

Is Aid Worth it? An Analysis of US Counterterrorism Programs: Weapons, Training, and Terror

By

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Abstract

Is counterterrorism aid effective? Some counterterrorism aid programs focus on training and education, others focus on weapons disbursements. I argue that the type of aid program affects the effectiveness of the aid in countering terror. Education programs are more likely to reduce terror than weapons programs because education programs have higher levels of government control and are less likely to be mismanaged. I use data from USAID and the Global Terrorism Database to explore the relationship between aid and terror. I find support for my hypothesis; education programs reduce the likelihood of terrorist attacks in the recipient country. Weapons programs have ambiguous effects. These results suggest that it is better to spend US counterterrorism dollars on teaching and training than bullets and bombs.

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Introduction

Is counterterrorism aid effective? In 2005 the United States committed the first disbursement of military aid with the specific purpose of counterterrorism. In 2011 the Department of Defense expanded US counterterrorism funding to include programs delineated for specific purposes such as the Global Train and Equip, Combating Terrorism Fellowship Program, and Peacekeeping operations. In 2011 the US reported allocating over \$250 million dollars to counterterror programs and in 2018 that number jumped to over \$350 million dollars (USAID, 2020). Considering the substantial dollar amount which the government has dedicated to combat terrorisms, it is pertinent to ask whether this aid is working?

The current literature regarding the relationship between US aid and aid effectiveness is bleak and inconclusive. Shahzad et al (2020) found US developmental assistance, economic aid, and military aid exacerbate terror attacks in South Asia. Similarly, Dube and Naidu (2015) find US military aid exacerbates paramilitary attacks but has no effect on guerilla homicides during election years. Boutton (2019) argues aid exacerbates terror in personalist regimes. Much of the aid literature points to a negative relationship between US aid and US aid effects, however some authors point to specific conditions when aid can be effective in achieving specific goals. Bearce and Tirone (2010) argue that aid can be effective, but only when the strategic benefits are small. While the aid literature is inconclusive on the overall effectiveness of aid, the literature does not consider the effectiveness of specific programs.

I argue that some forms of counterterrorism aid are more effective than others. Counterterror programs focused on education are more likely to reduce terror than programs with weapons because education programs are focused on training and prevention which is directly targeted aid that cannot be mismanaged by the recipient government or diverted to exacerbate

conflict in the recipient country. Therefore, I anticipate counterterror programs that include training such as the Counter-Terror Fellowship Program (CTFP) are more likely to be effective at reducing terrorism than the Global Train and Equip Program (GTEP), because the CTFP includes training and education whereas the GTEP includes training and weapons packages.

The rest of the paper is organized as follows. In the next section I provide an overview of the U.S. counterterrorism aid programs. The literature section explores the who, why, and how of the foreign aid literature. In the theory section I outline a framework for understanding why programs have differential effects on terrorism. In the following sections I outline my research design and present evidence that counterterrorism programs are more effective when the design of the program allows the United States to exercise more control over how the resources are used. The final section of the paper distills the theoretical and practical implications of these results and outlines avenues for future research.

Background: U.S. Counter-Terrorism Aid

In 2005, the U.S. congress passed the 2006 National Defense Authorization Act. Section 1206 which “provided funds for military forces to disrupt terrorist networks, legitimize states, and build security capacities to prevent terror cells from gaining footholds” (Serafino, 2014). Section 1206 was passed in 2005 as a special contingency authority and then expanded in 2008 to become a more permanent fixture of US counterterror policy. Section 1206 is colloquially known as the Global Train and Equip Program (GTEP). The GTEP was described by US Combatant Commanders as the “single most important tool for the Department to shape the environment and counterterrorism” (Serafino, 2014). The GTEP allows the US to train and equip recipient forces to respond to “urgent and emergent threats,” as well as helping provide solutions to problems before they arise (Serafino, 2014).

The Counterterrorism Partnership Fund (CTPF) was developed in 2014 to enable partner nations to deter and defeat terrorist threats. The program specifically allows the Department of Defense (DoD) to quickly respond to evolving terrorist threats in the US Central Command, US Africa Command, and other areas deemed appropriate by the DoD. Recipient countries use CTPF funding to “build upon existing tools and authorities to enhance the United States’ ability to support partner nations in CT (counterterror) operations, applying the right solution to the right requirement” (Naval Postgraduate School, 2007). The focus areas of CTPF are capacity building, enhancing US ability to support partners in counterterror operations, and allowing the DoD to respond to unexpected crises.

The Combating Terror Fellowship Program (CTFP), also known as the Regional Fellowship Program, is a program to counter terror by training and advising military and security personnel in recipient countries. CTFP’s goals include building a network of counterterrorism, building and maintaining counterterrorism operations through strategic education, helping experts counter ideological support to terrorism, and provide the US military with an adaptable program to respond to emerging terror threats. The program specifically provides targeted counterterror education to senior and mid-level military officials, ministry of defense civilians, and other foreign government security officials. Personnel who participate in the CTFP are expected to foster positive relationships with the United States and “have a positive impact on their countries ability to cooperate with US in the war on terrorism” (Naval Postgraduate School, 2007; Office Under the Secretary of Defense, 2016).

The final program in US counterterror aid are peacekeeping operations that combine components of GTEP, CTPF, and CTFP. Peacekeeping operations also include providing military advisors to aid in defense efforts, expand border posts, provide immediate improvements

for military bases, and provide day to day support for counterterror operations in recipient nations. Each counterterror program is designed to act quickly in response to threats and act as a preventative measure for future terror attacks (Office Under the Secretary of Defense, 2016).

Literature and Theory

Who Gets Aid

US military aid encompasses everything from excess stock transfers to microeconomic foundation building resources. US aid scholars focus on who receives aid (Alesina and Dollar, 2000), whether the aid works (Doucouliagos and Paldam, 2009), and whether aid creates external problems (Dube and Naidu, 2012). The primary conclusions from the literature examining who receives aid indicates that while some aid is allocated for strategic purposes, some donors allocate based on recipient need (Alesina and Dollar, 2000; Fielding, 2014; Raschky and Schwindt, 2012).

A significant amount of research has focused on the dichotomous motivations for aid. Scholars argue donors allocate aid based on both strategic and needy factors of the recipient country. This work suggests that the U.S. picks and chooses aid recipients based on UN vote records (Alesina and Dollar, 2000); trade partners (Alesina and Weder, 2002); previous colonial past (Alesina and Dollar, 2000); or on need-based motivations such as GDP, population, and disaster strength (In'airat, 2014). Alesina and Dollar (2000) find political and strategic factors of the recipient country influence aid giving more than need-based political or economic status of the recipient country. Specifically, states that were previously colonies of the donor country are more likely to receive aid. Some donor countries, such as Japan, give more to states that vote with them in the United Nations General Assembly. However, In'airat (2014) finds states give aid based on need instead of strategy.

