



APPENDIX I

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EFFECTS OF SWEDISH AND INTERNATIONAL DEMOCRACY AID
APPENDIX I. SYSTEMATIC REVIEW METHODOLOGY

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Appendix I. Systematic Review Methodology

Appendix I till Rapport 2020:07
till
Expertgruppen för biståndsanalys (EBA)

Please refer to the present report as: Niño-Zarazúa, M., Gisselquist R. M., Horigoshi, A., Samarin, M., Sen, K. (2020), *Effects of Swedish and International Democracy Aid*, EBA Report 2020:07. Appendix I. Systematic Review Methodology. The Expert Group for Aid Studies (EBA), Sweden.

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ISBN 978-91-88143-61-7

Printed by Elanders Sverige AB
Stockholm 2020

Cover design by Julia Demchenko

Appendix I. Systematic Review Methodology

In this section, we present the systematic review methodology.

Search Protocol

We conducted a systematic review following the Cochrane Handbook for Systematic Reviews and Interventions (Higgins and Green, 2008) and PRISMA guidelines (Moher et al., 2009). The search was formally conducted in February 2020 and replicated independently in March 2020 for transparency and thoroughness. Permutations of the following search terms were used to capture all available publications regarding the impact of democracy aid on democratic outcomes, namely: “democracy aid”, “democracy assistance”, “quantitative”, “democracy”, “impact”, “outcome”, “foreign assistance”, “foreign aid”, and “good governance”. The search was conducted through a search engine that aggregates from the following repositories: EBSCOhost, HeinOnline, HathiTrust, Academic Search Complete, ProjectMUSE, ScienceDirect, JSTOR, Gale, Springer, SAGE, and Oxford Research. The search was also carried out in Google Scholar. Furthermore, the bibliographies of published reviews regarding democracy and foreign aid were cross-referenced, to ensure our review did not omit any critical publications.

We restricted the search parameters to the time frame 1990–present. We also specified that search terms did not just assess titles, but the entire text of the publication, in order to capture papers of substantive interest. Results were refined to exclude patents and citations. The search was conducted for English-language sources, but we also re-ran the search protocol in Spanish, French, and Portuguese, which resulted in an additional two eligible publications. The search protocol (not including the non-English language search) yielded 145,861 results, disaggregated by each search term below:

- 1) *democracy aid + quantitative* = 679 publications
- 2) *democracy assistance + quantitative* = 1 880 publications
- 3) *democracy aid + democracy + impact* = 1 840 publications
- 4) *democracy assistance + democracy + impact* = 6 780 publications
- 5) *democracy assistance + democracy + outcome* = 6 470 publications
- 6) *democracy assistance + good governance* = 3 060 publications
- 7) *democracy aid + good governance* = 852 publications
- 8) *foreign assistance + democracy + outcome* = 17 200 publications
- 9) *foreign assistance + democracy + impact* = 17 700 publications
- 10) *foreign aid + democracy + impact* = 36 000 publications
- 11) *foreign aid + democracy + outcome* = 23 500 publications
- 12) *foreign aid + good governance* = 10 200 publications
- 13) *foreign assistance + good governance* = 10 200 publications

What is already apparent in this first-stage search is that studies pertaining to general foreign aid are far more numerous than those specifically aimed at democracy assistance. Of these results, 145,711 publications were eliminated in the identification stage, leaving a total of 165 studies to be screened for inclusion into the review.

Inclusion criteria

Since this systematic review adopts a PICO framework, we only selected studies to include in the final review if they quantifiably analysed the impact of foreign assistance—specifically democracy assistance—upon democratic outcomes. In order to determine this, the reviewers read the abstracts of each publication that turned up in the initial search, identifying from that abstract if that study addressed the relationship directly or not and if it employed quantitative methods to do so. Thus, publications were firstly eliminated because they were not substantively relevant or because the publication did not employ quantitative methods.

Some papers identified were immediately relevant in topic and approach, but relied solely on qualitative methodology. Search results returned over 200 such qualitative papers, which were not included in the systematic review, but demonstrate the breadth of

this research agenda. Additionally, our search identified 20 review publications, plus two meta-analyses ([Askaroy & Doucouliagos, 2013](#); [Doucouliagos & Paldam, 2009](#)), all of which we used in cross-referencing relevant publications, as well as to generally assess the state of the literature. To our knowledge, no review of democratic aid and its impact has yet utilized a systematic review approach. The two meta-analyses that we identified were informative; however, neither addressed the broader context or mechanisms of democracy aid, which is a central focus and contribution of this study.

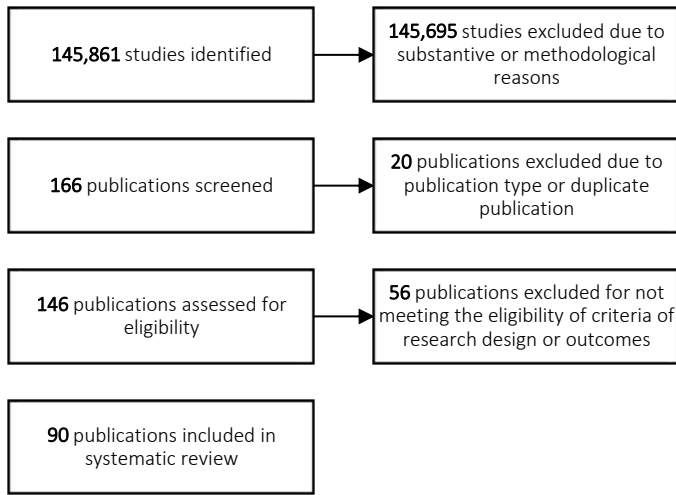
From our initial identification stage, 165 eligible publications remained, which were then screened. In this screening stage, we excluded from the set of eligible papers: theses, dissertations, duplicate publications, and reports that were not peer reviewed. We did include academic discussion papers and working papers, but excluded policy papers or publications not intended for an academic audience. This left a total of 145 publications for eligibility review.

In this final eligibility stage, we identified and kept only those studies that utilize quantitative methods to assess the impact of foreign assistance, conceptualized aid as an intervention with cross-national comparability, and specified quantifiable outcomes and results of this relationship. Although critical for understanding the micro-mechanisms of aid delivery and effectiveness, field experiments and randomized controlled trials conducted in small subnational units of analysis within single-country case studies were eliminated because of their weak cross-national comparability ([Driscoll and Hidalgo, 2014](#); [Hyde, 2007](#); [Mvukiyehe and Samii, 2015](#)). Nonetheless, we consulted these studies for the purpose of understanding possible underlying mechanisms behind our general findings.

The intent of this systematic review is to ascertain the impact of democracy aid after it has been approved for allocation, not donor behaviour necessarily; therefore, papers for which the dependent variable was aid allocation were not included. This left us with publications that identified direct government-to-government assistance or assistance transferred through IGOs and for which the dependent variable was a quantifiable democracy or good governance outcome.

Ultimately, our systematic review included 90 publications in which the research design identified the relationship between foreign aid from an external entity upon democratic outcomes in recipient countries. See Figure 1.

Figure A 1. Systematic review search protocol and study selection



Source: Authors

Table A1. Synthesis of evidence matrix

Author(s)	Study Focus	Type of Aid Intervention	Democratic Outcome	Estimation Methods	Direction of Effect	Level of statistical significance	Intermediate Channel(s)	Main Finding
(Ahmed, 2012)	Total foreign aid	Not specified	Years in office, Turnover, Regime Collapse (DPI)	Fixed-effects probit model; IV probit; OLS model	(-) (like oil, aid restricts democratic development)	Discontent (**) Turnover (**) Regime collapse (***)	Unearned foreign income funds patronage and raises prospects for government survival, particularly magnified in autocratic politic, through two channels: by directly financing patronage (an income effect) or by diverting funds from welfare to patronage (a substitution effect).	Both foreign aid and remittances permit governments in more autocratic polities to divert resources to finance strategies and policies that prolong their time in office, similar to the effects associated with the 'resource curse' prevalent in many oil-rich states.
(Altincekic & Bearce, 2014)	Total foreign aid	Not specified	Domestic tax burden (WDI); Social spending on education and health (WDI); Military spending (WDI); CIRI Physical Integrity Rights index	Error correction model; OLS model with robust standard errors	(+) (foreign aid does not hinder democratization)	Tax burden (***) Social spending (*) Military spending (***) Physical integrity (***)	Repression and appeasement serve as the primary intermediate variables of aid, allowing autocratic governments to avoid democratization.	Foreign aid should not hinder democratization, because it is poorly suited as a revenue source to paying for either appeasement or repression as alternatives to democratization given aid's relative infungibility, conditionality, and volatility over time.
(Altunbas & Thornton, 2014)	Total foreign aid	Not specified	Polity IV index	Random effects OLS; random effects IV; fixed effects IV; system GMM	(+)	RE-OLS (***) RE-IV (**) FE-IV (**) Sys GMM (***)	Quality of governance is the best channel to improve democracy via aid	Foreign aid inflows have a small, positive and statistically significant impact on democratic development over time, which would likely increase if aid programmes focused more on improving the quality of governance.
(Arvin & Barillas, 2002)	Total foreign aid	Not specified	Freedom House index	Granger bivariate and trivariate models	(-) for LIC regions; elsewhere is (+), but not statistically significant	Foreign aid (N)	Aid helps raise the population's education level, which empowers the poor and leads to a more democratic society	Results vary considerably across developing countries' geographic and income characteristics, demonstrating the role of donor interest and recipient need.

