DETERMINANTS OF STATE REPRESSION:

A MULTIFACETED EXAMINATION OF DOMESTIC AND INTERNATIONAL FACTORS

by

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Determinants of state repression:
A multifaceted examination of domestic and international factors

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Significant scholarly work has emerged attempting to uncover the key determinants of state repressive behavior. Drawing on the most spatially and temporally comprehensive dataset utilized to date in the literature, and utilizing the statistical methods most appropriate for this time series cross-sectional data, the present dissertation contributes to this vibrant literature by advancing theoretical arguments and conducting empirical tests regarding both the interplay of domestic and international factors as well as focusing solely on the domestic determinants of state repression. Paper 1 explores whether inward foreign direct investment (FDI) affects a government's respect of physical integrity rights and ultimately argues that political institutions moderate the relationship. It further differentiates between primary, secondary, and tertiary sectors. The empirical findings support the argument regarding the moderating role of democratic institutions, while sectoral analyses indicate a negative and statistically significant relationship between primary FDI and state repression in autocratic settings. Paper 2 examines whether a "resource curse" exists for state repressive behavior and examines the role that regime type and level of democratization play in moderating this relationship. The paper offers a potential mechanism emphasizing the importance of citizen engagement in contentious political behavior. The results indicate that: resource wealth negatively affects a state's respect of physical integrity rights; improvements in political rights, short of achieving the levels observed in liberal democracies, do not ameliorate this deleterious effect; resource wealth leads to increased protest activities, which

in turn may engender a coercive governmental response; and the resource curse is most prevalent in personalist and military regimes, while dominant-party regimes tend to avoid the damaging effects of resource wealth. Paper 3 extends this investigation by exploring the interplay between domestic and international determinants of state repression and examines whether state repressive capacity, proxied by military spending, and state redistributive capacity, operationalized as welfare spending on health, education, and social security, moderate the relationship between FDI and state repression. The empirical findings support the preventive role of military spending, particularly in autocratic regimes, but do not lend support for the conditional effect of welfare spending.

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Preface

I want to express my gratitude to my dissertation committee members, Professor Paul Nelson, Professor Taylor Seybolt, and Professor Jonas Gamso, and to extend a very special thanks to my committee co-chair Professor Erica Owen, without whose intellectual and emotional support, guidance, and encouragement this work would never have come to fruition.

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1.0 Introduction and Dissertation Overview

What factors determine state repressive behavior and lead to a worsening of citizens' ability to enjoy their most fundamental of rights? Citizens of many states are still deprived of the ability to exercise their basic human rights (D. Cingranelli & Filippov, 2018), namely, physical integrity rights that ensure freedom from extrajudicial killing, disappearance, torture, and political imprisonment. Limiting or eliminating abusive state behavior is, at least at a rhetorical level, part of the economic and diplomatic policies of Western governments. A plethora of international governmental and non-governmental organizations espouse as their core mission, or include among their main goals, advocacy for the rights of those suffering under repressive regimes. Although many states still engage in egregious acts of human rights violations, there exists significant variation among states in terms of the level and type of repressive behavior (Dreher, Gassebner, & Siemers, 2012; Hafner-Burton, 2005a).

Political regimes typically engage in repressive behavior in order to maintain the power and privileges of the elite (De Mesquita, Smith, Siverson, & Morrow, 2005). Human rights violations can be carried out by various state and state-affiliated agents, at times for the preservation of incumbency and political power and at other times simply in abuse of power without relevance to maintaining the political status quo: state and state-sponsored groups and individuals can commit egregious acts for personal enrichment or simply due to a general lack of strong oversight by higher levels of political power (Vreeland, 2008). As such, state repression is understood to entail actions and practices by governments and government-sponsored groups or

agents that affect citizens' ability to exercise this most basic human right of physical integrity (Fariss, 2014).

To be sure, governments are not the only cause for violations of citizens' rights. Gangs, rebels, terrorist organizations, and corporate or other private entities can and do engage in egregious acts of violence and infringement on fellow citizens' ability to freely exercise their human rights (D. L. Cingranelli & Richards, 2010). However, the focus of the research program presented in this dissertation is on human rights violations by governments and government-affiliated groups or agents. Moreover, it is important to highlight that the present research undertaking focuses on so-called first-generation human rights – that is, physical integrity rights – and does not attempt to evaluate the relative importance of factors affecting states' respect of second- and third-generation human rights, which include economic, social, and cultural rights, or the right to a clean and healthy environment, peace, communication, and humanitarian assistance, respectively (Davenport, 2007a).

Significant scholarly work has emerged attempting to uncover the key determinants of such state repressive behavior to support and guide efforts by those advocating for human rights and civil liberties in repressive regimes (Davenport & Inman, 2012; Hill & Jones, 2014). One strand of literature focuses on domestic factors and examines the relationship between state repression and democratization (Davenport, 1999, 2007b; Davenport & Armstrong, 2004; De Mesquita, Downs, Smith, & Cherif, 2005; Fein, 1995; Regan & Henderson, 2002), autocratic regime type (Davenport, 2007c; Poe & Tate, 1994; Poe, Tate, & Keith, 1999), and natural resource wealth (DeMeritt & Young, 2013). A second strand of scholarship emphasizes international economic factors, such as trade and FDI, as key factors affecting government respect of the physical integrity rights of their citizens (Apodaca, 2001; Hafner-Burton, 2005a, 2005b; Janz, 2018; Kim &

Trumbore, 2010; Meyer, 1996; Richards, Gelleny, & Sacko, 2001; J. Smith, Bolyard, & Ippolito, 1999; Sorens & Ruger, 2012). Other recent scholarly efforts explore the interplay between domestic and international factors by examining the conditional role of domestic veto players in the association between Chinese trade and state repression (Gamso, 2019), exploring whether improvements in democratic institutions moderate the relationship between resource wealth and state repression (Conrad & DeMeritt, 2013), and testing whether export destination of natural resources (i.e., China versus the US) determines level of repression in exporting countries (Bader & Daxecker, 2015).

The present dissertation contributes to this vibrant literature by advancing theoretical arguments and conducting empirical tests regarding both the interplay of domestic and international factors (Papers 1 and 3) as well as focusing solely on the domestic determinants (Paper 2) of state repression. Specifically, this research presents a multifaceted view of the determinants of state repression by examining the effects of foreign direct investment (FDI) and natural resource wealth (i.e., fossil fuel) on the extent to which governments uphold physical integrity rights, and argues that the effects of said domestic and international factors are conditional on intrinsic features of the state itself, such as its welfare policies, level of military spending, and political regime type, all of which vary significantly by state. I rely on the most comprehensive dataset utilized to date in the literature, both in terms of space (as many as 128 countries) and time (up to 36 years). As discussed extensively in each paper, I also utilize the statistical methods most appropriate this type of data (time series cross-sectional, TSCS), bolstering confidence in the empirical results and representing an additional contribution to a literature that typically relies on methods more appropriate for cross-sectional or panel data.

Paper 1 explores whether inward FDI – that is, investment by foreign firms that command control over at least 10% of the voting shares for an economic entity in a host country – improve a government's respect of physical integrity rights, or, alternatively, this key component of economic globalization worsens citizens' ability to enjoy this most fundamental human right.

In the last two decades, a sizable quantitative literature has emerged that examines the relationship between FDI and state repression. Despite this significant academic effort directed at uncovering a possible relationship between FDI and the violation of physical integrity rights, findings have been quite divergent (Janz, 2018). Drawing on the theoretical arguments in the human rights literature, as well as bringing in additional theoretical insights from the closely related democratization literature, the present paper reconciles disparate findings in the extant literature by introducing regime type as a moderating variable.

I argue that the mechanisms underlying the negative correlation between FDI and state repression are more likely to be present in autocratic regimes, whereas the mechanisms through which FDI exerts a positive impact are more likely to exist in democratic regimes. Thus, this paper hypothesizes that political regime type conditions the relationship between FDI and physical integrity such that there should exist a positive relationship between FDI and physical integrity rights in democracies and a negative one in autocracies. Indeed, the empirical findings support this argument regarding the moderating role of democratic institutions: the regression results reveal a positive and statistically significant relationship in democracies (and with higher levels of democratization) and a negative, albeit insignificant, relationship in autocracies.

Next, I draw on theoretical insights from the literature on types of FDI and political regimes and the scholarly work on "resource curse" to distinguish between primary, secondary, and tertiary

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sectors. The former justifies this categorization due to the potential for multinationals and autocratic leaders to generate monopoly profits due to a combination of high sunk costs and political context that lacks accountability. The latter emphasizes the theoretical arguments in the resource curse literature regarding negative effects of resource based non-tax revenues on political rights and domestic conflict, a topic explored in more detail in Paper 2. These results indicate that a negative and statistically significant relationship exists between primary FDI and physical integrity rights in an autocratic settings in which the ruler faces few executive constraints.

Finally, the literature on state repression assigns a prominent role to dissent in explaining a state's willingness to engage in the egregious violation of human rights within its borders (Davenport, 2007a). Thus, an empirical examination of the relationship between FDI and protests would present a possible mechanism that explains the nature of the correlation between FDI and state repression. The evidence indicates that FDI reduces contentious political activism in democracies as well as in autocratic regimes with a certain level of democratic development.

The paper contributes to the literature on the global economic determinants of human rights, advancing and empirically testing the argument that the relationship between FDI and physical integrity rights is conditional on the political regime type. Additionally, I argue that the level of market competition and the ability for multinationals and authoritarian rulers to generate monopoly rents in an autocratic political context, as well as insights from resource curse literature, provide a theoretical foundation to expect divergent impacts from primary, secondary, and tertiary FDI. Finally, I examine the relationship between FDI and protests as a possible mechanism explaining the direction of the FDI and state repression relationship.

Paper 2 deals with the "resource curse", the argument that countries endowed with natural resources experience worse political and economic outcomes (M. Ross, 2014). I explore whether or not a resource curse exists for physical integrity rights and examine the role that regime type and level of democratization plays in moderating this relationship, offering a potential mechanism that emphasizes the importance of the citizen engagement in contentious political activism heretofore neglected in the literature. In particular, I posit that resource wealth: (1) does not have a deleterious effect in Western democracies; (2) can be as detrimental in new/consolidating democracies as in autocracies and therefore, with the exception of Western democracies, democratization does not mitigate the negative impact; and (3) affects contentious political activism and, by extension, the level of state repression.

The paper extends the foundational and empirical work linking resource wealth to worsening human rights conditions advanced by two recent articles by addressing an important theoretical gap and challenging arguments advanced by Conrad and DeMeritt (2013) and DeMeritt and Young (2013) that suggest that resource wealth exacerbates state repression *irrespective* of regime type, although increasing levels of democratization *mitigate* said deleterious impact. Drawing on the literatures of civil conflict and democratization, I argue that a theoretical model aimed at exploring the possibility of a resource curse for human rights needs to elaborate the ways in which resource wealth affects the motives and capabilities both of those that hold the political power *and* those who want to acquire it (i.e., increase their share of power).

One of the most fundamental theoretical claims and empirical findings in the voluminous state repression literature is that a state's repressive behavior is a response to dissent: if challenged, the political elite resorts to repressive tactics to neutralize threats to the status quo (Davenport, 2007a). Despite the critical importance of this aspect of resource wealth, the theoretical discussion

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regarding the relationship between resource revenue and state repression ignores the way in which this source of non-tax revenue impacts preferences and capabilities and generates grievances among the general population. Thus, I develop a theoretical argument and demonstrate empirically that resource wealth is not *dissent-neutral*: it can lead to an increase in contentious political activism by creating grievances over environmental damage, land appropriation, and disputes over the distribution of revenue (Arce & Miller, 2016; Le Billon, 2008; Perreault, 2006; Vasquez, 2014), and is therefore one of the primary mechanisms explaining the association between resource wealth and repression.

Paper 2 further contributes to the literature by arguing that resource wealth has divergent effects in different types of autocratic regimes. As is the case with democracies, autocratic regimes are not homogenous but rather differ institutionally from one another to a great extent, a distinction that influences the power dynamics and relations between the ruler and the other societal forces (Geddes, 1999). Relying on a classification of authoritarian regimes that distinguishes between four regime types – personalist, dominant-party, military, and monarchic rules (Geddes, 2014) – I examine whether resource wealth has a varied impact depending on the nuanced institutional nature of the regime. Personalist regimes exhibit the most extreme concentration of power by the ruler, whereas dominant-party regimes are embedded in the broader society, resulting in higher spending on public goods and alternative means of conflict resolution. As such, I posit that resource wealth is likely to have the most deleterious effect in personalist regimes and the least negative effect in dominant-party regimes. The relationship between resource wealth and physical integrity rights in military regimes and monarchies is ambiguous at a theoretical level and is therefore a matter of empirical evaluation.

The results support the above described hypotheses: resource wealth negatively affects a state's respect of physical integrity rights; improvements in political rights, short of achieving the levels observed in liberal democracies, do not ameliorate this deleterious effect; resource wealth leads to increased protest activities, which in turn might engender a coercive governmental response; and the resource curse is most prevalent in personalist and military regimes, while dominant-party regimes tend to avoid the damaging effects of resource wealth.

Paper 3 further explores the interplay between domestic and international determinants of state repression by asking the following question: *do state repressive capacity, proxied by military spending, and state redistributive capacity, operationalized as welfare spending on health, education, and social security, moderate the relationship between FDI and state repression?*

Regarding state repressive capacity, I argue that the ruler may rely on state coercive institutions to overcome popular protests, kill or intimidate opposition leaders, or organize regular purges among the ranks of the opposition in order to protect the leader and the ruling class from real or potential threats. Alternatively, coercive institutions may function as a deterrent if the opposition and the broader public interpret strong state repressive capabilities as an indication of a lower likelihood of a successful challenge, and, in case of failure, high likelihood of severe punishment (De Mesquita, Smith, Morrow, & Siverson, 2005). The outcome of the first argument is more repression, while the expectation of the second argument is less repression, and both outcomes are more likely to occur in an authoritarian context in which the ruler faces little accountability and institutional constraints.

In terms of welfare spending, the political elite can rely on a state's redistributive capacity to coopt the opposition and provide some level of public goods for the broader masses to gain

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legitimacy or, at least, acquiescence. Alternatively, and more relevant to autocratic regimes, the ruler can set up a patronage system that only serves the needs of regime loyalists and a limited number of politically relevant societal groups, thereby exacerbating socioeconomic grievances and societal tensions among the larger opposition and general public. While the former type of welfare spending is more likely to reduce social instability and the need to repress, the latter allocation of welfare funds is likely to lead to more frequent dissent and, ultimately, repression, particularly in autocracies which are typically characterized by extensive discretionary power over public resources.

The empirical findings show support for the preventive role of military spending, particularly in autocratic regimes, i.e., inflow of FDI negatively affects government respect of human rights in political regimes with weak coercive institutions and reduces state repression with improvements in state coercive capacity. The empirical results do not lend support for the conditional effect of welfare spending; that is, there is no evidence that variation in welfare spending determines the relationship between FDI and state respect of physical integrity rights.

The rationale underlying the results is quite simple. While FDI may lead to socio-economic grievances, the popular and/or elite discontent is less likely to materialize in the form of a challenge to the incumbent if the likelihood of a successful dissent is low and the possibility of a severe punishment is high. Additionally, the results of the first paper indicated that the negative impact of FDI on physical integrity rights is more likely to be observed in autocracies with few institutional constraints on the ruler. Thus, the combination of these two factors – higher likelihood of observing a negative impact of FDI and the central role of the coercive institutions in unconstrained autocracies – offer an explanation for the above findings regarding military spending.

The findings regarding welfare spending follow a similar rationale: the mere presence of grievances tends not to suffice to mount a challenge that could bring about a harsh response in an autocratic context. Welfare spending in autocratic regimes, especially those with few constraints on the discretionary power of the leader, tends to function as a cooptation/patronage mechanism and benefit a narrow circle of supporters.

This paper contributes to the literature on financial globalization and state repression by presenting theoretical arguments regarding the moderating role of two aspects of state capacity – redistributive and coercive – in the relationship between FDI and state repressive behavior.

Taken together, the three papers that comprise this dissertation employ statistical models that are appropriate for the analysis of time series cross-sectional (TSCS), rather than panel, data. The former derives its asymptotic properties from the number of periods (years) while the latter relies on number of units (countries). In order to utilize methods appropriate for TSCS data, one should have at least 15 years of observations, while panel data analysis requires only a few years of observations as long as the number of units is large. Employing these methods presents an improvement over the existing work in the field in that such work typically fails to account for contemporaneous (spatial) correlations, which can incorrectly estimate standard errors and thus may report erroneous statistical significance.

Additionally, prior work often includes lagged dependent variables to control for within-panel serial correlation; if these are not accompanied by the appropriate statistical methods, endogeneity is introduced into the model. Finally, previous research tends to use time fixed effects inconsistently and rarely includes country fixed effects to control for time invariant unobservable characteristics that, if correlated with the variables of interest, will bias the results. To address

these issues and advance the scholarship in this area, I utilize country and year fixed effect models to control for unobservable factors that are constant over time but vary across countries and factors that vary over time but are constant across countries, respectively. At the same time, I use Driscoll-Kraay standard errors to provide robust estimates of heteroskedastic, autocorrelated, and spatially (contemporaneously) correlated error structures.

The issue of protecting of human rights is of great importance to policy scholars and policy makers alike, not to mention the vast populations that suffer at the hands of repressive regimes. For this reason, the research presented in this dissertation marks an important contribution not only from a theoretical and empirical perspective but from a pragmatic one as well. These results shed light on the possible factors that contribute to, and the governing logic that guides, a state's decision not to uphold the most sacred rights of its citizens.

2.0 Paper 1 – The Moderating Role of Regime Type on the Relationship Between Foreign Direct Investment and State Repression

2.1 Introduction

Does foreign direct investment (FDI) improve a government's respect of human rights or, alternatively, does this key component of economic globalization worsen citizens' ability to enjoy one of the most fundamental of their rights – physical integrity rights that ensures freedom from extrajudicial killing and disappearance, torture, and political imprisonment?

Inward FDI – that is, investment by foreign firms that commands control over at least 10% of the voting shares for an economic entity in a host country via either construction of new facilities (greenfield investment) or by means of merger and acquisition of existing enterprises – have increasingly become a vital source of finance for developing countries lacking sufficient domestic sources of investment to facilitate economic development. Economic globalization in general, and FDI in particular, have been promoted as engines of growth for the developing world by a host of Western industrialized countries and international organizations such as the World Bank and International Monetary Fund (Rudra, 2005). Both institutions have conditioned loans and other forms of aid on international economic liberalization that, in addition to trade, has emphasized the liberalization of financial markets in developing countries (Stone, 2008). The resultant level of financial integration has been quite impressive: in 2014, the total global FDI constituted 1.23 trillion US dollars, slightly more than half of which (681 billion US dollars) invested in developing countries with both democratic and authoritarian political regimes (Escribà-Folch, 2017).

This unprecedented level of economic integration has generated a voluminous scholarship from various academic disciplines examining the consequences of FDI on a host of issues ranging from economic and human development to environmental to civil conflict to political and civil liberties and fundamental human rights (Borensztein, De Gregorio, & Lee, 1998; Hafner-Burton, 2005b; List & Co, 2000; Reiter & Steensma, 2010). In the last two decades, a sizable quantitative literature has emerged that examines the relationship between FDI and state repression. Despite this significant academic effort directed at uncovering a possible relationship between FDI and the violation of physical integrity rights, findings have been quite divergent (Janz, 2018).

Three strands of literature have emerged. The first is primarily inspired by neoclassical economic theory and argues that FDI leads to improvements in physical integrity rights via economic development which results in reduced poverty and the emergence of a middle class. While the former reduces social tension, the latter gives rise to a social class capable and willing to push for increased respect of their rights and liberties. Additionally, inflow of FDI breaks up domestic monopolies and the ruler's ability to trade favors in exchange for support with the domestic economic elite. Empirical studies in this tradition find a positive and statistically significant correlation between FDI and physical integrity rights (Apodaca, 2001; D. L. Cingranelli & Richards, 1999; Hafner-Burton, 2005a, 2005b; Kim & Trumbore, 2010; Meyer, 1996).

Second strand of literature started off with roots in dependency theory, which argued that multinational corporations (MNCs) are a version of colonization aimed at exploiting populations of developing countries in close cooperation with local elites (Hymer, 1982; Moran, 2006). More recent theoretical insights are drawn from structuralist theories that explain the negative relationship between FDI and state repression through the need for developing countries to suppress labor and environmental movements among others to create sufficiently attractive

economic conditions for MNCs, leading to increased violation of human rights (Escribà-Folch, 2017; Rudra, 2005). Empirical findings in this literature find a statistically significant negative relationship between FDI and physical integrity rights (Janz, 2018; Ruggie, 2011; J. Smith et al., 1999; Wimberley, 1990).

Finally, the third strand of literature finds no empirical evidence of a statistically significant impact of FDI, a finding rationalized by the argument that the influence of MNCs is exaggerated and therefore, political regimes (and respective states) continue to be dominant players in domestic politics and the maintenance of political power dominates any gains that can be expected from FDI (Cao, Greenhill, & Prakash, 2013; Richards et al., 2001; Sorens & Ruger, 2012).

Drawing on the theoretical arguments in the human rights literature as well as bringing in additional theoretical insights from the closely related democratization literature, the present paper reconciles the disparate findings in the extant literature by introducing regime type as a moderating variable. I argue that the mechanisms underlying the negative correlation between FDI and state repression are more likely to be present in autocratic regimes, whereas the mechanisms through which FDI exerts a positive impact are more likely to exist in democratic regimes. Therefore, this paper hypothesizes that political regime type conditions the relationship between FDI and physical integrity such that there should exist a positive relationship between FDI and physical integrity rights in democracies and a negative one in autocracies. Drawing on the largest dataset utilized thus far in terms of both temporal and spatial coverage – a global dataset of 148 developing countries between the years of 1970 to 2006 – and utilizing the most appropriate statistical methodology for a time series cross-sectional (TSCS) dataset, the empirical findings presented below indicate a positive and statistically significant relationship in democracies and a negative, albeit insignificant, relationship in autocracies.

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Next, the current research draws on theoretical insights from the literature on FDI and political regimes to distinguish among primary, secondary, and tertiary sectors, a categorization based on the amount of fixed assets and, therefore, the level of sunk costs from the perspective of the investing MNC (N. M. Jensen, 2003; Oneal, 1994; Wright & Zhu, 2018). In general, only a handful of firms operate in sectors that require high levels of initial investments, as large capital costs are prohibitive for a vast number of economic entities (Geroski, 1995; Kerner, 2009). Primary sector FDI that captures capital flows into extractive industries and agriculture has some of the most concentrated market environments, with only a handful of companies able to overcome high capital costs of entry. This, in turn, provides opportunities for monopoly rent generation, which in turn is beneficial for both the MNC and the ruler, especially if the latter enjoys significant discretionary power over distribution of the rent (Li & Resnick, 2003; Wright & Zhu, 2018). Additionally, theoretical arguments in the literature on the resource curse (a topic explored in more detail in Paper 2) would further indicate a negative relationship between primary sector FDI and human rights(DeMeritt & Young, 2013). These results indicate negative and statistically significant relationship between primary FDI and physical integrity rights in autocratic settings in which the ruler faces few executive constraints.

The literature on state repression assigns a prominent role to dissent in explaining a state's willingness to engage in the egregious violation of human rights within its borders (Davenport, 2007a). If FDI leads to economic growth, job creation, and poverty reduction, then improved living conditions can diminish societal discontent and thus reduce citizens' inclination to engage in protest activities. Alternatively, if FDI leads to increased inequality and economic uncertainty, it is more likely that citizens challenge the ruler via protests. Thus, an empirical examination of the relationship between FDI and protests would present a possible mechanism that explains the nature

of the correlation between FDI and state repression. The evidence indicates that FDI reduces contentious political activism in democracies as well as in autocratic regimes with a certain level of democratic development.

The current paper makes both theoretical and empirical contributions to literature on the global economic determinants of human rights. In additional to theoretical arguments in the human rights literature, I draw further insights from the literature on democratization and authoritarian regimes to argue that the relationship between FDI and physical integrity rights is conditional on the political regime type. Additionally, I argue that the level of market competition and the ability for multinationals and authoritarian rulers to generate monopoly rent in an autocratic political context, as well as insights from resource curse literature, provide a theoretical foundation to expect divergent impacts from primary, secondary, and tertiary FDI. Finally, I examine the relationship between FDI and protests as a possible mechanism explaining the direction of the FDI and state repression relationship.

Empirically, I utilize statistical methods that are appropriate for the analysis of time series cross-sectional (TSCS), taking into account possible contemporaneous (spatial) correlations and including country fixed effects to control for time invariant unobservable characteristics. This marks a tangible improvement over previous empirical work, as is the reliance of this paper on the largest dataset available (128 countries for the years of 1970-2008). Taken together, these enhancements give further confidence in the empirical results.

The paper will proceed by providing a brief literature review, followed by a discussion of the theoretical arguments. Presentation of empirical results and discussion of the findings will be followed by a conclusion section.

2.2 Literature Review

The co-dependence brought about by the second wave of globalization – that is, the unprecedented levels of economic integration among countries at various levels of economic, political, and social development beginning in the 1970s – has been accompanied by intense interest, both enthusiasm and concern, by regular citizens, policy-makers and academics alike. This interest centers on the potential consequences of such a drastic transformation of international financial markets. Despite improvements in data coverage over time and space, as well as increasingly sophisticated statistical methods, the literature over the past several decades has produced inconclusive findings. I argue that this is explained by the literature's failure to consider the moderating role of political regimes.

The first strand of empirical research that finds a positive association between FDI and human rights mostly draws inspiration from neoclassical economic theory. The argument proceeds as follows: FDI leads to improvements in physical integrity rights via economic development, poverty reduction, and lower unemployment rates, which in turn reduces social-economic tensions, and the improved economic performance enhances the legitimacy of the incumbent (D. L. Cingranelli & Richards, 1999; Kim & Trumbore, 2010; Meyer, 1996). Another beneficial aspect of FDI is captured in modernization theory's emphasis on the emergence of a middles class that is both capable and willing to put pressure on the ruler to limit repressive policies (Hafner-Burton, 2005a). Inflow of foreign capital increases market competition, breaks up monopolies and reduces the political elite's hold on the economy. The reduced ability for the ruler to exchange economic rent for political support erodes her support base and makes repression costlier, opening up opportunities for accommodation (Apodaca, 2001). A related argument advanced in the

democratization literature posits that FDI contributes to the formation of a new and independent economic class that is motivated to push for institutional constraints on the political elite to safeguard newfound wealth from potential predatory state behavior (Ansell & Samuels, 2010; Rudra, 2005).

