U.S. Foreign Aid, Interstate Rivalry & Incentives for Counterterrorism Cooperation: Appendix

Overview

The appendix to "U.S. Foreign Aid, Interstate Rivalry & Incentives for Counterterrorism Cooperation" contains descriptive statistics of all independent variables used, checks for multicollinearity between covariates, and a number of robustness checks and alternative model specifications. Specifically, I show that multicollinearity is not a serious concern and, generally, the main conclusions presented in the main text do not change even when I:

- account for excess zeroes and overdispersion by implementing zero-inflated count models (ZINB and hurdle)
- employ system GMM models to correct for endogeneity between aid and terrorism
- omit observations in which a civil war is ongoing in the recipient country
- analyze Cold War and Post-911 cases separately
- include U.S. troop deployments in attack count models
- replicate the analysis using enduring rivalry data from Klein, Diehl and Goertz (2006)

Description of Control Variables

I include a number of additional explanatory variables often found to be related to the occurrence and duration of terrorist campaigns and domestic conflict. First, I use the **natural log of GDP per capita**, lagged by one year, to roughly capture the strength of a state. A less wealthy state is likely to have a more difficult time eliminating a group than is a wealthy state, so I expect this variable to have a positive effect on the probability that a group is eliminated in a given year. Data for this variable are taken from Maddison (2012).

More populous countries are thought to experience more frequent and enduring conflict (Fearon and Laitin, 2003; Fearon, 2004). To allow for this, I include the **natural log of country population**, taken from the World Bank (2010).

The superpower rivalry disappeared with the end of the Cold War, and norms about state sponsorship of terrorist groups have changed (Pillar, 2004). I thus include a **Cold War** indicator in each of the models.

The original Jones and Libicki (2006) data include other useful information about the goals and orientation of each group that may affect their duration. Groups are listed as **territorial** if their primary concern is the achievement of autonomy or independence for a piece of territory within a country. Because these pieces of territory are often located at the periphery of a country, far from the capital, they are likely to be more difficult for a state to defeat, and defeating these groups may not even be worth the effort from the point of view of the state (Fearon, 2004). Several secessionist groups operating in India's far northeast have been fighting a low-level conflict with the central government for nearly 60 years. I therefore include a dichotomous indicator that equals 1 if a group is listed as territorial in the original data, and a 0 otherwise. Another category of groups is classified as **regime change** if their goal is to replace the incumbent government. Recipient governments that are directly threatened by a terrorist group may be less willing to play the dangerous game of exploiting the threat they pose in return for future aid concessions. To account for this, I include a binary variable for these groups and anticipate that they will be more likely to be defeated by the government in a given year. A third type of group, referred to as **status quo**, are paramilitary groups that fight alongside the regime against other terrorist/rebel groups. Examples include the AUC in Colombia or the UDA in Northern Ireland. Because these groups often oppose the same groups that the regime does, the host government may be unwilling to crack down on them. I assign a binary variable to groups labeled *status quo* in the data.

A terrorist group based in a country in which numerous other groups are also based will be less likely to fail due to government action, since that government will be forced to divide its resources to face more threats, and will thus have fewer resources to bring to bear on each group. Therefore, I include a count of the total **number of groups** present in a country in

a given year.

Democracies may deal with terrorist groups in a different manner than do non-democracies. As they are more constrained to appeal to voters, they may take a more timid approach to counterterrorism (see Lyall (2010) for a summary of these arguments), which may lead to longer-lasting groups. On the other hand, the inclusive nature of democratic institutions may lead to a more rapid resolution of grievances, and thus shorter terrorist campaigns. Military regimes may also deal with terrorist groups in a particular manner. Often, military regimes exist precisely in order to destroy terrorist groups and to restore stability. Because I expect that there will be a difference in the duration of terrorist groups in **democracies** and **military regimes**, I include binary regime type indicators from Geddes, Wright and Frantz (2012) to account for this.

Another factor commonly thought to influence terrorist group durability is whether or not a group receives support from a state sponsor. Such support may include the provision of weapons, financing, training, safe havens, or other logistical support to increase the capacity and longevity of a group. This is particularly common in cases of rivalry, as states often give support rebel/terrorist groups that target a rival regime (Salehyan, 2008). I use a binary variable, taken from Carter (2012), in cases where a group is **sponsored** by a state.

For the attack count models, I also include a **civil war variable** to indicate whether a recipient was involved in a civil conflict during a particular year, as terrorism is often used as a tactic by rebel groups during domestic conflicts (Findley and Young, 2011). I take the civil war data from the UCDP/PRIO Armed Conflict Dataset (Themner and Wallensteen, 2012).