Author(s)	Study Focus	Type of Aid Intervention	Democratic Outcome	Estimation Methods	Direction of Effect	Level of statistical significance	Intermediate Channel(s)	Main Finding
(Askarov & Doucouliagos, 2015)	Total foreign aid	Not specified	Polity index; WGI indicators	pooled OLS; OLS with lagged aid; IV and system GMM	(+) or neutral, not statistically significant	Polity (**) Governance (N)	Aid can catalyze democratic reform through technical assistance to develop institutions: electoral processes, strengthen legislatures and judiciaries, and promote free press and civil society.	Aid flows have a non-linear effect on democracy and governance quality, but contribute to democratization, especially upon executive constraints and political participation for transition countries.
(Asongu & Nwachukwu, 2016)	Total foreign aid	Not specified	Political stability; Government effectiveness; Control of corruption (WDI)	instrumental variable 2SLS model	(-) for economic and institutional governance; Neutral or insignificant for political governance	Political stability (***) Government effectiveness (***) Control of corruption (***)	Not specified; mentions that aid can be used to induce reform and development	Development assistance deteriorates regulation quality, government effectiveness, corruption control, and rule of law governance, but has an insignificant effect on political stability, voice, and accountability governance. Foreign aid may not actually influence democratic political outcomes in Africa.
(Asongu, 2012)	Total foreign aid	Not specified	Control of corruption index (World Bank ADI); Corruption perception index (World Bank ADI)	HAC two-stage least squares (TSLS); instrumental variable (IV) model; OLS; GMM	(-) (may fuel corruption in Africa)	GDP (***) Multilateral aid (**) DAC aid (***)	Not specified	A positive aid-corruption nexus exists, whereby development assistance fuels corruption or mitigates the regulation of corruption in African continent.

Author(s)	Study Focus	Type of Aid Intervention	Democratic Outcome	Estimation Methods	Direction of Effect	Level of statistical significance	Intermediate Channel(s)	Main Finding
(Asongu, 2015)	Total foreign aid	Not specified	Rule of law; Regulation quality; Corruption control; Government effectiveness; Voice and accountability; Political stability; Corruption and democracy (WDI and Transparency International)	quantile regression; OLS	(-) or (+), depending on institutional quality	Rule of Law: Q1 (**) (-) Q90 (N) Government Effectiveness: Q1 (*) (-) Q90 (N) Voice and Accountability: Q1 (*) (+) Q90 (**) (-) Corruption : Q1 (***) (+) Q90 (N) Regulation Quality: Q1 (***) (-) Q90 (N) Political Stability: Q1 (N) Q90 (N) Democracy: Q1 (*) (-) Q90 (***) (+) Control of Corruption: Q1 (N) Q90 (N)	Not specified, but implies institutional quality	Foreign-aid is less perilous to institutional development when existing institutional development is low. (1) Institutional benefits of foreign-aid are contingent on existing institutional levels in Africa, (2) foreign-aid is more negatively correlated with countries of higher institutional quantiles than with those of lower quantiles, (3) the government quality benefits of development assistance are questionable in African countries irrespective of institutional quality level.
(Bancalari, 2015)	Total foreign aid	Not specified	GDP per capita growth (World Bank ECLAC)	Fixed effects model	(+) only for years 1960-1979; not significant for LIC Latin American countries	1960-1980 (***) 1990-2009 (N)	Institutions, as instruments for growth	Foreign aid has a positive impact on GDP per capita growth only for period 1960-1979 and when conditioned to macroeconomic stability and institutional capacity. Foreign aid also has a negative impact on economic growth in LICs in Latin America, suggesting aid-dependency could be hampering growth.

Author(s)	Study Focus	Type of Aid Intervention	Democratic Outcome	Estimation Methods	Direction of Effect	Level of statistical significance	Intermediate Channel(s)	Main Finding
(Beaulieu & Hyde, 2009)	Election aid	Project intervention	Binary variable, whether boycott occurs and whether election is observed	Logit model	(-) (intl observers discourage opposition candidates from participating in elections)	Internationally observed (**)	1) Incumbents use strategic manipulation to select forms of electoral manipulation that observers are less likely to catch 2) opposition parties, because of that strategic electoral manipulation, are more likely to devote resources to discredit the incumbent by boycotting elections.	The presence of international observers is associated with a significant increase in the probability that a boycott will occur, suggesting international variables may influence electoral politics at the domestic level.
(Bermeo, 2011)	Total foreign aid	Not specified	Democratic transition (Przeworski et al 2000/ Cheibub, et al 2010)	Logit model	(+) when donor is democratic	Democratic Aid (*) Authoritarian Aid (**)	Any conditionality from democratic donors is less effective when the recipient can also rely on funding from a non-democratic donor.	Aid from democratic donors does not entrench authoritarian regimes in post-Cold War period, but is often positively associated with the probability of democratic transition. This relationship may be a result of aid directly affecting democratization, or of democratic donors disproportionately channelling aid to countries where democratization is more likely to occur. Authoritarian donors are not driven by the same intent, so authoritarian sources of aid lowers probability of transitioning to democracy.

Author(s)	Study Focus	Type of Aid Intervention	Democratic Outcome	Estimation Methods	Direction of Effect	Level of statistical significance	Intermediate Channel(s)	Main Finding
(Bermeo, 2016)	Total foreign aid	Not specified	Polity2 and Polity IV indices; Freedom House Political Rights and Civil Liberties index	logit model	(-) in Cold War period; (+) in post-Cold War period	Cold War (**) Post-Cold War (N)	Foreign aid is not oil; it involves government-to-government resource transfers. As such, the priorities and preferences of governments in both states determine whether or not the aid will lead to change.	Donors can alter the composition of aid over time and across recipients, varying the extent to which authoritarian governments use aid to their advantage. Evidence from Cold War period and to strategically important recipients suggests aid may have antidemocratic properties. However, donors can also reallocate aid within authoritarian recipients to prevent antidemocratic effects.
(Birchler et al., 2016)	Total foreign aid	Budget support	Polity2 index	Panel estimation with fixed effects (two-way fixed effects)	(+) (IFI-SAP and IFI-PRS programs strengthen domestic accountability mechanisms), not statistically significant otherwise	WB-INV (N) IMF-STB (N) IFI-SAP (***) IFI-PRS (**)	Reducing aid inflow fungibility; if aid is fungible, autocratic regimes can allocate it for their own purposes. Conditioning aid to institutional reforms for inclusive and transparent political processes, reduces aid fungibility.	Aid positively affects democratization when it strengthens domestic accountability mechanisms, which reduces its fungibility for recipients. World Bank and IMF lending for poverty reduction and structural adjustment programs positively affects democratization when it strengthens domestic accountability mechanisms.