An alternative strand of literature finds a negative relationship between FDI and respect of physical integrity rights. Earlier work on the topic took place within the framework of dependency theory and argued that MNCs are a vehicle for Western industrialized nations to further exploit the developing world via collusion with the local political and economic elite. Given the need to ensure an environment conducive for exploitation, multinational companies and local elites would resort to the repression of citizens' rights (Hymer, 1982; Moran, 2006). With the intellectual decline of dependency theory, a somewhat related structuralist argument emerged positing a less deliberate, albeit equally detrimental, impact of FDI on human rights. Countries, particularly, relatively poor ones need to attract foreign capital to propel their economies (Janz, 2018). The MNCs are interested in profits and thus invest in countries that can provide a stable investment environment for profit maximization (Escribà-Folch, 2017). Governments will resort to repression in order to reduce wages, dismantle labor unions, and suppress environmental and land rights movements, thereby ensuring that foreign capital stays in the country (Ruggie, 2011; J. Smith et al., 1999). Inflow of FDI can also lead to tensions and instability as economic growth is accompanied, at least initially, by increased income inequality, increased unemployment, and economic uncertainty if domestic producers lose in completion with multinationals that tend to possess superior technology and managerial skills (Rudra, 2005; Wimberley, 1990). If MNCs engage in "pay to play" schemes to gain access either to resources or foreign markets (Wright & Zhu, 2018), then the generated rents will worsen the respect for human rights as the ruler acquires

additional financial means to strengthen state repressive capabilities (Acemoglu & Robinson, 2006).

Finally, a third strand of literature finds no statistically significant association between FDI and state repression. The theoretical basis for such findings is that the economic benefits derived from attracting and maintaining foreign capital are inferior to the benefits of maintaining political office (Sorens & Ruger, 2012). In other words, the possible benefits from increased capital inflows are not substantial enough to risk losing one's hold on political power, thus, one should not expect the presence or absence of FDI to influence ruler behavior. Additionally, scholarship in this area argues that the impact of MNCs (both positive and negative) in terms of economic growth and ability to exert political pressure on the host governments is exaggerated, while simultaneously arguing that such corporations have motivations beyond pure profit maximization, including more lofty goals such as improvements in human rights and restraining repressive regimes (Cao et al., 2013; Janz, 2018; Richards et al., 2001).

2.3 Theoretical Arguments

Proponents of economic globalization have argued that the liberalization of international financial markets contributes to economic development, which in turn leads to a reduction in government violation of human rights. According to this view, an increasingly globalized world economy has generated wealth and improved living standards of citizens in states that have lowered barriers to international capital mobility. It is argued that foreign capital finances industrial development in countries with limited domestic capital, brings in new technologies and

management skills, and increases the efficiency and productivity of domestic industries (Dreher et al., 2012; Rudra, 2005). Improved living standards enhance the governing regime's legitimacy, increase economic equality and reduce social tensions and instability (Armijo, 1998). The result is a diminished need for the political elite to engage in repressive acts to restore stability and suppress dissent. In contrast, poorer countries tend to experience more social tension and political instability (Apodaca, 2001; Li & Reuveny, 2003). Regimes in such countries will thus resort more frequently to repressive behavior to maintain internal order and quell opposition. Since wealthier states tend to violate human rights less frequently than their less developed counterparts, economic development is theorized to be one of the mechanisms linking economic globalization to improved human rights conditions (Mitchell & McCormick, 1988; Poe & Tate, 1994; Poe et al., 1999; Richards et al., 2001).

Indeed, economic performance should lead to increased political legitimacy irrespective of level of democratization (Armijo, 1998). However, discontent can arise regarding the distribution of the benefits from economic growth, which in turn largely depends on the extent to which power is concentrated in the hands of the ruler. Those political regimes that rely on a narrower circle of supporters to maintain their hold on power tend to allocate disproportionate share of revenue to supporters and cronies. Such extractive regimes are more likely to have the kind of economic system that directs most of the benefits of economic growth to a narrow circle (Wright, 2008). Regimes distribute both public and private goods to sustain support. Public goods are those that benefit the majority of the population and entail things like spending on education, health, and welfare, while private benefits enrich regime supporters in the form of targeted subsidies, kickbacks, and other forms of illicit revenue. The more autocratic a regime is the higher the share of revenue directed towards the provision of private goods, leading to increased inequality and

grievance-fueled tensions (Gandhi & Przeworski, 2007; Geddes, Wright, & Frantz, 2014; Wintrobe, 2000). Therefore, I expect that the overall effect of economic development brought about by FDI should be negative in polities with very restricted political freedoms and positive in regimes with higher levels of democracy.

Globalization advocates also argue that an increasingly integrated world market contributes to the emergence of a middle class, which in turn puts pressure on the incumbent political regime to refrain from repressive policies and practices (Apodaca, 2001). Countries with a sizable and stable middle class tend to favor liberal domestic policies and have both the motivation and capacity to punish political regimes that resort to illiberal means to maintain political authority (Acemoglu & Robinson, 2006; Ulfelder, 2007). Representatives of this class tend to be well-educated, internationally-oriented, and sensitive to the plight of the disadvantaged in their communities (Lipset, 1959). Therefore, their effort will not be limited to advocating interests of their class alone but will also include those of the disenfranchised and less economically fortunate, with the overall effect of improved human rights in the respective polity (Richards et al., 2001). As argued above, the emergence of a middle class is more likely in those political regimes in which higher levels of political competition force the political elite to redistribute some of the benefits of economic development, enabling the formation of a well-educated, relatively politically independent and socially-oriented middle class capable of generating political pressure sufficient to bring about a reduction in human rights violations.

A somewhat similar argument posits that financial globalization contributes to the emergence of an independent economic class with financial and organization capabilities and an interest in limiting the ability of states to engage in predatory behavior. The increasing presence of foreign capital enables the emergence of a politically disenfranchised economic class that is

both able and interested in protecting its newfound wealth from likely expropriation by the political elite. This new class of bourgeoise derives its wealth from economic sources independent of the political regime and therefore will have strong interest in pushing for limits on capabilities of the state repressive apparatus and, more generally, the usefulness of repression as a means of power maintenance (Ansell & Samuels, 2010).

A related theoretical argument emphasizes the role of the existing economic elite. With increasing levels of economic integration, a state's ability to play a decisive role in choosing economic winners and losers substantially diminishes. The economic elite, who once relied on political connections to extract monopoly rents and receive generous state subsidies and beneficial tax policies in return for their support of the political elite, diminish or withdraw such support as the ability of the ruling elite to accommodate their rent-seeking behavior diminishes (Rudra, 2005). The realignments of economic groups and emergence of new alliances can lead to pressure on the political regime to reduce their reliance on repression and instead adopt policies of accommodation (Escribà-Folch, 2017). Furthermore, reduction in economic support and illegal sources of income further limits a regime's capacity to maintain the support and loyalty of the repressive apparatus (i.e., armed forces and other security and law enforcement agencies), further reducing the repressive capabilities of the political elite (Tomashevskiy, 2017).

However, the effect of the inflow of foreign capital into developing countries on the ability of rulers to control domestic economic interests varies based on the degree of concentration of political power (Wright & Zhu, 2018). While FDI may lead to a reduction in economic patronage in democracies, financial flows may enhance an autocrat's ability to generate rent for her close circle of supporters and cronies (Armijo, 1998). Higher levels of democratization tend to be associated with a more comprehensive liberalization of economic policy-making, which in turn

substantially limits the ability of the governing elite to favor politically relevant groups, friends, and family. At the same time, increased transparency and accountability limit the ability to generate illicit income through bribery (Davenport, 2007c; Davenport & Armstrong, 2004). Autocracies, on the other hand, undergo partial market liberalization that allows the ruling elite to maintain at least partial control of economic activity and take advantage of the economic opportunities afforded by the inflow of financial capital by means of directing some of the newly found economic benefits to supporters (Dillman, 2002). There are two channels that enable political elite in autocratic countries to benefit from the activities of multinational corporations: bribery and forced partnership with regime supports. Firstly, MNCs may be forced to pay bribes to get access to lucrative economic sectors and facilitate interaction with various states agencies (Malesky, Gueorguiev, & Jensen, 2015). Such cases are prevalent in extractive industries, although non-extractive multinationals have been accused of paying bribes to gain access to the telecommunications sector and the water and electricity markets. For example, Telia, a Swedish telecommunications company, agreed to pay $966 million in a court case settlement brought about by the United States and several European countries alleging the payment of bribes to Gulnara Karimova, the daughter of the then Uzbek president in the amount of $320 million to operate in the Uzbek market. A second case involving Karimova and a Russian telecommunications company announced by New York Federal prosecutors alleged a payment of $865 million (Bloomberg, 2019; Reuters, 2019). An Italian oil and gas contractor has been accused of paying 197 million euros over the course of three years to the Algerian state-owned energy company to gain contracts worth $9 billion (Reuters, 2018).

Secondly, many countries require multinational corporations to form domestic partnerships, transfer technology and insure some percentage of domestic content in the final

product and service. By creating linkages with domestic firms such requirements are meant to develop a domestic industrial base and spur economic growth. In a more democratic setting, this laudable economic development policy can lead to the emergence of an independent economic class. Ensuing economic growth is also more likely to benefit a broader circle of the citizenry. In contrast, autocratic regimes force multinational organizations to form partnerships and use locally-produced inputs from companies run by politically connected regime supporters, further strengthening the hold of the regime on the economy. For example, several MNCs were forced to form alliances and partnerships with Indonesian president Suharto's children and family-friends to gain access to lucrative deals in extractive sectors of the Indonesian economy (Escribà-Folch, 2017). Rents, bribes, and politically determined economic opportunities will have detrimental effects on human rights in at least two ways. On the one hand, the ability to extract rent increases the value of holding on to political power, thus increasing the likelihood of repression to prevent political transition (Fearon & Laitin, 2003). On the other hand, self-enrichment opportunities present in such regimes can lead to more frequent attempts by the politically disenfranchised groups to capture political power (Tomashevskiy, 2017). Resultant political instability again leads to increased state repression.

Finally, financial globalization may enhance respect for human rights via diffusion of international human rights standards and norms, as well as direct pressure on political regimes by multinational corporations concerned with their reputation in home markets (Spar, 1998). Western companies have increasingly come under pressure to play a more active role in reducing human rights abuses of the states in which they operate (Janz, 2018; Minkler & Sweeney, 2011; Scherer & Palazzo, 2011). Some argue that multinationals are interested in reducing state repression in host countries and will export democratic values and human rights norms as less repressive

regimes provide for a better and more stable investment environment (Apodaca, 2001; Blanton & Blanton, 2009; Malesky, 2009; Moran, 2004; Mosley & Uno, 2007). Indeed, such opportunities are likelier to be prevalent in more pluralistic regimes in which opposition parties and domestic economic forces can form partnerships with international capital in promoting advances in human rights.

As the above discussion indicates, FDI is more likely to have a positive effect on a regime's respect of human rights in a political context with more liberal political rights, leading to the following hypothesis.

H1.1: *FDI positively affects the upholding of physical integrity rights, but the hypothesized effect is more likely to be observed in democracies.*

Alternatively, a set of theoretical perspectives postulate that the overall effect of FDI negatively affects government respect of citizens' human rights. The earliest of such theories – dependency theory – argued that the increased presence of foreign capital puts pressure on governments to suppress discontent with the activities of multinational corporations related to local community rights to land and opposition to environmental degradation, as well as increased exploitation of labor and disregard for workers' rights (Hymer, 1982; Manby, 1999; Meyer, 1996; Richards et al., 2001). For example, Human Rights Watch reports that international oil companies relied on Nigerian security forces to resolve disputes and suppress protests demanding compensation for environmental degradation and resisting displacement, resulting in the detention, torture, and killings of peaceful protesters (Janz, 2018). While the economic importance of FDI can motivate both democratic and authoritarian regimes to resort to violence to create stable and profitable investment environments for the international capital, especially if local capital benefits

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from such inflows of investment, a more egregiously violent response is more likely in an autocratic setting since the leader relies on a much smaller circle of supporters and does not face electoral (or other informal) constraints (De Mesquita, Smith, Siverson, et al., 2005).

A somewhat related argument advanced by structuralist theorists assigns a less malign role to MNCs. Foreign companies are interested in profit-making opportunities and thus prefer a stable investment environment, which in some instances means a lack of challenges from organized labor and environmental groups and low wages and taxes. Governments that lack domestic financial resources and thus desire to attract foreign capital can resort to repressive measures to ensure foreign capital does not face such challenges and the country remains attractive for foreign capital as a result (Cao et al., 2013; Dreher et al., 2012). While both democratic and authoritarian regimes can face such pressures to attract FDI, it is more likely that authoritarian regimes behave more heavy-handedly under such circumstances, as rulers of such regimes face fewer constraints and the benefits (whether increased taxation or more direct benefits via bribery) are more likely to disproportionally benefit the autocratic ruler.

While FDI may bring about increased wealth, it also tends to increase income inequality, leading to heightened tensions and discontent among those on the losing side of the new economic reality. Furthermore, some domestic firms are unable to compete with technologically advanced multinationals, further increasing economic uncertainty and social tensions (Rudra, 2005). FDI leads to more frequent labor protests in autocratic regimes, as such political systems lack institutionalized mechanisms of labor dispute resolution (Robertson & Teitelbaum, 2011). Increased instability and discontent necessitate government intervention to ensure political stability. While more democratic regimes facing regular and fairly organized opposition are more reluctant to use repressive measures and will likely employ alternative dispute resolution

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mechanisms, autocratic regimes are more likely to rely on repression, given that both such institutions tend to be absent and the ruler faces little political competition (Dorn, Fuest, & Potrafke, 2018; Evans, 2000; Rosenau, 2003).

As the above discussion suggests, FDI is more likely to have a negative effect on a regime's respect of human rights in a political context with more restricted political rights. Therefore, the alternative hypothesis posits:

H1.1: *FDI negatively impacts the upholding of physical integrity rights but the hypothesized effect is more likely to be observed in autocracies*.

The literature on state repression assigns a prominent role to dissent in explaining a state's willingness to engage in the egregious violation of human rights within its borders (Davenport, 2007a; Davenport & Inman, 2012). Indeed, contentious political activity can be a manifestation of several mechanisms discussed above. For instance, If FDI leads to economic growth, job creation, and poverty reduction, then improved living conditions can diminish societal discontent and thus reduce citizens' inclination to engage in protest activities. Improved economic conditions tend to stabilize the incumbents via improved legitimation with regard to economic performance. Alternatively, if FDI leads to increased inequality and economic uncertainty, it is more likely that citizens can challenge the ruler via protests. Likewise, an emergent middle and/or economic class can choose to engage in a contentious form of political activism, among other means of putting pressure on the ruler to improve human rights. Thus, an empirical examination of the relationship between FDI and protests would present a possible mechanism that explains the nature of the correlation between FDI and state repression. In other words, if FDI increases citizen willingness to engage in contentious politics, and the ruler decides to use repressive methods to quell dissent

then this path would explain a potential negative link. Alternatively, if FDI reduces dissent, then this particular mechanism sheds some light regarding a positive association between FDI and the improvement of physical integrity rights. Thus, an empirical examination of the relationship between FDI and protests would present a possible mechanism that explains the nature of the correlation between FDI and state repression. As was discussed above, underlying mechanisms favoring a positive association between FDI and respect for physical integrity rights are more likely to be prevalent in democracies while the negative association is more likely to be observed in autocracies. If said association is partially explained by the mediating role of protest activity, then one should expect that FDI leads to higher levels of contentious activism in autocratic regimes, unless a repressive system discourages dissent. This argument is thoroughly examined in Paper 3 of the present dissertation. Likewise, the same rationale should lead to lower levels of protest activities in more democratic regimes. The discussion thus far leads to the following hypothesis:

H2: *the correlation between FDI and dissent is more likely to be positive in autocratic regimes (increased dissent) and more likely to be negative in democracies (decreased dissent).*

As discussed above, a ruler's ability to extract rent (either through taxation or illicit means) from economic entities can lead to a higher inclination to resort to human rights abuses: such revenues enable the ruler to enrich himself and thus increase the value of maintaining political office and provide financial resources to strengthen the repressive apparatus. The available level of rent is both a function of political regime type and the economic sector in which FDI takes place. The primary sector that includes FDI in extractive industries and large-scale agriculture is characterized by high capital/fixed costs. The latter creates natural barriers for entry and enables the MNCs to operate with limited to no competition, i.e., monopolistic or oligopolists markets. For

example, in iron ore extraction only three companies control 74% of production and more than 40% of oil and gas production is undertaken by ten multinationals (Wright & Zhu, 2018). Unless governments regulate such markets with antitrust laws, the MNCs, whose primary motive is profit making for stakeholders, are able to extract monopoly rent (Li & Resnick, 2003). However, regime type determines the extent to which companies are able to profit (Geddes, 1999). Democracies are more likely to set up such institutions since the incumbents operate in a political environment in which the free press, opposition parties, and electoral competition create pressures to limit the predatory behavior of MNCs and the domestic political elite (N. M. Jensen, 2003; Li, 2009; Spar, 1998). Additionally, said factors limit the ability of the incumbent to appropriate part of the monopoly rent for personal gain. In contrast, autocratic regimes lack effective institutional mechanisms to ensure transparency and accountability (Hollyer, Rosendorff, & Vreeland, 2011). This motivates the autocrat to encourage limited market competition and generation of monopoly rents as long as part of the proceeds end up enriching the ruler and his narrow circle of supporters. Autocrats have significant power in determining who gets access to profitable domestic economic sectors and are quite successful in using this tool to reward key supporters and exclude political/economic rivals (Wintrobe, 2000, 2001). However, limiting market access of non-supporters is not effortless. It involves administrative costs and, to some extent, entails political risk in order to be able to exclude a larger number of economic entities from the kind of economic activities that do not require large capital investments. Investments in primary sectors are characterized by high fixed costs and thus investors operate in markets with high entry barriers, greatly facilitating an autocratic ruler's ability to engage in rent-seeking behavior (Geddes et al., 2014; Wright & Zhu, 2018). In contrast, industries in secondary and tertiary sectors tend to operate in markets with lower entry barriers, as economic entities in these sectors tend to have relatively

low sunk costs, i.e., fixed assets investments (Karakaya, 2002; Shafer, 1994). The presence of a larger number of firms reduces the ability for a single firm to generate monopoly profits, which in turn reduces an autocrat's ability to engage in rent-seeking behavior by demanding some portion of the profits in exchange for maintaining firm's monopolistic/oligopolistic position in the market.

A sectoral FDI may impact physical integrity rights via some arguments articulated in "resource curse" scholarship that posits that countries endowed with natural resources experience worse economic and political outcomes (M. Ross, 2013). The economic resource curse literature demonstrates a robust negative relationship between resource wealth (extractive industries in primary sector) and economic growth (Sachs & Warner, 1995; Van der Ploeg, 2011). While foreign investments in secondary and tertiary sectors may lead economic growth and the emergence of a middle class and independent economic elite, primary sector FDI fails to lead to such desired outcomes, particularly in autocratic political contexts (Escribà-Folch, 2017; Janz, 2018; Ulfelder, 2007). Additionally, a sizable literature on political resource curse focuses on the relationship between resource wealth and democratic accountability and argues that higher level of revenue derived from extractive industries leads to lower levels of political right and civil liberties (J. J. Andersen & Ross, 2014). Paper 2 will examine the whether there is a "resource curse" for human rights i.e., whether higher levels of resource revenue lead to worsening of government respect of physical integrity rights. The above discussion leads to the following hypothesis:

H3: *FDI in primary sector negatively affects a government's upholding of physical integrity rights particularly in autocratic context, whereas secondary and tertiary sector FDI is expected to improve citizens' integrity rights, especially in democratic regimes.*

2.4 Data and Empirical Strategy

2.4.1 Dependent Variable

To test the hypotheses outlined above, I follow the long tradition in the state repression literature and operationalize state repression as an indicator of physical integrity rights that measures freedom from torture and beatings, political imprisonment and arrests, disappearances, mass executions, and extrajudicial killings. I utilize the Latent Human Rights Protection Scores (henceforth, Latent Scores) of physical integrity rights that takes into account changing standards of evaluation and monitoring by the US State Department and Amnesty International of human rights violations by countries and state-sponsored entities. Over time, human rights assessment standards have become more stringent and available information more comprehensive. First, both the quality and quantity of available data has improved over time, enabling a more accurate and comprehensive assessment of human rights abuses by governments. These improvements have come about due to increased transparency of state reporting agencies as well as improved access to countries by human rights NGOs (for instance, Amnesty International) resulting in more accurate documentation of human rights violations. Additionally, standards used by monitoring agencies have changed over time leading to classification of a government behavior as human rights violations while in prior years such actions would not be categorized as such. For instance, a government action that has been classified as torture in more recent accounts of reporting/documenting agencies would have constituted an abuse that fell short of torture in prior years. Therefore, failure to incorporate such changes in access/recordings and evaluation of a state's violation of these fundamental rights into derivations of indexes can lead to erroneous results. Methods used to derive indexes such as the CIRI additive index and the Political Terror

Scale index fail to account for such changes and therefore, produce inaccurate records of human rights conditions over time. The Latent Human Rights Protection Scores (henceforth, Latent Scores) utilize a dynamic item-response theory model that accounts for such changes and thus produces unbiased latent scores of physical integrity rights. Additionally, Latent Scores expand time coverage to incorporate an additional ten years of data improving confidence in the empirical analyses (Fariss, 2014).

2.4.2 Independent variables

2.4.2.1 Foreign Direct Investment (as ratio of GDP)

A key independent variable in the analyses below is a measure of investment by foreign firms that gives control over at least 10% of voting shares of an economic entity in a host country via either construction of new facilities (greenfield investment) or by means of merger and acquisition of existing firms. The data comes from UNCTAD and covers the years from 1970 to 2006.

2.4.2.2 Sectoral Foreign Direct Investment (as ratio of GDP)

To distinguish between sectoral investment as a proxy for level of fixed asset (sunk cost) requirement, I follow the example of Wrights and Zhu (2018) and rely on data for primary, secondary, and tertiary FDI utilized by the authors. Primary FDI includes investments in extractive industries and agriculture, while secondary and tertiary FDI captures capital flows into manufacturing and services. Due to poor data availability, the sample utilized herein is limited to 58 developing countries and covers the years from 1990 to 2006.

2.4.2.3 Political dissent

To measure political dissent, I rely on data compiled by Chenoweth, D'Orazio, and Wright (2014). The authors utilize an item response theory model and draw upon eight existing protest datasets, including Bank's protest data (Banks, 2008), to construct a latent protest measure that captures contentious political activism for the largest number of states and time coverage to date. The measure is a substantial improvement over any single dataset on social conflict as it addresses concerns of measurement error arising from subjective coding rules, operationalization of the concept, and media coverage biases that occur because the media tends to report events that are salient and have certain a level of sensationalism.

2.4.2.4 Regime type and level of democratization

The Polity IV index is used to distinguish between democratic and autocratic societies. The index describes level of democracy ranging from -10 to 10, with higher scores corresponding to a more democratic society. A score of 6 is generally used as a cutoff point to classify countries as democratic(Conrad & DeMeritt, 2013). In the analyses that follow, I add 10 to these values to obtain an index range from 0 to 20. As the impact of FDI on human rights is distinct among developed and developing countries, the sample is limited to non-OECD countries only (Wright & Zhu, 2018).

2.4.3 Control variables

I follow the prior scholarship in the resource curse and state repression literatures to select the set of control variables (confounders) that could be correlated with resource wealth and simultaneously impact state repression, thus potentially biasing the results. In particular, I control

for: per capita gross domestic product (GDP; natural log); GDP growth rate; trade openness (natural log); total population (natural log); a binary variable indicating that a country was experiencing a civil conflict in a given year; and a binary variable identifying those years falling into the Cold War period.

2.4.4 Empirical model

To estimate the statistical correlation between resource wealth and state repression, I draw on a sample of at most 128 country over the period from 1970 and 2006 and employ statistical models that are appropriate for the analysis of time series cross-sectional (TSCS), rather than panel, data. The former derives its asymptotic properties from the number of periods (years) while the latter relies on number of units (countries). In order to utilize methods appropriate for TSCS data, one should have at least 15 years of observations, while panel data analysis requires only a few years of observations as long as the number of units is large.

Employing these methods presents an improvement over the existing work in the field in that such work typically fails to account for contemporaneous (spatial) correlations, which can incorrectly estimate standard errors and thus report erroneous statistical significance. Additionally, prior work often includes lagged dependent variables to control for within-panel serial correlation; if these are not accompanied by appropriate statistical methods, endogeneity is introduced into the model. Finally, previous research tends to use time fixed effects inconsistently and rarely includes country fixed effects to control for time invariant unobservable characteristics that, if correlated with the variables of interest, will bias the results.

To address these issues and advance the scholarship in this area, I utilize country and year fixed effect models to control for unobservable factors that are constant over time but vary across countries and factors that vary over time but are constant across countries, respectively. At the same time, I use Driscoll-Kraay standard errors to provide robust estimates of heteroskedastic, autocorrelated, and spatially (contemporaneously) correlated error structures. All explanatory variables are lagged by one year to alleviate concerns of reverse causality and to take into account the possibility that the impact of factors takes some time to materialize. Additionally, as indicated in the previous subsection, the natural logarithm of resource wealth, per capita GDP, trade openness, FDI, and population are used to address the skewness of the variables.

2.5 Empirical Results

The first column of Table 2.1 shows results from an unconditional model of democratic and undemocratic non-OECD countries without regard for regime type. The coefficient for FDI is positive but not statistically significant, lending credence to empirical work that argues for the lack of any impact of FDI on physical integrity rights. Results presented in the second and third columns test whether the effect of FDI is conditional on regime type by interacting FDI with a binary (column 2) and a continuous (column 3) measure of regime type. Those country-years receiving scores greater than 5 on the original Polity IV measure (and greater than 15 on my modified measure) are classified as democracies by the binary variable. In the conditional model presented in the second column, the coefficient of the FDI variable indicates the effect of FDI on human rights in autocracies, the coefficient of the interaction terms indicates whether the impact is statistically different in democracies, and the sum of both coefficients indicates the effect of FDI

on state repression in democracies. Although the coefficient of FDI in column 2 is negative, it is quite small and statistically insignificant (-0.0027), meaning FDI does not have an impact in autocratic regimes. The coefficient of the interaction term in positive and statistically significant (0.053) and the combined score that shows the effect of FDI in democracies equals 0.05 and is highly significant (less than 0.01 significance level). In other words, the results of Model 2 show that consideration of regime type refutes findings of the scholarly work that finds negative correlation, and reconciles the literatures that find either positive or no effect: FDI has no statistically significant effect in autocracies and a positive effect in democracies.