Finally, I model time dependence by following Carter and Signorino (2010) with the inclusion of a variable counting the number of years since the group was established, as well as squared and cubic terms of this variable.

Summary Statistics

Table 7 displays summary statistics for the terrorist attacks variables, taken from START (2012). Table 2 contains descriptive statistics for each of the main independent variables in both data sets: U.S. foreign aid (taken from United States Agency for International Development (2012)) and interstate rivalry (taken from Thompson and Dreyer (2011)).

Table 1: Summary of Attack Variables, 1970–2010

	Minimum	Mean	Maximum	Standard Deviation
Anti-U.S. Attacks	0	0.28	49	1.7
Non-U.S. Attacks	0	10.52	1,177	52.56
Total Attacks	0	10.80	1,180	53.28

Multicollinearity

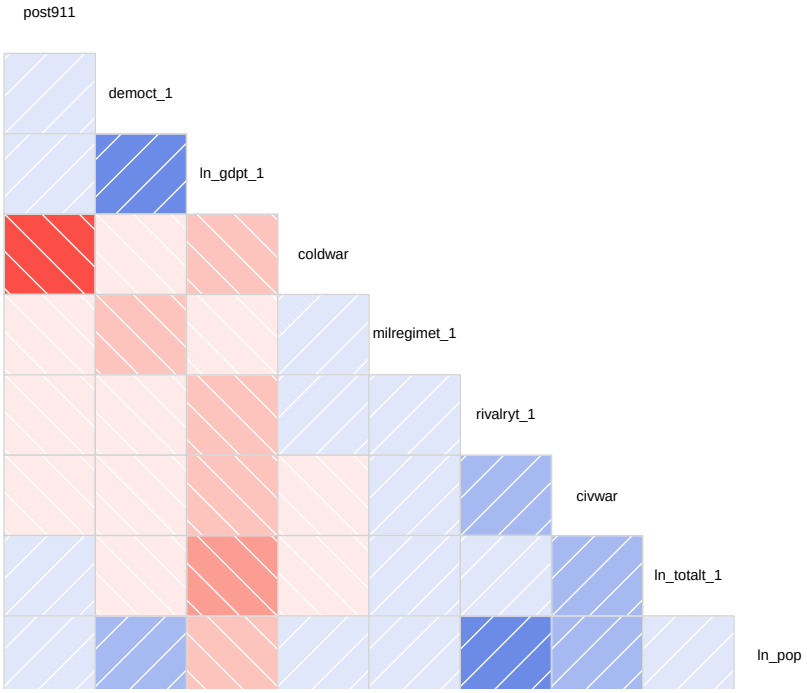
Below are correlation matrices of the variables used in both the duration and count models in the main text. These tables suggest that multicollinearity is not a worry for the results presented in Tables 1 and 2 in the main text. VIF tests on each of the models support this conclusion, as none of the variance inflation factors on non-interaction variables exceed five.

Dealing with Excess Zeros

The terrorist attacks data are overdispersed and contain a large percentage of zeros due to the fact that terrorism is a rare occurrence in many countries. Previous studies of terrorism (e.g., (Drakos and Gofas, 2006; Findley, Piazza and Young, 2012)) have dealt with this by estimating zero-inflated models.[1] However, these types of models may be inappropriate

[1]The Vuong test statistic in this case is large and significant, indicating that the zero-inflated negative binomial (ZINB) is superior to the negative binomial.

Figure 1: Correlation Plot



for studies of terrorism, as they assume that some observations simply cannot experience terrorist attacks. This is obviously not the case, since all countries are susceptible to some degree of terrorism.

For this reason, the hurdle model is more theoretically appropriate here. The occurrence of zeros and the count process are modeled separately, but unlike zero-inflated count models, the hurdle model does not assume that there are two types of zeros. Once the "hurdle" of experiencing a terrorist attack is crossed, the observed data are assumed to be the result of a count process (Cameron and Trivedi, 2013). I use the same set of covariates to specify both stages. Results of these models are presented in Table 5.