Another attempt at understanding the dichotomy between need-based giving and strategic-based giving is trying to understand the relationship between quality of governance and aid giving. In theory, corrupt governments are a combination of strategic and need-based giving because the population is likely needy, but corrupt governments are less likely to respond to needy populations and allocate the received aid. In'airat (2014) finds aid allocation is positively correlated with the governance variables overall governance, voice and accountability, government effectiveness, regulatory quality, rule of law, and control of corruption. Recipient countries with more effective and less corrupt governments are more likely to receive aid than governments with lower governance variable scores (In'airat, 2014).

However, some scholars argue understanding the mechanisms for donation to corrupt countries are more important than understanding the donations themselves. Scholars agree quality of governance is significantly related with aid giving, but they disagree on the causal mechanism of why recipient governance effects aid and how donors give aid to corrupt recipients. Alesina and Weder (2002) find "quality of governance" is positive and statistically related to the overall amount of state-to-state aid. However, Acht et al (2015) finds donors deliver aid to corrupt countries and countries with poor levels of governance through non-state avenues. Furthermore, Acht et al (2015) argue donors who bypass government channels are more concerned with development than self-interest because donating through government channels would be more effective to achieving goals related to political or economic self-interest.

Aid allocations are heterogenous when mismanagement is a concern. Donor countries are selective in aid donation mechanisms when there is a concern of mismanagement (Acht et al., 2015). Donors' decisions to allocate aid to corrupt governments could be a reason why the research finds mixed results in why donors decide to give aid. Donors aid decisions look

different for corrupt versus non-corrupt recipient countries; therefore, corruption could obscure donors' true motivations in aid giving. In this paper I expand upon the research on aid and corruption by exploring how aid specificity can avoid mismanagement in corrupt states. Aid programs like counterterrorism education programs can avoid corrupt state mismanagement because education programs are controlled by the donor government and have little to no chance on being mismanaged by the recipient government because the donor government controls the aid through every step of the donation.

Aid effectiveness

Another line of research focuses on the effectiveness of U.S. Aid. This literature is primarily focused on developmental aid (Docouliagos and Paldam, 2009), government composition (Alesina and Weder, 2002), and mixed results (Boone, 1996; Crawford, 1997; Doucouliagos and Paldam, 2009). Doucouliagos and Paldam (2009) performed a large meta-analysis to understand the outcomes of aid effectiveness literature since the 1960's. Over 40 years of developmental aid research can be primarily characterized by negative results. They find that aid has overall been ineffective but researchers primarily focus on positive outcomes of aid effectiveness due to publishing bias. They further argue that Dutch disease effect on exchange rates could be an explanation for aid ineffectiveness. Essentially aid can be ineffective because aid can positively influence income level but negatively influence growth rate (Docouliagos and Paldam, 2009).

Government corruption is also a prominent explanation for aid effectiveness and ineffectiveness. Corrupt governments are more likely to receive developmental aid than non-corrupt governments (Alesina and Weder, 2002). However, states are unlikely to give aid to corrupt governments directly; therefore, donors give aid through non-governmental or multilateral organizations (Acht et al., 2015). Donor states bypass corrupt governments because

donors are concerned about mismanagement. Corrupt governments are likely to mismanage aid due to the nature of the government structure or the relationship between elites.

Elites in both democratic and authoritarian governments are also likely to mismanage aid. Boone (1996) shows models of “elitist” regimes are the best predictors of aid effectiveness, and elitest regimes are more likely to waste aid. Angeles and Neanidis (2008) argue elites are the intermediary between donor and recipients through control of recipient governments and firms. Elites are therefore more likely to misuse aid if they have comparatively large political and economic power and little to no concern for social groups (Angeles and Neanidis, 2008).

The structure of the government itself also influences aid efficacy. Whether a government is authoritarian or democratic can alter whether aid will be effective. The predominant theoretical explanation is democratic governments will allocate aid where it is needed due to audience costs. Democratic governments are more receptive to populations and are more likely to respond to popular pressure to utilize development aid. However, some authors find dictators are also likely to effectively use aid under certain conditions. Wright (2008) argues time horizons significantly impact a dictator’s incentives to utilize aid. When dictators have a long time horizon, they have a greater incentive to invest in public goods. However, dictators with short time horizons face political competitors; competitors lead dictators to invest in repression and private pay-offs instead of public goods (Wright, 2008).

Furthermore, strategic goals and donor inconsistency can lead to humanitarian and democratic aid ineffectiveness. Crawford (1997) finds donors do not impose strong enough restrictions on aid packages. The consequences of recipient inaction in response to humanitarian or democratic aid leads to selective and inconsistent responses from donors. And donors’ unwillingness to enforce aid contingencies leads recipients to question the credibility of the

threats. Crawford further argues donors' own commitments to human rights and democracy are low and therefore donors cannot credibly require humanitarian and democratic change from developing recipients (Crawford 1997, Ch 8-9). The purpose of this paper is to expand the aid effectiveness literature outside of developmental aid. Few authors explore the effectiveness of military or counterterror aid; those that do focus on how military aid affects society and governments, rather than whether military aid achieves the intended objectives.

Effects of Aid

Military aid has a negative reputation. Few authors find positive outcomes in countries who receive military aid; in many instances military aid exacerbates existing conflict. Arms transfers are significant and positive predictors of the increased probability of war (Craft and Smaldone, 2002). US military aid lead to increases in paramilitary attacks in Colombia and foreign military assistance can strengthen non-state actors which can undermine domestic political institutions (Dube and Naidu, 2012). Kinsella (1994) found Soviet arms transfers to Egypt and Syria aggravated the conflict in the Middle East. However, Kinsella also found some evidence US transfers to Iran reduced the Iraq-Iran conflict (Kinsella, 1994). Furthermore, arms transfers from major powers make states more likely to both initiate and be a target for interstate disputes, but arms recipients are less likely to engage in or be a target of disputes if they are a member of a defense pact (Krause, 2004).

Military aid also has a heterogenous relationship with human rights. Omelicheva et al. (2017) found military aid has a heterogenous effect on human rights in recipient countries. Security programs were statistically related with greater human rights violations. The number of students in security assistance programs focused on education like International Military Education and Training (IMET), Combating Terrorism Fellowship Program (CTFP), and EXG

are associated with fewer human rights violations, but are not statistically significant. (Omlicheva et al., 2017). The conclusions from Omlicheva et al. (2017) give evidence US security programs can reduce human rights violations if the programs are proportionally more invested in student education instead of dollar amounts; however, US investment in counterterrorism still have negative consequences regardless. Furthermore, the primary conclusions from Omlicheva et al (2017) indicate US military aid, regardless of its intended purpose, has negative downstream effects in recipient countries.

