustered on country.

Table 4A: The Effect of Technical Assistance on Political Concessions,
with Year and Country Fixed Effects

	(1)	(2)	(3)	(4)
Log(TA/GDP)	15.55**	16.47***	15.87**	6.16**
	6.04	5.24	7.47	2.51
Log(ODA/GDP)	-1.74	-0.91	0.74	-0.95
	2.28	2.19	3.20	0.63
Political Terror Scale		-0.30**	-0.23	-0.03
		0.11	0.15	0.05
U.S. Affinity		-1.04	-0.73	-0.21
		0.97	1.04	0.24
Log(Urban/Pop)		1.35	-0.99	1.09**
		2.41	3.40	0.52
Log(GDP/Pop)	-0.00	-1.15	0.58	-0.38
	0.75	0.76	1.22	0.23
Log(Pop)		0.54	0.72	0.01
		0.58	0.90	0.16
Cold War		-1.73**	-1.82**	-0.05
		0.68	0.83	0.20
GDP Growth		0.0002	-0.003	0.001
		0.004	0.008	0.001
Observations	567	550	550	721
R-Squared	0.53	0.56		0.44
OLS	Yes	Yes	No	Yes
Ordered Probit	No	No	Yes	No
Nelda Concessions Coding	No	No	No	Yes

*p<10%; **p<5%; ***p<1%. Estimated using country fixed effects and year fixed effects.
Excludes a lagged dependent variable. Standard errors are clustered on country.

Table 5A: The Effect of Technical Assistance on Political Concessions,
Parsimonious Controls

	(1)	(2)	(3)	(4)
Log(TA/GDP)	16.34***	16.21**	7.37**	5.46**
	5.33	7.31	3.27	2.65
Log(ODA/GDP)	-1.05	0.72	-1.14	-0.85
	2.16	3.21	1.27	0.58
Political Terror Scale	-0.31***	-0.24*	-0.12*	-0.03
	0.11	0.14	0.07	0.05
U.S. Affinity	-1.02	-0.78	-0.74	-0.13
	0.95	0.98	0.64	0.27
Log(GDP/Pop)	-0.95	0.53	-0.19	-0.18
	0.72	1.22	0.49	0.27
Log(Pop)	0.50	0.61	0.05	-0.02
	0.50	0.77	0.34	0.15
Cold War	-2.05***	-1.65***	-0.70**	-0.62**
	0.44	0.55	0.30	0.24
Observations	554	554	466	754
R-Squared	0.56			0.42
OLS	Yes	No	No	Yes
Ordered Probit	No	Yes	No	No
Arellano-Bond GMM	No	No	Yes	No
NELDA Concessions Coding	No	No	No	Yes

*p<10%; **p<5%; ***p<1%. Estimated using country fixed effects. Standard errors are clustered on country.

Table 6A: The Effect of Technical Assistance on Political Concessions,
Corrected LSDV Estimator from Bruno (2005)

	(1)
Log(TA/GDP)	7.82**
	3.78
Log(ODA/GDP)	-0.70
	1.40
Political Terror Scale	-0.15**
	0.07
U.S. Affinity	-0.50
	0.50
Log(Urban/Pop)	0.81
	1.18
Log(GDP/Pop)	-0.78
	0.58
Log(Pop)	0.40
	0.31
Cold War	0.34*
	0.19
GDP Growth	-0.002
	0.002
Observations	466

*p<10%; **p<5%; ***p<1%. Estimated using country fixed effects.

Standard errors are clustered on country. The Bruno (2005) estimator corrects for small T (Nickell) bias. This is an extension of the Bun and Kiviet (2001) estimator for small unbalanced panels.

Table 7A: The Effect of Technical Assistance on Political Concessions,
Linear TA Specification

	(1)	(2)	(3)	(4)
TA/ODA	7.91**	11.10*	-171.17*	1.82*
	3.29	6.30	89.70	0.94
ODA/GDP	-0.49	1.14	-1.17	-0.19
	1.11	2.18	1.65	0.26
Political Terror Scale	-0.16**	-0.29**	-0.11	-0.01
	0.07	0.12	0.07	0.01
U.S. Affinity	-0.57	-0.78	-0.35	0.09
	0.39	0.83	0.51	0.08
Log(Urban/Pop)	1.44**	3.34**	3.62***	0.11
	0.69	1.60	1.16	0.08
Log(GDP/Pop)	-0.84**	-1.79**	-0.59	-0.01
	0.32	0.79	0.57	0.05
Log(Pop)	0.49**	1.48***	0.34	-0.03
	0.19	0.47	0.34	0.04
Cold War	-0.38**	-0.47	-0.30	-0.08**
	0.16	0.30	0.18	0.03
GDP Growth	-0.00	-0.01	-0.00	-0.00*
	0.00	0.00	0.00	0.00
Political Concessions _{t-1}	0.67***	0.83***	0.44***	0.85***
	0.05	0.12	0.08	0.03
Observations	515	515	466	721
R-Squared	0.73			0.84
OLS	Yes	No	No	Yes
Ordered Probit	No	Yes	No	No
Arellano-Bond GMM	No	No	Yes	No
NELDA Concessions Coding	No	No	No	Yes