The bottom half of Table 5 contains the results of the logit modeling the occurrence of zeros (i.e., the "hurdle"), while the top half contains the truncated negative binomial estimating the count process once the hurdle has been crossed. Significant differences across the three types of attacks models are apparent. For both total attacks and non-U.S. attacks

(the top half of columns 2 and 3), total aid and the presence of rivalry significantly increase the expected number of attacks in a country. This is unsurprising, as the analyses of Neumayer and Plumper (2011) and Findley, Piazza and Young (2012) yield similar findings. The coefficient on the aid-rivalry interaction is insignificant in both models. Turning to the anti-U.S. attack count model (top half of column 4), we see that the independent effects of both total aid and rivalry lose significance, and the coefficient on rivalry becomes negative. However, the aid-rivalry interaction becomes significant in the U.S. attacks model, meaning that higher levels of U.S. aid to a recipient with a rival increases the number of anti-U.S. terrorist attacks. The fact that this is not the case for non-U.S. attacks suggests that recipient states may deliberately manipulate the type of terrorism they will tolerate, and provides further support for Hypotheses 2a and 2b.

Dynamic GMM Estimation

The second solution I implement to correct for endogeneity is to estimate a series of system GMM models, a method developed for dynamic panel data by Arellano and Bond (1991) and used by Dreher et al. (2008) and Young and Findley (2011) in their study of sectoral aid and terrorism. This method is designed for situations in which the number of time periods is small relative to the number of groups (countries, in this case), and in which the independent variables may not be exogenous. This technique has been used in foreign aid studies by Young and Findley (2011) and Dreher et al. (2008). The findings for the main independent variables in the *U.S. attacks* model (from Table 2 in the main text) do not change, and are reported below in table 6.

In the system GMM, aid and terrorist attacks are treated as endogenous, while the other covariates are considered exogenous. The validity of these assumptions was tested by applying the Sargan test on each model. The resulting statistic was insignificant in each case, meaning that the instruments are valid (Dreher et al., 2008). Finally, I applied the Arellano-Bond test for zero second-order autocorrelation, which must be rejected in order

for the estimator to be unbiased. This was the case in the *US attacks* model, but not in the *All Attacks* or *Non-US attacks* models.

Including U.S. Troop Deployments

Terrorist attacks may happen more frequently in countries where U.S. troops are deployed. Groups may see an advantage in attacking U.S. troops, making it more likely for the United States to withdraw forces from that country, and thus accomplishing a strategic goal (Neumayer and Plumper, 2011). This was likely the motivation for the 1983 attack on the U.S. marine barracks in Beirut, as well as the ostensible goal of the Taliban and the various branches of Al-Qaeda throughout the Middle East since the late 1990s. To control for the possibility that terrorism in general—and anti-U.S. terrorism in particular—is driven by the availability of targets, I re-estimate the count models presented in Table 2 of the main text, this time including a count of the total number of U.S. troops deployed in the country, taken from Kane (2012). The data span from 1970 to 2004. Results are presented in Table 8, and do not change the main conclusions. Higher U.S. troop deployments are associated with an increase in anti-U.S. attacks, but do not matter for non-U.S. attacks.

Excluding Civil Wars

Another possible objection to my results is that ongoing civil wars explain these findings. In other words, one might argue that most terrorist attacks take place during civil wars, or that the pattern of attacks in civil wars is such that my findings regarding rivalry and U.S. foreign aid are an artifact of civil wars. I include a civil war variable in all of the main models in the paper to allow for this.

While the effect of the civil war variable is always large and positive in the count models in the main text, it does not account for the findings. In Table 9, I remove the civil war cases from the data as a further assurance. The findings do not differ significantly from those presented in the main text.

Excluding the Interaction term

It is possible to argue that even states with no rivals might have incentive to play-up the threat of terrorism to continue receiving aid. If this were the case, we would expect a negative coefficient on aid in the group duration models, and a positive one in the attack count models, since aid would encourage all states, regardless of rivalry status, to inflate their terrorist threat. To ensure that this is not the case, I re-estimated the duration models without the aid-rivalry interaction. These results are presented in a section of the appendix; the estimated coefficient on each of the aid variables is not close to significance. This is not to say that

Cold War only

Tables 11 and 12 present the results of a re-estimation of the duration and count models using only observations from the Cold War years (1970-1989 in these data). Dunning (2004) and Bearce and Tirone (2010) argue that foreign aid had different effects during the Cold War due to donors' credible commitment problem. The results for the aid-rivalry interaction do not differ from those in the main text, although only *total aid* by itself is significant in the duration models, and *Rivalry* by itself becomes positive and significant in the count models, though only for non-U.S. and total attacks.

Post-911 only

Table 13 presents the results of a re-estimation of the main count models using only post-911 observations (2002-2010). It is possible that the relationship between aid and terrorism fundamentally changed after the September 11 attacks and global aid increases as part of the so-called "war on terror."