Military aid can also influence human rights violations based on the strategic nature of US aid. However, the US is unwilling to use military aid as a bargaining chip to encourage recipient countries to better human rights. Human rights can influence whether a state receives US aid, but not the amount of aid. Furthermore, US military aid is overall related with worse human rights performances and worsening respect for physical integrity rights (Sandholtz, 2016). There is very little literature that explores the direct effects of military programs on specific outcomes. The majority of the literature focuses on humanitarianism or democratization and the effects of general military aid. Scholars understand military aid can exacerbate or reduce negative conditions in recipient countries, but scholars have rarely explored whether military aid achieves its intended goals. Furthermore, even fewer scholars look at whether counterterrorism aid achieves its intended goals. Understanding whether the US government achieves its intended goals can help scholars and policy makers understand if US money is well spent.

Almost all the works exploring aid effectiveness utilize general military or economic aid datasets. Such datasets include a variety of different aid programs with different intended outcomes. The issue with utilizing general aid datasets lies in a researcher's capability to draw conclusions about the effectiveness of aid.

US military aid is not intended to counter terror. US military aid is utilized for countering drug cartels, microeconomic development, security forces, peacekeeping forces, and countering weapons of mass destruction, to name a few. All of those programs could reduce military interstate disputes or terror attacks, but not all of those programs are intended to do so. Therefore, when a researcher utilizes the entire US military aid dataset to argue US military aid does or does not achieve an intended outcome, they are mixing aid programs that are specifically intended to achieve that outcome and aid programs that may be completely unrelated. By including all aid programs in a single analysis one could conclude US military aid effects terrorism or MIDs, but one could not conclusively argue US military aid is effective or ineffective in reducing terror because not all US military aid is intended to reduce terror. The aid effectiveness literature could find inconsistent results regarding aid effectiveness because of the varied aid outcomes included in the datasets (Bourguignon and Sundberg, 2007). This paper expands the effectiveness literature by increasing our understanding of whether counterterror aid achieves intended outcomes by disaggregating the kind of aid and connecting it with the outcome it is intended to achieve; here, focusing explicitly on education and weapons programs and those programs ability to reduce the likelihood of terror.

Theory

Why finance military aid budgets if the outcomes of aid are often mixed or result in increased conflict? I argue that the type of program matters when determining the effectiveness of counterterror aid. Each program is a conglomerate of both education and weapons, but the ratio of education to weapons changes. Some programs are primarily focused on education and training, whereas other are focused on weapons. The distinction between type of program

changes how effective the program will be in countering terror because some programs are more controlled by donor governments and have lower probabilities of mismanagement. In this section I outline a two-part theoretical typology: government oversight and divergent goods, which affect the probability of a counterterror program's success.

Figure 1: Theoretical Typology

	Government Oversight: High	Government Oversight: Low
Diversion: High	<p>Programs that are highly controlled by the government but are also easily diverted from their intended purpose. CTPF, Peacekeeping</p>	<p>Programs that have less government control and are also easily diverted. GTEP</p>
Diversion: Low	<p>Programs heavily controlled by the government and likely do not contain goods that can be diverted. CTFP</p>	<p>Programs with little to no government oversight and little to no divertible goods.</p>

One major problem with aid is the possibility of mismanagement. Unstable or corrupt nations have incentive to utilize aid for personal gains instead of for public services (Boone, 1996). Aid can also be mismanaged by government elites with large political and economic power (Angeles and Neanidis, 2008). Furthermore, aid programs are often mismanaged through overall lack of coordination. In many aid packages, response times are slow and lack oversight, which can lead to mismanagement from both the donor and the recipient (Deutscher and Fyson, 2008). Government oversight can help decrease the probability of mismanagement. In some contexts if a recipient state has some level of US oversight like a military base or a defense pact, aid is less likely to increase conflict (Dube and Naidu, 2015). Therefore, aid with more donor government control is more likely to be effective because there is a decreased chance of mismanagement and more controlled aid is more likely to achieve its intended outcomes.

Counterterror aid is overall heavily regulated by the US government because the DoD oversees the aid and Congress votes on the DoD aid budget every year (Serafino, 2014). However, not all counterterror aid is equally effective. Weapons transfers are linked with worsening conditions in recipient countries. In many cases, weapons transfers are linked with military information asymmetries which can lead to greater military interstate disputes (Krause, 2004). And weapons transfers between developing states can lead to a greater number of coup d'état and longer military rule (Maniruzzman, 1992). Weapons transfers can have negative effects because they are an easily divertible good.

A divertible good is a physical object or good that can be easily mismanaged and moved from its intended purpose. For example, arms transfers are an easily divertible good because an issue with arms transfers is the inability to track where arms go once they enter a recipient country. A donor country is generally unable to regulate what a recipient country does with arms once they enter another sovereign territory making weapons an easily divertible good. Aid including arms transfers could be arming the groups a donor country wishes to combat. Therefore, divertible goods like weapons transfers are more likely to be mismanaged, so they are ineffective at reducing terror. And divertible goods are more likely to have downstream effects, so they can exacerbate terror. In comparison, education programs are less likely to be mismanaged and have negative spillover effects because education programs contain less physical goods that can be diverted away from their intended purpose. Education programs have generally less exogenous effects because the donor government can directly influence who receives the education and there is less possibility for mismanagement when the donor government is directly engaging with the recipient, instead of giving the recipient goods like funding or weapons. This intuition informs the following hypotheses.

H₁: Counterterror programs that are predominantly education will be effective at reducing the likelihood of terror.

H₂: Counterterror programs that are predominantly arms transfers will not be effective at reducing the likelihood of terror.

H₃: Counterterror programs that are predominantly arms transfers will increase the likelihood of terror.

Data and Methods

Data

The data for the independent variables were taken from the USAID database. The database contains information about all US foreign aid allocations since the 1700's. In the dataset, aid allocations are reported as yearly totals per program. Many aid scholars utilize the US Greenbook for aid allocations; the USAID database reports the same allocations but the USAID data reports additional aid program specific variables. Specifically, the USAID data reports USG Sector and Program type. USG Sector reports the specific aid category such as Microeconomic foundations, Counter Narcotics, and Counterterrorism (USAID, 2020). For the purpose of this project, I reduced the USAID data to include only aid allocations which specified "Counterterrorism" as the USG sector. The aid dataset included 1,100 allocations from 2011-2016. Counterterror aid includes four specific projects: GTEP, CTFP, CTPF, and peace projects; however, due to the lack of CTPF and Peace aid allocations, they were removed from the dataset.

The data for the dependent variable were collected from the Global Terrorism Database (GTD) (START, 2019) to measure my outcome variable. The GTD data are a conglomerate of reports of each terror incident; I operationalized terror as a binary variable. A country-year received a 1 if they had an attack in that year, regardless of whether the attack resulted in casualties or wounded, and a 0 if the country had no attacks in that year. I also reduced the data

to terror attacks from 2011-2016 to match the time constraints from the aid data. I also use the International Political Economy dataset built by Graham (2016) for control variables.