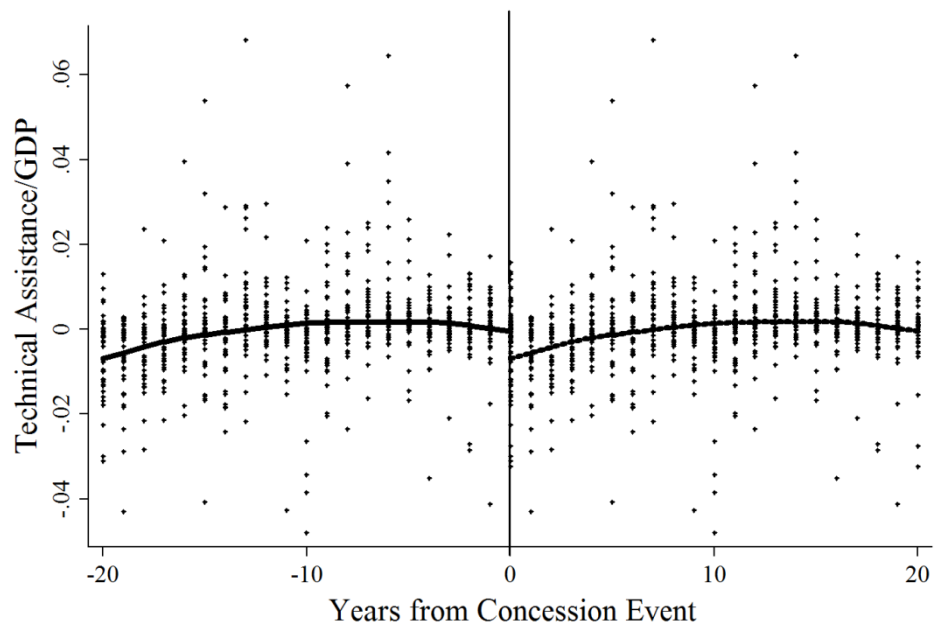
*p<10%; **p<5%; ***p<1%. Estimated using country fixed effects. Standard errors are clustered on country.

Table 8A: The Effect of Technical Assistance on Government Spending and Public Wages,
Linear Specification for TA and Government Spending and Wages

	Government Spending (1)	Public Wages (2)	Government Spending (3)	Public Wages (4)
TA/GDP	-75.88***	-172.92	-110.18***	-217.11*
	25.93	102.97	31.76	116.88
ODA/GDP	18.37**	2.59	20.61**	-7.73
	6.92	35.50	7.51	49.84
Political Terror Scale	0.44	2.97**	0.40	4.20**
	0.45	1.43	0.45	2.03
U.S. Affinity	-0.65	3.13	-1.76	11.81
	2.16	7.04	2.98	10.67
Log(Urban/Pop)	-0.11	-14.38	5.67	-20.64
	4.42	17.80	4.43	30.07
Log(GDP/Pop)	2.86	-35.01*	2.91	-30.34
	2.49	20.57	2.54	27.57
Log(Pop)	-1.27	-5.21	-2.30	-9.96
	1.35	5.53	1.64	10.55
Cold War	1.10	1.18	0.78	4.28
	0.94	4.41	1.18	5.98
GDP Growth	-0.03**	-0.08	-0.04**	-0.13**
	0.01	0.05	0.01	0.06
Log(Tax Income/GDP)			-2.26	-1.58
			1.72	6.57
Log(Public Debt/GDP)			-0.40	8.24
			2.04	20.49
Log(Budget Support Aid)			-0.02	0.09
			0.05	0.14
IMF Agreement			-0.47	-0.74
			0.56	6.38
Log(Government Spending)				0.88
				10.24
Observations	734	297	403	196
R-Squared	0.08	0.25	0.15	0.27

*p<10%; **p<5%; ***p<1%. Estimated using country fixed effects. Standard errors are clustered on country.

Figure A1: The Level of Technical Assistance by Years from Concession Event



This figure shows the distribution of technical assistance by the number of years away from a concession event. We control for $\text{Log}(\text{ODA}/\text{GDP})$ and country fixed effects.