Replication using Rivalry data from Klein, Diehl and Goertz (2006)

In this section, I present results estimating both duration and count models using an alternative rivalry measure from Klein, Diehl and Goertz (2006), which is constructed using the dispute-density approach discussed in the main text. Again, the findings concerning the independent variables of interest hold.

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Table 2: Summary of U.S. Aid Variables

	Group–Year Data (duration models) 1968–2006				**Country–Year Data (count models) 1970–2010**			
	Minimum	Mean	Maximum	σ	Minimum	Mean	Maximum	σ
Economic	0	$361,400,000	$14,030,000,000	$984,030,706	0	$118,800,000	$30,640,000,000	$561,432,739
Military	0	$348,700,000	$10,220,000,000	$1,023,416,402	0	$79,350,000	$12,800,000,000	$502,263,292
Defense	0	$72,740,000	$7,184,000,000	$605,747,642	—	—	—	—
Total	0	$783,700,000	$17,670,000,000	$2,166,268,743	0	$198,400,000	$30,640,000,000	$874,971,583
Econ p.c.	0	$35.03	$1,985.00	$113.18	0	$23.67	$18,400.00	$257.65
Military p.c.	0	$56.39	$2,777.00	$232.04	0	$7.31	$2,835.00	$62.88
Total p.c.	0	$94.90	$3,276.00	$325.42	0	$31.10	$18,400.00	$269.82
Rivalry			4,079				2,297	
No Rivalry			2,428				4,227	

Table 3: Correlation matrix: Duration Data

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(1) *ln(total aid)*	1.00												
(2) *ln(econ aid)*	0.91	1.00											
(3) *ln(mil aid)*	0.72	0.60	1.00										
(4) *Rivalry*	0.26	0.19	0.20	1.00									
(5) *ln(GDP)*	-0.33	-0.38	0.01	-0.08	1.00								
(6) *Number of groups*	0.20	0.23	0.21	0.24	0.20	1.00							
(7) *ln(population)*	-0.02	0.04	-0.10	0.04	-0.10	0.47	1.00						
(8) *Democracy*	-0.08	-0.12	0.12	0.03	0.51	0.35	0.25	1.00					
(9) *Military regime*	0.06	0.07	-0.09	0.03	-0.30	-0.04	-0.03	-0.44	1.00				
(10) *Sponsored*	0.06	0.08	0.07	0.15	-0.02	0.02	-0.21	-0.02	-0.09	1.00			
(11) *Territorial*	0.11	0.13	0.11	0.08	0.07	0.36	0.19	0.19	0.01	0.08	1.00		
(12) *Regime change*	0.09	0.10	0.03	-0.04	-0.24	-0.26	-0.21	-0.25	0.11	-0.00	-0.59	1.00	
(13) *Status quo*	-0.17	-0.17	-0.15	0.10	-0.12	-0.04	0.01	0.09	-0.06	-0.03	-0.14	-0.14	1.00

Table 4: Correlation matrix: Count Data

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(1) *ln(total aid)*	1.00								
(2) *Rivalry*	-0.09	1.00							
(3) *ln(GDP)*	0.72	-0.10	1.00						
(4) *ln(population)*	-0.53	0.07	-0.30	1.00					
(5) *Military regime*	-0.02	0.30	-0.13	-0.16	1.00				
(6) *democracy*	-0.29	0.22	-0.48	-0.17	0.57	1.00			
(7) *Civil war*	-0.01	-0.28	0.07	-0.10	-0.15	-0.01	1.00		
(8) $Post-911$	-0.20	0.10	-0.25	0.22	-0.34	-0.15	0.12	1.00	
(9) *ColdWar*	0.11	-0.43	0.17	0.02	-0.55	-0.21	0.11	0.19	1.00