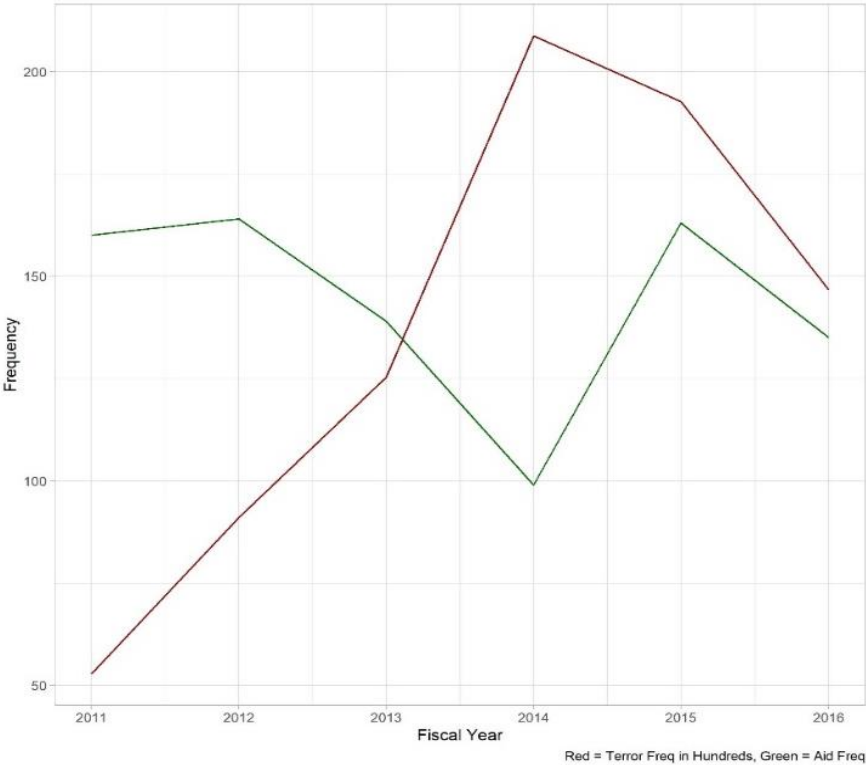
The primary independent variables are CTFP and GTEP aid. CTFP is a binary measure of whether a country received CTFP (education aid) in a given year and GTEP is also a binary measure of whether a country received GTEP (weapons aid) in a given year. The appendix also includes the results with the independent variable operationalized as the amount of money a country received in time t from each program.

I also include a number of control variables from Graham (2016) to account for possible confounders in accordance with prominent aid and terrorism literature. Physical integrity is a measure of how well the government respects physical integrity rights on a scale of 0-8. Many terror scholars explore the relationship between human rights and terrorism. I used physical integrity as a measure for human rights because physical integrity measures a governments respect for rights that could be considered basic human rights such as freedom from torture. Due to the literature (Piazza and Walsh, 2009; Neumayer, 2003) on the relationship between human rights and terrorism I expect the relationship to be negative; as physical integrity rights increase, terrorism should decrease.

I include two strategic variables, distance and UN correlation (Graham, 2016; Voeten, 2013), to measure a possible relationship between strategic US partnerships and terrorism. Distance is a measure of the recipient countries capitol from the US capitol in miles and UN vote correlation is a continuous measure of UN vote similarity with the United States on a scale of negative one to one. I also include several economic variables including FDI inflows in billions of US dollars, log population, military expenditures in thousands of US dollars, and growth (Graham, 2016). As a country develops economically, terrorism should decrease. Similarly, I

include a polity variable to account for government type, a durability variable to account for government stability, and a corruption variable. More democratic and more stable governments should expect less terror. I also include a dummy variable for whether a recipient country has a majority Muslim population and the military expenditures in thousands of US dollars per year. Finally, for Table 2, I specify all the models above and include physical integrity rights as an additional control. Physical integrity rights is collinear with some of the other explanatory variables, so I elect to estimate the model with and without physical integrity rights as a control.¹

Figure 2: Aid and Terror Frequency 2011-2016



¹ Table 2 should provide a robustness check for the results due to the significant relationship between physical integrity rights and terror.

I limited the sample for the analysis to account for patterns I observed in the data. I found the relationship between counterterror aid allocation and terrorism are not consistent over time. Figure 1 shows from 2011-2014, the aid has a visible inverse relationship with the frequency of terror. However, in 2015-2016 both terror attacks and aid allocations drop and become positively related. One of the possible reasons for the time inconsistencies is the United States' response to ISIS. In August of 2014, the United States began actively countering ISIS with airstrikes in Iraq. In September, Congress voted and passed a measure to give the US military the authority to train and arm Syrian rebels. In November, officials announced the beginnings of a train and equip program for Syrian rebels. However, in October of 2015, Congress shut down the GTEP program in Syria after training only 150 rebels. In 2016, the US continued its campaign against ISIS, but without DoD counterterror funds. As a plan B, the United States ramped up drone strikes and the CIA implemented small arms programs in Syria. The pentagon announced the fight against ISIS moved into phase 2 in April of 2016. Then a special presidential envoy found air strikes significantly reduced ISIS controlled territory in Syria and Iraq and reduced ISIS access to oil fields. At the end of 2016, Libyan forces declared victory over IS and Abu Jandal al Kuwait, a senior commander of IS, who was killed by a US coalition airstrike (Glenn, 2016).

The US relationship with IS and countering ISIS is a reliable explanation of why counterterror aid changed in 2015-2016, and the US success in countering IS is a reliable explanation for the decrease in counterterror aid programs and the decrease in terror attacks in 2015-2016. Furthermore, after the 2015 period the US allocated less country specific counterterror programs and more regional and global counterterror programs. Therefore, to deal with the variation due to the different data generating processes, I focus on the period 2011-2014 to avoid possible IS confounders and the DoD's decision to allocate more regional aid post-2014.

Because the outcome variable is binary, I elected to test the hypotheses outlined in the previous section using a series of logistic regression models. I estimated all the models with both pooled and random effects error specifications. I include random effects models to account for possible unobserved heterogeneity and heterogenous effects within the independent variables. The random effects specification assumes the individual unobserved heterogeneity is uncorrelated with the independent variables (Clark and Linzer, 2014). While a fixed effects model may also be prudent in this analysis, due to the lack of data I could not specify fixed effects models. If unobserved heterogeneity among cross-sections is an important feature of the data, we should observe differences between the pooled and random effects models.

