ELSEVIER
www.elsevier.com/locate/worlddev

World Development Vol. xx, pp. xxx–xxx, 2017

http://dx.doi.org/10.1016/j.worlddev.2017.05.013

What Do We (Not) Know About Development Aid and Violence? A Systematic Review

CHRISTOPH ZÜRCHER*
University of Ottawa, Ottawa, Canada

Summary. — The paper presents findings from the first-ever systematic review of the causal impact of development aid on violence in countries affected by civil war. The review identifies 19 studies: Fourteen within-country studies from Afghanistan, Iraq, Colombia, Philippines, and India, and five cross-national studies. These studies investigate the impact of six aid types: Community-driven development, conditional cash transfers, public employment scheme, humanitarian aid, infrastructure, and aid provided by military commanders in Iraq and Afghanistan. The evidence for a violence-dampening effect of aid in conflict zones is not strong. Aid in conflict zones is more likely to exacerbate violence than to dampen violence. A violence-dampening effect of aid appears to be conditional on a relatively secure environment for aid projects to be implemented. A violence-increasing effect occurs when aid is misappropriated by violent actors, or when violent actors sabotage aid projects in order to disrupt the cooperation between the local population and the government.

Key words — development aid, violence, insurgency, COIN, systematic review

1. INTRODUCTION

The past fifteen years witnessed an unprecedented securitization of foreign aid. In the wake of the 9/11 terror attacks, war-torn and fragile states came to be seen as a global security threat (Patrick, 2007; World Development Report, 2011). Foreign aid, alongside with diplomacy and defense, was turned into a major strategic tool for addressing this threat. The lengthy asymmetrical wars in Iraq and Afghanistan only reinforced the expectation that development assistance could be used as an effective means to stabilize war-torn countries. Multi-lateral and bi-lateral donors increasingly saw aid as an important instrument for addressing development and security issues simultaneously (Brown & Jörn Grävingholt. (Eds.)., 2014) and the military lavishly spent aid as "monetary ammunition" in counterinsurgencies in order to win mind and hearts.

But can development aid really reduce violence? The debate about the effects of aid on conflict is not a new one. Development economists have argued, on mainly theoretical grounds, that aid should help to lower the risks of war. The literature on civil war has long claimed that low levels of economic development and low growth rates tend to increase the risk for war. Growth spurred by aid should therefore reduce the risk for war (Collier and Hoeffler, 2002). Unfortunately, whether aid actually leads to economic growth remains hotly debated (cf. Doucouliagos & Paldam, 2009). Another strand of the literature linked aid to reduced risk of war by suggesting that aid might be fungible, allowing recipient governments to boost their military spending. This in turn should deter potential rebels (Collier & Hoeffler, 2007; de Ree & Nillesen, 2009). Other scholars were more skeptical and believed that aid might actually increase the propensity for war. A prominent argument was that foreign aid could increase the spoils to be won from rebellion (Grossman, 1991). As a result, seizing the state may become an attractive option for rebels, which would make civil war more likely (Arcand and Chauvet, 2001; Grossman, 1992). This argument tied in with the sizeable qualitative "do-no-harm" literature which warned that aid could be misappropriated by local violent actors and used for sustaining violence (for example, Anderson, 1999; Uvin, 1998). Scholars have argued that aid can be misused by rebels for financing their war (Bradbury & Kleinmann, 2010; Goodhand, 2002; De Waal, 1997; Easterly, 2001), that it can alleviate the pressure of local actors to provide basic services to their constituencies, freeing up resources that can be invested in violence (Polman, 2010; Duffield, 1994; Luttwak, 1999), that it can fuel conflict by increasing corruption (Goodhand, 2005; Goodhand, 2006), or provide perverse incentives to private security firms to fuel conflict (Aikins, 2010; Wilder A., 2009).

This scholarly debate has been renewed and intensified over the last decade. As billions of aid dollars are being spent in the hope that foreign aid can buy stability, a new wave of scholarship emerged, committed to rigorous tests and evidence-based policies. Newly available disaggregated sectoral and subnational aid data and subnational security event data opened up new avenues for causal inference and led to theoretical innovation. This paper takes stock of the available evidence on the impacts of aid on violence. It is based on a systematic review covering the years 2001–16 (cut-off date: November 1, 2016). A systematic review differs from a traditional literature review in important ways. It is primarily a stock-taking exercise, designed to identify all available evidence on a given topic.[1] Systematic reviews depend largely on what studies are available, how they were carried out (the quality of the tests) and the outcomes that were measured. The most important criterion for including a study in a systematic review is that the study has a clearly defined identification strategy which allows inferring causal mechanisms. This is a high threshold which will often reduce the number of included studies, but relaxing that threshold would lead to the inclusion of studies which do not provide robust causal evidence.

* I thank Darren Gresch and Nick Pope for excellent research assistance. Patrick Labelle, Social Sciences Research Liaison Librarian at the University of Ottawa, developed the search strategy. The Faculty of Social Science of the University of Ottawa supported this research with a grant from the research development fund. Final revision accepted: May 12, 2017.

E-mail address: christoph.zuercher@uottawa.ca (C. Zürcher).

Please cite this article in press as: Zürcher, C. What Do We (Not) Know About Development Aid and Violence? A Systematic Review, *World Development* (2017), http://dx.doi.org/10.1016/j.worlddev.2017.05.013

Furthermore, a systematic review requires a transparent search strategy based on a search protocol and transparent criteria for inclusion and exclusion, which are a priori defined in order to minimize any selection bias. Systematic reviews are thus different from traditional reviews, where authors are at liberty to include and exclude studies based on, for example, theoretical preferences or anticipated findings.