Table 5: Aid, Rivalry, & Terrorist Attacks: Zero-inflated count models

	TRUNCATED NEGATIVE BINOMIAL					
	Hurdle			**Zero-inflated negative binomial**		
	All Attacks	Non-US Attacks	Anti-US attacks	All Attacks	Non-US Attacks	Anti-US Attacks
Constant	-12.73**	-12.93**	-20.45	-12.65**	-12.76**	-8.41**
	[0.69]	[0.71]	[371.07]	[0.50]	[0.51]	[1.35]
$ln(Total\ Aid_{t-1})$	0.06**	0.06**	0.03	0.04**	0.04**	0.07**
	[0.01]	[0.01]	[0.02]	[0.01]	[0.01]	[0.02]
$Rivalry_{t-1}$	0.68**	0.71**	-0.49	0.17	0.18	-0.48
	[0.20]	[0.20]	[0.42]	[0.15]	[0.15]	[0.29]
$ln(Aid) * Rivalry_{t-1}$	-0.01	-0.01	0.12**	0.01	0.01	0.07**
	[0.01]	[0.01]	[0.03]	[0.01]	[0.01]	[0.02]
$ln(GDP_{t-1})$	0.33**	0.33**	0.23**	0.31**	0.30**	0.26**
	[0.04]	[0.04]	[0.11]	[0.04]	[0.04]	[0.12]
$ln(population)$	0.57**	0.58**	0.16**	0.67**	0.68**	0.24**
	[0.03]	[0.03]	[0.07]	[0.02]	[0.02]	[0.08]
$Democracy_{t-1}$	0.76**	0.75**	0.35**	0.15**	0.14**	0.02
	[0.09]	[0.10]	[0.17]	[0.07]	[0.07]	[0.14]
$Military\ Regime_{t-1}$	0.89**	0.94**	-0.22	0.71**	0.72**	0.14
	[0.16]	[0.17]	[0.27]	[0.12]	[0.13]	[0.20]
$Civil\ War$	2.16**	2.20**	0.35**	2.22**	2.27**	0.46**
	[0.10]	[0.10]	[0.17]	[0.08]	[0.08]	[0.14]
$Cold\ War$	0.28**	0.27**	0.65**	0.10	0.10	0.88**
	[0.09]	[0.10]	[0.17]	[0.07]	[0.08]	[0.14]
Post 911	-0.70**	-0.71**	0.29	-0.94**	-0.95**	-0.23
	[0.11]	[0.11]	[0.25]	[0.08]	[0.08]	[0.34]
Engogeneity bias				0.01	0.01	-0.06**
	[ ]	[ ]	[ ]	[0.01]	[0.01]	[0.02]
	ZERO INFLATION LOGIT LINK					
Constant	-12.55**	-12.19**	-14.91**	-6.29	-7.45	17.11**
	[0.47]	[0.46]	[0.69]	[7.34]	[8.32]	[2.12]
$ln(Total\ Aid_{t-1})$	0.02**	0.02**	0.05**	0.05*	0.05**	0.01
	[0.01]	[0.01]	[0.01]	[0.02]	[0.02]	[0.03]
$Rivalry_{t-1}$	-0.41**	-0.42**	-0.24	-0.60	-0.52	0.11
	[0.17]	[0.17]	[0.24]	[0.39]	[0.38]	[0.61]
$ln(Aid) * Rivalry_{t-1}$	0.06**	0.06**	0.05**	-0.06**	-0.05**	-0.08**
	[0.01]	[0.01]	[0.01]	[0.02]	[0.02]	[0.04]
$ln(GDP_{t-1})$	0.34**	0.31**	0.50**	-1.19**	-1.11**	-1.17**
	[0.03]	[0.03]	[0.05]	[0.10]	[0.10]	[0.24]
$ln(population)$	0.58**	0.57**	0.43**	-0.14**	-0.13**	-0.51**
	[0.02]	[0.02]	[0.03]	[0.05]	[0.05]	[0.10]
$Democracy_{t-1}$	0.82**	0.85**	1.00**	0.78**	0.65**	-0.03
	[0.08]	[0.08]	[0.11]	[0.19]	[0.18]	[0.25]
$Military\ Regime_{t-1}$	0.56**	0.50**	0.74**	-0.23	-0.25	-0.75**
	[0.14]	[0.13]	[0.15]	[0.22]	[0.21]	[0.33]
$Civil\ War$	1.92**	1.90**	1.06**	-2.14**	-2.04**	-2.36**
	[0.10]	[0.10]	[0.11]	[0.21]	[0.20]	[0.32]
$Cold\ War$	-0.89**	-0.91**	0.24**	7.86	7.91	2.72**
	[0.08]	[0.08]	[0.10]	[6.51]	[8.07]	[0.53]
Post 911	-1.22**	-1.19**	-1.29**	1.62	1.34	2.73**
	[0.09]	[0.09]	[0.14]	[6.67]	[8.39]	[0.65]
Endogeneity bias				-0.02	0.03	-0.03
	[]	[]	[]	[0.02]	[0.02]	[0.03]
N	7,728	7,728	7,728	7,728	7,728	7,728

Numbers in brackets are standard errors
** indicates significance at $p < 0.05$; * indicates significance at $p < 0.1$