Table 9A: Data Appendix

Name	Mean	SD	Min	Max	Description	Source(s)
Political Concessions	1.67	1.67	0.00	4.00	Equals zero if there are strict limits on political organization and the president has announced no intention to change. Equals one if there is an announcement by the President that political liberalization will take place or an announcement that an election will take place. Equals two if there are formal changes of constitution to open political system or formal lifting of a ban on political organization. Equals three if there was a multiparty presidential election. Equals four if there was a free and fair multiparty presidential election.	Nohlen, Krennerich, and Thibaut (1999); <i>Africa south of the Sahara</i> (various issues)
Political Concessions (NELDA)	1.42	0.73	0.00	2.00	Equals zero if a country has never held an election for the incumbent office in our time frame, one if an election is held, and two if an election is held in which contestation with multiple parties was allowed.	Hyde and Marinov (2012)
Log(Government Spending/GDP)	2.76	0.41	1.68	4.26	Equals the natural log of the yearly value of government in USD expenditures divided by gross domestic product (+1).	World Bank (2012)
Log(Public Wages/GDP)	1.45	1.45	0.00	4.95	Equals the natural log of the yearly value of public wages in USD divided by gross domestic product (+1).	World Bank (2012); International Monetary Fund, (1989, 2013)
Log(TA/GDP)	0.03	0.03	0.00	0.19	Equals the natural log of the yearly value of technical assistance in USD divided by gross domestic product (+1).	World Bank (2012)
Log(ODA/GDP)	0.12	0.11	0.00	0.73	Equals natural log of the yearly value of official development assistance in USD divided by gross	World Bank (2012)

Political Terror Scale	2.67	1.07	1.00	5.00	domestic product (+1). The Political Terror Scale is a one to five scale coded from U.S. State Department and Amnesty International Report which captures “violations of physical or personal integrity rights carried out by a state or its agents”	Wood and Gibney (2010)
U.S. Affinity	-0.39	0.14	-1.00	0.33	This variable is from the Affinity of Nations dataset. It varies from -1 and 1 and measures the voting affinity of each nation with the United States in the UN General Assembly.	Gartzke and Jo (2006)
Log(Urban/Pop)	3.28	0.55	1.46	4.40	Equals the natural log of number of individuals living in urban areas divided by the overall population.	World Bank (2012)
Log(GDP per Capita)	6.44	1.01	4.78	9.26	Equals natural log of GDP divided by population in year 2000 dollars.	World Bank (2012)
Log(Pop)	21.83	1.35	18.82	25.86	Equals the natural log of the national population.	World Bank (2012)
Cold War	0.56	0.50	0.00	1.00	Equal to zero prior to 1992 and one afterwards.	
GDP Growth	-0.48	15.93	-62.72	81.47	Equals the yearly growth in GDP.	World Bank (2012)
Log(Tax Income/GDP)	2.68	0.57	0.00	4.25	Equals the natural log of the yearly tax income of a government divided by GDP.	World Bank (2012)
Log(Public Debt/GDP)	0.64	0.95	-0.03	7.71	Equals the natural log of public debt divided by GDP.	World Bank (2012)
Log(Donor Budget Support)	-10.37	7.47	-25.83	-2.59	Equals the natural log of budget support provided in each year by all donors in year 2000 USD (+1)	Tierney et al. (2011)
IMF Agreement	0.60	0.49	0.00	1.00	Equals one if a country is under an IMF agreement in a year and zero otherwise.	Vreeland (2003)

Table 10A: Specifications Used by Other Aid and Democratization Studies

Article	Estimator	Lagged Dependent Variable	Instrumental Variable	Dependent Variable	Independent Variable	Control Variables
Dietrich and Wright (2014)	Random Effects Probit	No	No	Multiparty transitions (Cheibub et al. 2010)	Economic Aid (log) and Democracy Aid (log)	Population (log), Urbanization, Civil War, IMF Program, Ethnic Fractionalization, Oil Rents, Neighbor Democracy, GDP Growth, GDP per Capita (log), time trend
Wright (2009)	Logit	Yes	No	Change in Polity2 index	Aid/GNI and Aid per Capita	Growth, regime type, Conflict, Log(GDP per Capita) , Growth, Neighboring Democracy, Winning Coalition Size
Cornell (2012)	OLS	Yes	No	Polity And Freedom House Indices	Democracy Aid, Other Aid	GDP per Capita, Trade Openness, GDP Growth, Religious Fractionalization, Ethnic Fractionalization, Regime Type
Bermeo (2011)	Logit	Yes	No	Multiparty transitions (Cheibub et al. 2010)	Aid per Capita, Democracy Aid per Capita, Authoritarian Aid per Capita	Oil Wealth per Capita, GDP Growth, Previous Transitions, Polity Lag, Regime Age, Regime Age Polynomials
Morrison (2009)	Logit	Yes	No	Regime stability (Polity 2)	Non-Tax Revenue	GDP Growth, Urbanization, Time splines, Ethnolinguistic Fractionalization, Population Density, Grants per Capita, State Owned Enterprise Revenue, Other Non-Tax Revenue, Regime Age
Knack (2004)	OLS	No (though initial democracy is included as a control)	No	Change in Freedom House Index and Polity	Aid/GDP, Aid/Government Spending	Initial democracy, regional dummies, illiteracy, GDP Growth, GDP per Capita, Urbanization, Population (log), Infant Mortality, Change Urban Population, Religion
Dunning (2004)	2SLS	No	Yes, population and French colony as instruments	Freedom House	ODA/GNP	GDP per Capita, English Common Law, Ethnic Fractionalization,