Table 2.1 Foreign Direct Investment, Regime Type and State Repression

VARIABLES	(1) physint	(2) physint	(3) Fariss
FDI	**0.0107**	**-0.0028**	**-0.0224**
	(0.0106)	(0.0148)	(0.0202)
Democracy_binary		0.4064***	
		(0.0567)	
FDI#Democracy_binary		**0.0534****	
		(0.0235)	
Democracy_continuous	0.0359***		0.0336***
	(0.0052)		(0.0049)
FDI#Democracy_continuous			**0.0039****
			(0.0018)
Trade Openness	0.1557***	0.1434***	0.1549***
	(0.0446)	(0.0478)	(0.0449)
Resource Wealth	-0.0388***	-0.0400***	-0.0371***
	(0.0118)	(0.0116)	(0.0121)
Protest	-0.2067***	-0.1734***	-0.2045***
	(0.0293)	(0.0309)	(0.0297)
GDP per capita	0.2801***	0.2253***	0.2837***
	(0.0460)	(0.0451)	(0.0445)
GDP growth rate	-0.0025	-0.0018	-0.0026
	(0.0016)	(0.0015)	(0.0016)
Civil Conflict	-0.6975***	-0.6646***	-0.6962***
	(0.0387)	(0.0380)	(0.0382)
Population	-0.2201	-0.1142	-0.1716
	(0.1427)	(0.1438)	(0.1425)
Coldwar	-0.2705**	-0.2854**	-0.2193*
	(0.1087)	(0.1089)	(0.1107)
Constant	0.7203	-0.3044	-0.0882
	(2.3969)	(2.3953)	(2.3750)
Observations	3,391	3,391	3,391
Number of groups	128	128	128
Country FE	Yes	Yes	Yes
Time FE	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Column 3 allows for a more nuanced analysis of the conditional effect of regime type by examining the effect of gradual improvements in democracy. The coefficient of FDI in this model is somewhat irrelevant, as it only captures the effect of FDI in regimes that received the lowest Polity IV score (-10), but the interaction term indicates the effect of FDI as level of democracy improves. The latter coefficient is positive and statistically significant (0.004), indicating that such improvement does indeed take place. This model also allows us to examine at what level of democratization the FDI inflow leads to improvements in human rights. Results in Table 2.2 that present marginal effects of FDI at different levels of democratization indicate that FDI exerts a positive influence on human rights at much lower levels of democratization: the statistically significant positive effect is present at Polity IV score of two which is significantly lower than a Polity IV score of six, which the democratization literature conventionally considers the threshold to categorize a country as a democracy. As for political regimes with scores lower than two, the results indicate that FDI has no statistically significant effect on a government respect of physical integrity rights. Figure 2.1 graphically presents the results of Table 2.2.

Table 2.2 Marginal Effect of FDI on State Repression at Different Levels of Democratizatio

FDI Grouping	dy/dx	Std. Err.	z	P>z	95% CI	
1	-0.022	0.020	-1.11	0.268	-0.062	0.017
2	-0.015	0.017	-0.85	0.396	-0.048	0.019
3	-0.007	0.014	-0.47	0.641	-0.034	0.021
4	0.001	0.012	0.11	0.913	-0.022	0.024
5	0.009	0.010	0.92	0.359	-0.010	0.029
6	0.017	0.009	1.81	0.071	-0.001	0.036
7	0.025	0.010	2.44	0.015	0.005	0.045
8	0.033	0.012	2.72	0.007	0.009	0.057
9	0.041	0.015	2.78	0.005	0.012	0.070
10	0.049	0.018	2.77	0.006	0.014	0.083
11	0.057	0.021	2.72	0.006	0.016	0.097
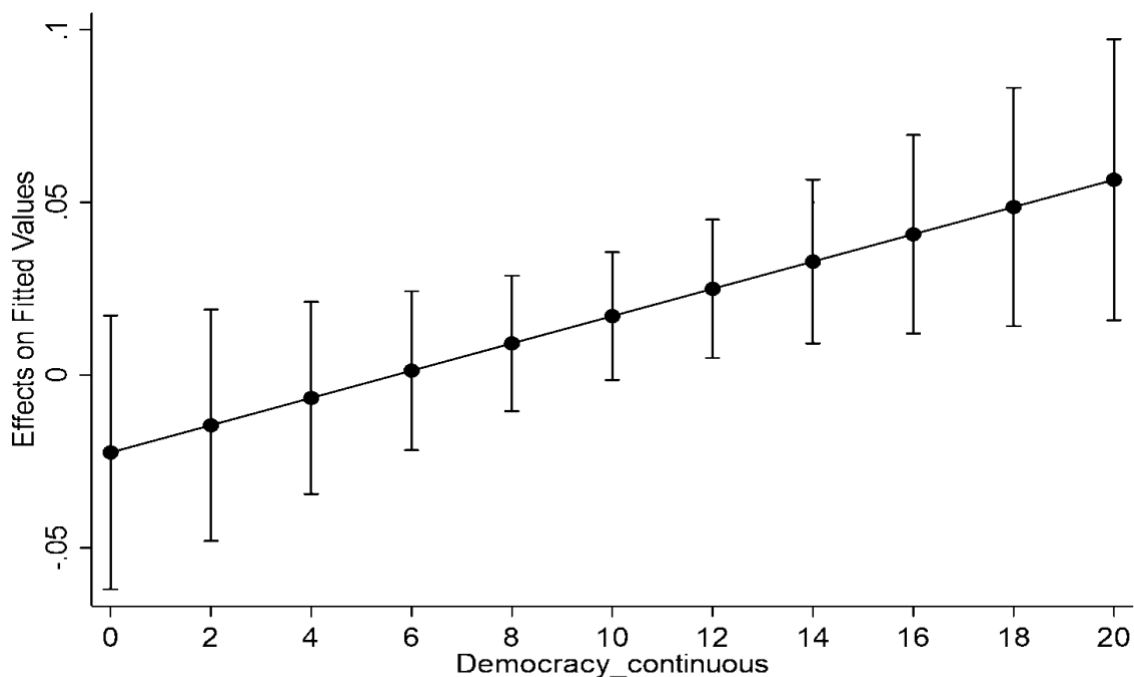
Figure 2.1 Average Marginal Effects of FDI with 95% CIs

In Appendix A, I present a series of robustness tests. These demonstrate that the results presented thus far are robust to the following robustness tests: 1) distinguishing between developed and developing countries via the exclusion of Western developed democracies rather than limiting the sample to non-OECD countries, where Western, developed democracies are identified using a dummy variable as in Bodea, Higashijima, and Singh (2016); 2a) dropping one geographic region (the Americas, Sub Saharan Africa, Asia, East Asia, Europe, the Middle East and North Africa) at a time for the interaction model with the binary democracy measure; 2b) dropping one of these same geographic regions at a time for the interaction model with the continuous democracy measure; 3a) employing different model specifications, namely, with the inclusion/exclusion of control variables for the interaction model with a binary democracy measure; 3b) employing different model specifications, namely, with the inclusion/exclusion of controls for the interaction

model with the continuous democracy measure; and 4) modeling time as a quadratic trend instead of a time fixed effects model.

The literature on state repression assigns a prominent role to dissent in explaining a state's willingness to engage in the egregious violation of human rights within its borders (Davenport, 2007a; Davenport & Inman, 2012). Indeed, contentious political activity can be a manifestation of several mechanisms discussed in the paper. If FDI leads to economic growth, job creation, and poverty reduction, then improved living conditions can diminish societal discontent and thus reduce citizens' inclination to engage in protest activities. Alternatively, if FDI leads to increased inequality and economic uncertainty, it is more likely that citizens can challenge the ruler via protests.

Table 2.3 presents results regarding said association: all three models indicate that FDI reduces protests and, therefore, the need for the ruler to resort to repressive measures in order to maintain power. Column 1 presents data from an unconditional model, wherein the coefficient for FDI is negative and highly significant (-0.035). The results presented in second and third columns test whether the effect of FDI on contentious political activism is conditional on regime type by interacting FDI with a binary (column 2) and a continuous (column 3) measure of regime type. In the conditional model presented in the second column, the coefficient of the FDI variable represents the effect of FDI on protests in autocracies, while the coefficient of the interaction terms indicates whether this impact is statistically different in democracies, and the sum of both coefficients indicates the effect of FDI on protests in democracies. Although the coefficient of FDI is negative (-0.015), i.e., this type of capital inflow reduces dissent in autocratic regimes, it is statistically insignificant. The coefficient of the interaction term in negative and statistically significant (-0.08), and the combined score that shows the marginal effect of FDI on dissent in

democracies is again negative (-0.095) and highly significant (less than 0.01 significance level). In other words, the results of Model 2 show that FDI reduces dissent in democracies and consequently the need for the ruler to resort to repressive measures.

Table 2.3 Foreign Direct Investment, Regime Type and Protests

VARIABLES	(1) Protest	(2) Protest	(3) Protest
FDI	**-0.0354***	**-0.0154**	**0.0146**
	(0.0124)	(0.0129)	(0.0218)
Democracy_binary		-0.1779***	
		(0.0348)	
FDI#Democracy_binary		**-0.0797****	
		(0.0320)	
Democracy_continuous	-0.0092***		-0.0054**
	(0.0021)		(0.0021)
FDI#Democracy_continuous			**-0.0058****
			(0.0023)
Trade Openness	0.0917*	0.1066**	0.0932*
	(0.0492)	(0.0484)	(0.0495)
Resource Wealth	0.0180	0.0172	0.0156
	(0.0130)	(0.0134)	(0.0136)
GDP per capita	-0.0601*	-0.0559	-0.0621*
	(0.0323)	(0.0341)	(0.0334)
GDP growth rate	-0.0038**	-0.0039**	-0.0037**
	(0.0016)	(0.0016)	(0.0016)
Civil Conflict	0.1656***	0.1419***	0.1645***
	(0.0286)	(0.0279)	(0.0282)
Population	0.7228***	0.5901***	0.6545***
	(0.1364)	(0.1326)	(0.1418)
Coldwar	-11.2033***	-9.2885***	-10.1704***
	(1.9351)	(1.8661)	(1.9911)
Constant	0.0000	0.0000	0.0000
	(0.0000)	(0.0000)	(0.0000)
Observations	3,750	3,750	3,750
Number of groups	129	129	129
Country FE	Yes	Yes	Yes
Time FE	YES	YES	YES

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Column 3 examines the marginal effect of FDI on protest activity as countries experience gradual improvements in democracy. The coefficient of FDI in this model is somewhat irrelevant as it only captures the effect of FDI in regimes that received the lowest Polity IV score (-10), but the interaction term (-0.006) indicates the effect of FDI as level of democracy improves. The interaction coefficient is negative and statistically significant, indicating that increases in FDI reduce contentious political engagement as regimes register progress in democratic institutions.

The results in Table 2.4 present the marginal effects of FDI on dissent at various level of democratization. These results are consistent with those presented in Table 2.1: the marginal effect of FDI on protest activity is negative and statistically significant at much lower levels of democratization, i.e., at Polity IV score of (-2).

Table 2.4 Marginal Effect of FDI on Protests at Different Levels of Democratization

FDI Grouping	dy/dx	Std. Err.	z	P>z	95% CI	
1	0.015	0.022	0.67	0.504	-0.028	0.057
2	0.003	0.018	0.16	0.875	-0.033	0.039
3	-0.009	0.015	-0.58	0.564	-0.039	0.021
4	-0.021	0.013	-1.53	0.125	-0.047	0.006
5	-0.032	0.013	-2.49	0.013	-0.058	-0.007
6	-0.044	0.014	-3.11	0.002	-0.072	-0.016
7	-0.056	0.017	-3.35	0.001	-0.088	-0.023
8	-0.067	0.020	-3.39	0.001	-0.106	-0.028
9	-0.079	0.024	-3.35	0.001	-0.125	-0.033
10	-0.091	0.028	-3.28	0.001	-0.145	-0.037
11	-0.102	0.032	-3.22	0.001	-0.165	-0.040
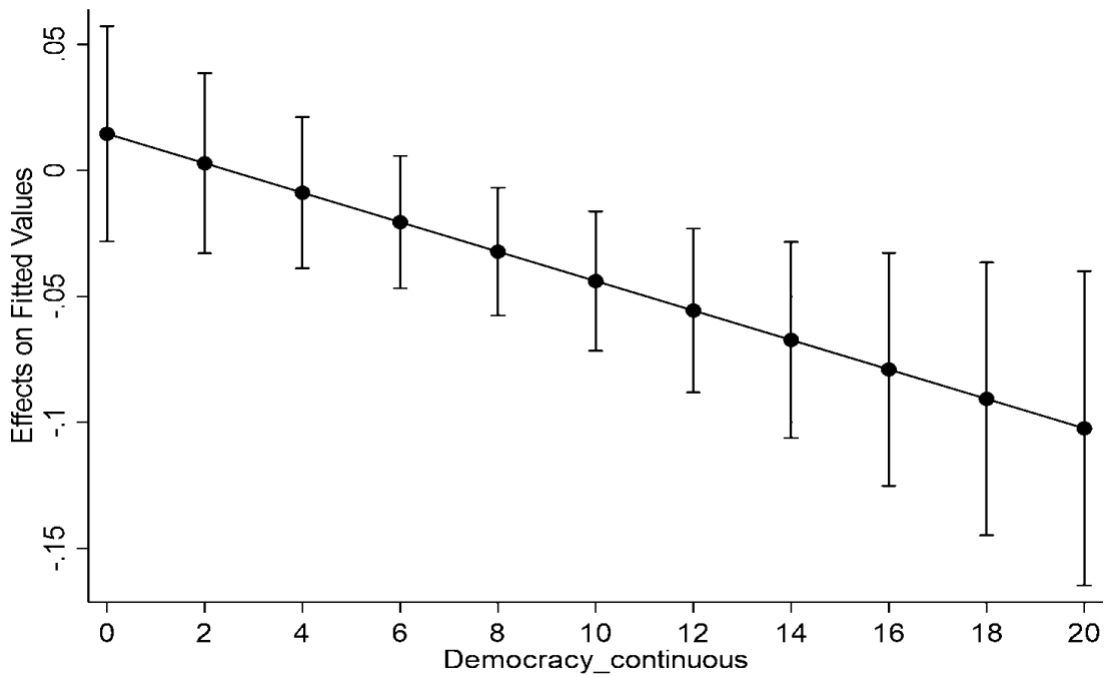
Figure 2.2 Average Marginal Effects of FDI with 95% CIs

In the Appendix, I present a series of robustness tests. These demonstrate that the results presented thus far are robust to the following robustness tests: 1) distinguishing between developed and developing countries via the exclusion of Western developed democracies rather than limiting the sample to non-OECD countries, where Western, developed democracies are identified using a dummy variable as in Bodea, Higashijima, and Singh (2016); 2a) dropping one geographic region (the Americas, Sub Saharan Africa, Asia, East Asia, Europe, the Middle East and North Africa) at a time for the interaction model with the binary democracy measure; 2b) dropping one of these same geographic regions at a time for the interaction model with the continuous democracy measure; 3a) employing different model specifications, namely, with the inclusion/exclusion of control variables for the interaction model with a binary democracy measure; 3b) employing different model specifications, namely, with the inclusion/exclusion of controls for the interaction

model with the continuous democracy measure; and 4) modeling time as a quadratic trend instead of a time fixed effects model.

Table 2.5 presents the results from a sectoral analysis of FDI. As in prior analyses, the first column shows empirical estimates of the unconditional model, while the remaining columns present interactional models with dichotomous and continuous measures of democratization. Since theoretical insight regarding secondary and tertiary sectors predict similar outcomes and sectoral data is quite limited both spatially and temporally, all three models include a combined measure of secondary and tertiary sectors. The coefficient of the primary FDI measure in column 1 is negative and statistically significant (-0.05), meaning that these types of investments are associated with a worsening in governments' respect of physical integrity rights. The coefficients for the combined variable of secondary and tertiary sectors is positive but quite small and statistically insignificant (0.01). With regard to the results of the interactional model in the second column, the coefficients of primary FDI and the combined secondary and tertiary FDI here, as in the previous tables, represent the marginal effects of those variables in autocracies, while the coefficients of the relevant interaction terms show whether the impact of each is different in democracies, and the sum of these two coefficients constitute the marginal effect of these investments in democracies. Both coefficients for the combined measure of secondary and tertiary sectors are positive but not significant (0.001 and 0.02 respectively). In contrast, the primary sector coefficient is negative and statistically significant (-0.11), indicating a negative association between this type of investment and physical integrity rights in autocracies. The relevant coefficient in democracies that is obtained by adding the coefficients of FDI and the interaction term is positive (0.03) but statistically insignificant.

Table 2.5 Sectoral Foreign Direct Investment, Regime Type and State Repression

VARIABLES	(1) physint	(2) physint	(3) physint
Primary FDI	-0.0492**	-0.1112***	-0.1186***
	(0.0212)	(0.0207)	(0.0347)
Democracy_binary		0.0624	
		(0.1164)	
Primary_FDI#Democracy_binary		0.1373***	
		(0.0234)	
Secondary_Tertiary FDI	0.0095	0.0011	-0.0102
	(0.0163)	(0.0201)	(0.0351)
Secondary_Tertiary FDI#Democracy_binary		0.0212	
		(0.0482)	
Primary_FDI#Democracy_continuous			0.0062**
			(0.0024)
Secondary_Tertiary FDI#Democracy_continuous			0.0014
			(0.0032)
Protest	-0.0642	-0.0707	-0.0650
	(0.0521)	(0.0533)	(0.0523)
Trade Openness	0.0357	0.0407	0.0415
	(0.0901)	(0.0853)	(0.0894)
Resource Wealth	-0.1432***	-0.1649***	-0.1516***
	(0.0490)	(0.0470)	(0.0464)
GDP per capita	-0.2351	-0.2050	-0.2322
	(0.2159)	(0.2140)	(0.2183)
GDP growth rate	0.0019	0.0022	0.0021
	(0.0048)	(0.0048)	(0.0047)
Democracy_continuous	0.0199***	0.0135**	-0.3909
	(0.0049)	(0.0047)	(0.7291)
Civil Conflict	-0.5295***	-0.5259***	-0.5299***
	(0.0472)	(0.0475)	(0.0467)
Population	-0.1679	-0.0527	-0.1419
	(0.4260)	(0.3963)	(0.3921)
Democracy_continuous			0.4074
			(0.7284)
Constant	4.5026	2.4300	0.0000
	(7.8806)	(7.2802)	(0.0000)
Observations	615	615	615
Number of groups	63	63	63
Country FE	Yes	Yes	Yes
Time FE	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Finally, the results of the interactional model in the third column indicate mirror results of the second column: the coefficients of primary FDI and the combined secondary and tertiary FDI represent the marginal effects of those variables in autocracies, the coefficients of the relevant interaction terms show whether the impact of each is different as different level of democratization improves, and the sum of these two coefficients constitute the marginal effect of these investments in at each specified level of democratization.

2.6 Discussion

The empirical results presented in the prior section suggest that a more nuanced relationship exists between FDI and state repression than maintained in the previous literature. Indeed, I demonstrate that there is partial support for all three strands of literature – that FDI has, under different circumstances, either a positive or negative impact or no effect whatsoever – once the conditional nature of the relationship is taken into account. Theoretical arguments and results indicate that both political institutions and the nature of investment matter, although it needs to be emphasized that the results of sectoral analyses should be considered with some reservation, since the results are based on a dataset with limited temporal and spatial coverage. Thus, the findings lend partial support to the literature that maintains a positive association between FDI and respect of human rights by showing that FDI improves physical integrity rights in democracies and in autocratic regimes that exhibit fairly developed democratic institutional elements. The finding is consistent with the nascent literature on autocratic regimes, which argues that non-democratic regimes with institutional constraints effectively restrains a ruler's discretionary power and thus generates conditions that are conducive to savings and investment and ultimately to economic

growth (Boix, 2003; Bratton & Van de Walle, 1994; Gandhi & Przeworski, 2006; Geddes, 1999; Wright, 2008). Finally, the above results regarding sectoral investment lend support to arguments of scholars that theorize a negative relationship between the variables of interest: FDI in primary sectors leads to a worsening of state repressive behavior in autocratic countries, while the same is not true of FDI in second and tertiary sectors. The key takeaway from these analyses presented above is that, notwithstanding FDI in extractive industries, the results do not support theoretical arguments that uniformly anticipate deleterious consequences for the respect of human rights resulting from FDI. Contrary to such claims, the results suggest that even autocracies that have developed some institutional constraints to limit the excesses of the governing elite can benefit from the inflow of foreign capital.

Finally, these findings put forth the link between FDI and contentious political activities as a potential mechanism underlining the positive impact of FDI on physical integrity rights. The results presented in Table 3 in the previous section suggest that FDI reduces the likelihood of dissent and, therefore, the need for the ruler to engage in repressive behavior. Although economic concerns are not the sole motivation for citizens to engage in protest movements, improved economic conditions alleviate social-economic tensions. Regimes of all political stripes derive a certain level of legitimacy from improvements in economic performance. Naturally, enhanced legitimacy reduces discontent among the general public and makes it harder for opposition elite to coordinate an effective challenge to the incumbent. The less threatened a ruler, the less likely he will engage in violence toward political opponents and the general population.

2.7 Conclusion

There exists a substantial body of research examining the relationship between FDI and government respect of physical integrity rights, that is, the freedoms from extrajudicial killing and disappearance, torture, and political imprisonment. Despite this significant scholarly effort directed at uncovering the consequences of such capital inflows, findings have been quite divergent, ranging from the documentation of improvements of human rights resulting from the arrival of FDI to a worsening of state repressive behavior, and some arguing that FDI has no effect at all (Janz, 2018).

The present research marks an important contribution to this wide literature in several ways. First, the paper posits that the link between FDI and state repression is conditional on political regime type and argues that the moderating role of political institutions offers an explanation for the divergent findings in the literature. Specifically, I argue herein that the mechanisms theorized to underlie the positive relationship between FDI and the upholding of human rights – which include economic growth and subsequent reduction in poverty and social tensions, the emergence of a middles class, and an independent economic class – are more likely to be present in a democratic context. At the same time, those mechanisms that may lead to a worsening of state repression – such as the possibility for rent generation and illicit payments, which enhance the value of holding on to political office or repressing labor and environmental movements – are more likely to be prevalent in autocratic regimes.

Second, I argue that primary sector FDI, which largely consists of investments in extractive industries, has deleterious effects on physical integrity rights, particularly in autocratic regimes where this type of investment facilitates the generation of illicit rents for the rulers. Additionally,

the resource curse literature provides further insights into mechanisms that underpin the negative link between primary FDI and human rights.

We observed in the results section that, while primary sector FDI increases state repressive behavior, attracting foreign capital can have a positive impact on physical integrity rights in democracies as well as those autocratic regimes that have institutions to constrain autocratic behavior. In other words, empirical results do not provide strong support for the scholarship that argues for a negative impact of FDI on government respect of physical integrity rights.

Third, I further examine whether FDI leads to more frequent protest activities, an implicit assumption underpinning some of the theoretical arguments in the literature but one that is undertheorized and altogether lacks empirical examination in said scholarship. For instance, if FDI inflows lead to increased economic insecurity, poverty, and income inequality, citizen engagement in contentious political activism to express discontent likely increases. Alternatively, if FDI improves socio-economic conditions, the governing elite can count on enhanced legitimacy and thus a reduced need to resort to coercive behavior in order to maintain political power. Indeed, the results indicate that FDI reduces dissent in both democracies and authoritarian regimes with some institutionalized constraints on the ruling elite.

Finally, the methodology employed in the present study offers enhanced confidence in the results described above. I employ the statistical methods most appropriate for TSCS data analysis, account for contemporaneous error correlations, and use country fixed effects to account for time invariant unobservable characteristics that, if not controlled for, would otherwise lead to biased results.

In short, I find that FDI inflows positively effect a state's respect of physical integrity rights in democracies and in autocratic regimes that have credible constraints on the ruler, while no effect is observed in regimes lacking such institutional constraints. Additionally, the above analyses reveal that foreign capital going into primary sectors negatively impacts human rights in authoritarian regimes, while investment in secondary and tertiary sectors does not. Taken together, this paper demonstrates that one of the ways in which FDI correlates with state repression is through its effect on dissent.

3.0 Paper 2 –Resource Curse for Human Rights: Resource Wealth, Regime Type, and State Repression

3.1 Introduction

Is there a "resource curse" for human rights? Does resource wealth increase state repression? The "resource curse" refers to the argument that countries endowed with natural resources experience worse political and economic outcomes (M. Ross, 2014). Over the span of three decades, hundreds of studies have examined the potential negative consequences of resource-based non-tax revenues and developed many accounts for the mechanism by which this curse might manifest itself. The *economic* resource curse literature predominantly aims to document and explain the impact of natural resources on economic growth (Sachs & Warner, 1995; Van der Ploeg, 2011). The *political* resource curse literature focuses on the relationship between resource wealth and democratization, governance and state capacity, corruption, and international and civil conflict (M. Ross, 2013).

The present paper seeks to address the question of whether or not a resource curse exists for human rights and the role that regime type and level of democratization plays in moderating this relationship, offering a potential mechanism that emphasizes the importance of the citizenry heretofore neglected in the literature. Two strands of research provide theoretical foundations for the current study. Most relevant is a related scholarship examining the nexus of resource wealth and civil conflict. To explain the association between resource endowment and civil war, this literature articulates the causal mechanisms through which resource wealth shapes the preferences

and capabilities of those that govern and the governed (Collier & Hoeffler, 1998; Collier, Hoeffler, & Rohner, 2009; Fearon & Laitin, 2003; Koubi, Spilker, Böhmelt, & Bernauer, 2014; M. Ross, 2012; M. L. Ross, 2004b). Civil conflict is the most severe manifestation in the hierarchy of political violence and is a consequence of government failure to successfully repress dissent (Besley & Persson, 2009, 2011). Therefore, mechanisms explaining the link between resources and civil conflict serve as a theoretical foundation in understating state repressive behavior. Scholars examining the nexus of resource wealth and democratization provide further insights by exploring the mechanisms through which the deleterious effects of resource wealth on political rights and civil rights is manifested (Ahmadov, 2014; J. J. Andersen & Ross, 2014; Ramsay, 2011; Tsui, 2011).