Table 6: Aid, Rivalry, and Terrorist Attacks: Dynamic GMM Estimation

	All Attacks	Non-US attacks	Anti-US attacks
Lagged Attacks	0.96**	0.96**	0.56**
	[0.02]	[0.02]	[0.02]
$ln(Total\ aid)_{t-1}$	-0.05	-0.04	-0.01**
	[0.16]	[0.15]	[0.00]
$Rivalry_{t-1}$	1.91	2.06	-0.16
	[3.76]	[3.74]	[0.17]
$ln(Aid) * Rivalry_{t-1}$	0.12	0.11	0.03**
	[0.23]	[0.23]	[0.01]
$ln(GDP_{t-1})$	0.88	0.92	0.01
	[0.60]	[0.60]	[0.03]
$ln(population)$	1.07*	1.04*	0.05**
	[0.62]	[0.62]	[0.02]
$Constant$	-23.42**	-23.46**	-0.63
	[10.35]	[10.28]	[0.45]
N	7,728	7,728	7,728

** and * indicate significance at $p < 0.05$ and $p < 0.10$, respectively

Table 7: Arellano-Bond Test for Autocorrelation

	All Attacks		Non-US Attacks		Anti-U.S. Attacks	
	z	$Pr > z$	z	$Pr > z$	z	$Pr > z$
AR(1)	-35.39	0.00	-35.29	0.00	-25.50	0.00
AR(2)	7.03	0.00	6.97	0.00	0.34	0.75

Table 8: Count models including U.S. troop deployments

	All Attacks	Non-US attacks	Anti-US attacks
$ln(Total\ aid)_{t-1}$	0.04	0.03	0.05
	[0.03]	[0.03]	[0.04]
$Rivalry_{t-1}$	0.78	0.79	0.07
	[0.53]	[0.53]	[0.53]
$ln(Aid) * Rivalry_{t-1}$	-0.00	-0.00	0.06**
	[0.03]	[0.03]	[0.03]
$ln(GDP_{t-1})$	0.61**	0.71**	0.73**
	[0.09]	[0.17]	[0.16]
$Cold\ War$	-0.95**	-0.97**	-0.36*
	[0.14]	[0.14]	[0.20]
$Post$ 911	-1.17**	-1.21**	-0.48
	[0.18]	[0.18]	[0.44]
$ln(population)$	0.61**	0.63**	0.36**
	[0.09]	[0.09]	[0.09]
$Democracy_{t-1}$	-0.01	-0.01	0.02
	[0.26]	[0.26]	[0.25]
$Military\ Regime_{t-1}$	0.93**	0.95*	0.66*
	[0.47]	[0.49]	[0.35]
$Civil\ War$	2.60**	2.65**	1.35**
	[0.23]	[0.23]	[0.22]
$ln(U.S.\ troops)$	0.02	0.01	0.14**
	[0.05]	[0.05]	[0.04]
$Endogeneity\ bias$	0.02	0.02	-0.02
	[0.02]	[0.02]	[0.03]
$Constant$	-15.17**	-15.35**	-15.26**
	[2.18]	[2.21]	[1.77]
N	6,820	6,820	6,820

** and * indicate significance at $p < 0.05$ and $p < 0.10$, respectively

Numbers in brackets are standard errors clustered by country

Table 9: Aid, Rivalry, and Terrorist Attacks: Civil Wars Excluded

	All Attacks	Non-US attacks	Anti-US attacks
$ln(Total\ aid)_{t-1}$	0.01	0.01	0.03
	[0.03]	[0.03]	[0.03]
$Rivalry_{t-1}$	0.06	0.07	-0.28
	[0.49]	[0.51]	[0.54]
$ln(Aid) * Rivalry_{t-1}$	0.04	0.03	0.10**
	[0.03]	[0.03]	[0.03]
$ln(GDP_{t-1})$	0.48**	0.46**	0.76**
	[0.14]	[0.14]	[0.14]
$Cold\ War$	-1.02**	-1.05**	-0.41*
	[0.14]	[0.14]	[0.22]
$Post$ 911	-1.09**	-1.08**	-1.25**
	[0.20]	[0.20]	[0.35]
$ln(population)$	0.73**	0.74**	0.56**
	[0.08]	[0.08]	[0.08]
$Democracy_{t-1}$	0.20	0.19	0.12
	[0.26]	[0.26]	[0.28]
$Military\ Regime_{t-1}$	1.12*	1.16*	0.66*
	[0.59]	[0.61]	[0.39]
$Endogeneity\ bias$	0.04**	0.04**	-0.01
	[0.02]	[0.02]	[0.03]
$Constant$	-14.61**	-14.58**	-18.03**
	[1.83]	[1.84]	[1.56]
N	6,603	6,603	6,603