Author(s)	Study Focus	Type of Aid Intervention	Democratic Outcome	Estimation Methods	Direction of Effect	Level of statistical significance	Intermediate Channel(s)	Main Finding
(Bjørnskov, 2010)	Total foreign aid	Not specified	Shares of national populations belonging to five income quintiles (WIID)	Random effects feasible least squares model; instrumental variables approach	(-) (uneven distribution toward elites)	Quantile 1 (**) (-) Quantile 3 (*) (-) Quantile 5 (**) (+)	Differential effects of foreign aid depend on level of democracy; differential effects of democratization, depend on size of aid inflows. Five potential mechanisms: 1) institutional reforms often accompany democratization; 2) democratic policy failures; 3) Dutch disease-like phenomena; 4) vote buying and grab-and-run politics in democratic transition; and 5) donor efforts at monitoring aid use.	Foreign aid may or may not bias income distribution by enabling elites to 'steal' donor funds. However, a moral paradox arises in that foreign aid is associated with national income distribution skewed in favour of the richest population groups.
(Boone, 1996)	Total foreign aid	Not specified	Aid as ratio of GNP; Public and private investment; Indirect inflation; Infant mortality; Birth rate (World Bank)	Regression OLS; fixed effect (FE) and IV regressions	(-) (aid does not decrease poverty, but enlarges government)	Aid (**) Public and private consumption (N) Investment (N)	Aid may alleviate poverty via 1) capital market imperfections 2) fiscal policy political regimes.	Aid does not significantly increase investment, nor benefit the poor, but it does increase the size of government. Only in small countries or high aid receiving countries does it lead to higher investment. Aid's impact is insignificant on basic human development measures and investment 1971-1990.
(Bosin, 2012)	Democracy aid; Election aid	Project intervention	Freedom House index; Polity IV index	one-level time-series cross-sectional analysis	(-)	FH (*) Polity (N)	Not specified	Overall, FSU leaders were incentivized to misrepresent commitments to democracy, so US democracy aid has had little to no effect on democratization in the FSU, which is best explained by a combination of domestic, economic, and cultural factors.

Author(s)	Study Focus	Type of Aid Intervention	Democratic Outcome	Estimation Methods	Direction of Effect	Level of statistical significance	Intermediate Channel(s)	Main Finding
(Bratton & Van de Walle, 1997)	Total foreign aid	Not specified	Freedom House index	OLS regression	(+)	Political liberalization (*) Democratization (**)	Democratization derives from dialectical, conflict-based political change involving popular action for political representation against incumbent elites.	Democratization in Africa is a challenging long-term institution-building project, but many African countries are able to overcome the many obstacles in order to install democratic regimes, including through foreign assistance.
(Bräutigam & Knack, 2004)	Total foreign aid	Not specified	ICRG Quality-of-Governance index	OLS and 2SLS	(-)	OLS (***) 2SLS (***)	High levels of aid may inhibit governance improvements by weakening institutions through the high transaction costs that accompany aid, donor project fragmentation, problems of 'poaching', obstructing opportunities to learn, and impacting the budget process. Indirectly, high levels of aid can make it more difficult to overcome collective action problems in building a capable, responsive state.	In Africa, higher aid levels have a negative effect and are associated with larger declines in quality of governance and tax revenues as a share of GDP, particularly when corrected for the tendency of donors to give more aid to African countries with improved governance, even when controlling for per capita GDP and violence.
(Breuning & Ishiyama, 2007)	Total foreign aid	Not specified	Political stability (WGI)	OLS regression	(-) (does not lead to greater stability)	Average aid (N)	Not specified	Internal political variables are far more important in explaining political stability in post-conflict societies than external variables like provision of foreign aid. In terms of timing, providing aid later as opposed to earlier does not necessarily promote political stability.

Author(s)	Study Focus	Type of Aid Intervention	Democratic Outcome	Estimation Methods	Direction of Effect	Level of statistical significance	Intermediate Channel(s)	Main Finding
(Busse & Gröning, 2009)	Total foreign aid	Not specified	Corruption; Law and order; Bureaucracy quality; Composite indicator of all three (ICRG)	instrumental variable estimation; one-step system-GMM estimator	(-)	Aid (**)	Not specified	Aid has a small but negative impact on governance. Noting the limitations of using aggregate data, the study supports a negative aid-governance nexus.
(Carnegie & Marinov, 2017)	Total foreign aid	Not specified	CIRI Respect for human rights and human empowerment index; Polity IV index	Two-Stage Least Squares estimates	(+), but only in short term	CIRI (***) Polity (***)	Conditionality of aid incentivizes recipients to make rapid adjustments in order to receive aid and the European Commission is able to leverage these adjustments to promote reforms in recipient countries.	When a colony's former colonizer holds the Council presidency, a statistically significant increase in aid is committed to the former colony. Temporary reforms occur in recipient countries in the short term. Human rights reforms begin immediately, whereas democracy reforms occur after a slight delay.
(Charron, 2011a)	Total foreign aid	Not specified	Corruption (PRS International Country Risk Index)	Two-stage generalized method using GMM and Two-Stage Least Squares (2SLS)	(+) for multilateral aid; not statistically significant for bilateral aid	Bilateral Aid (N) Multilateral Aid (**)	Not specified, but admits that bilateral and multilateral aid channels matter.	The anti-corruption movement adopted by all major IOs in the form of multilateral ODA aid is an effective strategy in combating corruption in developing states, while bilateral ODA is either a negative or insignificant determinant of corruption levels in recipient countries.
(Cornell, 2013)	Democracy aid	Not specified	Freedom House index; Polity index	OLS coefficients with panel corrected standard errors	(+) for one-party regimes; (-) for multiparty or military regimes	Hadenius & Teorell typology (***) Cheibub, Gandhi & Vreeland typology (***)	Functioning, stable political institutions are key, as they can serve as channels for implementation of democracy aid.	Democracy aid's effect on democratic development is related to political regime type; it has a positive effect on democratic development in one-party regimes, but not in military or limited multiparty regimes and the greatest effect in authoritarian regimes with perceived stability and institutionalized cooperation.

Author(s)	Study Focus	Type of Aid Intervention	Democratic Outcome	Estimation Methods	Direction of Effect	Level of statistical significance	Intermediate Channel(s)	Main Finding
(Csordás & Ludwig, 2011)	Total foreign aid	Not specified	Freedom House Political Rights Index; Polity index	Regression with FE and GMM estimator	(+) (except in developing countries without strong institutions)	FH PRI (***) Polity (***)	Not specified	Foreign aid helps stabilize democratic institutions in recipient countries (stabilizing effect), but does not lead to a transition towards democracy. Countries with less democratic neighbours also tend to be less democratic (neighbour effect). The stabilizing effect is multiplied by the neighbour effect. Only in developing countries that lack certain democratic institutions will aid not induce democratic transitions.
(Dietrich & Wright, 2013b)	Democracy aid; Total foreign aid	Not specified	Multi-party transitions; Multi-party failure; Incumbent turnover (WDI)	Probit model with RE	(+) for economic aid; not statistically significant for democracy aid;	Multi-party transition Dem aid (N) (-) Econ aid (*) (+) Incumbent turnover Dem aid (**) (-) Econ aid (**) (+)	The pressure that donors apply for specific political reforms to states dependent on economic aid helps persuade incumbent regimes to pursue multi-party political reform.	Economic aid increases prospects for multi-party transitions, while democracy assistance is only correlated with other aspects of democratic development. Alternatively, there is little evidence that economic aid or democracy assistance harms democratic development.
(Dietrich & Wright, 2014)	Total foreign aid	Not specified	Multipartyism; Multiparty failure: Electoral misconduct; Opposition vote share (WDI)	OLS and instrumental variables approach (OLS, IV, and IV Probit)	(+) or not statistically significant (does lead to multiparty, aid stabilizes it)	OLS (*) IV OLS (*) IV Probit (*)	(1) Donors attach political reform conditions to economic aid and (2) donors directly invest in democracy promotion linking activities aimed at strengthening governance institutions and civil society.	Economic aid is a catalyst for transition to multiparty party regimes, but democracy aid stabilizes multiparty regimes and decreases the incidence of electoral misconduct, which increases horizontal accountability. Thus, the primary channel through which democracy promotion occurs is government-led political reform, as long as it does not threaten incumbents.