I also varied the specification of the models to account for various forms of dependence in the data. The static model assumes that temporal dependence is not an important feature of the data. If this assumption is problematic, we should observe differences in the models that are estimated to accommodate potential dynamics. Different subfields of political science follow different conventions for dealing with temporal dependence in binary time series cross section (BTSCS) data. In their influential study on development and democracy, Przeworski, Alvarez, Cheibub, and Limongi (2000) use a lag of the binary dependent variable to model the democratization as a “first-order Markov process” (137). This approach has been applied by others in comparative politics. An approach that is more popular in international relations is to treat the data as pooled duration data. Beck, Katz, and Tucker (1998) argue for the use of cubic splines to remove duration dependence in BTSCS data. Carter and Signorino (2011) provide a more intuitive method to achieve the same end, using cubic polynomials. I include the duration since the last terror attack in a country-year, the squared duration, and the cubed duration to accommodate the possibility that the dependence in the data takes this alternative form. As with

the potential for unobserved differences among the cross-sections, I am agnostic about whether temporal dynamics are a feature of the data and I am agnostic about how those dynamics should be treated in the event that they exist. Estimating the various forms of the model allow me to evaluate whether my inferences are robust to these various specifications. The results are presented in the next section.

Results

Table 1 shows the logistic regression results of logit models with CTFP and GTEP binaries on GTD binary with pooled and random effects. According to the BIC at the bottom of Table 1, the models including the lagged dependent variable (Models 2 and 4) are the best fitting models in the table. Starting with Model 2, CTFP binary is negative and significantly related to the likelihood of a terror attack at the 0.10 level. The coefficient for CTFP in model 2 is -1.046, which indicates if a country receives CTFP aid they reduce their likelihood of having a terror attack by about 35.1% compared to a country not receiving CTFP aid, with all else being held constant.

Polity is also significantly related with the likelihood of terror, with more democratic governments significantly more likely to have a terror attack. Log population is also significant and positively related with terror. Finally, Model 2 gives evidence Muslim majority countries are significantly more likely to have a terror attack; Muslim majority countries are 7 times more likely to have a terror attack than non-Muslim majority countries when all else is held constant. Table 1, Model 5 mirrors the results of Model 2 indicating support for H1: education programs significantly reduce the likelihood of terror because CTFP aid reduces the likelihood of terror across multiple error specifications.

Furthermore, Table 1 also shows some evidence in support of H2 and H3, GTEP programs will do nothing and GTEP programs will exacerbate terror. The coefficients for GTEP are positive across all 6 models in Table 1, indicating GTEP has a positive effect on terror which gives some evidence in support of GTEP exacerbating terror. However, none of the coefficients are significant, so one ultimately fails to reject H2 (GTEP will do nothing) and reject H3 (GTEP programs will exacerbate terror).

The results from the control variables in Table 1 are consistent with expectations. Countries with better governance, more people, and a majority Muslim population are more likely to have a terror attack. Polity is positive and significantly related with terror, therefore more democratic governments are more likely to suffer from a terror attack. Log population is also significant at $p < 0.01$ level across all models giving evidence that countries with greater populations are also at an increased risk of a terror attack. Majority Muslim countries are also at a greater risk. A Muslim majority country has a 730% greater chance of having a terror attack compared to a non-majority Muslim country with all else being held constant. UN vote similarity is negative across all 6 models, but the variable is non-significant. Furthermore, countries with greater unemployment are less likely to have a terror attack. The unemployment results map onto the literatures expectations because the coefficients are negative across all models but non-significant, which exemplifies the conflictual nature of unemployment results (Bagchi, 2018).

The coefficients and standard errors are exactly the same in the pooled and random effects specifications giving more evidence of consistent results across multiple specifications. The lag of GTD is positive, which indicates if a country has a terror attack in the previous year then they are more likely to have an attack in the current year, but the relationship is non-significant. Models 3 and 6 include polynomials. Polynomials account for possible heterogeneity

in the distribution of zeros, but as shown in models 3 and 6, if the data includes a heterogeneous distribution the distribution does not significantly change the results.

As shown in Table 2, Physical integrity rights have the capability of encapsulating some of the variation in the dependent variables. Models 2 and 5 are the best fitting models according to the BIC but the results are not significantly different from the other models in Table 2, indicating the lagged dependent variable does not significantly alter the results. CTFP is still negative and significantly related with the likelihood of terror, but the coefficients are smaller in most of the models compared to Table 1. In model 1, CTFP reduces the likelihood of terror to 37.8% compared to the 34.6% in Model 1 of Table 1. Additionally, CTFP reduces terror likelihood by 38.2% and 27.7% in models 2 and 3 respectively, which is greater than the likelihood reduction of about 30% in Table 1. Furthermore, the relationship between GTEP and the likelihood of terror changes. In Table 1, GTEP is positive but not significantly related with the likelihood of a terror attack, but in Table 2 GTEP is negative and non-significant.

Polity, log population, and majority Muslim are still positive and significantly related to terror, but the coefficients change. In Table 1, majority Muslim was associated with a 7 times greater likelihood of a terror attack than non-majority Muslim countries, but in Table 2 majority Muslim countries have a 5 times increased likelihood of having a terror attack. Physical integrity rights are negatively related to the onset of terror, with increased physical integrity rights decreasing the likelihood of an attack. From model 1, a country with the highest physical integrity rights is 44% less likely to have a terror attack than a country with the lowest physical integrity rights.

The results from Table 1 and 2 gives evidence in support of H1: education programs will reduce the likelihood of terror, H2: arms programs will not have any effects on terror. Table 1

indicates arms transfers can positively effect the likelihood of terror, but the result is not consistent. Appendix 1 shows the results of mean CTFP and GTEP aid on GTD binary and the findings are almost exactly the same. CTFP mean aid is negatively related to the likelihood of a terror attack and GTEP is positively related to the likelihood of a terror attack, but both variables are non-significant. Therefore, CTFP likely reduces the likelihood of a terror attack based on multiple model specifications, robustness checks, and independent variable measures. And GTEP likely has a heterogenous effect on terror.