The present paper extends the foundation and empirical work linking resource wealth to worsening human rights conditions advanced by two recent articles by addressing an important theoretical gap and utilizing a more appropriate methodology. Focusing on physical integrity rights that measure a government's respect of citizen rights to be free from political imprisonment, torture, extrajudicial killings, and disappearances and drawing on a country sample that includes advanced Western democracies (for instance, Norway and Austria), Conrad and DeMeritt (2013) and DeMeritt and Young (2013) argue that resource wealth exacerbates state repression *irrespective* of regime type, although increasing levels of democratization *mitigate* said deleterious impact. The authors' theoretical framework only explores the way resource wealth affects the state, Prthus neglecting the examination of motives and capabilities of the opposition elites and citizenry. Additionally, the scholars only theorize about one mechanism, namely, that reduced reliance on taxation removes the constraint to accommodate societal pressures in a more peaceful manner leading to a worsening of the state's upholding of the fundamental human rights of its citizens.

Drawing on the literatures of civil conflict and democratization, the present paper argues that a theoretical model aimed at exploring the possibility of a resource curse for human rights needs to elaborate the ways in which resource wealth affects the motives and capabilities both of those that hold the political power *and* those that want to acquire (i.e., increase their share of) political power. The incumbents, particularly in autocratic regimes, have two powerful tools at their disposal to ensure political stability and continuity of the regime: buying the acquiescence of the population and the opposition elites via patronage and social spending; and the suppression of dissent via political violence. One of the most fundamental theoretical claims and empirical findings in the voluminous state repression literature is that a state's repressive behavior is a response to dissent: if challenged, the political elite resorts to repressive tactics to neutralize threats to the status quo (Davenport, 2007a). Despite the critical importance of this aspect of resource wealth, the theoretical discussion ignores the way in which this source of non-tax revenue impacts preferences and capabilities and generates grievances among the general population.

In what follows, I develop a theoretical argument and demonstrate empirically that resource wealth is not *dissent-neutral* and its impact on protests is one of the primary mechanisms explaining the association between resource wealth and repression. Resource wealth can lead to an increase in contentious political activism by creating grievances over environmental damage, land appropriation, and disputes over the distribution of revenue (Arce & Miller, 2016; Le Billon, 2008; Perreault, 2006; Vasquez, 2014). Additionally, resource wealth affects the capabilities and preferences of potential challengers by providing the opposition with financial resources through extortion and, therefore, increasing the likelihood of success (Humphreys, 2005). This makes it worthwhile to undertake the risks involved in capturing the state in order to gain significant discretionary power over resource revenues (Fearon & Laitin, 2003).

Resource wealth might also contribute to increased state repression by affecting the preferences and capabilities of the ruling elite. First, inflows of resource revenue into state coffins enhance the value of the state and, in turn, affect the ruler's propensity to resort to violence in order to ensure the continuation of the regime (Caselli & Cunningham, 2009; Morrison, 2007). Second, it endows the ruler with the financial means to invest in coercive capabilities and tilt the balance in the decision-making calculus from accommodation of opposition demands to the use of violence to quell dissent (M. Ross, 2013; Wright, Frantz, & Geddes, 2015). Finally, as articulated by the extant literature on state repression, resource wealth reduces the ruler's reliance on citizens for tax collection and thus removes the need to refrain from excessive use of violence. However, I argue that the effect of tax independence on a ruler's propensity to engage in political violence is ambiguous for two reasons. First, taxation is associated with demands for greater accountability and, therefore, the ruler reduces demands for political rights by reducing/eliminating taxes. Second, non-tax based revenues reduce the need to invest in policies that promote economic development and the emergence of an economically independent middle class that is both willing and capable of demanding improvements in human rights (Acemoglu, Ticchi, & Vindigni, 2010; Ansell & Samuels, 2010; Ulfelder, 2007).

Drawing on the theoretical insights presented thus far, I posit that resource wealth: (1) does not have a deleterious effect in Western democracies; (2) can be as detrimental in new/consolidating democracies as in autocracies and therefore, with the exception of Western democracies, democratization does not mitigate the negative impact; and, finally, (3) affects contentious political activism and, by extension, the level of state repression.

As is the case with democracies, autocratic regimes are not homogenous but rather differ institutionally from one another to a great extent, a distinction that influences power dynamics and

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the relations of the ruler with the rest of societal forces (Geddes, 1999). Relying on a classification of authoritarian regimes that distinguishes between four regime types – personalist, dominant-party, military, and monarchic rules (Geddes, 2014) – I examine whether resource wealth has a varied impact depending on the nuanced institutional nature of the regime. The theoretical underpinnings of the classification reflect groups and therefore interests from which leadership is selected, policies are made, control over security apparatus is determined, and benefits are distributed. Such institutional differences among authoritarian regimes might affect the way in which resource wealth is used to maintain political power and thus relate to the level of repression that an authoritarian ruler is willing or able to engage in to ensure regime durability. Personalist regimes exhibit the most extreme concentration of power by the ruler, whereas dominant-party regimes are embedded in the broader society, resulting in higher spending on public goods and alternative means of conflict resolution. As such, I posit that wealth is likely to have the most deleterious effect in personalist regimes and least negative effect in dominant-party regimes. The relationship between resource wealth and physical integrity rights in military regimes and monarchies is ambiguous at a theoretical level and is therefore a matter of empirical evaluation.

This paper contributes to the resource curse and state repression literatures in several ways. First, the present work advances a more comprehensive theoretical model to explain the association between resource wealth and state repression. Second, the findings presented herein provide evidence that resource wealth increases protests, a key mechanism linking resource wealth to state repressive behavior. Third, this work challenges earlier findings that democratization mitigates the negative effect of resource wealth except in liberal democracies. Finally, I demonstrate that institutional variation in autocratic regimes conditions the relationship between resource wealth and state repression.

Empirically, this work departs from and advances the scholarship in two ways. First, I utilize a global dataset of 150 countries from the years 1970 to 2008, the largest such dataset to date, representing a significant expansion over prior research. Additionally, unlike the extant work in this domain, I implement a statistical method most appropriate for time series cross-sectional (TSCS) data. Most of the scholarly work to date fails to employ model specifications that control for unobservable factors that are stable over time but vary from country to country. This raises concerns of omitted variable bias and, equally importantly, fails to account for possible spatial or contemporaneous correlations of the error terms, an issue that is omnipresent in TSCS analyses.

The paper is structured as follows. Section 2 presents the theoretical framework that serves as the foundation on which my hypotheses are built. These hypotheses are detailed throughout the following section. In Section 3, I describe the data and empirical strategy employed in the present work and discuss the advantages they represent over existing scholarly work. With these theoretical and methodological improvements, I find broad support for my hypothesized relationships; these results are presented in Section 4 and discussed in detail in Section 5. Section 6 concludes. Note that I do not dedicate a separate section to the review of related literature, as the theoretical section contains a detailed discussion of the scholarly work most relevant to the current paper.

3.2 Theoretical framework and hypotheses

The resource curse scholarship has produced a wealth of theoretical arguments and underlying mechanisms to explain the adverse effects of natural resource revenues on the prospect

of democratization and domestic peace (Ross, 2014). Recent scholarly work has contributed to this strand of literature by developing theoretical models to explain the negative correlation between resource wealth and state violation of citizens' basic human rights (Conrad & DeMeritt, 2013; DeMeritt & Young, 2013). Drawing on theoretical arguments in the democratization and civil conflict literatures, I argue that the theoretical model advanced in this more recent strand, while highlighting an important factor affecting the decision-making calculus of the ruler, does not adequately examine additional key motives of the ruling elites. More importantly, it altogether omits any theoretical consideration of the motives of the opposition elite and citizenry. Given the centrality of dissent in both the civil conflict and state repression literatures, I argue that any theoretical explanation that lacks a discussion of how resource wealth affects the preferences and capabilities of the governed will provide only a partial view of this form of political violence. To put it simply, state repression involves relations between those that govern and those that are governed. The former react to perceived or actual behavioral threats by the latter; elaborating the manner in which such non-tax revenues shape the preferences and capabilities of the ruling elite, the opposition groups, and the populace is key to understanding state repression. This section proceeds with a brief discussion of the two key theoretical models followed by a presentation of theoretical insights that further articulate the manner in which resource wealth affects the behavioral motives of incumbents and challengers.

3.2.1 Effect of resource wealth on the ruler

DeMeritt and Young (2013) advance a theoretical model to explain the link between resource wealth and state repression. Departing from theories of civil conflict that elaborate the motive of both insurgents and the state, the authors argue that a model of state repression needs to

focus on uncovering factors that shape ruler preferences, as it is the ruler who determines the extent to which the rights of citizens are upheld. Drawing upon the scholarship on predatory states and revenue generation (De Mesquita & Smith, 2009; A. Smith, 2008; Snyder, 2006; Thies, 2005), the scholars advance an argument that tax dependence affects a ruler's choice of policy instruments when faced with a credible threat to the incumbency. States need revenues to maintain bureaucracy, invest in the military, and provide public goods to acquire legitimacy and generate support among the general public. In the case of new, consolidating democracies and, particularly, in autocratic regimes, the ruler needs to generate enough revenue so as to maintain the loyalty of the military and security apparatus, spend on patronage to reward regime supporters, and, indeed, enrich his or her inner circle and line one's own pockets. If the ruler fails to generate enough revenue to maintain the loyalty of supporters, the fate of his or her rule is in serious jeopardy. Insofar as repression leads to a decline in economic activity and tax revenues, the ruler should choose carefully between suppression and (at least partial) accommodation of demands of the governed so as not to undermine the economic basis of his or her support. However, if the ruler has an independent source of income that does not depend on the productivity of the citizens, the tax-based revenue constraint disappears or plays a less central role, tipping the scales towards suppression rather than accommodation. Resource wealth provides such non-tax revenues, weakening said constraint and leading to higher levels of repression. The authors argue that such a detrimental effect is present *irrespective of political regime type*. In other words, they maintain that both democracies and autocracies suffer from the resource curse.

In a related paper, Conrad and DeMeritt (2013) develop a theory arguing that democratization mitigates the adverse effect of resource rent. The more democratic a state becomes the smaller is the negative effect, although even the most democratic of countries cannot

completely avoid this adverse effect. The mechanism relating resource rent to reduction in human rights is again the absence of the tax reliance constraint. However, with democratization the ruler is increasingly dependent on the democratic political process to stay in power. Democratic institutions enable voters to hold the incumbent accountable during elections: citizens use voting power to punish leaders that violate their fundamental rights and freedoms. However, the authors argue that mitigating democratic institutions still fail to neutralize the resource curse. In a sample that includes such Western liberal democracies as Norway and Sweden, the authors argue that resource wealth leads to negative human rights outcomes even in countries that have achieved the highest level of democracy.

As mentioned above, any theoretical discussion of state repression should entail the preferences of both the ruler and the ruled, given that most examples of state abuse of power are directed toward maintaining power and minimizing the capability of challengers to mount a successful campaign against the ruler. While the "taxation as restraint" argument is quite plausible, its effect on dissent is ambiguous for the following three reasons.

First, the literature on democratization emphasizes the importance of an independent business or middle class in pushing for political and civil rights(Acemoglu & Robinson, 2006; Ansell & Samuels, 2010; Delacroix, 1980; Lipset, 1959; Ulfelder, 2007). States that rely heavily on resource rent underinvest in the kind of public policies that would contribute to the development of an industrial economy and the formation of an independent economic class. The rationale for such an approach to economic development is apparent: the emergence of a middle class enables the opposition to acquire the necessary financial means and coordination capacity to increase its likelihood of organizing a successful regime transition attempt. By underinvesting in growth-enhancing public policies, the ruler undermines the emergence of societal forces capable of

organizing and leading mass mobilization movements to bring down the regime. In turn, a reduction in the frequency of dissent diminishes the need for the ruler to resort to violence to maintain power.

Second, rentier state theorists explain the link between resource rent and autocratic forms of government via the "taxation leads to representation" mechanism, whereby tax-paying citizens demand higher levels of governmental transparency. The presence of non-tax revenues enable the ruler to lower (or eliminate) taxation and reduce demands for accountability.

In short, while relative tax independence can lead to a higher inclination to resort to violent methods to quell dissent, it can also reduce threats to the ruler by leading to the underdevelopment of the kind of class and economic structures that would increase the likelihood of a successful challenge and impacting the way that citizens hold their governments accountable. Thus, the extent of tax dependence exhibits the opposite effect on state repression. While it may well be the case that the first factor overall dominates the second and thus alone can explain the negative effect of resource rent on human rights, these competing accounts indicate that a more nuanced understanding of the relationship is at least warranted.

The rentier state literature provides three additional arguments that are relevant to the discussion of state repression, two of which concern how resource rent affects the capabilities of the ruler and a third relating to the ruler's preferences. First, resource wealth allows the incumbent to set up a generous patronage/welfare system in order to achieve some level of citizen acquiescence and buy off both the opposition elite and key supporters alike(Bellin, 2004; Haber & Menaldo, 2011; N. Jensen & Wantchekon, 2004; Morrison, 2015). This further casts doubt on the claim that the default response of the ruler in a resource-rich country is repression and building up

a high quality repressive apparatus. For instance, citizens of Middle Eastern oil-rich countries enjoyed a very generous welfare system –healthcare, education, food and gas subsidies, and public employment – and effectively paid very little or no taxes when the Arab Spring threatened to undermine the region's autocratic regimes. To prevent popular uprisings spilling over to their countries, Algeria promised to spend an additional $156 billion to increase subsidies and create additional jobs, Saudi Arabia announced additional spending of $130 billion to boost salaries in the public sector and increase unemployment benefits and house subsidies, and Kuwait handed out $3,600 to every citizen, along with the promise of free food for more than a year(M. Ross, 2011).

Second, resource rents affects the ruler's oppressive capabilities by enabling him or her to build up and sustain an effective coercive apparatus (De Mesquita, Smith, Siverson, et al., 2005; Morrison, 2007; M. L. Ross, 2004a). When faced with demands for political changes, the ruler might favor the use of force among policy options as enhanced capabilities increase the likelihood of a successful suppression. The empirical literature provides strong evidence that countries endowed with natural resources on average direct significantly more financial resources towards the military, a proxy for coercive institutions(Wright, 2008; Wright et al., 2015).

Finally, resource wealth affects the preferences of the ruler by increasing the value attached to maintaining political power. Resource extraction generates substantial revenues, the extent of which is relatively easy to hide(M. Ross, Mazaheri, & Kaiser, 2012), allowing the political elite to amass enormous private wealth and increasing the likelihood of violent repression to remain in power(Besley & Persson, 2009, 2011; Morrison, 2009; M. Ross, 2014). Indeed, the less transparent the process of revenue generation and the more concentrated the political power, the higher is the probability that a sizable portion of oil wealth ends up lining the pockets of the ruler, his or her family and friends, and key supporters. Accordingly, the greater the opportunity for self-

enrichment, the more likely it is that the political regime will resort to repressive measures to maintain control over the state apparatus.

3.2.2 Effect of resource wealth on the ruled

The discussion thus far has only considered the way in which resource wealth relates to the ruler by affecting his or her capabilities and preferences, and determining the extent to which repressive measures to quell dissent are the most optimal choice under the constraint of revenue generation. In the preceding subsection I have argued that: the "tax dependence as a constraint" account has an ambiguous effect on state repression; welfare spending and low tax rates reduce the need to resort to egregious violations of citizens' fundamental human rights; a well-funded internal security apparatus increases the propensity to resort to oppressive tactics; and the opportunity for self-enrichment leads to higher levels of suppression.

In order to have a more comprehensive understating of state repressive behavior, however, the theoretical model further elaborates on the ways in which resource wealth affects citizens. Rulers tend to be rational actors and would not engage in state-sponsored violence in the absence of perceived or real threats to their political power and revenue source (Gartner & Regan, 1996). If resource wealth positively correlates with increased levels of political activism then the ruler might deem such activism potentially threatening. In what follows, I argue that resource wealth is not dissent-neutral and, in so doing, I suggest a potential mechanism underpinning the relationship between resource wealth and state oppression.

Natural resources affect contentious political activism by creating grievances that fall into two categories: dissatisfaction with the revenue distribution and dissatisfaction with the

environmental impact of resource extraction. The opaque nature of resource rent translates into significant discretionary control over the distribution of resource revenues. Local populations that tend to bear most of the costs related to extraction may perceive that they are not getting their fair share of proceeds, leading to discontent. Resource revenues increase the value attached to political power, which in turn affects the motives of both opposition groups and citizenry: successful capture of political power by an opposition elite would benefit the new regime, and revolutionary movements would expand the redistribution of resource rent to benefit the broader public(Fearon & Laitin, 2003; A. Smith, 2008). The ruler might also engage in repressive behavior to preemptively suppress nascent forms of demands for greater control over resource revenues by the local population. The Indonesian government's engagement in violent repression of villagers in the Aceh region in 1990s is an example of how local dissatisfaction with the distribution of resource rent can trigger a violent response by the government(M. L. Ross, 2004a).

Resource extraction can cause grievances if it is accompanied by expropriation of land and forced population displacement. Particularly, land appropriation and population dislocations have created protests and sustained movements in geographic locations as varied as Africa and Latin America. Disputes over land ownership underlie the majority of conflict around oil and gas exploration in Bolivia, Mexico, and Peru. Resource extraction is often accompanied by degradation of the local environment (for instance, water and soil contamination) that negatively impacts the livelihood and health of the local population(Arce & Miller, 2016; Humphreys, 2005; Vasquez, 2014). In response, governments have frequently engaged in egregious forms of violence in order to protect extractive industry interests and state revenue.

The above discussion indicates a potential mechanism through which resource wealth might lead to increased repression. If resource-related grievances lead to more frequent dissent,

the state might choose coercive tactics to neutralize such threats. Therefore, I argue that dissent constitutes a potential mechanism underpinning the relationship between resource wealth and state repression and propose the following hypothesis:

H1: *resource wealth is positively correlated with contentious activism irrespective of regime type i.e., higher levels of resource wealth increase protest activities.*

3.2.3 Political context and resource curse

The resource curse literature generally finds that political institutions moderate the negative impact of resource wealth on economic development, corruption, and domestic conflict (Ross 2014). Similarly, DeMeritts and Conrad (2012) argues that democratic institutions ameliorate this deleterious effect, although the negative association remains *irrespective of regime type*. I instead argue that, while political context determines the extent to which countries suffer or benefit from resource wealth, the relationship is far more nuanced than indicated by prior research. While resource wealth does not negatively impact a government's upholding of human rights in Western democracies – the likes of Canada and Norway, for instance – advances in democratic institutions in new or consolidating democracies, such as Ecuador and Colombia, *do not ameliorate* the deleterious impact of resource wealth on human rights.

Two factors determine the difference between these different types of democratic systems: (1) the level of maturity of democratic institutions, and (2) the extent to which a country's economy is complex/diversified. While the former allows for the resolution of disputes through well-established political channels, the latter reduces the importance of resource wealth in determining the overall developmental trajectory and citizen wellbeing in the country. Indeed, none of the

channels discussed above that link resource wealth to state repression are present in such democratic regimes: the level of transparency and accountability prevents leaders from expropriating state revenues; there is strong oversight over spending and accountability in the security apparatus; and grievances over both welfare and environmental degradation are resolved through political processes and in courts.

Put another way, if one could randomly choose two countries – for instance, Switzerland and Austria – and endow Austria with significant oil reserves, it would be highly unlikely for us to witness a deterioration of human rights enjoyed by Austrians. Countries such as Norway, Canada, and the Netherlands serve as an example of resource-rich liberal democracies in which resource rent has not led to a diminished respect of citizens' human rights by their governments.

It needs to be emphasized that governments in Western democracies have committed acts of human rights violations against their own citizens in the not so distant past (violent suppression of Civil Rights protests in the 1960s) and coercive institutions can be accused of excessive use of force even today as witnessed during Black Lives Matter marches in the summer of 2020 across the United States (Harris, 2015). The police in the United States has been criticized for reliance on excessive force, particularly against minority groups, and the criminal justice system has been singled out as biased against African Americans (Dukes & Kahn, 2017). The paper only argues that mechanisms underlying the relationship between resource wealth and violation of physical integrity rights (freedom from torture, extrajudicial killings, political imprisonment, and disappearances) are unlikely to be present in Western democracies as mature political institutions provide for political channels to resolve grievances and institutional constraints limit control over the discretionary distribution of resource revenues. Additionally, highly diversified economies characteristic of Western democracies reduce the value of resource-based revenues for the

governments further reduces the likelihood of observing the above mentioned motives linking resource wealth and abusive government behavior.

In contrast, new/consolidating democracies lack a highly diversified, industrial market economies and mature political institutions. Given that the vast majority of consolidating democracies are still developing countries, resource revenues play a much more important role as a source of revenue for these governments (Burnett, 2016; De Souza, 2014; M. Ross, 2014). Case study evidence from Latin America indicates that even leaders with an anti-globalization stance and hostile rhetoric toward extractive multinationals are willing to use force to ensure the smooth operation of international oil and gas companies and to guarantee the flow of resource revenue into state coffers (Hogenboom, 2012). Regarding the quality of political institutions, even the more advanced democracies in this category, such as Brazil and Argentina, suffer from clientelistic relations between political parties and voters: distribution of such private benefits as food and everyday basic consumption items are quite common during election season either to win over swing voters or ensure turnout of supporters (Calvo & Murillo, 2004; Nichter, 2008; Stokes, Dunning, Nazareno, & Brusco, 2013). The above discussion leads to the next hypothesis:

H2: *resource rent has either a positive or no effect on state repression in Western democracies and a negative effect in new/consolidating democracies and autocratic regimes.*

How do non-Western democracies fare compared to authoritarian regimes? Democratic institutions in consolidating democracies can be something of a double-edged sword. On the one hand, increased electoral competition is expected to improve human rights conditions as citizens are able to hold their leaders accountable at elections (Conrad & DeMeritt, 2013; Davenport, 2004; Davenport & Armstrong, 2004). On the other hand, the same institutions open up political activism

opportunities for previously marginalized forces. Case study evidence from Bolivia, Peru, Ecuador, and Colombia indicate that democratization brought about mass mobilization movements of previously disenfranchised native populations to challenge the expansion of extractive industries and to protect their land, prevent environmental degradation, and demand a more favorable redistribution of resource revenues. This has led to clashes between security forces and native activists, in some cases with bloody outcomes (M. L. Ross, 2004b; Vasquez, 2014). If the development of political institutions lags behind societal aspirations and demands, non-contentious institutional resolutions of such aspirations may fail, leading to state engagement in repressive methods to maintain political stability (Huntington, 1991, 2006; O'Donnell, 1993).

Resource rent can be particularly problematic in newly-transitioned democracies, especially when the previous autocratic regime used resource wealth to build an elaborate patronage network to buy off powerful societal groups and discourage revolutionary movements (Ayittey, 1998). Increased political competition brought about by improvements in the level of democratization can affect a carefully constructed equilibrium among major competing societal forces held together by the distribution of resource rent.

The democratic transition experience of Congo-Brazzaville is an example of a country in which weak political institutions exacerbated the negative effect of resource rent on political violence. The presence of weak state institutions in Congo-Brazzaville meant that the incumbents had substantial discretionary power over the distribution of resource rent, which was used to reward supporters. This led the opposition, which was previously a part of the elite and benefiting from resource rent, to organize riots and catalyze other forms of political unrest that resulted in the incumbents resorting to repressive tactics and violent suppression of the opposition. Increases in boycotts, riots, and other forms of civil dissent have accompanied improvements in

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democratization in such resource rich countries as Algeria, Cameroon, and Zambia, wherein the incumbents have used resource revenue to buy elections and provide targeted benefits to supporters(N. Jensen & Wantchekon, 2004). Given this pattern, I posit the following hypothesis:

H3: *short of achieving the level of Western democracies, improvements in level of democratization do not mitigate the deleterious effects of resource wealth on state repression. The negative effect of resource wealth in new/consolidating democracies does not substantially differ from that in autocratic regimes.*

3.2.4 Authoritarian regime type and resource curse

As is the case with democracies, autocratic regimes are not homogenous and institutionally differ from one another to a great extent: a distinction that influences power dynamic and relations between the ruler and the remaining societal forces (Geddes, 1999). I rely on a classification of authoritarian regimes that distinguishes between four regime types: personalist, dominant-party, military, and monarchic rules (Geddes et al., 2014). The theoretical underpinnings of the classification reflect groups and, thus, interests from which leadership is selected, policies are made, control over the security apparatus is determined, and benefits are distributed. In personalist regimes, such power is concentrated in the hands of the dictator. Conversely, the ruling party plays a major role in dominant-party regimes in which the leader faces considerable institutional constraints. A group of military officers or the military at large play a significant role in military regimes. The royal family exercises absolute control over major political, social, and economic issue in monarchic societies.

The categorization takes into account both formal and informal rules and norms, as many authoritarian regimes feature *de jure* democratic institutions such as parliaments, opposition parties, and court systems, that in reality do very little to constrain the ruling elite or affect domestic and international policy-making (Geddes et al., 2014). The extent to which *de jure* political institutions reflect *de facto* constraints varies a great deal from one authoritarian regime to another, a distinction that is ultimately reflected in policy outcomes as documented in a recent body of literature. For example, Wright (2008) finds that military and single-party regimes are more likely to set up a binding authoritarian legislature and thus achieve higher levels of domestic investment and economic growth, while personalist regimes and monarchies tend to set up a non-binding legislature in order to coopt opponents and, as a result, register lower levels of investment and growth. Geddes (1999) finds that leaders in personalist regimes are more likely to face exile, incarceration, or lose their lives after losing power than dominant-party leaders, while military and personalist regimes fall somewhere in the middle.

There is some evidence that military regimes tend to have worse human rights records (Poe & Tate, 1994; Poe et al., 1999). Further research has shown that, in addition to military juntas, monarchies tend to commit more egregious acts of basic human rights violations than autocracies with limited levels of electoral competition, i.e., limited multiparty and single party elections that are usually accompanied by widespread use of intimidation, administrative resources, and vote rigging (De Mesquita, Smith, Siverson, et al., 2005). Davenport (2007) argues that dominant-party regimes tend to be less repressive than other types of non-democratic regimes due to the fact that social embeddedness and ideologically-based rule offers alternative mechanisms of so-cietal acquiescence.