Author(s)	Study Focus	Type of Aid Intervention	Democratic Outcome	Estimation Methods	Direction of Effect	Level of statistical significance	Intermediate Channel(s)	Main Finding
(Djankov et al., 2008)	Total foreign aid	Not specified	DPI Checks and balances variable; Polity IV index	OLS, IV approach (IV cluster robust, GMM, GMM cluster robust)	(-) (aid decreases quality of institutions)	Not specified	Not specified, but equates aid to oil rents	Being dependent on foreign aid results in worsening democratic institutions, akin to the curse of oil effect.
(Dunning, 2004)	Total foreign aid	Not specified	Freedom House index	instrumental variables (2SLS) regression	(+) in post-Cold War period	1975-1986 (N) 1987-1997 (*)	Institutions and a 'credible commitment' mechanism limit the feasibility of aid conditionality in the post-Cold War era; whereas a 'moral hazard' mechanism functions in Cold War era.	No statistically significant relationship emerges between ODA and democracy 1975-1986, but the relationship is positive and statistically significant 1987-1997. The causal impact of aid on regime type is historically contingent in sub-Saharan Africa.
(Dutta et al., 2013)	Total foreign aid	Not specified	Polity IV index	(OLS) with two-way fixed effects; (GMM) estimator: difference and system; instrumental variables (IV) approach using (2SLS)	(+) for democracies; (-) for autocracies	Aid x democracy (***) Aid (autocracies) (**)	Because of constraints on executive power, democracies pursue better economic policies than dictatorships. When a democracy receives foreign aid, it will become more democratic and adopt better policies leading to higher economic growth, while dictatorships prevent better policies being adopted and hinder economic growth.	There is a modest impact of aid on recipient political institutions, which strengthens institutional orientations already in existence within states. Aid may help ensure democratic countries remain democratic and dictatorial countries remain dictatorships.

Author(s)	Study Focus	Type of Aid Intervention	Democratic Outcome	Estimation Methods	Direction of Effect	Level of statistical significance	Intermediate Channel(s)	Main Finding
(Ear, 2007)	Total foreign aid	Not specified	Voice and accountability VA; Political stability PS; Government effectiveness GE; Regulatory quality RQ; Rule of law RL; and Control of corruption CC (WGI)	Series Cross Sectional OLS and two-staged least squares (2SLS) model with country fixed effects	(-) (and technical assistance may increase (-) impact)	VA (N) PS (N) GE (**) RQ (**) RL (*) CC (**)	Weakened institutional capacity siphons off scarce talent from public sector, weakens accountability, encourages rent seeking and corruption, foments conflict over control of aid funds, and alleviates pressures to reform policies and institutions.	Aid dependence negatively affects various dimensions of governance, particularly rule of law. Components of aid, like technical cooperation, negatively impact the dimensions of governance they are intended to affect. Greater attention must be paid to the elements that make up aid itself.
(Edgell, 2017)	Legislative and political party aid; Democracy aid; Total foreign aid	Project intervention	Binary variable, whether or not country adopts gender quota for lower chamber of national legislature (Quota Project)	discrete logistic event history models	(+) if US general aid, not if US aid for women empowerment	US Aid (***) Women's Empowerment Aid, excl. US (*) US Women's Empowerment Aid (N)	1) Elites in an aid reliant countries may adopt policies that appease donor expectations regarding human rights and democratization 2) by supporting women's organizations, foreign aid contributions may further empower grassroots mobilization advocating for adoption of quotas.	In general, less democratic countries are more likely to adopt gender quotas only as their reliance on general US foreign aid increases. This effect is not driven by US democracy promotion or women's empowerment programmes (although interventions from other DAC countries are more successful), since these quotas serve as signals to improve their international reputation.
(Fielding, 2014)	Democracy aid; Election aid; Human rights aid; Participation and civil society aid; Legislative and political party aid; Media and information aid; Total foreign aid	Not specified	Voice and accountability index (WGI); Freedom House Freedom of the Press index	Tobit regression; OLS regression	(-)	Tobit (***) Dynamic Panel Estimates (***) Dynamic Poisson Model (***)	For a given level of institutional engagement, increased cash flow is a signal of approval to the recipient regime that indicates relaxed political conditionality. Managing governance aid inflows also puts pressure on the resources of civil society groups, worsening their overall effectiveness.	A negative relationship exists between variation in political rights over time and variation in governance aid. In some countries, certain types of aid can lead to improvements in political rights, depending on the understanding of institutional characteristics, but often increasing the amount of governance aid to a particular country worsens political outcomes.

Author(s)	Study Focus	Type of Aid Intervention	Democratic Outcome	Estimation Methods	Direction of Effect	Level of statistical significance	Intermediate Channel(s)	Main Finding
(Finkel et al., 2007)	Democracy aid; Participation and civil society aid; Election aid	Project intervention(U SAID)	Freedom House index; Polity IV index; World Bank Government Effectiveness index	Hierarchical longitudinal growth model or individual growth curves; instrumental variables and GMM approaches	(+) (except for Human Rights promotion)	FH (**) Polity (**) Elections (**) Rule of Law (**) Human Rights (**) Civil Society (**) Mass Media (*) Governance (**)	For democratization, democracy assistance can be a macro-international mechanism that overcomes adverse social conditions or micro-international mechanism that targets democratic agents	Funding local action of individuals, political organizations, and social movements can translate into democratic change in the short run. USAID democracy aid has clear and consistent positive impacts on democratization (except for human rights promotion), but democracy programs may take several years to mature.
(Freytag & Heckelman, 2012)	Democracy aid	Project intervention(U SAID)	Freedom House NIT indicators	OLS and Tobit models	(-) or not significant	General Aid (N) Civil society (*) Corruption (N) Elections (*) Governance (N) Judicial (**) Media (**)	External support increases the chances of domestic governments pursuing policy reform, particularly institutional reforms. If external support strengthens media, education, and civil society, it can help maintain structure and enhance reform processes.	Despite assistance from USAID, Eurasian and Eastern European countries are generally unable to maintain and improve their democratic environment in the years after 1998. The positive influence of US aid is mainly limited to judicial framework, civil society, media independence, and electoral processes, but does not significantly affect governance and corruption.

Author(s)	Study Focus	Type of Aid Intervention	Democratic Outcome	Estimation Methods	Direction of Effect	Level of statistical significance	Intermediate Channel(s)	Main Finding
(Gibson et al., 2015a)	Total foreign aid; Election aid	Technical assistance	Political concessions by leader to opposition groups (NELDA)	OLS and probit models with GMM estimator	(+) (technical assistance lends more political concessions and less patronage spending)	OLS (**) Ordered Probit (*) GMM (***)	Patronage networks vary by cultural, economic, and political institutions, but each ruler seeks to ensure his incumbency and so devotes resources necessary to those he must buy off. This indirect monitoring makes misappropriation of resources more difficult by increasing the costs of avoiding detection. Directly and indirectly, this reduces the amount aid a leader can use for his patronage network as technical assistance programs dampen use of patronage.	While other factors play pivotal roles in Africa's political liberalization, technical assistance explains the timing and extent of Africa's democratization. Increased levels of technical assistance reduced African incumbent patronage resources, driving them to bequeath greater economic and political rights to political opposition.
(Goldsmith, 2001)	Total foreign aid	Not specified	Freedom House Political Freedom Index	Cross-sectional time-series analysis: instrumental variable approach; two-stage least squares	(+)	ODA (**) ODA lagged 1 year (***) ODA lagged 5 years (***)	Moral hazard serves as the mechanism for perverse political impact of foreign aid.	A small positive relationship exists between aid and democracy indicators and economic liberalism. African states have gained more than they have lost by taking aid.

Author(s)	Study Focus	Type of Aid Intervention	Democratic Outcome	Estimation Methods	Direction of Effect	Level of statistical significance	Intermediate Channel(s)	Main Finding
(Grimm & Mathis, 2018)	Democracy aid	Not specified	Freedom House indices	time-series cross-sectional approach with ordinary least square (OLS) regressions with random effects	(-) with statistically insignificant effects captured by other variables	Democracy Assistance (***)	Direct democracy promotion targets core political institutions and processes and democratically oriented and politically involved actors, individuals, and groups. Direct democracy promotion is exerted through democracy assistance. Indirect democracy promotion is exerted through improving context conditions for democratization in line with modernization theory.	Distinguishing between direct and indirect approaches to democracy promotion, direct democracy assistance with ties to EU accession conditionality has a positive effect on democratization in Western Balkans, but no significantly positive relation exists between democracy assistance and democratization. Thus, EU democracy assistance did not increase democracy levels in the Western Balkans.
(Haass, 2019)	Total foreign aid	Project intervention	Polity index	OLS with robust standard errors clustered on country	(+) power-sharing and election quality improvement; (-) for limiting independent rule of law	Polity (***) Elections (**) Public goods (***) Rule of law (***)	A power-sharing government implies elites form coalitions as economic commitment devices and then generate income from aid by upholding peace deals. When aid flows increase, power sharing elite competition over resources is amplified and they try to sway elections in their favour via distributive politics to constituencies.	The rent-seeking/democracy dilemma inherent in power-sharing governments with large aid income results in limited post-conflict democratization. Elites agree upon 'good enough' processes (improved elections, but limited rule of law) that satisfy donor demands for democratic reforms and uphold aid flows, but retains sufficient autocratic elements.