Table 1

Logistic Regression: Program Effects on GTD Binary						
	Pooled			Random Effects		
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
CTFP	-1.061*	-1.046*	-1.304*	-1.061*	-1.046*	-1.304*
	(0.55)	(0.54)	(0.75)	(0.55)	(0.54)	(0.75)
GTEP	0.188	0.179	0.042	0.188	0.179	0.042
	(0.67)	(0.66)	(0.87)	(0.67)	(0.66)	(0.87)
Economic Growth	-0.006	-0.006	0.003	-0.006	-0.006	0.003
	(0.02)	(0.02)	(0.03)	(0.02)	(0.02)	(0.03)
Military Spending	0.000	0.000	0.000	0.000	0.000	0.000
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Polity	0.139**	0.134**	0.266**	0.139**	0.134**	0.266**
	(0.06)	(0.06)	(0.10)	(0.06)	(0.06)	(0.10)
Polity ²	-0.013	-0.012	-0.008	-0.013	-0.012	-0.008
	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Durability	0.013	0.013	0.005	0.013	0.013	0.005
	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)	(0.02)
Log Population	1.308***	1.265***	1.598***	1.308***	1.265***	1.598***
	(0.30)	(0.31)	(0.49)	(0.30)	(0.31)	(0.49)
FDI Inflows	-0.316	-0.283	-1.369	-0.316	-0.283	-1.369
	(2.22)	(2.17)	(2.72)	(2.22)	(2.17)	(2.72)
Majority Muslim	2.116***	2.049***	3.725***	2.116***	2.049***	3.725***
	(0.77)	(0.77)	(1.32)	(0.77)	(0.77)	(1.32)
Vote Similarity	-3.596	-3.457	-3.828	-3.596	-3.457	-3.828
	(2.59)	(2.53)	(3.41)	(2.59)	(2.53)	(3.41)
Corruption	0.365	0.357	0.417	0.365	0.357	0.417
	(0.44)	(0.43)	(0.62)	(0.44)	(0.43)	(0.62)
Unemployment	-0.026	-0.024	-0.047	-0.026	-0.024	-0.047
	(0.05)	(0.05)	(0.08)	(0.05)	(0.05)	(0.08)
Distance from US	-0.062	-0.058	0.087	-0.062	-0.058	0.087
	(0.10)	(0.10)	(0.15)	(0.10)	(0.10)	(0.15)
Region	0.101	0.103	0.264	0.101	0.103	0.264
	(0.19)	(0.19)	(0.27)	(0.19)	(0.19)	(0.27)
GTD _(t-1)		0.148			0.148	
		(0.43)			(0.43)	
Polynomial			0.745			0.745
			(1.69)			(1.69)
Polynomial ²			-8.872			-8.872
			(16.33)			(16.33)
Polynomial ³			24.161			24.161
			(37.90)			(37.90)
Constant	-21.252***	-20.682***	-28.603***	-21.252***	-20.682***	-28.603***
	(5.10)	(5.20)	(8.85)	(5.10)	(5.20)	(8.85)
N	386	386	298	386	386	298
BIC	450.1	456.0	362.7	450.1	456.0	362.7

Notes: * p<0.10, ** p<0.05, *** p<0.01

Table 2

Logistic Regression: Program Effects on GTD Binary with Physical Integrity						
	Pooled			Random Effects		
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
CTFP	-0.974*	-0.962*	-1.283*	-0.974*	-0.962*	-1.283*
	(0.53)	(0.53)	(0.72)	(0.53)	(0.53)	(0.72)
GTEP	-0.016	-0.019	-0.189	-0.016	-0.019	-0.189
	(0.65)	(0.65)	(0.85)	(0.65)	(0.65)	(0.85)
Economic Growth	-0.014	-0.014	-0.006	-0.014	-0.014	-0.006
	(0.02)	(0.02)	(0.03)	(0.02)	(0.02)	(0.03)
Military Spending	-0.000	-0.000	0.000	-0.000	-0.000	0.000
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Polity	0.192***	0.189***	0.299***	0.192***	0.189***	0.299***
	(0.06)	(0.06)	(0.10)	(0.06)	(0.06)	(0.10)
Polity ²	-0.008	-0.008	-0.005	-0.008	-0.008	-0.005
	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Durability	0.019	0.019	0.013	0.019	0.019	0.013
	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)	(0.02)
Log Population	0.798***	0.784***	1.006**	0.798***	0.784***	1.006**
	(0.28)	(0.28)	(0.41)	(0.28)	(0.28)	(0.41)
FDI Inflows	-0.092	-0.077	-1.343	-0.092	-0.077	-1.343
	(2.19)	(2.16)	(2.59)	(2.19)	(2.16)	(2.59)
Majority Muslim	1.620**	1.594**	2.768**	1.620**	1.594**	2.768**
	(0.69)	(0.69)	(1.11)	(0.69)	(0.69)	(1.11)
Vote Similarity	-0.763	-0.741	-0.500	-0.763	-0.741	-0.500
	(2.41)	(2.37)	(3.02)	(2.41)	(2.37)	(3.02)
Corruption	0.026	0.029	-0.070	0.026	0.029	-0.070
	(0.41)	(0.40)	(0.55)	(0.41)	(0.40)	(0.55)
Unemployment	-0.059	-0.057	-0.089	-0.059	-0.057	-0.089
	(0.05)	(0.05)	(0.07)	(0.05)	(0.05)	(0.07)
Distance from US	-0.063	-0.061	0.022	-0.063	-0.061	0.022
	(0.09)	(0.09)	(0.13)	(0.09)	(0.09)	(0.13)
Region	0.036	0.038	0.118	0.036	0.038	0.118
	(0.18)	(0.18)	(0.24)	(0.18)	(0.18)	(0.24)
Physical Integrity	-0.815***	-0.798***	-0.933***	-0.815***	-0.798***	-0.933***
	(0.21)	(0.22)	(0.30)	(0.21)	(0.22)	(0.30)
GTD _(t-1)		0.087			0.087	
		(0.43)			(0.43)	
Polynomial			0.714			0.741
			(1.68)			(1.68)
Polynomial ²			-8.907			-8.907
			(16.17)			(16.17)
Polynomial ³			24.203			24.203
			(37.48)			(37.48)
Constant	-9.153*	-9.079*	-13.273*	-9.153*	-9.079*	-13.273*
	(5.09)	(5.00)	(7.31)	(5.09)	(5.00)	(7.31)
N	386	386	298	386	386	298
BIC	437.4	443.3	354.3	437.4	443.3	354.3

Notes: * p<0.10, ** p<0.05, *** p<0.01

Alternative Explanations

One can reject the null hypothesis because CTFP programs are negative and significantly related with the onset of terror, but in Table 2 where physical integrity rights are included as a control, GTEP is also negatively related to terror; this poses an interesting conundrum. From many theoretical perspectives, introducing guns into the region should positively increase terror. So why are we not seeing our expected outcomes from GTEP programs?

One possible explanation is the strategic nature of aid. Aid is used to help developing economies grow, recover from disasters, mitigate food crises, promote democracy, and many other outcomes. One strand of literature argues the US rewards good governance practices, therefore recipients with more stable governments and better democracy scores receive more aid (In'airat, 2014). Other literature argues the US gives aid for strategic purposes; supporting allies with aid to allocating more aid to recipients with similar UN voting records (Hoeffler and Outram, 2011). Another literature argues US aid “follows the flag” insofar as the US allocates private aid where US military bases are built and where soldiers are stationed (Fuchs and Ohler, 2019). The conclusions from the aid literature indicates the government allocates aid for a variety of reasons. Weapons allocations could have varying effects on terror because the aid is not necessarily given to the neediest recipients, but to the most strategic recipients.