Research has also found that the variation in authoritarian regimes determine the way in which international sanctions affect a ruler's decision to engage in repression, with personalist autocrats as compared to military and dominant-party systems most heavily relying on coercive tactics to suppress dissent due to worsening economic conditions and revenue losses (Escribà-Folch, 2012).

Since autocratic regimes have a substantial impact on economic and political outcomes, including the level of repression, such variation in institutional arrangements is also likely to affect the way in which resource wealth modifies a ruler's preferences and policy options, i.e., the level of repression versus accommodation in which the ruler is willing to engage in order to maintain political power. Likewise, variation in control and redistribution of resource revenues are likely to affect the preferences and capabilities of the opposition elite and the general public. In other words, the relationship between resource wealth and state repression in autocratic regimes is conditional on the type of regime.

Rulers in personalist regimes have substantial discretionary power over policy making, control coercive apparatuses, and determine key political appointments in the state bureaucracy. The autocrat relies on a narrow group of key supporters that tend to be drawn from friends and family, a particular clan, or a geographic region. Dictators in such regimes might create parties to facilitate cooptation and the identification of potential rivals, but neither the party(es) nor the military exercise power independent of the desires of the autocrat (Bratton & Van de Walle, 1993; Gleason, 2010). Personalist rulers manage to accumulate substantial personal wealth and are more likely to use resource revenues for personal enrichment and to the benefit of the narrow support group with limited redistribution to benefit the broader public. This increases the value of maintaining the political office and allows the ruler to generously reward supporters and invest in

repressive capabilities. The coercive institutions are under almost complete control of the personalist autocrat, the high-raking personnel receive private rewards at the ruler's discretion, and unlike more professionalized armed forces, their privileged status is tied to the continuation of the regime. Such a high level of discretion over revenue distribution also affects the capacities and motivations of the general public and opposition groups. For the opposition elite, capturing state means that the new elite gets to benefit from resource rent, while for the general public transition to a regime type in which the disenfranchised have some influence over the distribution of resource rents serves as a motive to support mass mobilization movements. Idi Amin's regime in Uganda (1971-1979) and the leadership in Belarus since the collapse of the Soviet Union are examples of a personalist rule.

In contrast, party-based regimes are Embedded in the society thanks to party organization, and a much larger swath of the population has access (albeit limited) to political power. The leader in such regimes does not enjoy the same level of discretion. The dominant party plays a significant role in determining the career progress of party members. In addition, the members of the ruling party come from a much broader selection of social sectors in the society and it is quite common to observe merit-based bureaucracies in such systems (Brownlee, 2007; Reuter, 2010; B. Smith, 2005). State revenue is distributed to a much larger group of the political elite and population: the general public derives some benefits as party regimes tend to have programmatic policies aimed at building legitimacy and support among the broader public (Davenport, 2007c; Frantz, Kendall-Taylor, Wright, & Xu, 2020; Wahman, Teorell, & Hadenius, 2013). Party based systems are similar to democracies in a distributional sense but differ in one important way: there is substantial room for contentious politics in new or consolidating democracies, which empowers previously disenfranchised groups to voice their dissent. In contrast, dominant-party authoritarian systems

tend to resolve discontent through the party apparatus and do not allow the level of contentious activities present in democratic settings. In other words, political activism in party systems is strongly discourage and may be followed by hefty punishment. Prime examples of dominant-party regimes include the Institutional Revolutionary Party (PRI) of Mexico, which effectively governed the country for 71 years unit the electoral defeat in 2000, and Nicaragua between the years of 1979-1990.

The effect of resource wealth in military regimes is harder to theorize. On the one hand, members of the coercive apparatus are in charge of the regime and thus resource revenues are directed towards strengthening the institutional interests of the military leaders (Wright et al., 2015). Combined with the fact that the military is the embodiment of coercion in an autocratic setting (Besley & Persson, 2011; Davenport, 2007c), it can be expected that resource wealth exacerbates violation of human rights in military regimes. On the other hand, the literature on authoritarianism argues that leaders in military regimes are reluctant administrators, as governing is not a primary motive of the military. The priority of a professionalized military is the institutional effectiveness and cohesiveness and the ability to enhance defense capabilities against foreign adversaries (Finer, 2002; Janowitz, 1964; Nordlinger, 1977). The military can intervene if its interests are jeopardized, but military officers will turn the power over to civilian hands as long as its core interests – namely, sufficient funding for weaponry and high salaries for military personnel – are guaranteed by the civilian government. If challenged by a popular movement, such a regime may choose to retreat to the barracks rather than engage in large-scale violence. Argentina from 1976 to 1983 and Brazil from 1964 to 1985 are examples of military regimes (Geddes, 1999).

Monarchies combine elements of personalist and party-based regimes but are closer to the latter than the former. Although monarchies lack a *de jure* established party apparatus, the informal

institutional arrangements that allow for incorporation of key elements of the societal elite and the presence of consultative bodies allow for the relatively non-contentious resolution of contentious issues (Gandhi & Przeworski, 2007). Furthermore, resource rich monarchies are some of the wealthiest oil producing countries and have some of the most generous welfare systems among oil producers (M. Ross, 2011). Generous public spending, and the ability to sharply increase it as needed, further dampen economic-based grievances among the general public making it harder to organize a large-scale societal opposition. Saudi Arabia, Qatar, and Monaco are examples of monarchic authoritarian regimes.

The above discussion leads to the final hypothesis:

H4: *resource wealth will have the most deleterious effect in personalist regimes and least negative effect in dominant-party regimes.*

The relationship between resource wealth and physical integrity rights in military regimes and monarchies is ambiguous at a theoretical level and is therefore a matter of empirical evaluation.

3.3 Data and Empirical Strategy

3.3.1 Dependent Variable

To test the hypotheses outlined above, I follow the long tradition in the state repression literature and operationalize state repression by an indicator of physical integrity rights that measure freedom from torture and beatings, political imprisonment and arrests, disappearances,

mass executions, and extrajudicial killing using the Latent Human Rights Protection Scores (Latent Scores) as detailed in Paper 1 (Fariss, 2014).

3.3.2 Independent Variables

3.3.2.1 Resource Wealth

To measure resource wealth, I rely on data compiled by Haber and Menaldo (2011) that capture total per capita income generated from the extraction of oil and gas. The variables are derived by multiplying the world price of oil and gas by the volume of oil production and subsequently dividing by population size. I focus on per capita oil and gas income rather than income derived by other resources because the resource curse literature has only found a consistent negative correlation between such wealth and political/economic outcomes.[1] This measure is the most comprehensive in terms of number of countries and time periods covered and has been used extensively in the empirical literature. Additionally, in the sensitivity analyses presented in the Appendix to this paper, I use alternative measures of resource wealth that are restricted to per capita oil income and that combine per capita oil, gas, and coal income.

3.3.2.2 Political Dissent

To measure political dissent, I rely on data compiled by Chenoweth, D'Orazio, and Wright (2014). The authors utilize an item response theory model and draw upon eight existing protest datasets including Bank's protest data(Banks, 2008), to construct a latent protest measure that captures

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[1] An exception to this comes from the civil conflict literature, which provides some evidence that alluvial diamonds might have an effect on the duration of civil war (Ross, 2014).

contentious political activism for the largest number of states and time coverage to date. The measure is a substantial improvement over any single dataset on social conflict as it addresses concerns of measurement error arising from subjective coding rules, operationalization of the concept, and media coverage biases that occur because the media tends to report events that are salient and have certain level of sensationalism.

3.3.2.3 Regime Type and Level of Democratization

The Polity IV index is used to distinguish between democratic and autocratic societies. The index describes level of democracy ranging from -10 to 10, with higher scores corresponding to a more democratic society. A score of 6 is generally used as a cutoff point to classify countries as democratic. In the analyses that follow, I add 10 to these values to obtain an index range from 0 to 20. Western, developed democracies are identified using a dummy variable as in Bodea, Higashijima, and Singh (2016) (see Appendix Table A2 for list of countries considered as such). As a robustness test, I present alternative model specifications replacing the Bodea, Higashijima, and Singh (2016) dummy variable with one that distinguishes Organization for Economic Cooperation and Development (OECD) from non-OECD countries in order to separate economically advanced states. These results are presented in Appendix Table B1. Only a handful of countries belong to the OECD category but are not classified as Western democracies; as such, the selection of alternative categorization does not affect the results.

3.3.3 Control variables

I follow the prior scholarship in the resource curse and state repression literatures to select the set of control variables (confounders) that could be correlated with resource wealth and

simultaneously impact state repression, therefore potentially biasing the results. In particular, I control for: per capita gross domestic product (GDP; natural log); GDP growth rate; trade openness (natural log); foreign direct investment (natural log); total population (natural log); a binary variable indicating that a country was experiencing a civil conflict in a given year; and a binary variable identifying those years falling into the Cold War period.

The prior research has found that economic development, trade, and improvements in democracy all exhibit positive effects on physical integrity rights, while population size and internal or civil conflict have a negative effect. The post-Cold War period has been argued to improve human rights outcomes, as the end of the rivalry between the West and the Soviet Union has allowed the West to be more assertive in demanding better respect for human rights in the developing world. Finally, while scholarship has produced inconsistent results regarding the effects of economic growth and FDI on state repression, these controls are included to avoid omitted variable bias.

3.3.4 Empirical model

To estimate the statistical correlation between resource wealth and state repression, I draw on a sample of at most 129 country over the period from 1970 and 2006 and employ statistical models that are appropriate for the analysis of time series cross-sectional (TSCS), rather than panel, data. The former derives its asymptotic properties from the number of periods (years) while the latter relies on number of units (countries). In order to utilize methods appropriate for TSCS data, one should have at least 15 years of observations, while panel data analysis requires only a few years of observations as long as the number of units is large.

Employing these methods presents an improvement over the existing work in the field in that such work typically fails to account for contemporaneous (spatial) correlations, which can incorrectly estimate standard errors and thus report erroneous statistical significance. Additionally, prior work often includes lagged dependent variables to control for within-panel serial correlation; if these are not accompanied by appropriate statistical methods, endogeneity is introduced into the model. Finally, previous research tends to use time fixed effects inconsistently and rarely includes country fixed effects to control for time invariant unobservable characteristics that, if correlated with the variables of interest, will bias the results.

To address these issues and advance the scholarship in this area, I utilize country and year fixed effect models to control for unobservable factors that are constant over time but vary across countries and factors that vary over time but are constant across countries, respectively. At the same time, I use Driscoll-Kraay standard errors to provide robust estimates of heteroskedastic, autocorrelated, and spatially (contemporaneously) correlated error structures. All explanatory variables are lagged by one year to alleviate concerns of reverse causality and to take into account the possibility that the impact of factors takes some time to materialize. Additionally, as indicated in the previous subsection, the natural logarithm of resource wealth, per capita GDP, trade openness, FDI, and population are used to address skewedness of the variables.

3.4 Empirical Results

The first column of Table 3.1 shows results from a sample of countries that contains Western and non-Western democracies and autocratic regimes. The results are consistent with the

prior literature: resource wealth is indeed negatively correlated with state repression, i.e., higher levels of resource wealth are associated with higher levels of state repression. The second and third columns report results for Western democracies and for autocracies and non-Western democracies, respectively. These results challenge the argument in the prior literature that the negative effect of resource wealth is present irrespective of the regime type: the negative correlation is maintained in the sample of non-Western countries, but the impact of resource wealth on state repression for Western democracies is in fact *positive*, albeit not significant. In fact, the coefficient in column (3) is almost double the size of the corresponding coefficient in column (1), indicating a substantively greater impact once the moderating effect of the presence of Western democracies is removed.

These results support the hypothesis posited in this paper that, contrary to earlier research, the negative impact of resource wealth on a state's respect for physical integrity rights in fact depends crucially on regime type. Oil wealth in Canada and Norway has not led to any of the political curses identified in the resource curse literature, nor would the random assignment of oil wealth to Denmark be likely to reduce the respect of physical integrity rights in the country vis-à-vis any of the neighboring countries, such as Sweden or Finland. This finding highlights the fact that the mechanisms underlying the correlation between resource revenues and state repression are qualitatively different in these two types of polities, leading to the important conclusion that cross-country samples utilized for an empirical examination of this particular relationship (i.e., resource curse and human rights) should not contain Western democracies.

Having established that Western liberal democracies should not appear in the same sample of countries, as both the level of democratic maturity and economic development set such countries in a distinct category, I will proceed with the rest of the analyses with a sample of countries excluding Western democracies. These results, presented in the fourth and fifth columns of Table

1, casts doubt on the claims of the prior literature that democratization ameliorates the negative impact of resource wealth on a government's respect of physical integrity rights. Both models test whether the effect of resource wealth is conditional on regime type by interacting resource wealth with a binary (column 4) and a continuous (column 5) measure of regime type. Those country-years receiving scores greater than 5 on the original Polity IV measure (and greater than 15 on my modified measure) are classified as democracies by the binary variable. A positive and significant interaction term here would indicate that resource wealth has less (no) detrimental effect in democracies. The binary interaction term in the fourth column indicates that resource wealth is *more* detrimental in democracies than autocracies, although the significance is sensitive to the operationalization of the resource wealth and should therefore be interpreted with caution. The interaction term involving the continuous measure of democratization to mimic the model specification in the prior literature is negative but not significant. In other words, the last two columns indicate that where democratization falls short of achieving the mature levels that characterize Western democracies, increasing democratization does not mitigate the negative impact of resource wealth on a state's respect of physical integrity rights.

Table 3.1 Resource wealth and state repression

VARIABLES	(1) physint	(2) physint	(3) physint	(4) physint	(5) physint
Resource Wealth	**-0.026***	**0.009**	**-0.048***	**-0.043***	**-0.043***
	(0.008)	(0.019)	(0.011)	(0.011)	(0.013)
Democracy_binary				0.508***	
				(0.056)	
Democracy_continuous	0.039***	0.052***	0.035***		0.036***
	(0.005)	(0.004)	(0.005)		(0.005)
Resource Wealth#Democracy (binary)				**-0.026****	
				(0.011)	
Resource Wealth#Democracy (cont.)					**-0.001**
					(0.001)
GDP per capita	0.305***	-0.279	0.319***	0.267***	0.318***
	(0.042)	(0.207)	(0.042)	(0.042)	(0.042)
GDP growth rate	-0.001	0.023**	-0.001	-0.001	-0.002
	(0.001)	(0.010)	(0.002)	(0.001)	(0.002)
Trade Openness	0.132***	0.051	0.132***	0.115**	0.133***
	(0.046)	(0.182)	(0.045)	(0.049)	(0.045)
FDI	0.032***	0.080*	0.019*	0.018	0.018
	(0.010)	(0.044)	(0.010)	(0.012)	(0.011)
Civil Conflict	-0.702***	-0.301**	-0.728***	-0.687***	-0.728***
	(0.031)	(0.118)	(0.034)	(0.034)	(0.034)
Population	-0.425***	-0.976***	-0.426***	-0.356***	-0.434***
	(0.141)	(0.331)	(0.133)	(0.128)	(0.133)
Cold War	4.111*	19.181***	-0.244*	-0.269**	-0.251*
	(2.191)	(5.861)	(0.127)	(0.123)	(0.128)
Constant	0.000	0.000	4.229*	3.407	3.991*
	(0.000)	(0.000)	(2.275)	(2.207)	(2.267)
Observations	4,299	735	3,564	3,564	3,564
Number of groups	150	21	129	129	129
Country FE	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Having established that the negative correlation between resource wealth and physical integrity rights is prevalent and approximately equivalent (in statistical terms) between autocracies and non-Western democracies, I next proceed to identify the substantive impact of resource wealth on state repression relying on the coefficient estimate from the combined sample of democracies and autocracies (Table 1, column 3). Substantively, the coefficient for resource wealth shows that an increase in resource wealth from the 10th to the 90th percentile worsens respect of physical integrity rights by 0.33 unit. A similar change in level of democracy (improvement from -9 to 9 in the original Polity IV measure), which the state repression literature has identified as a major determinant of human rights, improves human rights conditions by 0.63 units.

In the Appendix, I present a series of robustness tests (see Appendix Tables B2 through B8). These demonstrate that the results presented thus far are robust to the following modifications: 1) operationalizing resource wealth as a) per capita revenue from oil only, b) including per capita income from oil, gas, and coal, c) an alternative measure of oil and gas revenue that subtracts extraction costs from the overall revenue is used (Table B2); 2) controlling for protests (Table B3); 3) dropping one geographic region (the Americas, Sub Saharan Africa, Asia, East Asia, Europe, the Middle East and North Africa) at a time (Table B4); 4) employing different model specifications, namely, with the inclusion/exclusion of controls (Table B5); 5) modeling time as a quadratic trend instead of a time fixed effect (Table B6); and 5) presenting alternative interactional specifications, i.e., binary and continuous measures of democracy (Table B7); and, finally, accounting for China's rise as a major economic power (Table B8).

The literature on state repression assigns a prominent role to dissent in explaining a state's willingness to engage in the egregious violation of human rights within its borders. Yet, the resource curse in the human rights literature assumes that resource wealth has no effect on

contentious political activities and only leads to more repression via a reduction in tax dependence by the state. However, if increased revenues from oil and gas are positively correlated with dissent, then protests are a potential mechanism linking resource wealth and state repression.

Table 3.2 presents the results regarding this relationship. Again, the sample includes both autocratic and democratic regimes but excludes Western democracies. The first column reports the results of an unconditional model, while the second and third columns report estimates from interactional models with binary and continuous measures of regime type respectively. The coefficient of resource wealth in the unconditional model is positive and significant, indicating that higher values of resource wealth are correlated with more protest activity. In other words, this particular source of non-tax revenue might lead to higher levels of state repression by increasing the frequency of protests and necessitating state response. The coefficients of the interaction terms in columns (2) and (3) are not statistically significant, suggesting that the impact of resource wealth on contentious activism is independent of a political regime type. Finally, the fourth column replicates the third model in Table 1, taking physical integrity rights as the dependent variable and including the protest variable as a control. A comparison between these two models (i.e., Table 3.1, column 3 and Table 3.2, column 4) reveals that the effect of resource wealth remains negative and statistically significant but slightly smaller with the inclusion of a control for protests, indicating that protests might only be a partial mediator. Future work, might need to focus on theoretical articulation and the empirical testing of additional mechanisms that explain the link between the resource curse and human rights.

Substantively, the impact of resource wealth on protests is quite sizable: an increase in resource wealth from the 10th to the 90th percentile increases the level of protests by 0.23 units. Similar changes in level of democracy and per capita GDP – factors strongly associated with

protest activities (Escribà-Folch, Meseguer, & Wright, 2018) – reduce protests by 0.14 and 0.26 units, respectively. The results indicate that resource wealth is strongly and substantively related to dissent.

The Appendix presents additional results that: 1) operationalize resource wealth differently, i.e., as per capita revenue from oil only, per capita income from oil, gas, and coal, and the alternative measure of oil and gas revenue that subtracts extraction costs from the overall revenue is used (Table C1); 2) present results for non-OECD countries (Table C2); 3) dropping one geographic region at a time (Table C3); 4) employing different model specifications (Table C4); and 5) modeling time as a quadratic trend instead of a time fixed effect (Table C5).

Table 3.2 Resource wealth and protests

VARIABLES	(1) Protest	(2) Protest	(3) Protest	(4) physint
Resource Wealth	0.034**	0.033*	0.043**	-0.042***
	(0.015)	(0.017)	(0.018)	(0.011)
Democracy_binary		-0.239***		
		(0.046)		
Democracy_continuous	-0.008***		-0.006*	0.034***
	(0.003)		(0.003)	(0.005)
Resource Wealth#Democracy (binary)		0.009		
		(0.012)		
Resource Wealth#Democracy (cont.)			-0.001	
			(0.001)	
GDP per capita	-0.076**	-0.073**	-0.078**	0.306***
	(0.030)	(0.030)	(0.030)	(0.041)
GDP growth rate	-0.004***	-0.005***	-0.004***	-0.002
	(0.002)	(0.002)	(0.002)	(0.002)
Trade Openness	0.010	0.028	0.012	0.134***
	(0.048)	(0.050)	(0.047)	(0.044)
FDI	-0.025*	-0.025**	-0.026**	0.014
	(0.012)	(0.012)	(0.012)	(0.011)
Civil Conflict	0.154***	0.133***	0.153***	-0.700***
	(0.034)	(0.032)	(0.034)	(0.035)
Population	0.888***	0.811***	0.874***	-0.267*
	(0.094)	(0.103)	(0.099)	(0.136)
Cold War	0.371***	0.282***	0.356***	-0.177
	(0.069)	(0.078)	(0.073)	(0.123)
Protests				-0.179***
				(0.027)
Constant	-13.739***	-12.556***	-13.511***	1.415
	(1.434)	(1.592)	(1.526)	(2.305)
Observations	3,564	3,564	3,564	3,564
Number of groups	129	129	129	129
Country FE	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Table 3.3 presents results regarding the proposition that the relationship between resource

wealth and physical integrity rights in autocratic regimes is not uniform but rather conditional on

formal and informal institutional differences of authoritarian regimes. The first column reports the results of the model in which resource wealth is interacted with four authoritarian regime types: personalist, military, monarchy, and dominant-party. Since the regime variable is categorical, personalist regime subtype is omitted to avoid the dummy variable trap. In this interactional model, the coefficient for resource wealth is the marginal effect of natural resources in personalist regimes. The coefficient is negative and statistically significant, suggesting that resource wealth worsens state repression in personalist regimes.

The coefficients for the interaction terms of resource wealth and authoritarian regime types indicate whether the marginal effect of resource wealth in each regime is more or less deleterious than that in personalist regimes. For instance, the interaction between resource wealth and military regimes shows that resource wealth has a more deleterious effect in military regimes than in personalist regimes, although the difference is not statistically significant. Similarly, the coefficients of the interaction with monarchic and dominant-party regime types are positive and significant indicating that resource wealth has a less negative effect on physical integrity rights in both regimes as compared to personalist autocracies.

The next four columns of Table 3.3 include interactions between resource wealth and a dichotomous measure of an autocratic regime type. For instance, column (2) presents results that indicate the marginal effect of resource wealth in personalist regimes vis-à-vis the remaining autocratic regime types. The results confirm the findings of the first model: the marginal effect of resource wealth in personalist and military regimes is negative and significant while the estimate for the dominant-party regime is not statistically different from zero. The coefficient of resource wealth is higher in personalist regimes than in autocracies as a homogenous category (0.6 vs. 0.47). Substantively, the effect of resource wealth in personalist regimes from an increase in resource

wealth from the 10th to the 90th percentile reduces the score of personal integrity rights by 0.42 units, which is more than the positive change from a similar change in democratic progress.

Finally, the summation of the coefficients of resource wealth and their respective interaction terms gives the marginal effect of resource wealth in all four authoritarian regimes. The bottom panel (Panel B) of Table 3.3 reports all marginal effects for all four authoritarian regime types. The results indicate that resource wealth negatively impacts physical integrity rights in personalist and military regimes but has no statistically significant effect in either monarchies or dominant-party autocratic polities. These results are consistent with recent scholarly work that finds that personalist regimes tend more toward repression (Davenport, 2007c), are more corrupt (Wright & Zhu, 2018), are more likely to respond to international sanctions with increased violation of physical integrity rights (Escribà-Folch, 2012), and have ineffective *de jure* institutional constraints, collectively resulting in lower investments and growth (Wright, 2008).

In Appendix B, I present additional results that: operationalize resource wealth differently; implement random effects regression estimates to alleviate concerns that some of the countries did not change autocratic regime type throughout the study period (for instance, Kazakhstan is uninterruptedly categorized as a personalist regime); present alternative model specifications; account for nonlinear time trends.

Table 3.3a Resource wealth and authoritarian regime type (Panel A)

VARIABLES	(1) physint	(2) physint	(3) physint	(4) physint	(5) physint
Resource Wealth	-0.060**	-0.019	-0.034	-0.047**	-0.060***
	(0.025)	(0.016)	(0.022)	(0.021)	(0.020)
Military	0.119				
	(0.111)				
Monarchy	-0.839*				
	(0.431)				
Party	0.147*				
	(0.086)				
Resource Wealth#Military	-0.025				
	(0.016)				
Resource Wealth#Monarchy	0.123***				
	(0.037)				
Resource Wealth#Party	0.076***				
	(0.020)				
Personal_binary		-0.114			
		(0.092)			
Resource Wealth#Personal_binary		-0.051***			
		(0.016)			
Military_binary			0.028		
			(0.078)		
Resource Wealth#Military_binary			-0.073***		
			(0.021)		
Monarchy_binary				-1.456***	
				(0.457)	
Resource Wealth#Monarchy_binary				0.108**	
				(0.044)	
Party_binary					0.088
					(0.062)
Resource Wealth#Party_binary					0.083***
					(0.016)
GDP per capita	0.461***	0.461***	0.491***	0.491***	0.473***
	(0.057)	(0.055)	(0.054)	(0.053)	(0.053)
GDP growth rate	0.001	0.001	0.000	0.001	0.000
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Trade Openness	0.260***	0.256***	0.252***	0.270***	0.260***
	(0.048)	(0.052)	(0.051)	(0.052)	(0.053)
FDI	0.015	0.016	0.008	0.012	0.017
	(0.012)	(0.012)	(0.012)	(0.011)	(0.012)
Civil Conflict	-0.559***	-0.562***	-0.574***	-0.593***	-0.556***

	(0.052)	(0.053)	(0.053)	(0.051)	(0.052)
Population	0.524***	0.621***	0.618***	0.572***	0.557***
	(0.191)	(0.195)	(0.190)	(0.199)	(0.194)
Cold War	-12.451***	-13.863***	-14.023***	-13.215***	-13.051***
	(3.115)	(3.206)	(3.084)	(3.226)	(3.160)
Constant	0.000	0.000	0.000	0.000	0.000
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Observations	2,154	2,154	2,154	2,154	2,154
Number of groups	96	96	96	96	96
Country FE	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Table 3.3b Marginal effects of authoritarian regime type (Panel B)

Regime Type	Marginal Effect
Personalist: Resource Wealth	-0.060**
	(0.025)
Military: Resource Wealth + Resource Wealth#Military	-0.085***
	(0.022)
Monarchy: Resource Wealth + Resource Wealth#Monarchy	0.062*
	(0.036)
Party: Resource Wealth + Resource Wealth#Party	0.016
	(0.019)

3.5 Discussion

The results above suggest that resource wealth is negatively correlated with a state's respect

for physical integrity rights in autocratic regimes and in new, consolidating democracies, but is

positively associated – or, more accurately, has no significant effect – in Western democracies.