Whether or not a study meets the inclusion criteria is determined by reliable and replicable coding procedure. For this review, three researchers independently assessed the studies. Only studies that met the inclusion criteria according to all three researchers were included in the final sample. See Figure 1.

Four inclusion and exclusion criteria were used:

1) The independent variable is development aid, or a closely related concept, such as foreign aid, foreign assistance, humanitarian aid, etc. Military aid was excluded.
2) The dependent variable is violence, or a closely related concept such as armed conflict, civil war, insurgency, etc. Also included were the opposite of these concepts, such as security, stability, counterinsurgency, etc.
3) Only published studies were included. Working papers and gray literature were not included.
4) Finally and most importantly, only studies with a clear and transparent identification strategy allowing for causal inference were included. The minimum threshold for this criterion is that the methodological set-up of the studies allows assessing the counterfactual: what would have happened without the intervention. Such a criterion does not a priori exclude qualitative studies. Careful process-tracing or structured comparison allow for discussing the counterfactual. Nevertheless, all included studies turned out to be quantitative studies with an experimental or quasi-experimental design.

The following steps were carried out to identify studies to be included. The researchers had previously identified ten seminal papers that needed to be included in the review. Search terms based on concepts found in these studies were selected and tested in preliminary searches conducted in EconLit. This helped determine appropriate keywords that would yield relevant results.

After further validation by all researchers, a final search strategy was devised that included the two core concepts of this review: development aid and violence. For each of these concepts, keywords were identified along with relevant subject terms found in the database's unique thesaurus, when appropriate. Searches were executed by a research librarian in the following electronic databases: PAIS International (ProQuest), EconLit (ProQuest), International Political Science Abstracts (EBSCO), Worldwide Political Science Abstracts (ProQuest), and Web of Science (Social Sciences Citation Index). Searches were limited to articles published in English during 2001–16. Results were then exported to a bibliographic management tool and duplicates were removed.

Upon completion of the database searches, three researchers screened the identified articles to exclude those which did not meet the criteria for inclusion. Eventually, 107 full text studies were read by all three researchers. 88 were excluded because they did not meet all inclusion criteria. By far the most frequent reason for exclusion was that the study was descriptive in nature without a clear causal identification strategy. We also excluded studies that make a formal argument but do not provide an empirical application (for example Child & Scoones, 2015 and Scoones, 2013), and studies that used the "wrong" independent variable (for example, transnational terrorism, in Young & Findley, 2011; Azam & Delacroix, 2006; Azam & Thelen, 2008). We also excluded four studies which used ODA as their independent variable (Collier & Hoeffler,

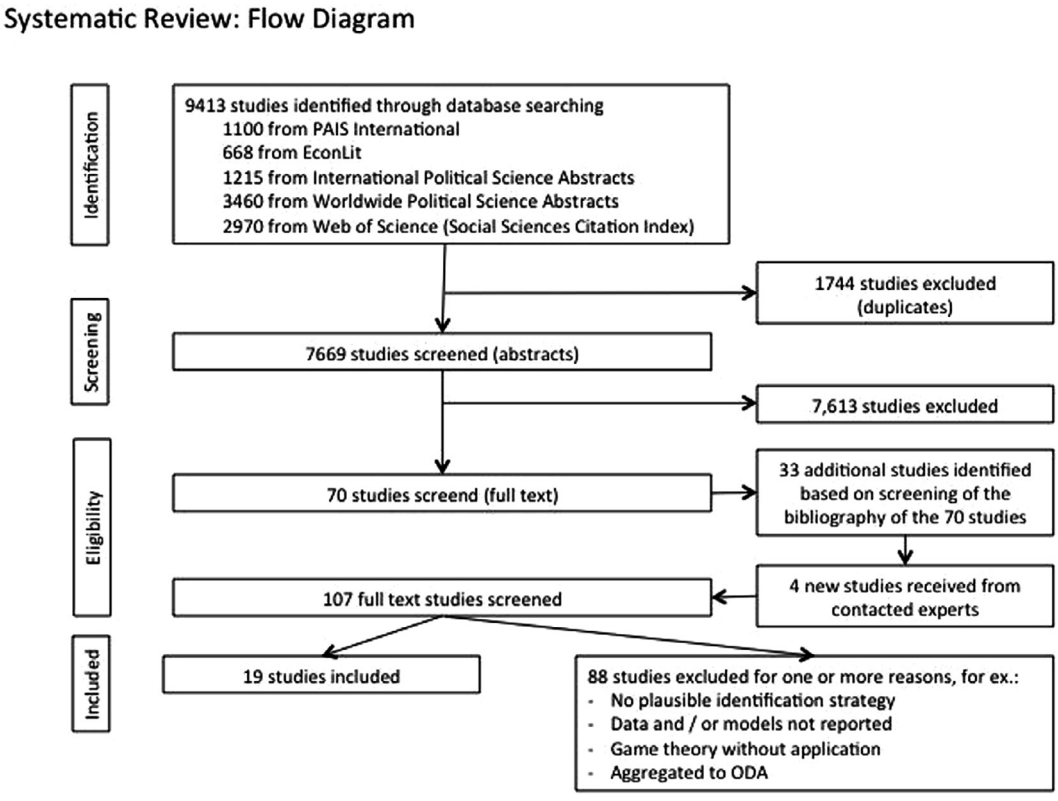

Figure 1. *Details the screening process.*

Please cite this article in press as: Zürcher, C. What Do We (Not) Know About Development Aid and Violence? A Systematic Review, *World Development* (2017), http://dx.doi.org/10.1016/j.worlddev.2017.05.013