Furthermore, the distribution of US counterterror aid does not reflect aid allocations to the neediest countries. As show by heat maps of terror and aid in Appendix II, the US does not allocate aid to all countries with terror, and not all countries who receive US counterterror aid have terror attacks. For example, Sudan had 612 attacks, from 2011-2016, but they received no aid. Iran had 57 GTD reported attacks with no aid, and the Central African Republic had 207 attacks but only received an aid package in 2011 when terror was at its lowest point in the time

frame. Syria had 1,809 reported attacks, but no DoD US counterterror aid. Conversely, Belize, Guatemala, Honduras, Moldova, Romania, and Estonia all received counterterror aid from 2011-2016 but had no GTD reported terror attacks (USAID, 2020; START, 2019).

A possible explanation for the lack of terror aid could be due to state sanctioned terror. According to the state department, states are determined as state sponsors of terror if the “secretary of state must determine that the government of such a country has repeatedly provided support for acts of international terrorism” (Bureau of Counterterrorism, 2017). As a response, the state department applies a wide array of sanctions including but not limited to: a ban of arms exports and sales, controls over exports of dual use items, prohibitions of economic assistance, and restrictions on other miscellaneous financial assistance. In 2011, the states officially on the state sponsored terror list were Cuba, Iran, Sudan, and Syria. Cuba was removed from the list in 2015, and the Democratic People’s Republic of Korea was added in 2017 (Bureau of Counterterrorism, 2017). While the exact mechanism for why the US does or does not allocate aid to state sponsored terror is outside the purview of this paper, the relationship between state sponsorship and aid allocation could alter the results of aid effectiveness. There are situations like Syria, where a country has a large number of reported terror attacks but no reciprocal counterterror aid which could alter the effectiveness results by skewing the distribution of terror with no reciprocal skewed distribution in aid.

A final possible explanation is the different causal mechanism for transnational terrorism and domestic terrorism. Domestic and transnational terrorism are very different. Actors usually have different motivations when committing acts of domestic versus transnational terror (Kis-Katos et al., 2011). Therefore, counterterror programs could be effective at reducing one type of terror but not the other, which could create mixed results in the models. CTFP programs could be

effective at reducing instances of both transnational and domestic terror, while GTEP programs could reduce instances of domestic terror but not transnational. The purpose of this project was to explore whether counterterror aid worked, so exploring how counterterror works is outside the purview of this paper, but how aid counters different types of terror could be a possible explanation for the GTEP results.

Discussion and Conclusion

In the paper I find education programs significantly reduce the likelihood of terror. Table 2 includes additional robustness tests by including physical integrity rights as an additional control, and the relationship between CTFP aid and the likelihood of terror is still negative and significant. Additionally, measuring aid in terms of dollar amount instead of as a binary also shows a negative relationship between CTFP aid and the likelihood of terror.

The results also indicate support for the theoretical explanation of government oversight and divertible goods. Education programs are significantly more controlled than weapons programs on multiple fronts. CTFP is particularly controlled because the training is conducted by US officials and the training often takes place in the United States (Naval Postgraduate School, 2007). Therefore, the CTFP aid cannot be diverted within the recipient country because the aid is controlled at all levels and is not focused on a physical good that can be mismanaged.

GTEP, in comparison, has a mixed relationship with terror. GTEP is less controlled than CTFP because the US trains recipient in their home countries and weapons are disbursed to recipient countries. This opens up the possibility of aid mismanagement and diversion. Once aid enters a sovereign nation, the United States no longer has any control over where the aid goes and how recipients use aid. With GTEP aid, the aid is primarily physical goods that can be

mismanaged or diverted and the United States cannot control the mismanagement or diversion because the US allocated aid to a sovereign nation. The mixed results between GTEP and terror indicate once aid leaves the hands of the US, the aid can have heterogenous effects. In some scenarios, the aid can be diverted and exacerbate the likelihood of terror, as shown by Table 1. In other scenarios aid can be used effectively, albeit not significantly, to reduce terror as seen in Table 2.

However, the results from this paper are slightly optimistic and indicate some US aid is well spent. The significant relationship between CTFP and terror indicates some US training programs are effective at reducing terror. Military and security officials are learning how to combat, respond, and prevent terror through the CTFP. In this paper I find evidence training decreases the likelihood of terror, which indicates recipients are learning effective counterterrorism strategies. Recipient military and security officials are learning skills and tactics from the CTFP and those tactics are likely working at reducing terror because, as this paper shows, the CTFP is likely reducing terror.

Whether aid serves its intended purpose is an important question when considering the multi trillion-dollar price tag of military aid over the years. In this paper I explore the underlying motivations of aid giving, aid effectiveness, and the effects of aid. The contribution of this paper is to disaggregate aid datasets and argue not all aid is equally effective. The level of oversight and diversion affects how well aid achieves intended outcomes. I hypothesize aid packages with education are more likely to reduce the likelihood of terrorism because education packages are more controlled and regulated compared to weapons aid. I found education packages are significantly and negatively related with the likelihood of terror. Weapons programs are mostly positively related with terrorism, but the relationship is not significant. When accounting for

physical integrity rights, education programs become more effective at countering the likelihood of terror and weapons programs become negatively related to the likelihood of a terror attack.

The research limitations of this paper are due to data availability and complexity of the topic. The DoD only started allocating counterterror aid specifically in 2005 and the most recent programs end in 2016, but many of the programs from 2015-2016 are regional instead of country specific. The lack of data could lead to model misspecification. Additionally, the smaller timeframe meant missing data from control variables, which could have altered the results in the final models. Finally, the main limitation of this research is due to the endogeneity issue. There is no conclusive method to account for endogeneity, and terror influencing aid flows is a very probable explanation for the results outlined in this paper. While the models show some evidence of a negative relationship between education programs and terror and including lags in the models does not remove the significance of that relationship, it is still entirely possible the relationship is reversed and terror affects whether a country receives an education program in the first place.

The mixed results of the models show more research is necessary to understand the relationship between specific aid programs and intended outcomes. CTFP programs reduce the likelihood of a terror attack but many factors could alter the effectiveness of aid such as aid strategy, state sanctioned terrorism, and the differences between transnational and domestic terrorism. Future research should focus on identifying the conditions where aid is effective. The US spends billions of dollars every year on counterterror aid: considering the mixed results on aid efficacy, why is this the case? Future research could look at the specific mechanisms for why aid works, such as whether it changes recipient behavior to prevent future terror attacks or whether the aid is focused on reducing the conditions which sprout terror in the first place.

Furthermore, research can explore other specific US programs to understand if the mixed results are consistent across all US aid outcomes. For example, research could explore whether counter narcotics programs are effective at reducing drug trafficking and violence, or whether WMD programs reduce the number of WMDs. Many scholars have added very significant and outstanding work to the aid literature and this paper attempts to add to the literature by exploring the efficacy of specific counterterror programs, but more work must be done to understand if US money is well spent.