The finding that resource revenues do not negatively impact human rights in Western democracies

is intuitive, given the evidence that has emerged from the political resource curse literature examining democratization and internal conflict which consistently indicates that Western democracies do not suffer from such a curse. The combination of mature political institutions and highly developed economic systems leave no room for the presence of mechanisms linking resource wealth with deleterious political outcomes. Thus, the results presented herein represent a much-needed correction to the nascent literature on the resource curse for human rights.

The results also indicate that the impact of resource wealth is as deleterious in consolidating democracies as it is in autocratic regimes. The substantive impact of resources is quite strong when compared with similar changes in such major predictors of state repression as democratization and per capita GDP. Additionally, while the emerging resource curse literature emphasizes the way in which revenue generation constrains the ruler, the findings of the present paper offer the presence of protests as a potential mechanism linking resources to state repression. The results indicate that natural resources are positively correlated with dissent, but this mechanism alone does not fully account for the negative association. Inclusion of the latent protest measure does not eliminate the negative and statistically significant association and therefore showcases the presence of other potential mechanisms. Substantively, resource wealth is remains strongly correlated with contentious political activism.

Finally, the results highlight the need to differentiate among non-democratic regimes. Authoritarian regimes vary in formal and informal institutional structure in ways that shape the preference and capabilities of both the ruler and the ruled. Such differences in turn condition the way in which resource wealth influences state repression.

3.6 Conclusion

The political resource curse literature has found strong support for the argument that resource wealth is linked to adverse political outcomes as varied as civil conflict, democratization/autocratic stability, and corruption. Mechanisms underlying the relationship have emphasized the ways in which this source of non-tax revenue effects capabilities and preferences of both the government and the people they governed. The rentier state mechanism posits that resource rents help the government ameliorate pressures for political rights expansion through several channels. These include the reduction or elimination of taxes, which reduces demands for political accountability, the establishment of a generous welfare system and patronage network to gain acquiescence of the general public as well as the coopting of the opposition elite and buying off regime insider loyalty (particularly the military), and, finally, the investment in enhancing coercive state capacity to quell dissent and identify and punish potential challengers. The civil conflict literature provides further insight into channels through which resource wealth can lead to a hierarchy of political violence, ranging from repression to civil war. Much like in the case of democratization, this strand of scholarship emphasizes the ways in which resource rent affects capabilities and preferences of both the ruler and the ruled. The process of resource exploration and extraction might bring about grievances due to land expropriation and dislocation, environmental degradation, and revenue distribution, while the presence of extractive international companies simultaneously creates opportunities for (current or future) income generation that empowers protest activities.

Despite the rich theoretical foundation provided by these related literatures, the extant research on the resource curse for physical integrity rights offers a theoretical model focusing only

on how the presence of resource wealth reduces revenue dependence of the ruler and thus makes it less urgent to accommodate citizen demands in a more constructive manner. First, in the absence of non-tax revenues, the incumbent refrains from engaging in excessive oppression, as it would lead to a reduction in citizens' productive activities, a decline in economic growth, and, consequently, a reduction in state revenues. Second, as countries become increasingly more democratic, the ruler becomes more dependent on the consent of the citizenry to ensure reelection. This counterbalancing influence in the extant literature on resource curse and human rights is argued to ameliorate the negative impact of resource wealth, but even the most democratic countries do not completely avoid the curse.

In contrast, the present paper offers an alternative theoretical perspective and empirically demonstrates that Western liberal democracies do not suffer from this kind of resource curse, while at the same time political liberalization in new/consolidating democracies does not ameliorate the deleterious effect of resource wealth on human rights. While democratization opens up avenues for the political resolution of grievances, consolidating democracies differ from mature Western liberal democracies in two fundamental ways, namely, their institutional and economic development. Newly acquired rights empower citizens to more overtly engagement in contentious forms of political activism that in some instances cannot be accommodated by the still evolving political institutions. The result is repressive tactics by the government to quell dissent. At the same time, the still underdeveloped economy provides fewer opportunities for tax-based revenue generation, enhancing the importance of resource revenues. Therefore, even consolidating governments might be willing to engage in repressive tactics to ensure the inflow and smooth operation of international capital in natural resources sectors. Indeed, the results indicate that the effect of resource wealth is as deleterious in autocracies as it is in consolidated democracies.

The present paper further argues that resource wealth is not dissent-natural, as the extant literature on the resource curse for human rights might suggest. Resource-related grievances engender increased political activism, which is in turn a prominent factor explaining state repression. Natural resources positively correlate with various forms of contentious political participation, suggesting a potential mechanism that links resources and repression. Empirical results presented herein indicate support to this proposition but also suggest the presence of additional mechanisms to be explored in future research.

Finally, the findings from this investigation indicate that autocratic regimes are not homogenous and that variation in non-democratic regimes has an impact on the relationship between resource wealth and state repression. The resource curse is found to be most prevalent in personalist and military regimes, while dominant-party regimes tend to avoid the deleterious effects of resource wealth.

It is worth reiterating that the methodology employed in the present study offers enhanced confidence in the results described above. I employ the statistical methods most appropriate for TSCS data analysis, account for contemporaneous error correlations, and use country fixed effects to account for time invariant unobservable characteristics that, if not controlled for, would otherwise lead to biased results.

In short, the key findings of the study are that: resource wealth negatively affects a state's respect of physical integrity rights; improvements in political rights, short of achieving the levels observed in liberal democracies, do not ameliorate this deleterious effect; and resource wealth leads to increased protest activities, which in turn might engender a coercive governmental response.

4.0 Paper 3 – Foreign Direct investment, state repression and the moderating role of state redistributive and repressive capacity

4.1 Introduction

The so-called "Washington Consensus" emerged in part as a response to the economic stagnation and frequent financial crises in countries that had adopted the policies prescribed by the dependency and structuralist theories of economic development. Such policies prescribed relative isolation from international capital markets (Dreher et al., 2012). These economic challenges, combined with the demise of the Soviet Union with its command-and-control style economic model of development, set the stage for a neoliberal economic paradigm which, with the help of the World Bank and International Monetary Fund, has advocated a reduction in international capital control measures (Rodrik, 2006). Based on the arguments of neoclassical economic theory, inflow of FDI should bring about economic growth, job creation, formation of a stable middle class, and ultimately enhanced respect for fundamental human rights and freedoms (Meyer, 1996).

However, an alternative set of theoretical perspectives postulate that FDI operates through several channels to actually *reduce* government respect of physical integrity rights (Janz, 2018). The increased presence of foreign capital results in grievances due to the violation of community land rights, environmental degradation, and labor exploitation (Richards et al., 2001), as well as unstable economic growth, increased income inequality, lower wages, and economic uncertainly for workers in industries unable to compete with technologically and managerially superior MNCs (Rudra, 2005; Wimberley, 1990). It can also exacerbate the plight of the poor and disenfranchised

if foreign capital inflows result in price increases of goods reoriented for exports and newly privatized services, such as water and electricity (Arbache, Dickerson, & Green, 2004).

The resultant discontent and perceived illegitimacy of the political elite may lead the opposition elite and broader public to engage contentious political activism to challenge the political and economic status quo. To protect their power and privilege, the elite face a dilemma: use repressive measures to quell dissent or compensate/buy off those that are negatively affected by the inflow of FDI (Apodaca, 2001). While expenditure directed at bolstering the coercive apparatus enables the ruler to maintain regime stability via either a threat to use violence or actual engagement in repressive behavior, welfare spending allows the ruler to coopt opposition elite and gain some level of legitimacy among the general public, and as a result, reduce the likelihood of dissent and outright rebellion (Alesina & Perotti, 1996).

The current paper draws both on the abovementioned literature as well as the theoretical insights and empirical findings from Paper 1 of this dissertation, which revealed that the negative impact of FDI is more likely to manifest in an authoritarian context that lacks formal and informal institutional structures to constrain the ruler. In this paper, I examine whether *state repressive capacity proxied by military spending and state redistribute capacity operationalized as welfare spending on health, education, and social security moderate the relationship between FDI and state repression*. In particular, I develop two competing arguments for each type of government spending that posit either increased repression or improvements in state respect of citizen rights.

Using military spending as a proxy for state capacity to repress, I argue that the ruler may rely on state coercive institutions to overcome popular protests, kill or intimidate opposition leaders, or organize regular purges among the ranks of supporters in order to protect the leader and

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the ruling class from real or potential threats. Alternatively, coercive institutions may function as a deterrent if the opposition and the broader public interpret strong state repressive capabilities as an indication of a lower likelihood of a successful challenge, and, in case of failure, high likelihood of severe punishment (De Mesquita, Smith, Morrow, et al., 2005). The outcome of the first argument is more repression, while the expectation of the second argument is less repression, and both outcomes are more likely to occur in an authoritarian context in which the ruler faces little accountability and institutional constraints.

Concerning welfare spending – government expenditure directed at health, education, and social security – the political elite can rely on a state's redistributive capacity to coopt the opposition and provide some level of public goods for the broader masses to gain legitimacy or, at least, acquiescence. Alternatively, and more relevant to autocratic regimes, the ruler can set up a patronage system that only serves the needs of regime loyalists and a limited number of politically relevant societal groups, thereby exacerbating socioeconomic grievances and societal tensions among the larger opposition and general public. While the former type of welfare spending is more likely to reduce social instability and the need to repress, the latter allocation of welfare funds is likely to lead to more frequent dissent and, ultimately, repression, particularly in autocracies which are typically characterized by extensive discretionary power over public resources.

Drawing on time-series cross-sectional data of at most 128 countries and for the time period of 1970-2006, the empirical findings show support for the preventive role of military spending, particularly in autocratic regimes, i.e., inflow of FDI negatively affects government respect of human right in political regimes with weak coercive institutions and reduces state repression with improvements in state coercive capacity. The empirical results do not lend support for the conditional effect of welfare spending; that is, there is no evidence that variation in welfare

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spending determines the relationship between FDI and state respect of physical integrity rights. The rationale underlying the results is quite simple. While FDI may lead to socio-economic grievances, the popular and/or elite discontent is less likely to materialize in the form of a challenge to the incumbent if the likelihood of a successful dissent is low and the possibility of a severe punishment is high. Heavy reliance on coercive institutions is more characteristic to autocracies, as rulers in such regimes face far fewer institutional constraints than their democratic counterparts. Additionally, the mere presence of a capable coercive institutions does not translate into an ability for the ruler to repress as she must also find enough members of coercive apparatus that are wiling to engage in repressive behavior. The later is again more likely to be observed in an autocratic setting in which the ruler staffs the military and other institutions of coercion with the loyalists that rely on the ruler's discretionary power for promotions and personal enrichment. Therefore, both repressive and preventive functions of the military is more likely to be observed in autocratic regimes. Additionally, the results of the first paper indicated that the negative impact of FDI on physical integrity rights is more likely to be observed in autocracies with few institutional constraints on the ruler. The combination of these two factors – higher likelihood of observing a negative impact of FDI and the central role of the coercive institutions in unconstrained autocracies – provides a explanation for the findings regarding military spending. Similarly, the findings regarding welfare spending follow a similar rationale. First, the mere presence of grievances tends not to suffice to mount a challenge that could bring about a harsh response, particularly in an autocratic context, and therefore the presence or absence of redistributive efforts to mitigate such grievances should be relatively insignificant. Second, welfare spending in autocratic regimes, especially those with few constraints on the discretionary power of the leader tends to function as cooptation/patronage mechanism and benefit a narrow circle of supporters. In other words, the

variation of this type of spending will be determined by the relative power of the ruler and the "winning coalition" rather than the level of broader societal tensions brought about by the inflow of FDI.

This paper makes theoretical and empirical contributions to the literature on financial globalization and state repression. I develop theoretical arguments regarding the conditional role of two aspects of state capacity – redistributive and coercive – and rely on the most appropriate methodology for a time-series cross-sectional data to estimate theoretical claims empirically.

The paper will proceed by providing a brief literature review, followed by a discussion of theoretical arguments, a presentation of the empirical results and a discussion of these findings. The final section summarizing the key takeaways concludes.

4.2 Literature Review

Scholarly work on the human rights consequences of the inflow of FDI implicitly offers some explanations as to the effects of state welfare policies and the role of military regimes on citizens' ability to exercise their right to be free from torture, extrajudicial killings, disappearances, and politically motivated imprisonment (Apodaca, 2001; Davenport, 2007c; Poe & Tate, 1994; Poe et al., 1999). However, no such work examines the determinants of state repression and explicitly tests the effect of coercive apparatus expenditure. To the best of my knowledge, only Apodaca (2001) includes a measure of social spending, and this is included as a control variable rather than the main determinant of interest. This is somewhat puzzling, as closely related literatures on civil conflict and democratization examine the impact of both factors as either main

predictors or moderators (Azam, 1995; Azam & Mesnard, 2003; Bodea, Higashijima, & Singh, 2016; Inglehart & Norris, 2016; Rudra, 2005; Taydas & Peksen, 2012; Wright et al., 2015).

Poe and Tate (1994) present the first scholarly work that empirically examines the role of the military on state repression. The authors posit that military regimes engage in repressive behavior, as the nature of a military junta is the capability and willingness to use force to coerce political opponents and the public into compliance. Therefore, the scholars expect to find worse acts of state terror in military juntas as compared to other types of regimes that they classify as civilian, under the assumption that there is at least some level of civilian control over the military. This serves as a key agent of repression in many regimes, particularly non-democratic ones. Their results reveal a positive but statistically insignificant relationship; in other words, the authors do not find empirical evidence that military juntas are more repressive than other types of political regimes.

Poe, Tate, and Keith (1999) reexamine the impact of several determinants of state repression and again argue that military regimes exhibit higher levels of repressiveness as compared to other types of polities. As in the prior paper, the rationale for such an expectation is that leaders in military juntas have the most direct access to means of coercion, and in fact are the very embodiment of the instruments of terror. Therefore, when such rulers face challenges from opposition elites or wider societal forces, it is more likely that they will prefer utilizing coercive instruments than relying on alternative political tools of conflict resolution. The authors utilize an expanded dataset and a new methodology that they argue is an improvement over the prior paper, and their results provide statistically significant evidence that military rulers engage in more repressive behavior than any other political regime type.

Davenport (2007) argues that military regimes tend to repress more because them embody the very repressive institutions that are used to suppress dissent via violent means. In military regimes the governing agents are most familiar with coercive techniques and less accustomed to resolve issues via alternative means, such as cooptation or accommodation. Repressive methods of population control therefore tend to be their first-choice instruments. The author also discusses the possibility that a military regime's ability to use violent force to suppress dissent can in fact result in less repression: military regimes signal to the opposition and the broader public that the ruler is capable and willing to resort to violent techniques and thus discourage potential challengers from undertaking antiregime activities. The author finds that military regimes tend towards repression more than democracies or other types of authoritarian regimes, such as single-party authoritarian systems.

Apodaca (2001) examines the relationship between several globalization measures such as trade and FDI as main determinants of interests. Social welfare expenditure, which the author operationalizes as government educational spending, is discussed not as a main determinant but rather used as a control. The rationale behind its inclusion in the model is twofold: it measures the relative independence of the state from globalization and provides a way to address market-induced socioeconomic inequality and injustices reducing social instability and political dissent. The author finds that higher levels of educational spending are indeed associated with lower levels of repression.

The civil conflict literature provides further empirical evidence on the role of welfare spending in contributing to political stability and reducing the likelihood of domestic conflict. Taydas and Peksen (2012) built on the theoretical work by Azam (1995) and Azam and Mesnard (2003) to examine empirically whether the higher levels of welfare spending, measured by

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government expenditure on health care, education, and social security, reduces the likelihood of civil conflict. The authors argue that welfare programs signal to the broader public a willingness by the ruling elite to some level of redistribution and, ultimately, a reduction in inequality and poverty. By alleviating economic grievances and reducing social tensions, the ruler gains social legitimacy and support, or, at a minimum, acquiescence, which reduces motivation to engage in a violent form of dissent. Additionally, this type of expenditure reduces political violence indirectly via its positive impact on economic development, which increases the opportunity cost of joining a rebellion. The authors find a statistically significant negative relationship between welfare spending and the likelihood of civil conflicts.

Also related to the work presented herein is a study by Bodea, Higashijima, and Singh (2016), who posit that welfare spending and military expenditure condition the relationship between oil wealth on the onset of civil conflict. The authors argue that dedicating financial resources for socially-oriented policies signals to the general population the ruler's commitment to improving their lives and thus makes it harder for rebel groups to recruit. By investing in health care, education, and social security, the government improves the living standards of the broader public and, by mitigating economic grievances, dampens deprivation-induced motives to take up arms against the ruler. The political elite can also act more strategically and use health and educational programs to coopt politically-relevant and powerful interest groups rather than undertake a more broad-based public spending program. In either case, the expected result is loyalty and support.

According to the study, military spending conditions the relationship between oil wealth and domestic conflict in two ways. First, enhanced military capacity enables the ruler to successfully suppress dissent and deprive potential challengers from the ability to escalate threats

to the level of civil conflict. Second, directing resource wealth revenue toward military spending enables the ruler to increase a sense of safety and security among the general public and thus increase support for the regime.

The authors find statistically significant empirical support for the argument that military spending conditions the relationship between oil wealth and civil conflict: oil rich states with higher levels of military spending experience less frequent civil conflict than regimes that have more limited military budgets. However, the authors do not find statistically significant results for a moderating role of welfare spending. The coefficient of the interaction terms between oil wealth and social spending in their model indicates that the differential effect of oil wealth in high welfare-spending countries does not reach the conventional threshold for statistical significance.

Rudra (2005) examines the link between trade and financial market liberalization and democratization, arguing that the relationship is contingent on the level of welfare spending, particularly government expenditure directed towards education, health, and social security. As countries open up to international financial markets, inflow of FDI and portfolio investments enable domestic economic agents to acquire relative autonomy from the state and reduce the need to support the political regime in exchange for access to state funds. This relative autonomy can lead to realignments of economic elite with pro-democracy societal groups to push for improvements in political rights and civil liberties. Additionally, economic liberalization brings about economic uncertainty and social instability when some domestic firms are unable to compete with more superior MNCs. As political leaders face increased societal discontent and withdrawal of the support of the economic elite, they are forced to choose to either repress dissent or give in to calls of expanding political rights. Regimes that increase welfare spending in tandem with liberalization of financial markets are better able to win over newly empowered citizenry. This

will allow the political elite to maintain control over governing institutions and discourage formerly disenfranchised groups to pursue large scale redistributive policies. Under such circumstances, the ruling elite prefers expansion of political rights to engaging in large scale repression to maintain internal stability. The results indicate that the relationship between FDI and democratization is indeed conditional on the level of welfare spending. Higher levels of FDI lead to improvements in political rights and civil liberties only in polities that combine increased international market integration with expansion of the welfare state.

Although restricted to Western liberal democracies only, Inglehart and Norris (2016) find that populist support in Western European democracies is predominantly cultural, typically in response to demographic changes due to increased migration. By contrast, the support of populist leaders in the US is mostly due to economic concerns related to economic globalization that has brought about economic uncertainty, loss of manufacturing jobs, and lower wages. The authors argue that the main reason for such divergent motives for populist support are explained by different levels of welfare spending. While Western European countries have long been characterized as welfare states that provide a social cushion for those affected by economic globalization, the American system is much less generous in supporting those in the society who incur economic losses due to increased liberalization in international markets for goods and capital. In other words, welfare spending reduces socioeconomic tensions and, as a result, discontent against incumbents in regimes with generous welfare systems.

4.3 Theory and Hypotheses

Liberalization of capital markets can lead to economic growth via increased efficiency due to competition, inflows of international capital to countries lacking their own domestic sources of capital, the arrival of new technologies and management skills, and the opening up of markets for exports (Hafner-Burton, 2005a). However, a theoretical case has also been made postulating that FDI operates through channels that actually reduce government respect of physical integrity rights (Janz, 2018).

Dependency theorists argue that the increased presence of foreign capital leads to discontent with the activities of MNCs vis-à-vis local community rights to land, opposition to environmental degradation, and often an increase in exploitation of labor and disregard for workers' rights (Hymer, 1982; Manby, 1999; Meyer, 1996; Richards et al., 2001). Structuralist theorists assign a less malign role to MNCs: foreign companies prefer investment environments in which organized labor and environmental groups are marginalized and cannot negatively affect the primary motive of profit-making since low wages and taxes ensure a high return to investment. While MNCs benefit from such domestic economic policies, local labor, environmentally-minded citizens, and general population may oppose the presence of foreign corporations, as such policies negatively impact their interests. Thus, FDI may lead to more frequent labor movements and environmental protests targeting foreign corporations, particularly in autocratic regimes where the political systems lack institutionalized mechanisms of labor dispute resolution (Robertson & Teitelbaum, 2011).

Inflow of FDI can also lead to tensions and instability as economic growth, at least initially, is accompanied by increased income inequality, unemployment, lower wages, and economic

uncertainly for workers in industries unable to compete with technologically and managerially more superior MNCs (Rudra, 2005; Wimberley, 1990). It can also exacerbate the plight of the poor and disenfranchised if foreign capital inflows result in price increases of goods reoriented for exports and newly-privatized services, such as water and electricity (Arbache et al., 2004).

The resultant discontent and perceived illegitimacy of the political elite can lead to the mobilization of those that are negatively impacted by the inflow of foreign capital to challenge the existing political and economic order. In order to maintain their hold on power and the benefits it affords, the elite face a choice between using repressive measures to quell dissent or compensating those who stand to lose from this particular form of economic globalization (Apodaca, 2001). Increased spending on health, education, and welfare can compensate those that feel left out and, therefore, reduce the likelihood of dissent and outright rebellion (Alesina & Perotti, 1996). Alternatively, amplifying the coercive apparatus enables the ruler rely either on threat of force or actual repressive behavior to maintain regime stability. In what follows is a brief discussion of how both welfare and military spending condition the relationship between FDI and state repression.

A well-funded coercive apparatus can shift the balance from accommodation of grievances to repression of the opposition parties and the citizenry, particularly in regimes with little *de facto* legal constraints on the use of force in domestic matters, leading to higher levels of repression. The military serves as a coercive means to ensure a political regime's survival, especially if the regime experiences an economic crisis and lacks political legitimacy. The political elite in autocracies and, less frequently, in unstable democracies may rely on state coercive institutions and the use violence to crush protests and intimidate or even kill opposition leaders in order to protect the ruling class from threats. Reliance on the repressive function of the military is

particularly attractive in regimes in which most of the economic benefits brought about by increased international market integration is expropriated by the predatory state and public goods provision to benefit broader public is very limited.

However, it can also lead to less repression if such institutions function as a deterrent(Bellin, 2012). In order to mount a challenge to the incumbency, the opposition elite consider the likelihood of success and severity of punishment in the instance of failure. If opposition leaders interpret strong state repressive capabilities as an indication of a lower likelihood of successful challenge to the ruler and, in case of failure, severe punishment (De Mesquita, Smith, Morrow, et al., 2005). Additionally, broad-based mass mobilization is less likely to occur in a political context in which masses have a reason to believe the regime is capable and, perhaps most importantly, willing to use deadly force to suppress protests and peaceful demonstrations. Therefore, strong military forces along with other institutions of coercion can lead to lower levels of *de facto* human rights violations if said deterrence function discourages dissent.

It needs emphasizing that citizens in such political regimes can be deprived of exercising even basic civil and political rights (such a freedom of assembly or religion). In other words, the above discussion is not meant to argue that citizens in political regimes with superior institutions of oppression enjoy high levels of *de jure and/or de facto* political and civil rights but only indicates that a well-financed military may deter potential challengers and reduce the need to engage in actual acts of violence.

Large military budgets do not automatically turn armies into strong and powerful fighting forces, as corruption and cronyism within the military can undermines its capabilities. Particularly, in some autocratic and unconsolidated democratic regimes, military budgets serve to coopt military

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leaders by allowing pocketing parts of the budget to prevent coups and ensure loyalty. In other words, a less efficient military can mean more compliance among high ranking military officers and generals, which in turn reduces the need to engage in frequent purges of loyalist. Rulers may also staff the military based on family ties or membership to a trusted ethnic group, or create overlapping agencies to better able to monitor competing interests within military ranks and discourage defection (Belkin & Schofer, 2003; Bellin, 2012; Bodea et al., 2016).

While such a military policy can undermine the capacity of the armed forces vis-à-vis a foreign army, one does not need an efficient and highly professionalized army to repress peaceful protests and engage in violent acts against the unarmed opposition parties and political movements (Acemoglu, Verdier, & Robinson, 2004; Keefer, 2010). In fact, the opposite is true: the more professionalized the army the less likely that armed forces will become a tool of oppression in the hands of political leaders. Therefore, policies that reduce the effectiveness of the army as an efficient and capable fighting force can increase its utility as a repressive tool (Albertus & Menaldo, 2012; Bellin, 2012).

As has already been mentioned briefly, the moderating role of coercive apparatus additionally depends on the political context. Political regimes of all types face challenges from opposition forces and the broader public, relying on a mix of cooptation and repression measures to maintain political stability and ensure continuation of the regime. In consolidated democracies, the reliance on a coercive apparatus to maintain internal stability is relatively rare, as political institutions both prevent a leader's ability to use excessive force and also punish those who transgress legally-defined boundaries of the legitimate use of force. Indeed, such institutional restrictions are most effective in consolidated democracies and much weaker in new and consolidating democratic policies (Davenport & Armstrong, 2004; Fein, 1995; Regan &

Henderson, 2002). Given such considerations, I exclude Western liberal democracies from the sample.

Autocratic regimes, on the other hand, do not face the same level of institutional constraints and therefore use a mix of repressive and redistributive measures (Wintrobe, 2000). Autocratic regimes use some combination of private and public goods provisions to sustain the support of a narrow circle of key supporters and reduce mass discontent and the likelihood of popular uprisings among the general public, respectively (De Mesquita, Smith, Siverson, et al., 2005). However, the lack of political legitimacy necessitates a more extensive reliance on repressive methods, which in turn explains the centrality of repressive institutions in autocratic regimes (D. Andersen, Møller, Rørbæk, & Skaaning, 2014; Sobek, 2010).