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(Heckelman, 2010)	Total foreign aid	Not specified	Freedom House NIT indicators	OLS; least absolute deviations	(+) (except for media independence)	Aid per Capita (**) Civil Society (*) Electoral Process (**) Governance (**) Judicial Framework: (***) Media (N)	Aid indirectly impacts growth by improving the institutional environment for growth and helping democracy flourish, thus facilitating economic growth as well, at least among Eastern Europe and former Soviet republics.	Aid per capita is positively and significantly correlated with reform in all areas of the transition democracy index, except media independence. Even when measured relative to the size of the economy, aid helps bolster aspects of democratic reform: judicial independence, compliance, human rights protections, transparency, governance stability, and decentralization, although not civil society, electoral process, and media independence.
(Heinrich & Loftis, 2019)	Democracy aid; Participation and civil society aid	Project intervention; Technical assistance	Incumbent election accountability (NELDA)	Bernouilli-Cauchet model with cluster bootstrap	(+)	Forego examining statistical significance of coefficients, instead investigating whether differences in quantities on the scale of interest matter	Democracy aid successfully stabilizes democratic institutions and supports accountability, which ensures the long-term health of democratic governments.	Democracy aid impacts the accountability between governments and citizens and more democracy aid increases the likelihood of citizens conditioning their vote on political performance. If a country does not receive a lot of aid, the chances of incumbent turnover (accountability) is less likely. Democracy aid's positive effect goes deeper than supporting democracy's institutional edifice, by also helping make government accountable to citizens.

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(Hoffman, 2003)	Total foreign aid	Not specified	ICRG Institutional index	Instrumental variables estimation	(-)	Institutions Index (**) Rule of Law (*) Bureaucratic Quality (***) Contract Enforcement: (***) Property Rights (***)	Not specified	Aid encourages centralization of power and leads to governments favouring the provision of private goods over public goods. Providing aid to central governments inhibits the development of accountable, transparent political and institutional structures that encourage economic growth.
(Ishiyama et al., 2008)	Total foreign aid	Not specified	Polity IV index	Ordered logit and binary logit	(-) but coefficients are not significant)	Average Aid (N)	Aid may potentially encourage political instability by making control over aid receipts a more valuable prize and adding fuel to corrupt government practices.	There is no evidence to support aid having a positive effect on democracy development in post-conflict societies once the conflict has ended.
(Johnson & Zajonc, 2006)	Total foreign aid	Project intervention (MCC)	MCC indicators	Difference in differences; Regression-Discontinuity Design	(+) (with caution as some are not significant)	Political Rights (+) Civil Liberties (+) Voice and Accountability (N) Government Effectiveness: (N) Rule of Law (+) Control of Corruption (N)	Not specified, but suggests the program itself may incentivize change	Controlling for general time trends, potential recipients of MCC funds improve 25 percent more along indicators specified. This result should not be taken too seriously as any effect on growth will take time, but countries seem to respond to MCC incentives by improving democratic indicators.
(Jones & Tarp, 2016a)	Democracy aid; Total foreign aid	Not specified	Democracy; Number of veto players; Executive constraints; Political terror; Judicial independence (QoG data)	OLS; random effects model (RE); fixed effects model; bias corrected fixed effects (BCFE); system GMM	(+)	OLS (***) RE (***) FE (***) BCFE (**) GMM (***)	Higher quality institutions are associated with enhanced, more cost-efficient domestic revenue collection. Political survival, is a function of the resources leaders command and amount of discretion over their use. Thus access to aid flows influences the balance of political competition.	A small positive net effect of aggregate aid on a measure of political institutions exists and this positive association between aggregate aid and political institutions is driven by more stable flows of aid.

Author(s)	Study Focus	Type of Aid Intervention	Democratic Outcome	Estimation Methods	Direction of Effect	Level of statistical significance	Intermediate Channel(s)	Main Finding
(Kalyvitis & Vlachaki, 2010)	Democracy aid; Participation and civil society aid; Election aid; Media and information aid; Human rights aid	Project intervention	Freedom House political rights and civil liberties indices	multinomial multivariate logit model; two stage estimates; ordered logit model	(+)	Government and Civil society aid (***)	1) Donors often use aid conditionality as leverage to pressure developing countries into carrying out political and social reforms; authoritarian regimes may even implement reforms in anticipation of donor action 2) Democratic assistance assists civil society organizations to engage effectively with state institutions.	Democratic assistance promotes future democratization in recipient countries.
(Kalyvitis & Vlachaki, 2012)	Total foreign aid	Project intervention	Political status regime measure (Przeworski et al 2000/Cheibub et al 2010)	Two-Stage Instrumental Variables discrete-response framework; OLS estimates; second-stage logit model from Maximum Likelihood estimation	(-) (aid flows decrease likelihood of democratization)	Aid (**)	Not specified, but it may occur through the same channels that encourage democracy or via aid conditionality	Foreign aid flows decrease the probability of observing a democratic regime in a recipient country. The negative marginal effect of aid flows on democratization is not uniform, but depends on the economic and social environment.
(Kangoye, 2011)	Total foreign aid	Not specified	Polity2 index	country-fixed effects regressions	(+) indirect effect with some not significant	Aid (N) Terms-of-Trade instability (***) Aid x instability (**)	Aid improves learning about electoral processes (through technical assistance and conditionalities), quality of human resources, and income level. Because aid mitigates economic shocks on growth it positively conditionally impacts democracy.	Aid neither promotes nor undermines democratic processes, but has an indirect positive effect on democracy in the long term by dampening the adverse effects of terms-of-trade instability.

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(Kangoye, 2013)	Total foreign aid	Not specified	ICRG index of corruption	Fixed effects estimations and Random effects-based results cross-section and panel regressions; panel IV regression	(-) (high aid unpredictability leads to increased corruption)	RE cross-section panel regression (*) Panel IV regression (**) Low institutions (***) Upper institutions (N)	Quality of institutions: corruption occurs because of weak institutions, but as income increases, stronger institutional mechanisms are more likely to be put in place, reducing corruption. An inverse U-shaped relationship exists between corruption and institutions.	There is evidence of high unpredictability of aid flows, which has a statistically significant relationship with corruption and is more severe in countries with weak initial institutional frameworks (the majority of developing countries), and this may be sensitive to aid modalities.
(Kangoye, 2015)	Total foreign aid	Not specified	Polity IV index, Freedom House index	panel instrumental variable (IV) regression	(+)	Aid x instability (**)	Aid has an indirect positive effect on institutions in vulnerable countries by making growth more stable, since institutional development requires an economically stable environment.	Aid neither directly promotes nor undermines democratic processes, but in the long-term indirectly and positively effects democracy by helping mitigate adverse effects of trade instability.
(E. Kersting & Kilby, 2014)	Total foreign aid	Not specified	Freedom House index	interval regression IV model; standard two-stage-least-squares instrumental variable estimation; Ordered Probit; (LVMOLS); short run OLS panel analysis	(+)	Interval regression (**) IV (***) 2SLS (***) ordered probit (**) LVM (**) OLS (**)	Aid may help bring about the necessary preconditions for democracy in long run (aid as input), in short run by supporting competitive elections (aid as specific input), or through leverage and conditionality (aid as incentive).	Aid can promote democratic reform over the long run by bringing about democratic preconditions, supporting competitive elections, and leveraging and conditioning democracy. Timing matters when considering causal pathways, as do donors. DAC donors have a positive, yet small impact; aid from Arab donors and China decreases democracy levels.