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Appendix I:

Appendix I: Logistic Regression Program Aid on GTD Binary

	Pooled			Random Effects		
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
CTFP Mean	-0.057 (0.09)	-0.056 (0.09)	-0.050 (0.11)	-0.057 (0.09)	-0.056 (0.09)	-0.050 (0.11)
GTEP Mean	0.005 (0.00)	0.005 (0.00)	0.001 (0.01)	0.005 (0.00)	0.005 (0.00)	0.001 (0.01)
Economic Growth	-0.015 (0.02)	-0.014 (0.02)	-0.008 (0.03)	-0.015 (0.02)	-0.014 (0.02)	-0.008 (0.03)
Military Spending	-0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)
Polity	0.196*** (0.06)	0.193** (0.07)	0.305** (0.11)	0.196** (0.06)	0.193** (0.07)	0.305** (0.11)
Polity^2	-0.008 (0.01)	-0.008 (0.01)	-0.003 (0.01)	-0.008 (0.01)	-0.008 (0.01)	-0.003 (0.01)
Durability	0.019 (0.01)	0.019 (0.01)	0.012 (0.02)	0.019 (0.01)	0.019 (0.01)	0.012 (0.02)
Log Population	0.805*** (0.29)	0.791*** (0.30)	1.022** (0.43)	0.805*** (0.29)	0.791*** (0.30)	1.022** (0.43)
FDI Inflows	-0.167 (2.26)	-0.151 (2.23)	-1.350 (2.66)	-0.167 (2.26)	-0.151 (2.23)	-1.350 (2.66)
Majority Muslim	1.629** (0.71)	1.603** (0.71)	2.952** (1.18)	1.629*** (0.71)	1.603*** (0.71)	2.952** (1.18)
Vote Similarity	-0.578 (2.49)	-0.561 (2.45)	-0.544 (3.15)	-0.578 (2.49)	-0.561 (2.45)	-0.544 (3.15)
Corruption	-0.051 (0.43)	-0.047 (0.42)	-0.242 (0.58)	-0.051 (0.43)	-0.047 (0.42)	-0.242 (0.58)
Unemployment	-0.068 (0.05)	-0.066 (0.05)	-0.101 (0.07)	-0.068 (0.05)	-0.066 (0.05)	-0.101 (0.07)
Distance from US	-0.051 (0.09)	-0.049 (0.09)	0.045 (0.13)	-0.051 (0.05)	-0.049 (0.09)	0.045 (0.13)
Region	0.043 (0.19)	0.046 (0.18)	0.139 (0.25)	0.043 (0.09)	0.046 (0.18)	0.139 (0.25)
Physical Integrity	-0.862*** (0.22)	-0.845*** (0.23)	-0.990*** (0.33)	-0.862*** (0.22)	-0.845*** (0.23)	-0.990*** (0.33)
GTD t-1		0.080 (0.42)			0.080 (0.42)	
Polynomial			0.491 (1.66)			0.491 (1.66)
Polynomial^2			-6.045 (16.10)			-6.045 (16.10)
Polynomial^3			17.815 (37.42)			17.815 (37.42)
Constant	-9.863* (5.28)	-9.783*** (5.20)	-14.411* (7.68)	-9.863* (5.28)	-9.783*** (5.20)	-14.411* (7.68)
N	386	386	298	386	386	298
BIC	438.7	444.6	357.4	438.7	444.6	357.4

Notes: * p<0.10, ** p<0.05, *** p<0.01

Figure 3: GTD Attacks 2011-2016

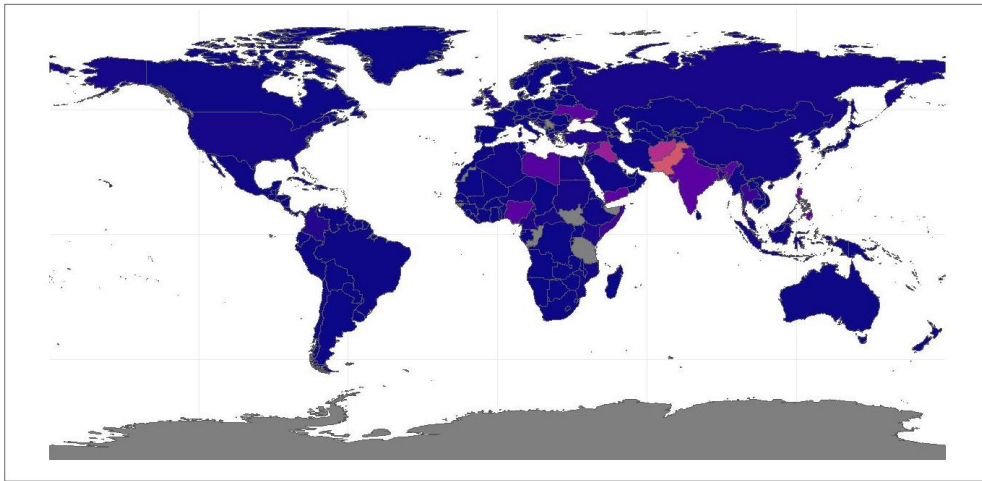


Figure 4: CTFP Spending 2011-2016

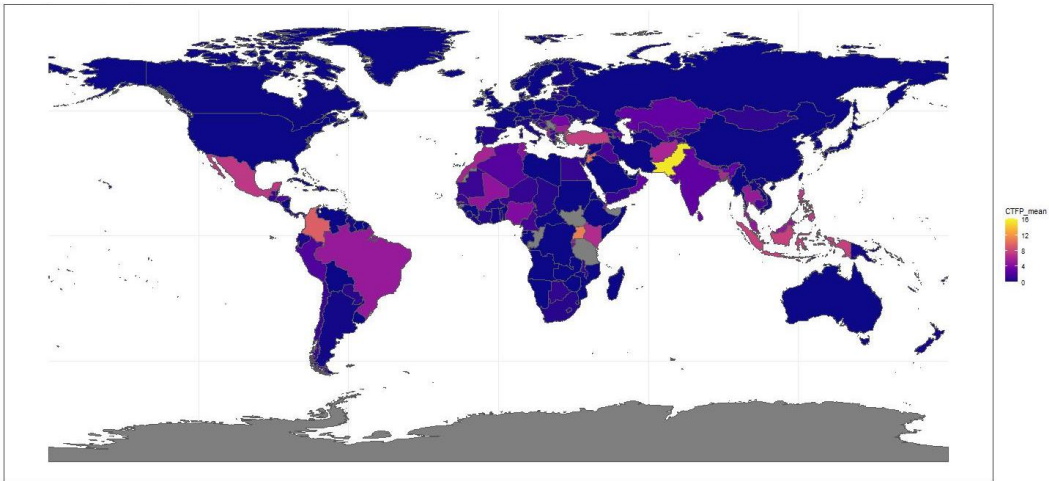


Figure 5: GTEP Spending 2011-2016