As mentioned above, new and consolidating democracies occupy a middle ground between the two ends of the continuum in choosing the combination of repression and accommodation of citizen demands. In contrast to established democracies that have achieved a clear separation of roles between professionalized armed forces and civilian governments, in newly consolidating democracies the military elite can play a significant role in important policy matters and, in some instances, determine the fate of the polity (Acemoglu et al., 2010).

Based on the above discussion, I posit the following two hypotheses:

H1.1: The effect of FDI is conditional on the level of military spending, with higher levels positively moderating the effect of FDI on state repression, particularly in non-democratic regimes.

H1.2: The effect of FDI is conditional on the level of military spending, with higher levels negatively moderating the effect of FDI on state repression, particularly in non-democratic regimes.

In other words, if Hypothesis H1.1 is correct, one should expect a positive coefficient on a term that interacts FDI and military spending. If Hypothesis H1.2 holds, one should instead observe a negative coefficient on the interaction term.

As an alternative to a state's coercive institutions, the political elite can rely on redistributive capacity to coopt the opposition, set up a patronage system for the economic elite, and provide some level of public goods for the broader masses. Particularly, political regimes initiate social welfare programs to obtain the acquiescence of the population, since such redistributive policies signal that the political regime is concerned about citizen wellbeing and takes specific measures to reduce poverty, address income inequality, and provide some level of social protection against destabilizing markets forces. Additionally, an incumbent can be motivated by an economic rationale when investing in public goods that contribute to human capital formation. While social security and pensions offer protection from market uncertainties and reduce poverty, government expenditure on health and education expand the productive capacity of the economy and, consequently, allow the political elite to increase tax revenues (Wintrobe, 2000, 2001).

A government's commitment to some level of redistribution via social spending – government expenditure on social security and pensions as well as on the provision of health and education services – conditions the relationship between FDI and sate repression in two ways. First, it mitigates the potential negative impacts of FDI on income inequality and economic

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uncertainty that can lead to social instability (Apodaca, 2001; Taydas & Peksen, 2012). Second, investment in human capital formation enhances FDI's ability to contribute to economic development, which in turn is positively associated with government respect for the human rights of their citizens. As some scholarly works suggests, the positive relationship between FDI and economic development is a conditional one and requires a certain level of human capital development in order for the FDI-induced productivity and efficiency gains to come to fruition (Borensztein et al., 1998; Bruno & Campos, 2013; Hermes & Lensink, 2003).

High levels of social spending do not necessarily translate into reduced inequality, higher economic security, and improved human capital. If the redistributive systems are designed in such a manner as to benefit only regime supporters, who constitute a narrow segment of the society in authoritarian political regimes, then the broader public will perceive of such a system as unjust. Indeed, the consequence of such a narrowly focused welfare system will exacerbate grievances and social tensions, increase income inequality and lead to an overall loss of political legitimacy. Targeted social spending favoring already well-off societal groups will enable their members to take advantage of new economic realities, further exacerbating the sense of relative depravation among the general public.

The above discussion lends itself to the following two hypotheses:

H2.1: The effect of FDI is conditional on the level of welfare spending, with higher levels positively moderating the effect of FDI on state repression, particularly in non-democratic regimes.

H2.2: The effect of FDI is conditional on the level of welfare spending, with higher levels of welfare spending negatively moderating the effect of FDI on state repression, particularly in non-democratic regimes.

The analyses below will adjudicate between these two hypotheses by including an interaction term for FDI and welfare spending. If Hypothesis H2.1 is correct, the coefficient for this term should be positive; if, on the other hand, Hypothesis H2.2 holds, we should expect this term to have a negative coefficient.

4.4 Data and Empirical Strategy

4.4.1 Dependent Variable

To test the hypotheses outlined above, I follow the tradition in the state repression literature and operationalize state repression by an indicator of physical integrity rights that measures freedom from torture and beatings, political imprisonment and arrests, disappearances, mass executions, and extrajudicial killings. The present paper utilizes the Latent Human Rights Protection Scores (Latent Scores), a latent measure of physical integrity rights with a detailed description provided in Paper 1 (Fariss, 2014).

4.4.2 Independent variables

4.4.2.1 4.4.2.1 Foreign Direct Investment (as ratio of GDP)

My primary variable of interest is a measure of FDI, which, as in the prior two papers, captures investment by a foreign firm that grants control over at least 10% of voting shares of an economic entity in a host country via either construction of new facilities (greenfield investment) or by means of the merger and acquisition of existing firms. The data is drawn from UNCTAD and spans the years of 1970 to 2006 (UNCTAD, 2019).

4.4.3 Moderating variables

4.4.3.1 4.4.3.1 Welfare expenditure

This variable represents a state's redistributive capacity adn captures government spending on health, education, and social security – namely, pensions and unemployment benefits – expressed as a percentage of GDP. The data for this measure is taken from Taydas and Peksen (2012) and is imputed using Stata's ICE procedure, which accounts for missing values. Results based on unimputed data do not change empirical results.

4.4.3.2 4.4.3.2 Military expenditure

Data on military expenditure that serves as a proxy for state repressive capacity comes from Bodea, Higashijima and Singh (2016). These values are based on the Correlates of War Project and are expressed on a per capita basis (Bodea et al., 2016; Taydas & Peksen, 2012). Military spending serves as a suitable proxy for repressive capacity for several reasons. First, the military has been used to suppress internal dissent, especially when such discontent results in large scale

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demonstrations and riots involving thousands of protestors. Examples include the Tiananmen Square massacre in China to Syrian president Assad's use of the military to violently suppress peaceful protestors and the active involvement of Saudi armed forces in quelling dissent during the Arab Spring unrests (Bellin, 2012; Michael, 2011). As mass demonstrations and uprisings are increasingly important methods for regime change in non-democratic political settings (Geddes et al., 2014), the role of the military support is evermore central in maintaining regime stability and suppressing popular dissent.

Second, the military plays a central role in coup attempts both as a perpetrator and as an institution that rulers tend to rely on to survive. Military coups are another common threat to the survival of autocratic ruler: more than two thirds of autocratic leaders have been deposed via military coups (Svolik, 2008). Therefore, variation in military spending should serve as a viable proxy for state repressive capacity. Finally, relatively accurate data on military spending are available for a large number of countries over many time periods, making it the most comprehensive and, thus, most common proxy for state coercive institutions (D. Andersen et al., 2014; Bodea et al., 2016; Collier & Hoeffler, 2005; Gleditsch & Rivera, 2017; Wright et al., 2015).

However, it needs to be emphasized that using military spending as a proxy for state repressive apparatus has some limitations. First, repression of domestic dissent may not be the primary motivation for an increase in military spending. Countries that face aggressive foreign enemies or may be involved in an international conflict are more likely to increase their military budgets. In such an instance, higher levels of military spending would be associated with foreign aggression rather than concerns over domestic dissent i.e., the need to either buy off key members of the military to prevent coups or increase the repressive capability to suppress the opposition elite and the general public. Second, governments do not exclusively rely on the military to

suppress dissent. There are a whole host of institutions such as the police, intelligence agencies, paramilitary groups, and personal militia among others that may be actively involved in aiding the ruler to oppress regime critics and the broader public (Davenport, 2007a). Unfortunately, detailed and accurate data on spending regarding above mentioned agencies are not publicly available, particularly in regards to authoritarian regimes, the political context in which the ruler is most likely to rely on repressive policies to quell dissent. Therefore, future work may focus on identifying a more reliable measure of state repressive apparatus that could address some of the concerns associated with using military spending as a proxy for state repressive capacity.

4.4.3.3 Regime type and level of democratization

The Polity IV index is used to distinguish between democratic and autocratic societies. The index describes level of democracy ranging from -10 to 10, with higher scores corresponding to a more democratic society and a score of 6 or higher qualifying a country as democratic. In the analyses that follow, as in the papers above, I add 10 to these values to obtain an index range from 0 to 20. Also as above, I restrict this sample to non-OECD countries only, given that the impact of FDI on human rights is distinct among developed and developing countries (Wright & Zhu, 2018).

4.4.4 Control Variables

I follow the prior scholarship in the resource curse and state repression literatures to select the set of control variables (confounders) that could be correlated with resource wealth and simultaneously impact state repression, therefore potentially biasing the results. In particular, I control for: protests; per capita gross domestic product (GDP; natural log); GDP growth rate; trade openness (natural log); foreign direct investment (natural log); total population (natural log); a

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binary variable indicating that a country was experiencing a civil conflict in a given year; and a binary variable identifying those years falling into the Cold War period.

4.4.5 Empirical model

To estimate the statistical correlation between resource wealth and state repression, I draw on a sample of at most 128 country over the period from 1970 and 2006. Because the number of years exceeds 15, I employ statistical models that are appropriate for the analysis of time series cross-sectional (TSCS). Employing these methods presents an improvement over the existing work in the field in that such work typically fails to account for contemporaneous (spatial) correlations, which can incorrectly estimate standard errors and thus report erroneous statistical significance. Additionally, prior work often includes lagged dependent variables to control for within-panel serial correlation; if these are not accompanied by appropriate statistical methods, endogeneity is introduced into the model. Finally, previous research tends to use time fixed effects inconsistently and rarely includes country fixed effects to control for time invariant unobservable characteristics that, if correlated with the variables of interest, will bias the results.

To address these issues and advance the scholarship in this area, I utilize country and year fixed effect models to control for unobservable factors that are constant over time but vary across countries and factors that vary over time but are constant across countries, respectively. At the same time, I use Driscoll-Kraay standard errors to provide robust estimates of heteroskedastic, autocorrelated, and spatially (contemporaneously) correlated error structures. All explanatory variables are lagged by one year to alleviate concerns of reverse causality and to take into account the possibility that the impact of factors takes some time to materialize. Additionally, as indicated

in the previous subsection, the natural logarithm of resource wealth, per capita GDP, trade openness, FDI, and population are used to address skewedness of the variables.

4.5 Empirical Results

Table 4.1 presents models that examine whether military and welfare expenditures condition the impact of FDI on state repression and whether the outcomes further vary across democratic and authoritarian regime types. The first through third columns report results on the moderating role of military spending, while the remaining columns (columns 4 through 6) examine the moderating role of welfare spending.

The first column presents results based on a sample of democratic and authoritarian non-OECD countries. The coefficient of the interaction term between military spending and FDI is positive and statistically significant (0.04) while the coefficient on the FDI term is negative and again statistically significant (-0.12). In other words, the results indicate that at low levels of military spending, the inflow of FDI reduces government respect of physical integrity rights but the negative impact is mitigated with increasing amounts of expenditure directed at the institutions of coercion. To further examine the role of political institutions, the second and third columns limit the analyses to autocratic and democratic regimes respectively (country-years receiving scores greater than 5 on the Polity IV measure are classified as democracies). The results indicate that the moderating effect of military spending is only present in autocratic countries. The coefficient of the interaction term in column 2 is positive (0.03) and statistically significant, and the FDI variable is negative (-0.09) and statistically significant. In contrast, the model in column three indicates that

the conditional relationship is nonexistent in democracies: while the coefficients for both variables are directionally the same as in columns 1 and 2, neither coefficient is statistically significant. Table 4.2 presents the marginal effects of FDI at different levels of military spending based on the empirical results of the model presented in column 2. As is evident from the table, the marginal effect of FDI is negative at lower levels of military expenditure but becomes positive at about the 80th percentile of per capita spending. Figure 4.1 presents a graphic representation of Table 4.2.

As demonstrated in columns 4 through 6, there is no empirical evidence that welfare spending moderates the relationship between FDI and state repression. To put it differently, the models do not support the claim made by the human rights literature that states with higher welfare spending have a higher likelihood of reaping benefits of inflow of FDI while states that ignore the welfare consequences of FDI are more likely to experience deteriorating human rights conditions. All three columns show this to be true for the sample of countries that contain both democratic and non-democratic regimes as well as in separate examination of democracies and non-democratic regimes. The conditional effect of welfare spending reached statistical significance only in the model that examines that relationship in autocratic regimes (column 4), but even in this instance the level of significance is only at the 10-percent level.

Results presented in the Appendix demonstrate that the results presented thus far are robust to the following robustness tests: 1) distinguishing between developed and developing countries via the exclusion of Western developed democracies rather than limiting the sample to non-OECD countries; 2) dropping one geographic region (the Americas, Sub Saharan Africa, Asia, East Asia, Europe, the Middle East and North Africa) at a time; 3) employing different model specifications, namely, with the inclusion/exclusion of control variables; 4) operationalizing military spending as a ratio of GDP; and 5) modeling time as a quadratic trend instead of a time fixed effects model.

Table 4.1 Foreign Direct Investment, Military, Welfare Spending and State Repression

VARIABLES	(1) All regime types	(2) Autocracies	(3) Democracies	(4) All regime types	(5) Autocracies	(6) Democracies
FDI	**-0.1169***	**-0.0934***	**-0.1022**	**-0.1120**	**-0.0979***	**0.4060**
	(0.0370)	(0.0273)	(0.0972)	(0.0865)	(0.0569)	(0.2523)
Military Spending	-0.1073***	-0.0822***	-0.0858**			
	(0.0197)	(0.0159)	(0.0356)			
Welfare Spending				-0.1385***	-0.0877**	-0.0164
				(0.0497)	(0.0341)	(0.0695)
FDI#Mlitary Spending	**0.0398***	**0.0299***	**0.0336**			
	(0.0108)	(0.0084)	(0.0271)			
FDI#Welfare Spending				**0.0603**	**0.0496***	**-0.1669**
				(0.0415)	(0.0274)	(0.1119)
Protest	-0.1982***	-0.1484***	-0.0978	-0.2026***	-0.1391***	-0.1461**
	(0.0266)	(0.0322)	(0.0691)	(0.0277)	(0.0368)	(0.0660)
Democracy_continuous	0.0371***	0.0121**	0.1031***	0.0423***	0.0140***	0.0898***
	(0.0058)	(0.0053)	(0.0252)	(0.0057)	(0.0047)	(0.0214)
Trade Openness	0.1914***	0.1571***	0.4130**	0.2111***	0.2333***	0.1765
	(0.0469)	(0.0525)	(0.1937)	(0.0502)	(0.0536)	(0.1135)
Resource Wealth	-0.0539***	-0.0526**	-0.0742*	-0.0726***	-0.0911***	-0.0179
	(0.0159)	(0.0205)	(0.0387)	(0.0164)	(0.0228)	(0.0304)
GDP per capita	0.3874***	0.4837***	0.0538	0.3441***	0.4088***	0.0092
	(0.0461)	(0.0707)	(0.1946)	(0.0415)	(0.0636)	(0.1702)
GDP growth rate	-0.0018	-0.0009	-0.0025	-0.0031*	-0.0022	-0.0027
	(0.0013)	(0.0013)	(0.0023)	(0.0016)	(0.0014)	(0.0020)
Civil Conflict	-0.6711***	-0.5898***	-0.6743***	-0.7003***	-0.6145***	-0.7452***
	(0.0284)	(0.0448)	(0.0960)	(0.0387)	(0.0432)	(0.1170)
Population	-0.1726	0.4939**	-0.1408	0.0757	0.7950***	0.1601
	(0.1424)	(0.2278)	(0.2151)	(0.1865)	(0.2683)	(0.2378)
Cold War	-0.4620	0.1904	-0.2366	0.0415	-15.8413***	-3.6788
	(2.2829)	(0.1846)	(0.2567)	(0.1330)	(4.2355)	(4.0529)
Constant	0.0000	-11.8556***	0.2528	-4.0621	0.0000	0.0000
	(0.0000)	(3.9267)	(4.1729)	(3.1147)	(0.0000)	(0.0000)
Observations	3,360	2,249	1,111	3,044	2,049	995
Number of groups	128	107	72	127	106	72
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	YES	YES	YES	YES	YES	YES

Standard errors in parentheses   *** p<0.01, ** p<0.05, * p<0.1
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Table 4.2 Marginal Effect of FDI on State Repression at Different Levels of Military Spending

FDI Grouping	dy/dx	Std. Err.	z	P>z	95% CI	
1	-0.104	0.030	-3.48	0.000	-0.162	-0.045
2	-0.074	0.023	-3.25	0.001	-0.118	-0.029
3	-0.044	0.017	-2.59	0.010	-0.077	-0.011
4	-0.014	0.014	-0.99	0.321	-0.042	0.014
5	0.016	0.016	0.99	0.321	-0.015	0.047
6	0.046	0.021	2.15	0.031	0.004	0.087
7	0.076	0.028	2.69	0.007	0.021	0.131
8	0.106	0.036	2.96	0.003	0.036	0.176
9	0.136	0.044	3.11	0.002	0.050	0.221
10	0.166	0.052	3.21	0.001	0.064	0.267
11	-0.104	0.030	-3.48	0.000	-0.162	-0.045
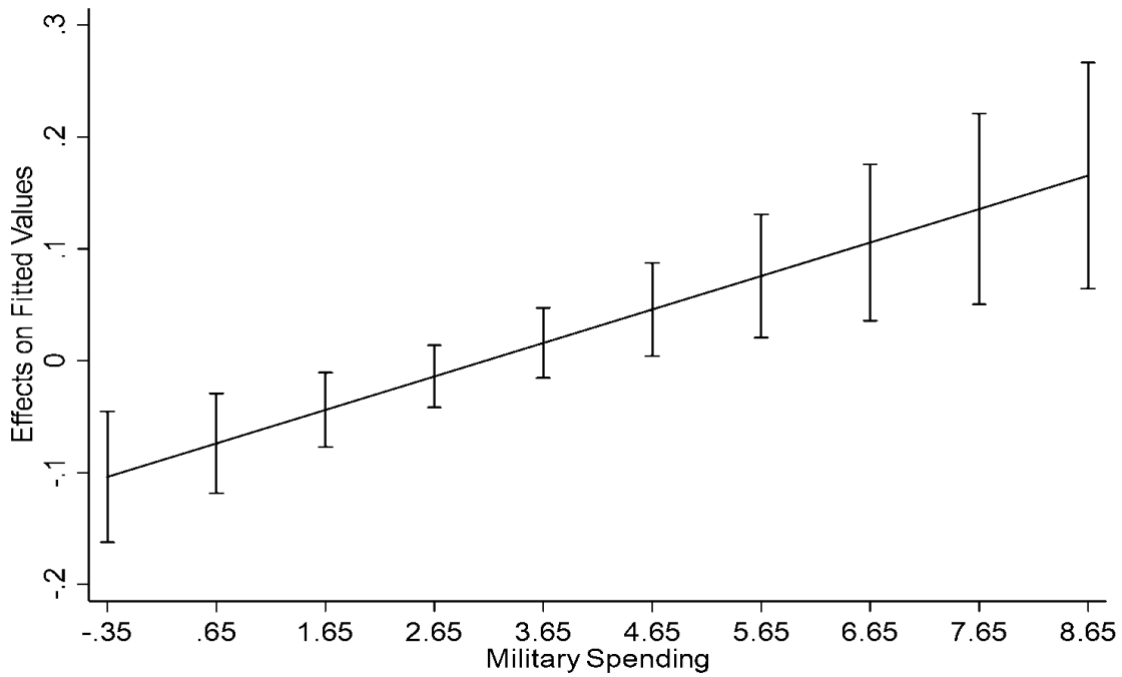
Figure 4.1 Average Marginal Effects of FDI with 95% CIs

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4.6 Discussion

The literature on political violence emphasizes the importance of state capacity, particularly as it concerns a state's coercive and distributive functions. State coercive capacity enables a ruler to use violence (worsening of human rights) or threat of violence (less violation of human rights due to reduced dissent) to discourage civil conflict. Additionally, the ruler may use the military budget to coopt the army (buy off high level military cadre), a key element of regime support and source of coups in autocratic polities(Acemoglu et al., 2010). The opposition follows a basic cost-benefit analysis in deciding whether or not to challenge the incumbent. In political regimes where such challenges can be met with severe punishment, challengers estimate the likelihood of success and the severity of punishment with the benefits of a successful acquisition of power(De Mesquita, Smith, Siverson, et al., 2005). A ruler that manages to set up an effective (or at least loyal) repressive apparatus will significantly lower the probability of a successful challenge to his power and thus reduce the need to engage in actual violence. The results seem to support the hypothesis that emphasizes the preventive function of a capable and well-funded coercive capacity of the states. It is noteworthy that the conditional relationship achieves statistical significance in autocratic regimes but is not empirically supported in a democratic context. This should not be surprising, as the role of coercive institutions, regardless of whether actual engagement in repression or merely willingness to rely on threat of force to suppress dissent are more prevalent in authoritarian polities (Wrights, 2008). Additionally, as the findings in Paper 1 showed, inflow of FDI is more likely to lead to the deterioration of physical integrity rights in autocratic regimes, particularly those with limited institutional constraints on the ruler. As was discussed in the literature review, there is some disagreement as to the relative repressiveness of military regimes. While some scholars find such regimes to be more repressive, others argue that

the very nature of the ruler discourages dissent and thus reduces the need to engage in actual the use of violence (Davenport, 2007c; Poe & Tate, 1994; Poe et al., 1999). The results presented herein lend support to the latter finding, although it should be emphasized that my argument does not equate military spending with a particular regime type. Rather, it is an argument about a state's repressive capabilities. Such institutions of coercion can be set up essentially in any political regime.

With regard to welfare spending, the empirical results do support the argument that the association between FDI and state repression is conditional on the level of expenditure directed by a government towards education, health, and social security: the coefficient for the interaction term is statistically insignificant in all three models. As has been articulated above, the ruler may utilize redistributive capacity of the state to reduce socio-economic grievances caused by the inflow of FDI and gain some level of legitimacy and political support, or at least a minimal degree of acquiescence through the provision of welfare goods to the broader public. Alternatively, the ruler can rely on targeted social spending to coopt some members of the opposition elite and buy off a narrow circle of politically powerful social groups, the so-called "winning coalition", while the rest of the society is controlled and subjugated with disproportionate reliance on the repressive apparatus(Bratton & Van de Walle, 1994; De Mesquita, Smith, Siverson, et al., 2005). Moreover, it needs to be emphasized that broad-based social spending is more characteristic to democratic political regimes, while patronage and cooptation are a favored tool of autocrats (Acemoglu & Robinson, 2006; Escribà-Folch, 2012; Gandhi & Przeworski, 2006). Given that FDI is more likely to impact negatively in autocratic regimes with few constraints on the ruler's discretionary power, the lack of robust moderation of welfare spending indicates that such expenditure does not extend to the broader public but rather benefits a narrow circle of supporters. It is also likely that the ruler

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will undertake steps to ensure that the benefits of foreign capital inflow disproportionally benefit said narrow segment of the society. Under such circumstances in which social spending predominantly benefits a narrow group that does not bear the potential negative consequences of FDI inflows, variation in social spending does not play a significant role in the relationship between FDI and state repression.

4.7 Conclusion

This paper contributes to the scholarly work on the consequences of FDI for state respect of physical integrity rights by exploring how two aspects of state capacity – the redistribution capacity (captured by welfare spending) and coercive capacity (captured by military spending) – condition the relationship between this particular type of international capital liberalization and state repression. The contribution of the current research is threefold. First, the literature on the interplay of globalization and human rights discusses the importance of state willingness to address socio-economic grievances in order to enhance state legitimacy and reduce social tensions and as a consequence the need to resort to repression to maintain political control. However, the implications of a ruler's reliance on redistributive policies during international capital liberalization remained undertheorized, and to the best of my knowledge no theoretical argument has been advanced regarding the moderating role of welfare spending. The paper fills this gap by offering two competing arguments regarding the role of welfare spending in conditioning said association, particularly in non-democratic political contexts.

Second, despite the centrality of the coercive capacity of the state to the level of repression observed in any polity and particularly in autocratic regimes, the literature does offers neither theoretical arguments nor empirical tests of the variation in coercive capacity as a factor conditioning the link between FDI and physical integrity rights. This article advances two competing theories regarding the moderating role of military spending, particularly in autocratic regimes.

Third, drawing on the most extensive time-series cross-sectional (TSCS) data that covers up to 128 countries for the years of 1972-2006 and utilizing statistical methods most appropriate for TSCS, I empirically evaluate theoretical arguments.

The empirical findings presented in this paper lend support for the preventive role of military spending, particularly in autocratic regimes. That is to say, the inflow of FDI negatively affects government respect of human right in political regimes with weak coercive institutions and reduces state repression with improvements in state coercive capacity. These results do not lend support for the conditional effect of welfare spending: there is no support to the argument that variation in welfare spending determines the relationship between FDI and state respect of physical integrity rights.