** and * indicate significance at $p < 0.05$ and $p < 0.10$, respectively

Numbers in brackets are standard errors clustered by country

Table 10: Aid, Rivalry, and Group Duration

	Economic	Military	Total
$ln(Aid)_{t-1}$	0.01	-0.00	0.00
	[0.02]	[0.02]	[0.03]
$Rivalry_{t-1}$	0.13	0.13	0.25
	[0.58]	[0.58]	[0.60]
$ln(GDP_{t-1})$	0.43*	0.41	0.53**
	[0.26]	[0.27]	[0.28]
$Cold\ War$	0.50*	0.49	0.67**
	[0.15]	[0.32]	[0.33]
$ln(population)$	2.85**	2.86**	3.24**
	[0.92]	[0.92]	[0.96]
$Democracy_{t-1}$	-0.48	-0.48	-0.32
	[0.43]	[0.42]	[0.44]
$Military\ Regime_{t-1}$	-1.18*	-1.19*	-1.03
	[0.65]	[0.65]	[0.66]
$Number\ of\ groups$	0.06**	0.06**	0.05*
	[0.03]	[0.03]	[0.03]
N	5,951	5,951	5,951

** and * indicate significance at $p < 0.05$ and $p < 0.10$, respectively

Numbers in brackets are standard errors clustered by country

Table 11: Aid, Rivalry, and Group Duration during the Cold War

	Military Aid	Economic Aid	Total Aid
$ln(Aid)_{t-1}$	0.05	0.05	0.06*
	[0.03]	[0.03]	[0.03]
$Rivalry_{t-1}$	-0.16	0.19	0.57
	[0.78]	[0.77]	[0.99]
$Aid * Rivalry_{t-1}$	-0.08	-0.10**	-0.11**
	[0.05]	[0.05]	[0.06]
$ln(GDP_{t-1})$	0.88**	0.82**	0.86**
	[0.20]	[0.21]	[0.19]
$Number\ of\ groups_{t-1}$	0.11**	0.13**	0.13**
	[0.03]	[0.03]	[0.04]
$ln(population)$	-0.05	-0.01	-0.02
	[0.13]	[0.13]	[0.13]
$Democracy_{t-1}$	-0.50	-0.57	-0.40
	[0.48]	[0.43]	[0.41]
$Military\ Regime_{t-1}$	-0.79	-0.71	-0.52
	[0.65]	[0.60]	[0.59]
$Sponsored$	-0.66**	-0.59*	-0.63**
	[0.33]	[0.32]	[0.33]
$Territorial$	-0.40	-0.43	-0.54
	[0.31]	[0.32]	[0.36]
$Regime\ Change$	0.51**	0.51*	0.49*
	[0.25]	[0.28]	[0.23]
N	2,959	2,959	2,959

** and * indicate significance at 5% and 10%, respectively

Numbers in brackets are standard errors clustered by country

Table 12: Aid, Rivalry, and Terrorist Attacks: 1970-1989

	All Attacks	Non-US attacks	Anti-US attacks
$ln(Total\ aid)_{t-1}$	0.01	0.00	0.05
	[0.03]	[0.03]	[0.04]
$Rivalry_{t-1}$	1.49**	1.51**	-0.15
	[0.68]	[0.68]	[0.62]
$ln(Aid) * Rivalry_{t-1}$	-0.01	-0.01	0.08*
	[0.04]	[0.04]	[0.04]
$ln(GDP_{t-1})$	1.19**	1.19**	1.30**
	[0.23]	[0.23]	[0.18]
$ln(population)$	0.54**	0.55**	0.50**
	[0.10]	[0.10]	[0.11]
$Democracy_{t-1}$	-0.37	-0.40	-0.08
	[0.35]	[0.36]	[0.35]
$Military\ Regime_{t-1}$	0.72	0.74	0.64
	[0.53]	[0.54]	[0.38]
$Civil\ War$	3.07**	3.11**	1.81**
	[0.33]	[0.33]	[0.30]
$Endogeneity\ bias$	0.05**	0.05**	0.01
	[0.02]	[0.02]	[0.03]
$Constant$	-18.79**	-18.87**	-22.24**
	[2.41]	[2.44]	[2.31]
N	4,183	4,183	4,183