Table 11A: Coding of Concession

Country	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Angola	0	0	0	0	0	0	1	3	0	2	0	0	0	0
Benin	0	0	0	0	0	2	4	4	4	4	4	4	4	0
Botswana	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Burkina Faso	0	0	0	0	0	1	3	3	3	3	3	3	3	3
Burundi	0	0	0	0	0	0	1	2	3	0	0	2	2	2
CAR	0	0	0	0	0	1	2	3	3	3	3	3	3	3
Cameroon	0	0	0	0	0	2	4	4	4	4	4	4	4	4
Cape Verde	0	0	0	0	0	0	1	1	4	4	4	4	4	4
Chad	0	0	0	0	0	0	1	0	0	0	2	3	3	3
Comoros	0	0	0	0	0	0	1	2	3	3	1	4	4	4
Congo, DR	0	0	0	0	0	0	1	1	1	1	1	1	1	1
Congo, Rep.	0	0	0	0	0	0	1	4	4	4	4	4	0	1
Cote d'Ivoire	0	0	0	0	0	3	3	3	3	3	3	3	3	3
Eq. Guinea	0	0	0	0	0	0	1	2	3	3	3	3	3	3
Eritrea	0	0	0	0	0	0	0	0	0	1	2	2	2	2
Ethiopia	0	0	0	0	0	0	1	1	1	2	2	2	2	2
Gabon	0	0	0	0	0	1	1	2	3	3	3	3	3	3
Gambia	4	4	4	4	4	4	4	4	4	0	1	3	3	3
Ghana	0	0	0	0	0	1	2	3	3	3	3	4	4	4
Guinea	0	0	0	1	1	1	2	2	3	3	3	3	3	3
Guinea-Bissau	0	0	0	0	0	0	1	2	2	4	4	4	4	4
Kenya	0	0	0	0	0	0	1	3	3	3	3	3	3	3
Lesotho	0	0	0	0	0	1	0	1	4	1	1	1	1	1
Liberia	0	0	0	0	0	0	0	0	0	0	0	1	4	4
Madagascar	0	0	0	0	1	2	2	2	4	4	4	3	3	3
Malawi	0	0	0	0	0	0	0	1	2	4	4	4	4	4
Mali	0	0	0	0	0	1	2	3	3	3	3	3	3	3
Mauritania	0	0	0	0	0	0	2	3	3	3	3	3	3	3
Mauritius	4	4	4	4	4	4	4	4	4	4	4	4	4	4

Mozambique	0	0	0	0	0	0	0	2	2	4	4	4	4	4
Namibia	0	0	0	1	4	4	4	4	4	4	4	4	4	4
Niger	0	0	0	1	1	1	1	2	4	4	4	3	3	3
Nigeria	0	0	0	0	2	2	2	2	0	0	1	2	2	2
Rwanda	0	0	0	0	0	0	0	1	2	0	0	0	0	0
Sao Tome and P	0	0	0	0	1	2	4	4	4	4	2	3	3	3
Senegal	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Seychelles	0	0	0	0	0	0	1	2	4	4	4	4	4	4
Sierra Leone	0	0	0	0	0	1	2	0	0	0	1	3	0	3
Somalia	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Africa	0	0	0	0	0	1	2	2	2	4	4	4	4	4
Sudan	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Swaziland	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tanzania	0	0	0	0	0	0	1	2	2	2	3	3	3	3
Togo	0	0	0	0	1	1	1	2	3	3	3	3	3	3
Uganda	0	0	0	0	0	0	0	0	0	0	1	4	4	4
Zambia	0	0	0	0	0	2	4	4	4	4	4	4	4	4
Zimbabwe	4	4	4	4	4	4	4	4	4	4	4	3	3	3

Source: Africa South of the Sahara, Nohlen, Krennerich, and Thibaut (1999)