Author(s)	Study Focus	Type of Aid Intervention	Democratic Outcome	Estimation Methods	Direction of Effect	Level of statistical significance	Intermediate Channel(s)	Main Finding
(Knack & Rahman, 2007)	Total foreign aid	Project intervention	ICRG bureaucratic quality index	Cross-country regression model	(-) (high donor fragmentation weakens bureaucratic quality)	Aid/GNI >.03% (**) Aid/GNI >7% (*) Africa (***)	Bureaucratic capability allows for effective aid, which donor fragmentation erodes.	Competitive donor practices, with many small donors and no dominant donor, erode administrative capacity in recipient governments. Donors seek to maximize performance on their own projects, shirking responsibility to the public sector, human capital, and organizational infrastructure essential for long-term democratic development.
(Knack, 2004)	Total foreign aid	Project intervention	Freedom House index; Polity index	OLS; ordered logit; median regression; 2SLS	(-) but not statistically significant	OLS (N) Logit (N) 2SLS (N)	Aid promotes democracy indirectly through 'modernization' – by increasing per capita incomes and improving access to education – that increase the demand for democratic government.	No evidence is found that aid promotes democracy; it does not necessarily imply that democracy-promoting programs do not work as intended, but successful programs are often undermined or are too few and far between for their effects to aggregate to democratization.
(Kono & Montinola, 2009a)	Total foreign aid	Not specified	Binary variable measuring leader failure (in office or lose office); W variable of coalition size (Bueno de Mesquita et al., 2003); Polity IV index	Conditional logit Cox model; discrete-time Cox proportional hazards model	(+) for democrats; (-) for autocrats with many not significant	Cumulative aid democracy (*) Cumulative aid autocracy (*)	The effects of foreign aid vary across regime types because autocrats are better able than democrats to stockpile foreign aid.	Over the long run, sustained aid flows promote autocratic survival because autocrats can stockpile aid for use in times of crisis. For democrats, aid sustains democratic survival because democrats have fewer alternative resources to fall back on. Aid received in past periods is unimportant for democrats because little of that aid is saved, but current aid always helps democrats, so donors can effectively promote democratic survival by giving aid to them.

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(Kosack, 2003)	Total foreign aid	Not specified	PRS Group's International Country Risk Guide for bureaucratic quality	ordinary least squares (OLS); two-stage least squares (2SLS)	(+) for democracies; (-) for autocracies (aid effects depend upon political environment)	Democracies (**) Autocracies (N)	Fungible aid in autocracies may end up assisting autocratic governments and help impoverish the people it is trying to help. Fungible aid in democracies might improve quality of life since governments can spend the extra money to meet the needs and wants of its populace.	Though aid does not affect quality of life in the aggregate, it does effectively increase quality-of-life when given to democracies, but not within autocracies. It seems that democracies, absent aid, have lower quality-of-life growth than autocracies.
(Lankina & Getachew, 2006)	Democracy aid	Technical assistance; Project intervention	Petrov Democracy index	Generalized Estimating Equations	(+)	Aid (**) Distance from Helsinki (**)	Not specified, but suggests that EU instruments for supporting democratic and market institutions are distinct.	Subnational geography is an important factor in analysing post-communist democratic change. Geographic proximity to the West facilitates the diffusion of Western influences in Russia's localities and increases their openness; it also encourages neighbouring Western actors to pursue targeted democratization.
(Li, 2017)	Total foreign aid	Not specified	Freedom House index of political freedom	instrumental variable regression model	(+) only when no alternative sources	1975-1986 (N) 1987-1997 (*) 1987-2008 (N) 2001-2008 China (N)	Conditionality of aid contributes to democratization.	The relationship between aid and democracy in Sub-Saharan Africa over the past three decades has been conditioned by: (1) the end of the Cold War and (2) China's expanded engagement with Africa in the 21st century. Aid conditionality only works when African countries do not have alternative sources of aid, making withdrawal threats more credible. China's emergence in Africa has been positive for Africa by creating competition and giving African countries options.

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(Lührmann, McMann, & van Ham, 2017)	Democracy aid; Participation and civil society aid; Election aid; Media and information aid; Human rights aid	Not specified	Electoral Democracy Index; Core Civil Society Index; Clean Elections Index; Alternative Sources of Information Index; Civil Liberties Index (V-Dem)	time-series cross-sectional regression model; models using panel-corrected standard errors and first-order autocorrelation correction; marginal effects	(+) for regimeless regimes; (-) for liberal democracy and autocracy	Regimeless countries (***) Liberal democracies (N) Closed autocracies (*)	Democracy aid effectiveness depends on whether aid poses a threat to the existing regime and if it aligns with regime survival strategy.	Democracy aid is most effective in regimeless countries, shows moderate effects in electoral autocracies and electoral democracies, and lacks effectiveness in liberal democracies and closed autocracies.
(Marinov & Goemans, 2014)	Total foreign aid	Not specified	Binary variable measuring the termination of a coup spell by an election	Probit regression model	(+) (aid and international pressure lead to more elections instead of coups)	Aid dependence (**)	While the identity of actors who participate in coups matter, as do geopolitical considerations, aid is most instrumental in bolstering and restoring democratic institutions.	In post-Cold War era, countries most dependent on Western aid were the first to embrace competitive elections after a coup.
(Menard, 2012)	Total foreign aid	Not specified	Freedom House Political Freedom measure	Generalised Method of Moments (GMM) methods	(+) only from multilateral donors	Multilateral aid (***) Bilateral aid (N)	Not specified, but notes that multilateral aid is credible in conditioning political reform.	Aid effectiveness upon democracy depends on the nature of foreign aid: foreign aid promotes democracy in Africa only if it is allocated by multilateral agencies.
(Menéndez, 2008)	Democracy aid; Participation and civil society; Election aid; Legislative and political party aid; Media and information aid	Technical assistance	Polity index	Ordered probit regression; OLS; 2SLS	(+)	Assistance (**)	Targeted democracy assistance empowers voters, political parties, labour unions, and human rights activists, helping build constituencies for reform, thus affecting democratic outcomes in the short and medium term.	Results point to a positive relationship between democracy assistance and democratic development over 1994-2004 (excluding India and Indonesia)

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(Meyerrose, 2020)	Democracy aid	Not specified	V-Dem Horizontal Accountability index; V-Dem Liberal Democracy index	Multilevel models; ordinary least squares (OLS) model	(-)	Number of IO memberships (***)	IOs contribute to democratic backsliding by augmenting relative executive power and limiting the domestic policy space, stunting critical institutional development.	Increased membership in three types of IOs associated with democratic success – democratically committed, political or economic, and structured or interventionist IOs – corresponds with subsequent backsliding. Although IOs are associated with democracy in the aggregate, they are ill-equipped to promote ongoing democratic progress, and can contribute to backsliding in new democracies.
(Moreno-Dodson et al., 2012)	Total foreign aid	Not specified	Binary variable if incumbent re-elected or not (Zárte Political Collection and World Statesmen data)	general two-stage empirical model; probit and Maximum Likelihood (ML) estimation; 2SLS	(+) for financial aid (political aid has no effect)	General Aid (**) Financial Aid (**) Political Aid (N)	Aid helps improve government accountability and citizen responsiveness by strengthening competitive electoral systems, election monitoring, electoral regulation, support for political parties, constitutional reforms, and legislative powers.	Incumbents have an advantage in capturing foreign aid, thus increasing their probability for re-election, yet foreign aid increases the value of the contest itself and opposition incentives to compete. Even still, aid flows positively affect probability of incumbent re-elections, an effect that is moderated in more democratic societies. Financial aid has a positive and statistically significant effect on this, while political aid's effect is non-significant.
(Nelson & Wallace, 2012)	Total foreign aid	Not specified	Polity IV index; Freedom House index	Difference of means tests; Kaplan Meier survivor functions	(+)	IMF (+) No IMF (-)	Since autocratic states lack legitimacy, they use IMF loans for social spending (rather than military spending) to garner public legitimacy, which over time erodes the state's ability to control democratic forces.	On average, countries involved in IMF programs have higher democracy scores than those who do not and autocratic states more involved in IMF lending will face greater likelihood of democratization.