** and * indicate significance at $p < 0.05$ and $p < 0.10$, respectively

Numbers in brackets are standard errors clustered by country

Table 13: Aid, Rivalry, and Terrorist Attacks: 2002-2010

	All Attacks	Non-US attacks	Anti-US attacks
$ln(Total\ aid)_{t-1}$	0.01	0.01	0.05
	[0.03]	[0.03]	[0.04]
$Rivalry_{t-1}$	-0.20	-0.24	-0.46
	[0.84]	[0.88]	[0.48]
$ln(Aid) * Rivalry_{t-1}$	0.06	0.06	0.08*
	[0.04]	[0.05]	[0.05]
$ln(GDP_{t-1})$	0.02	-0.03	0.47**
	[0.13]	[0.13]	[0.20]
$ln(population)$	0.70**	0.71**	0.51**
	[0.10]	[0.09]	[0.17]
$Democracy_{t-1}$	0.60**	0.68**	-1.05*
	[0.25]	[0.25]	[0.56]
$Military\ Regime_{t-1}$	0.45	0.51	-1.16
	[0.34]	[0.34]	[0.90]
$Civil\ War$	2.77**	2.81**	1.11**
	[0.28]	[0.29]	[0.38]
$Endogeneity\ bias$	0.01	0.01	-0.14**
	[0.02]	[0.02]	[0.03]
$Constant$	-11.48**	-11.38**	-16.29**
	[1.69]	[1.69]	[1.52]
N	1,636	1,636	1,636

** and * indicate significance at $p < 0.05$ and $p < 0.10$, respectively

Numbers in brackets are standard errors clustered by country

Table 14: Aid, Rivalry, and Group Duration (using rivalry data from Klein, Diehl and Goertz (2006))

	All Rivalries	All Rivalries
$ln(Aid)_{t-1}$	0.12*	0.05*
	[0.06]	[0.03]
$Rivalry_{t-1}$	1.17	0.23
	[0.99]	[0.50]
$Aid * Rivalry_{t-1}$	-0.13**	-0.07**
	[0.06]	[0.03]
$ln(GDP_{t-1})$	0.30	0.68**
	[0.40]	[0.14]
$Cold\ War$	0.60**	0.49*
	[0.36]	[0.31]
$Number\ of\ groups_{t-1}$	0.11**	0.09**
	[0.05]	[0.04]
$ln(population)$	3.90**	-0.17
	[1.32]	[0.13]
$Democracy_{t-1}$	0.03	-0.33
	[0.55]	[0.38]
$Military\ Regime_{t-1}$	-0.85	-1.26**
	[0.85]	[0.58]
$Sponsored$	-0.37	-0.59**
	[0.30]	[0.23]
$Territorial$	0.18	-0.54
	[0.32]	[0.39]
$Regime\ Change$	0.20	0.35
	[0.29]	[0.28]
$Status\ Quo$	0.05	-0.81*
	[0.71]	[0.50]
Country fixed effects	Yes	No
N	3,951	5,481

** and * indicate significance at 5% and 10%, respectively
Numbers in brackets are standard errors clustered by country
Cubic time polynomials are not shown.

Table 15: Aid, Rivalry, and Terrorist Attacks: Klein, Goertz, and Diehl (2006) Enduring Rivalries

	All Attacks	Non-US attacks	Anti-US attacks
$ln(Total\ aid)_{t-1}$	0.02	0.01	0.08**
	[0.03]	[0.03]	[0.04]
$Rivalry_{t-1}$	0.49	0.46	-0.23
	[0.53]	[0.53]	[0.56]
$ln(Aid) * Rivalry_{t-1}$	0.03	0.03	0.06**
	[0.03]	[0.03]	[0.03]
$ln(GDP_{t-1})$	0.68**	0.67**	0.92**
	[0.17]	[0.17]	[0.16]
$Cold\ War$	-1.00**	-1.03**	-0.40**
	[0.15]	[0.15]	[0.20]
$ln(population)$	0.64**	0.65**	0.47**
	[0.08]	[0.08]	[0.09]
$Democracy_{t-1}$	0.14	0.11	0.27
	[0.24]	[0.24]	[0.27]
$Military\ Regime_{t-1}$	1.25**	1.27**	0.93**
	[0.57]	[0.58]	[0.38]
$Endogeneity\ bias$	0.03	0.03	0.02
	[0.02]	[0.02]	[0.04]
$Constant$	-15.05**	-15.06**	-18.26**
	[1.79]	[1.80]	[1.87]
N	5,951	5,951	5,951

** and * indicate significance at $p < 0.05$ and $p < 0.10$, respectively

Numbers in brackets are standard errors clustered by country