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(Nielsen & Nielson, 2008)	Democracy aid; Participation and civil society aid; Election aid; Legislative and political party aid	Core contribution; Project intervention	Polity IV index; Pzeworski et al (2000) regime index	OLS and 2SLS (some with time-series logistic regression)	(+) for democracy or education aid or not significant	OLS (N) 2SLS (**)	Aid builds up human capital, which supports institutional capacity building.	Different types of aid have different kinds of impacts. Education and democracy aid are best at promoting slow, incremental growth towards democracy, even though they may not create episodes of dramatic democratization. Cash aid leads to strong democratization episodes, while decreases in cash aid increase the probability of reversion to autocracy, suggesting aid which builds up human capital and supports institutional capacity building has a positive effect, but not a strong one.
(Nielsen & Nielson, 2010)	Democracy aid	Project intervention	Polity IV index	Propensity score matching models; Tobit regression	(+) for already democratic states	Democracy Aid (**)	Governance aid may improve democracy for at least two reasons: (1) the ease of monitoring outcomes and (2) the direct empowerment of a broader electorate.	Democracy aid is sometimes effective and donors are relatively skilled at allocating democracy aid where it will increase democracy most. It is most effective in states that are already partially democratic, but is otherwise largely ineffective. However, there is high variance in the effectiveness of democracy aid and donors may engage in triage, giving large amounts where it will actually help and little to states with democracy deficits.

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(Nieto-Matiz & Schenoni, 2020)	Democracy aid	Not specified	Duration of autocratic regimes	Cox proportional hazard model	(+) if strong democratic leverage	Aid (**) Aid x democratic aid (*) Aid x US leverage (***)	Democratic leverage can alter aid's effect on autocratic duration by (1) reactivating civil society and political opposition forces (2) developing coherent institutional frameworks, (3) ensuring foreign aid is allocated to development projects, and (4) disarticulating authoritarian regimes by threatening to withdraw aid.	Foreign aid does not directly impact autocratic survival and is conditional on the levels of political leverage exerted by democratic donors. Democratic leverage ensures aid is used to reactivate civil society, reform local institutions, promote economic development, and make credible threats of aid withdrawal, thus shortening the life expectancy of autocratic regimes.
(Okada & Samreth, 2012b)	Total foreign aid	Not specified	Corruption index (WGI)	OLS; quantile regression method	(+)	OLS (***) Q 0.1 (***) Q 0.9 (*)	Not specified	Foreign aid generally reduces corruption, especially in less corrupt countries, depending upon the donor. Multilateral aid reduces corruption, but bilateral aid from the world's leading donor countries, except Japan, has no significant effect.
(Poast & Urpelainen, 2015)	Democracy aid	Technical assistance	Length of democratizing spell; Whether democratizing spell ends in authoritarian reversal	split-population model with selection correction and robust standard errors; probit model	(+)	Democratic Consolidation (***) Authoritarian Reversal (***)	Democratic consolidation depends on the institutionalization of democratic rule and institutional capacity serves as a concrete mechanism for consolidating democracy.	IO membership can promote democratic consolidation through external support for institutional development, but cannot directly prevent authoritarian reversals in transitional democracies. IO membership can offer benefits and enable democratic consolidation, particularly for countries in the shadow of past military rule.

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(Pospieszna & Weber, 2017)	Participation and civil society aid; Democracy aid; Human rights aid; Media and information aid; Election aid	Core contribution; Project intervention	V-Dem Electoral Democracy Score; Polity IV index	fixed effect panel regression	(+) if aid combined with democracy related sanctions and channelled to civil society	EU democracy sanction x EU democracy aid (***) EU democracy sanction x EU public sector aid (***) EU democracy sanction x EU civil society (***) EU democracy sanction x EU general development aid (N)	Political conditionality has been considered the most effective EU instrument to promote democracy, but democracy aid also provides opportunity to link programmes, activities and cooperative initiatives, which simultaneously put pressure on governments and empower civil society, therefore advancing and strengthening democracy.	Democratic sanctions are more likely to be successful if democracy aid bypasses the government in a target state and is channelled to civil society; other forms of aid tend to decrease the effectiveness of sanctions. There is no consistent effect of aid on democratization, however, when EU sanctions are combined with non-governmental democracy aid, a significantly positive effect emerges. Recipient countries of democracy aid that are simultaneously sanctioned democratize faster than non-sanctioned democracy aid recipients.
(Rajan & Subramanian, 2007)	Total foreign aid	Technical assistance	Governance-dependence index of annual average rate of growth of value (UNIDO data)	OLS and IV	(-); aid constraints manufacturing sector and good governance	Aid (**) Technical aid (**)	Manufacturing depends on a good-governance environment that can foster multiple transactions. By expanding a state's resource envelope, aid reduces the need for governments to explain their actions to citizens, reducing its need to govern well and so mismanage the real exchange rate. Aid inflows reduce the need for governments to tax the governed or enlist their cooperation.	One of the ways aid might affect growth adversely is by constraining the growth of the manufacturing sector.

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(Regan, 1995)	Total foreign aid	Project intervention	Political repression and human right abuses indices (CIRI and Amnesty International)	multiple regression model	(-)	Economic aid (***)	Economic aid might serve as a diplomatic message to convey a sense of American approval or disapproval of current repressive policies. International disrepute increases the cost of violent repression over political dissent in aid dependent countries, thus impacts human rights abuses directly (military aid) or indirectly (redistribution).	U.S. economic aid has had little or no impact on human rights practices of recipient governments.
(Remmer, 2004)	Total foreign aid	Technical assistance	Government size, as ratio of government expenditures to GDP (World Bank)	OLS estimates with panel-corrected standard errors	(-) for democracy but (+) for government expansion	Government expansion (***)	Aid enhances the ability of politicians to channel funds to their supporters, but creates weak incentives for policy change.	For low- and middle-income nations, aid's implications for democracy are not optimistic. However, aid is an important determinant of government size that has been seriously neglected in prior research.
(Savage, 2017)	Democracy aid; Participation and civil society aid; Election aid; Legislative and political party aid	Project intervention (USAID)	Polity index; Freedom House index	Fixed effects models with lagged dependent variable; generalized method of moments model	(+) if military is small; (-) if military is large	Polity (**) Freedom House (***)	Not specified.	The effect of democracy assistance is conditional on the size of the military in recipient states; states with large militaries see negative or limited impact of aid on democracy, while states with small militaries show small but positive impact of aid on democracy.

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(Savun & Tirone, 2009)	Democracy aid	Project intervention	Conflict Initiation (UCDP/PRIO); Polity index	Logit estimation; Instrumental Variables Two-Stage Least Squares method (IV-2SLS)	(+) (more aid decreases civil conflict outcome)	Logit (*) 2SLS (**)	Not specified, except through instruments.	Democracy assistance programs can help democratizing countries improve democratic governance and provide external validation of commitments and promises made during transition. Democratizing countries that receive high levels of democracy aid are less likely to experience civil conflict than those that receive little or no democracy aid.
(Schmitter, 2008)	Democracy aid	Not specified	Liberalization; Transition; Consolidation; Aggregate measure of all three	Correlation matrices; multiple regression TDS and TWS	(+) (for all three measures of democratization)	Liberalization transition, consolidation (+)	Not specified, but refers to three measures/stages of democratizations: tempo of democracy support, role of domestic elites, and institutionalization	Legitimacy, proxied by quality of governance, matters most for future democracies to remain stable, so even though foreign aid positively impacts measures of democracy, it cannot positively impact its legitimacy.
(Scott & Steele, 2005)	Democracy aid; Participation and civil society aid; Election aid; Legislative and political party aid; Media and information aid	Project intervention (NED)	Freedom House index	OLS regression	(-)	NED grant (N)	Not specified	The analysis casts doubt on the effectiveness of NED grants as an instrument of democracy promotion, as the allocation of NED funding neither results in greater democratization, nor democracy consolidation.

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(Scott & Steele, 2011)	Democracy aid	Project intervention (USAID)	Polity IV index; Freedom House index	generalized least squares AR(1) model; Simultaneous Equation Model	(+)	Democracy Aid (**) Economic Aid (N)	Both donors and recipients engage in strategic forecasting. Foreign aid impacts economic and social factors, indirectly producing conducive conditions or demands for democracy. Targeted democracy aid also focuses on agent-centred assistance empowering individuals, groups, and political institution.	Unlike general foreign economic aid, carefully targeted democracy assistance programs from USAID have a positive impact on democratization, even when controlling for the effect of democratization on aid allocation decisions.
(Scott, 2012)	Democracy aid; Total foreign aid	Project intervention (USAID)	Polity IV index; CIRI human rights index	Simultaneous equation model	(+)	Democracy aid (**) Economic aid (N)	Opportunity cues occur during shifts in regime behaviour, which signal receptivity of aid. Amplification cues signal the relationship between donor and recipient is something that should be strengthened. These cues coupled with agent empowerment shapes the success of aid.	Targeted aid is better at bringing about democratization, while general foreign aid does not have this effect.
(Selaya & Thiele, 2012)	Total foreign aid	Budget support; Project intervention	PRS Group's International Country Risk Guide bureaucratic quality index	2SLS regression	(-)	Loans (*) Grants (***) All Loans and Grants (***)	Not specified	Grants impair the functioning of local bureaucracy, whereas loans do not. Interestingly, grants exhibit the strongest negative effect on bureaucratic quality when they take the form of budget support.

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(Seligson & Finkel, 2009)	Democracy aid; Participation and civil society aid; Election aid	Project intervention (USAID)	Freedom House index; Polity IV index	Hierarchical linear models with maximum likelihood estimates	(+)	USAID Democracy Governance Aid (**)	Not specified	Countries whose economies grow faster and are situated in more democratic regions experience higher levels of democratization than countries that grow slowly and are located in regions with lower levels of democracy. USAID democracy assistance yields a powerful and positive impact upon democracy growth, even though the amount of U.S. assistance is relatively small.
(Shyrokykh, 2017)	Human rights aid	Technical assistance	CIRI Physical Integrity Rights Index	linear dynamic model with Driscoll-Kraay standard errors	(-), but also (+) for high capacity states	Financial assistance (***) Technical assistance (N)	With weak domestic institutions, human rights, good governance, and democracy assistance provide additional sources for rent-seeking and so indirectly stimulate deterioration of human rights provision.	Financial assistance is negatively associated with human rights. While assistance is more likely to positively impact states with higher state capacity, hybrid regimes are more likely to experience deterioration of human rights respect as a result of external assistance. External assistance has a greater chance to be effective when state capacity is high.
(Svensson, 1999)	Total foreign aid	Not specified	Growth rate of real GDP and aid as fraction of GDP (World Bank); Freedom House Civil and Political Liberties indices	Partial correlations in OLS regressions; two stage selection model 2SLS; IV regression	(+)	Aid x democracy (**)	Chronic macroeconomic instability leads to lower levels of growth	Long term growth impact of aid is conditional on the degree of political and civil liberties; aid will have a positive impact on countries with checks on their institutions and aid is more efficient the more democratic the recipient

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(Tan, 2016)	Democracy aid; Total foreign aid	Project intervention	Polity IV index	Fixed Effects TSCS	(+) when recipients considered of secondary importance	Secondary (**)	Donor pressure and its effectiveness to encourage political liberalization by aid recipients.	When donors nudge recipients to reform in more accountable directions, some recipients respond by offering alternative policy concessions. The attractiveness of those concessions determine the leverage the recipient has in aid negotiations, which in turn determines the extent of subsequent political reforms. As a state's secondary status increases, donor pressure becomes more effective, an approach characterized as liberalization at the margins.
(Tavares, 2003)	Total foreign aid	Not specified	International Country Risk Guide corruption index	OLS; IV approach	(+)	OLS (**) IV (**)	A conditionality effect exists, whereby foreign aid is associated with rules and conditions that limit the discretion of recipient country officials, thus decreasing corruption. Foreign aid may alleviate public revenue shortages facilitating increased salaries for public employees thus reversing incentives for change.	Foreign aid decreases corruption.
(Uberti & Jackson, 2019)	Election aid	Project intervention	Electoral integrity (V-Dem)	OLS model with fixed effects; IV analysis with a two-step optimal GMM estimator IV-GMM	(+)	Integ1 (***) Integ2 (***)	Electoral assistance programmes, along with other donor interventions that increase economic performance and development, may remove structural constraints on democratization and improve election quality.	A statistically significant effect exists of ODA election aid spending on election integrity, albeit a small and not very persistent one. Donor-led electoral reforms may also not be sustainable, as only a small fraction of integrity gains achieved in a given contest carry over to the next one without further support.

Author(s)	Study Focus	Type of Aid Intervention	Democratic Outcome	Estimation Methods	Direction of Effect	Level of statistical significance	Intermediate Channel(s)	Main Finding
(von Borzyskowski, 2019)	Democracy aid; Election aid	Technical assistance	Pre-election casualty count (Global Election Violence Dataset)	two-stage count model	(+)	Election observation (***) Technical election assistance (***)	(1) Credible elections are less likely to turn violent and (2) International election support – particularly technical assistance – lends elections credibility, thus altering the incentives of domestic actors to engage in election violence. Election observation provides information about stakeholder behaviour, which can contribute to violence, while technical assistance builds institutional capacity for election management, ultimately reducing violence.	Technical election assistance can improve election management by increasing the capacity of the election management body to run a smooth and clean election, removing potential conflict triggers, and keeping conflict from escalating. Besides increased institutional capacity and credibility, technical assistance also encourages contestants to stay calm and socializes electoral competition.
(Wright, 2009)	Total foreign aid	Not specified	Polity index	time-series, cross-section (TSCS) multinomial logit model with standard errors clustered on regime	(-) for dictators with small coalitions; (+) for dictators with large coalitions	Military/small coalition (**) Single party/large coalition (**)	Donor objectives are key, but main mechanism is aid conditionality.	Dictators with large distributional coalitions, who have a good chance of winning fair elections, tend to respond to aid by democratizing, while aid helps dictators with small distributional coalitions hold onto power.
(Wright, 2010)	Total foreign aid	Not specified	Annual growth rate averaged over 4 years	split sample OLS model; 2SLS model	(+) for low personalism; (-) for high personalism	Low Personalism (**) High Personalism (*)	Personalist institutions condition and weaken the relationship between aid and growth by providing incentives to divert aid. In highly personalist countries, aid is less likely to be spent on public goods – like education and health – and more likely to be spent on targeted spending or corruption.	Aid effectiveness may be conditional on domestic political institutions. In aid-recipient democracies with high levels of personalism, aid increases capital spending relative to public goods spending. The opposite relationship exists in low personalist countries.

Author(s)	Study Focus	Type of Aid Intervention	Democratic Outcome	Estimation Methods	Direction of Effect	Level of statistical significance	Intermediate Channel(s)	Main Finding
(Young & Sheehan, 2014a)	Total foreign aid	Not specified	Polity IV index; Checks and balances index (Keefer and Stasavage, 2003); Economic Freedom of the World index; Freedom House political freedoms and civil liberty index	OLS regressions with period fixed effects; two-stage least squares (2SLS) fixed effects estimations	(-)	Democracy (N) Checks (*) Freedom (***)	The indirect effect of aid flows on economic growth is through its negative effects on economic freedom.	Three largely disparate empirical literatures are drawn from to explore the effects of aid on growth, institutions on growth, and aid on institutions. Evidence suggests that aid flows are, all else equal, detrimental to both political and economic institutions.
(Ziaja, 2013)	Total foreign aid; Democracy aid	Project intervention	Unified Democracy Score; Polity IV index	General error correction model estimated with OLS	(+) if democracy aid; or (-) if total foreign aid)	Democracy aid donors (***) Total aid donors (***)	General aid fragmentation increases transaction costs, multiplies opportunities for corruption, and aggravates brain drain from national to international employers, resulting in reduced growth and weaker administration.	The fragmentation of general aid harms democratization, because it aggravates aid's disruptive effects on domestic accountability chains, and erodes economic and institutional prerequisites for democracy. However, fragmented democracy aid has a positive impact on democracy by diversifying prospects of democratization.

Author(s)	Study Focus	Type of Aid Intervention	Democratic Outcome	Estimation Methods	Direction of Effect	Level of statistical significance	Intermediate Channel(s)	Main Finding
(Ziaja, 2020)	Democracy aid	Project intervention	V-Dem polyarchy score	2SLS instrumental variable analysis; OLS	(+) (more donors, more democracy)	OLS (**) 2SLS (**)	The positive effects of fragmented aid on democratization stem from the fact that fragmented aid usually is provided by many donors, each with different ideas on democracy, thus donor proliferation can encourage local participation much better than donor concentration.	The diversity provided by a multitude of donors helps improve a recipient country's democracy. Donor proliferation and aid fragmentation do not necessarily have detrimental effects. Diverse and participatory processes are more likely to produce sustainable institutions in young democracies, so having a variety of donors improves the trial-and error processes of democratization.

Note: Statistical significance reported at conventional levels, *** p<0.01, ** p<0.05, * p<0.1. (N) stands for statistically insignificant effects. Symbols (+) and (-) stand for positive or negative coefficients.

Source: Authors.