Appendix A Supplementary Analyses for Paper 1

Appendix A Table 1 Exclusion of Western Democracies

VARIABLES	(1) physint	(2) physint	(3) Fariss
FDI	**0.0113**	**-0.0011**	**-0.0207**
	(0.0108)	(0.0149)	(0.0202)
Democracy_binary		0.4044***	
		(0.0549)	
FDI#Democracy_binary		**0.0495****	
		(0.0234)	
Democracy_continuous	0.0358***		0.0337***
	(0.0050)		(0.0047)
FDI#Democracy_continuous			**0.0038****
			(0.0018)
Trade Openness	0.1417***	0.1240***	0.1409***
	(0.0416)	(0.0451)	(0.0418)
Resource Wealth	-0.0399***	-0.0407***	-0.0384***
	(0.0123)	(0.0121)	(0.0126)
Protest	-0.2055***	-0.1735***	-0.2036***
	(0.0277)	(0.0293)	(0.0280)
GDP per capita	0.2962***	0.2437***	0.3001***
	(0.0412)	(0.0404)	(0.0396)
GDP growth rate	-0.0026	-0.0019	-0.0026
	(0.0016)	(0.0015)	(0.0016)
Civil Conflict	-0.6917***	-0.6599***	-0.6903***
	(0.0364)	(0.0355)	(0.0360)
Population	-0.2316	-0.1370	-0.1848
	(0.1450)	(0.1462)	(0.1451)
Coldwar	0.7069	-0.1321	-0.0262
	(2.3309)	(2.3412)	(2.3153)
Constant	0.0000	0.0000	0.0000
	(0.0000)	(0.0000)	(0.0000)
Observations	3,498	3,498	3,498
Number of groups	129	129	129
Country FE	Yes	Yes	Yes
Time FE	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix A Table 2 Foreign Direct Investment, Regime Type and State Repression: Regional Exclusion

VARIABLES	(1) physint	(2) physint	(3) physint	(4) physint	(5) physint	(6) physint
FDI	**0.0073**	**0.0033**	**-0.0188**	**0.0008**	**-0.0117**	**-0.0036**
	(0.0151)	(0.0140)	(0.0277)	(0.0140)	(0.0154)	(0.0156)
Democracy_binary	0.3900***	0.3421***	0.3983***	0.4595***	0.4130***	0.4171***
	(0.0607)	(0.0437)	(0.0756)	(0.0637)	(0.0557)	(0.0568)
FDI#Democracy_binary	**0.0612****	**0.0355**	**-0.0050**	**0.0260**	**0.0746****	**0.0724****
	(0.0272)	(0.0244)	(0.0249)	(0.0254)	(0.0243)	(0.0274)
Trade Openness	0.1251**	0.2102***	0.0569	0.1753***	0.1226**	0.1549***
	(0.0472)	(0.0541)	(0.0859)	(0.0425)	(0.0461)	(0.0489)
Resource Wealth	-0.0395***	-0.0682***	-0.0263	-0.0486***	-0.0269*	-0.0398***
	(0.0126)	(0.0136)	(0.0190)	(0.0117)	(0.0140)	(0.0117)
Protest	-0.2124***	-0.1526***	-0.2089***	-0.1325***	-0.1660***	-0.1753***
	(0.0350)	(0.0328)	(0.0418)	(0.0334)	(0.0312)	(0.0317)
GDP per capita	0.2401***	0.3375***	0.0567	0.3053***	0.1424***	0.2040***
	(0.0535)	(0.0411)	(0.0756)	(0.0377)	(0.0497)	(0.0465)
GDP growth rate	-0.0022	-0.0012	-0.0029	-0.0019	-0.0014	-0.0013
	(0.0017)	(0.0016)	(0.0022)	(0.0016)	(0.0015)	(0.0018)
Civil Conflict	-0.6478***	-0.5774***	-0.7165***	-0.6892***	-0.6730***	-0.6683***
	(0.0377)	(0.0356)	(0.0424)	(0.0421)	(0.0407)	(0.0393)
Population	-0.3062	0.8476***	-0.4026**	-0.3053**	-0.1433	-0.1080
	(0.1930)	(0.1162)	(0.1498)	(0.1367)	(0.1702)	(0.1424)
Coldwar	2.3523	0.7736***	5.6541**	-0.4288***	-0.1241	-0.2767**
	(3.0921)	(0.1289)	(2.3783)	(0.1026)	(0.1461)	(0.1076)
Constant	0.0000	-16.9194***	0.0000	2.0557	0.8091	-0.3323
	(0.0000)	(2.1136)	(0.0000)	(2.2073)	(2.8986)	(2.3442)
Observations	2,935	2,679	2,057	3,054	3,110	3,120
Number of groups	110	106	85	114	118	107
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	YES	YES	YES	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix A Table 3 Foreign Direct Investment, Regime Type and State Repression: Regional Exclusion

VARIABLES	(1) physint	(2) physint	(3) physint	(4) physint	(5) physint	(6) physint
FDI	**-0.0157**	**-0.0351***	**-0.0282**	**-0.0066**	**-0.0294**	**-0.0279**
	(0.0220)	(0.0187)	(0.0338)	(0.0194)	(0.0207)	(0.0215)
Democracy_continuous	0.0329***	0.0216***	0.0419***	0.0384***	0.0345***	0.0329***
	(0.0051)	(0.0033)	(0.0072)	(0.0051)	(0.0050)	(0.0052)
FDI#Democracy_continuous	**0.0044****	**0.0059***	**0.0010**	**0.0018**	**0.0044****	**0.0050****
	(0.0020)	(0.0021)	(0.0023)	(0.0020)	(0.0019)	(0.0020)
Trade Openness	0.1452***	0.2270***	0.0433	0.1939***	0.1330***	0.1644***
	(0.0455)	(0.0515)	(0.0882)	(0.0406)	(0.0445)	(0.0456)
Resource Wealth	-0.0330**	-0.0654***	-0.0255	-0.0476***	-0.0270*	-0.0371***
	(0.0123)	(0.0130)	(0.0182)	(0.0131)	(0.0154)	(0.0125)
Protest	-0.2430***	-0.1842***	-0.1989***	-0.1693***	-0.2059***	-0.2067***
	(0.0333)	(0.0324)	(0.0433)	(0.0328)	(0.0290)	(0.0306)
GDP per capita	0.2928***	0.3872***	0.1067	0.3724***	0.1990***	0.2665***
	(0.0516)	(0.0445)	(0.0688)	(0.0371)	(0.0498)	(0.0458)
GDP growth rate	-0.0032*	-0.0018	-0.0028	-0.0025	-0.0021	-0.0023
	(0.0017)	(0.0016)	(0.0020)	(0.0017)	(0.0016)	(0.0018)
Civil Conflict	-0.6784***	-0.5942***	-0.7421***	-0.7203***	-0.7093***	-0.7050***
	(0.0369)	(0.0341)	(0.0411)	(0.0439)	(0.0407)	(0.0402)
Population	-0.3902**	0.8874***	-0.3945**	-0.3776**	-0.2160	-0.1503
	(0.1908)	(0.1175)	(0.1514)	(0.1399)	(0.1662)	(0.1479)
Coldwar	3.0411	0.8789***	4.9678**	-0.3601***	-0.1008	-0.2051*
	(3.0333)	(0.1387)	(2.2708)	(0.1055)	(0.1427)	(0.1172)
Constant	0.0000	-18.1316***	0.0000	2.3631	1.3041	-0.3586
	(0.0000)	(2.1993)	(0.0000)	(2.2667)	(2.8249)	(2.4573)
Observations	2,935	2,679	2,057	3,054	3,110	3,120
Number of groups	110	106	85	114	118	107
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	YES	YES	YES	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix A Table 4 Foreign Direct Investment, Regime Type and State Repression: Model Specification

VARIABLES	(1) physint	(2) physint	(3) physint	(4) physint	(5) physint	(6) physint	(7) physint	(8) physint
FDI	0.0272**	0.0197	0.0253*	0.0192	0.0143	-0.0042	-0.0028	-0.0028
	(0.0105)	(0.0121)	(0.0128)	(0.0125)	(0.0138)	(0.0154)	(0.0148)	(0.0148)
Democracy_binary	0.5056***	0.4759***	0.4960***	0.4578***	0.4653***	0.4062***	0.4064***	0.4064***
	(0.0625)	(0.0597)	(0.0635)	(0.0649)	(0.0642)	(0.0566)	(0.0567)	(0.0567)
FDI#Democracy_binary	0.0917***	0.0881***	0.0721**	0.0444*	0.0486*	0.0588**	0.0534**	0.0534**
	(0.0281)	(0.0262)	(0.0276)	(0.0247)	(0.0261)	(0.0241)	(0.0235)	(0.0235)
GDP per capita	0.2982***	0.2345***	0.3070***	0.2690***	0.2740***	0.2321***	0.2253***	0.2253***
	(0.0624)	(0.0562)	(0.0514)	(0.0483)	(0.0508)	(0.0458)	(0.0451)	(0.0451)
Trade Openness		0.2097***	0.1825***	0.1813***	0.1950***	0.1480***	0.1434***	0.1434***
		(0.0462)	(0.0520)	(0.0500)	(0.0484)	(0.0465)	(0.0478)	(0.0478)
Resource Wealth			-0.0496***	-0.0435***	-0.0425***	-0.0414***	-0.0400***	-0.0400***
			(0.0121)	(0.0126)	(0.0135)	(0.0117)	(0.0116)	(0.0116)
Protest				-0.2318***	-0.2331***	-0.1763***	-0.1734***	-0.1734***
				(0.0279)	(0.0284)	(0.0292)	(0.0309)	(0.0309)
GDP growth rate					0.0001	-0.0017	-0.0018	-0.0018
					(0.0019)	(0.0015)	(0.0015)	(0.0015)
Civil Conflict						-0.6623***	-0.6646***	-0.6646***
						(0.0382)	(0.0380)	(0.0380)
Population							-0.1142	-0.1142
							(0.1438)	(0.1438)
Coldwar								-0.2854**
								(0.1089)
Constant	-2.3644***	0.0000	0.0000	0.0000	-3.0269***	-2.4194***	-0.5898	-0.3044
	(0.4373)	(0.0000)	(0.0000)	(0.0000)	(0.3659)	(0.4008)	(2.2893)	(2.3953)
Observations	4,038	3,877	3,512	3,478	3,391	3,391	3,391	3,391
Number of groups	133	133	131	129	128	128	128	128
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	YES	YES	YES	YES	YES	YES	YES	YES

Standard errors in parentheses   *** p<0.01,   ** p<0.05,   * p<0.1

Appendix A Table 5 Foreign Direct Investment, Regime Type and State Repression: Model Specification

VARIABLES	(1) physint	(2) physint	(3) physint	(4) physint	(5) physint	(6) physint	(7) physint	(8) physint
FDI	**-0.0120**	**-0.0198**	**-0.0142**	**-0.0074**	**-0.0136**	**-0.0274**	**-0.0224**	**-0.0224**
	(0.0195)	(0.0194)	(0.0208)	(0.0198)	(0.0221)	(0.0215)	(0.0202)	(0.0202)
Democracy_continuous	0.0350***	0.0321***	0.0324***	0.0321***	0.0335***	0.0336***	0.0336***	0.0336***
	(0.0055)	(0.0053)	(0.0054)	(0.0052)	(0.0047)	(0.0049)	(0.0049)	(0.0049)
FDI#Democracy_continuous	**0.0073*****	**0.0073*****	**0.0069*****	**0.0044****	**0.0048****	**0.0045****	**0.0039****	**0.0039****
	(0.0020)	(0.0019)	(0.0021)	(0.0021)	(0.0023)	(0.0019)	(0.0018)	(0.0018)
GDP per capita	0.3558***	0.2919***	0.3718***	0.3239***	0.3348***	0.2948***	0.2837***	0.2837***
	(0.0616)	(0.0588)	(0.0523)	(0.0502)	(0.0516)	(0.0453)	(0.0445)	(0.0445)
Trade Openness		0.2297***	0.2104***	0.2018***	0.2184***	0.1622***	0.1549***	0.1549***
		(0.0403)	(0.0453)	(0.0462)	(0.0446)	(0.0430)	(0.0449)	(0.0449)
Resource Wealth			-0.0472***	-0.0409***	-0.0392**	-0.0391***	-0.0371***	-0.0371***
			(0.0130)	(0.0137)	(0.0148)	(0.0123)	(0.0121)	(0.0121)
Protest				-0.2705***	-0.2741***	-0.2092***	-0.2045***	-0.2045***
				(0.0269)	(0.0272)	(0.0277)	(0.0297)	(0.0297)
GDP growth rate					-0.0005	-0.0024	-0.0026	-0.0026
					(0.0021)	(0.0016)	(0.0016)	(0.0016)
Civil Conflict						-0.6929***	-0.6962***	-0.6962***
						(0.0377)	(0.0382)	(0.0382)
Population							-0.1716	-0.1716
							(0.1425)	(0.1425)
Coldwar								-0.2193*
								(0.1107)
Constant	-2.9313***	0.0000	0.0000	0.0000	-3.6949***	-3.0650***	-0.3076	-0.0882
	(0.4309)	(0.0000)	(0.0000)	(0.0000)	(0.3576)	(0.3616)	(2.2710)	(2.3750)
Observations	4,038	3,877	3,512	3,478	3,391	3,391	3,391	3,391
Number of groups	133	133	131	129	128	128	128	128
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	YES	YES	YES	YES	YES	YES	YES	YES

Standard errors in parentheses   *** p<0.01,   ** p<0.05,   * p<0.1

Appendix A Table 6 Foreign Direct Investment, Regime Type and State Repression: Quadratic Time Trend

VARIABLES	(1) physint	(2) physint	(3) Fariss
FDI	**0.0094**	**-0.0038**	**-0.0257**
	(0.0110)	(0.0150)	(0.0208)
Democracy_binary		0.4067***	
		(0.0568)	
FDI#Democracy_binary		**0.0553****	
		(0.0230)	
Democracy_continuous	0.0361***		0.0337***
	(0.0050)		(0.0047)
FDI#Democracy_continuous			**0.0042****
			(0.0018)
Trade Openness	0.1316***	0.1201***	0.1310***
	(0.0405)	(0.0432)	(0.0410)
Resource Wealth	-0.0441***	-0.0454***	-0.0423***
	(0.0113)	(0.0112)	(0.0116)
Protest	-0.2060***	-0.1728***	-0.2037***
	(0.0289)	(0.0303)	(0.0292)
GDP per capita	0.2737***	0.2178***	0.2776***
	(0.0461)	(0.0447)	(0.0445)
GDP growth rate	-0.0024	-0.0017	-0.0024
	(0.0016)	(0.0015)	(0.0015)
Civil Conflict	-0.6991***	-0.6657***	-0.6978***
	(0.0392)	(0.0384)	(0.0387)
Population	-0.2190	-0.1116	-0.1678
	(0.1441)	(0.1455)	(0.1440)
coldwar = L	-0.0374	-0.0815**	-0.0396
	(0.0347)	(0.0380)	(0.0344)
time	-0.0031	-0.0071	-0.0046
	(0.0050)	(0.0053)	(0.0050)
time2	0.0003***	0.0004***	0.0003***
	(0.0001)	(0.0001)	(0.0001)
Constant	0.6402	-0.3526	-0.1486
	(2.3195)	(2.3219)	(2.2981)
Observations	3,391	3,391	3,391
Number of groups	128	128	128
Country FE	Yes	Yes	Yes
Time FE	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix A Table 7 Foreign Direct Investment, Regime Type and State Protests: Exclusion of Western Democracies

VARIABLES	(1) Protest	(2) Protest	(3) Protest
FDI	**-0.0236***	**-0.0142**	**0.0010**
	(0.0125)	(0.0142)	(0.0226)
Democracy_binary		-0.1982***	
		(0.0364)	
FDI#Democracy_binary		**-0.0398**	
		(0.0306)	
Democracy_continuous	-0.0079***		-0.0062**
	(0.0026)		(0.0024)
FDI#Democracy_continuous			**-0.0029**
			(0.0021)
Trade Openness	0.0180	0.0376	0.0186
	(0.0473)	(0.0502)	(0.0472)
Resource Wealth	0.0359**	0.0367**	0.0347**
	(0.0153)	(0.0158)	(0.0158)
GDP per capita	-0.0711**	-0.0677**	-0.0740**
	(0.0318)	(0.0322)	(0.0320)
GDP growth rate	-0.0045***	-0.0048***	-0.0045***
	(0.0016)	(0.0016)	(0.0016)
Civil Conflict	0.1488***	0.1277***	0.1475***
	(0.0329)	(0.0313)	(0.0326)
Population	0.8739***	0.7494***	0.8367***
	(0.0958)	(0.0891)	(0.0938)
coldwar = L	-13.2098***	-11.4137***	-12.6273***
	(1.3930)	(1.2567)	(1.3445)
Constant	0.0000	0.0000	0.0000
	(0.0000)	(0.0000)	(0.0000)
Observations	3,498	3,498	3,498
Number of groups	129	129	129
Country FE	Yes	Yes	Yes
Time FE	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix A Table 8 Foreign Direct Investment, Regime Type and State Protests: Regional Exclusion

VARIABLES	(1) Protest	(2) Protest	(3) Protest	(4) Protest	(5) Protest	(6) Protest
FDI	**-0.0047**	**-0.0210**	**-0.0226**	**-0.0202**	**-0.0097**	**-0.0180**
	(0.0149)	(0.0161)	(0.0170)	(0.0156)	(0.0160)	(0.0167)
Democracy_binary	-0.2227***	-0.2410***	-0.0553	-0.2742***	-0.1873***	-0.1835***
	(0.0353)	(0.0428)	(0.0375)	(0.0401)	(0.0396)	(0.0361)
FDI#Democracy_binary	**-0.0478**	**-0.0349**	**-0.0930*****	**-0.0201**	**-0.0267**	**-0.0442**
	(0.0310)	(0.0336)	(0.0261)	(0.0354)	(0.0325)	(0.0365)
Trade Openness	0.0488	0.0618	0.0922*	0.0798	0.0395	0.0842*
	(0.0547)	(0.0562)	(0.0544)	(0.0475)	(0.0422)	(0.0453)
Resource Wealth	0.0269**	0.0424**	0.0587**	0.0268*	0.0136	0.0349**
	(0.0131)	(0.0192)	(0.0223)	(0.0150)	(0.0181)	(0.0154)
GDP per capita	-0.0178	-0.0653*	0.0686	-0.0442	-0.0887***	-0.0708*
	(0.0307)	(0.0362)	(0.0879)	(0.0410)	(0.0270)	(0.0349)
GDP growth rate	-0.0047***	-0.0043**	-0.0048	-0.0048***	-0.0035**	-0.0067***
	(0.0013)	(0.0017)	(0.0032)	(0.0015)	(0.0014)	(0.0016)
Civil Conflict	0.1773***	0.1208***	0.0895**	0.1725***	0.1478***	0.1472***
	(0.0368)	(0.0286)	(0.0400)	(0.0268)	(0.0265)	(0.0284)
Population	0.9373***	0.6582***	0.4118***	0.7075***	0.8297***	0.8887***
	(0.1372)	(0.1483)	(0.0685)	(0.1041)	(0.1061)	(0.0735)
Coldwar	-14.7870***	0.1230	-7.1382***	0.1597**	0.2688***	0.3148***
	(1.9922)	(0.1273)	(1.2545)	(0.0713)	(0.0862)	(0.0546)
Constant	0.0000	-10.4529***	0.0000	-11.2630***	-12.7309***	-14.1609***
	(0.0000)	(2.3615)	(0.0000)	(1.4705)	(1.5906)	(1.1477)
Observations	2,935	2,679	2,057	3,054	3,110	3,120
Number of groups	110	106	85	114	118	107
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	YES	YES	YES	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix A Table 9 Foreign Direct Investment, Regime Type and State Protests: Regional Exclusion

VARIABLES	(1) Protest	(2) Protest	(3) Protest	(4) Protest	(5) Protest	(6) Protest
FDI	**0.0078**	**-0.0365***	**-0.0313**	**-0.0074**	**-0.0304**	**-0.0294**
	(0.0249)	(0.0187)	(0.0322)	(0.0180)	(0.0192)	(0.0201)
Democracy_continuous	-0.0045*	0.0212***	0.0430***	0.0390***	0.0339***	0.0330***
	(0.0025)	(0.0036)	(0.0072)	(0.0053)	(0.0052)	(0.0053)
FDI#Democracy_continuous	**-0.0044***	**0.0072***	**0.0033**	**0.0028**	**0.0050***	**0.0063***
	(0.0023)	(0.0020)	(0.0022)	(0.0019)	(0.0018)	(0.0019)
Trade Openness	0.0045	0.2333***	0.0338	0.1925***	0.1331***	0.1587***
	(0.0541)	(0.0542)	(0.0889)	(0.0413)	(0.0467)	(0.0474)
Resource Wealth	0.0185	-0.0724***	-0.0357**	-0.0514***	-0.0282*	-0.0432***
	(0.0148)	(0.0119)	(0.0172)	(0.0120)	(0.0148)	(0.0118)
GDP per capita	-0.0709***	0.4029***	0.1032	0.3869***	0.2229***	0.2887***
	(0.0235)	(0.0465)	(0.0809)	(0.0401)	(0.0521)	(0.0488)
GDP growth rate	-0.0058***	-0.0004	-0.0006	-0.0013	-0.0012	-0.0003
	(0.0014)	(0.0016)	(0.0017)	(0.0017)	(0.0016)	(0.0019)
Civil Conflict	0.2200***	-0.6211***	-0.7685***	-0.7564***	-0.7497***	-0.7434***
	(0.0357)	(0.0315)	(0.0393)	(0.0405)	(0.0386)	(0.0379)
Population	0.9921***	0.7810***	-0.4559***	-0.5043***	-0.4082**	-0.3325**
	(0.1173)	(0.1269)	(0.1515)	(0.1361)	(0.1668)	(0.1414)
Coldwar	-15.0494***	0.8676***	-0.6288***	3.9728*	-0.1772	-0.2750**
	(1.7161)	(0.1373)	(0.1150)	(2.0592)	(0.1488)	(0.1126)
Constant	0.0000	-16.5171***	6.3856**	0.0000	4.2092	2.4455
	(0.0000)	(2.3047)	(2.3650)	(0.0000)	(2.8212)	(2.3216)
Observations	2,935	2,694	2,072	3,069	3,110	3,135
Number of groups	110	107	86	115	118	108
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	YES	YES	YES	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix A Table 10 Foreign Direct Investment, Regime Type and State Protests: Model Specification

VARIABLES	(1) Protest	(2) Protest	(3) Protest	(4) Protest	(5) Protest	(6) Protest	(7) Protest
FDI	**-0.0147**	**-0.0204**	**-0.0197**	**-0.0112**	**-0.0080**	**-0.0154**	**-0.0154**
	(0.0114)	(0.0127)	(0.0124)	(0.0129)	(0.0128)	(0.0129)	(0.0129)
Democracy_binary	-0.1489***	-0.1829***	-0.1878***	-0.1900***	-0.1748***	-0.1779***	-0.1779***
	(0.0363)	(0.0370)	(0.0373)	(0.0369)	(0.0362)	(0.0348)	(0.0348)
FDI#Democracy_binary	**-0.1234*** **	**-0.1124*** **	**-0.1065*** **	**-0.1053*** **	**-0.1076*** **	**-0.0797** **	**-0.0797** **
	(0.0311)	(0.0330)	(0.0340)	(0.0333)	(0.0325)	(0.0320)	(0.0320)
GDP per capita	-0.0708*	-0.1118**	-0.1313***	-0.1146***	-0.1047**	-0.0559	-0.0559
	(0.0377)	(0.0421)	(0.0402)	(0.0415)	(0.0420)	(0.0341)	(0.0341)
Trade Openness		0.0653	0.0626	0.0745	0.0820	0.1066**	0.1066**
		(0.0501)	(0.0505)	(0.0497)	(0.0503)	(0.0484)	(0.0484)
Resource Wealth			0.0238**	0.0288**	0.0269**	0.0172	0.0172
			(0.0116)	(0.0118)	(0.0122)	(0.0134)	(0.0134)
GDP growth rate				-0.0051***	-0.0046***	-0.0039**	-0.0039**
				(0.0016)	(0.0016)	(0.0016)	(0.0016)
Civil Conflict					0.1332***	0.1419***	0.1419***
					(0.0281)	(0.0279)	(0.0279)
Population						0.5901***	0.5901***
						(0.1326)	(0.1326)
Coldwar							-9.2885***
							(1.8661)
Constant	0.0000	0.0000	0.4604	0.0000	0.0000	0.0000	0.0000
	(0.0000)	(0.0000)	(0.4052)	(0.0000)	(0.0000)	(0.0000)	(0.0000)
Observations	3,999	3,841	3,839	3,750	3,750	3,750	3,750
Number of groups	131	131	130	129	129	129	129
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	YES	YES	YES	YES	YES	YES	YES

Standard errors in parentheses   *** $p<0.01$,   ** $p<0.05$,   * $p<0.1$

Appendix A Table 11 Foreign Direct Investment, Regime Type and State Protests: Model Specification

VARIABLES	(1) physint	(2) Protest	(3) Protest	(4) Protest	(5) Protest	(6) Protest	(7) Protest	(8) Protest
FDI	**0.0387****	**0.0276**	**0.0262**	**0.0262**	**0.0325**	**0.0355***	**0.0146**	**0.0146**
	(0.0182)	(0.0208)	(0.0210)	(0.0210)	(0.0219)	(0.0206)	(0.0218)	(0.0218)
Democracy_continuous	-0.0021	-0.0045*	-0.0048**	-0.0048**	-0.0049**	-0.0049**	-0.0054**	-0.0054**
	(0.0023)	(0.0023)	(0.0023)	(0.0023)	(0.0022)	(0.0022)	(0.0021)	(0.0021)
FDI#Democracy_binary	**-0.0098*****	**-0.0089*****	**-0.0085*****	**-0.0085*****	**-0.0083*****	**-0.0082*****	**-0.0058****	**-0.0058****
	(0.0020)	(0.0021)	(0.0022)	(0.0022)	(0.0023)	(0.0022)	(0.0023)	(0.0023)
GDP per capita	-0.0822**	-0.1267***	-0.1453***	-0.1453***	-0.1297***	-0.1188***	-0.0621*	-0.0621*
	(0.0375)	(0.0422)	(0.0392)	(0.0392)	(0.0411)	(0.0421)	(0.0334)	(0.0334)
Trade Openness		0.0476	0.0448	0.0448	0.0548	0.0654	0.0932*	0.0932*
		(0.0517)	(0.0522)	(0.0522)	(0.0513)	(0.0521)	(0.0495)	(0.0495)
Resource Wealth			0.0231*	0.0231*	0.0283**	0.0261**	0.0156	0.0156
			(0.0120)	(0.0120)	(0.0120)	(0.0125)	(0.0136)	(0.0136)
GDP growth rate					-0.0049***	-0.0043***	-0.0037**	-0.0037**
					(0.0015)	(0.0016)	(0.0016)	(0.0016)
Civil Conflict						0.1563***	0.1645***	0.1645***
						(0.0283)	(0.0282)	(0.0282)
Population							0.6545***	0.6545***
							(0.1418)	(0.1418)
Coldwar								-10.1704***
								(1.9911)
Constant	0.0000	0.0000	0.6366	0.6366	0.0000	0.0000	0.0000	0.0000
	(0.0000)	(0.0000)	(0.3901)	(0.3901)	(0.0000)	(0.0000)	(0.0000)	(0.0000)
Observations	3,999	3,841	3,839	3,839	3,750	3,750	3,750	3,750
Number of groups	131	131	130	130	129	129	129	129
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	YES	YES	YES	YES	YES	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix A Table 12 Foreign Direct Investment, Regime Type and State Protests: Quadratic Time Trend

VARIABLES	(1) Protest	(2) Protest	(3) Protest
FDI	**-0.0384*** **	**-0.0185**	**0.0119**
	(0.0124)	(0.0130)	(0.0220)
Democracy_binary		-0.1724***	
		(0.0337)	
FDI#Democracy_binary		**-0.0807** **	
		(0.0321)	
Democracy_continuous	-0.0089***		-0.0051**
	(0.0022)		(0.0021)
FDI#Democracy_continuous			**-0.0059** **
			(0.0024)
Trade Openness	0.0761	0.0909*	0.0776
	(0.0510)	(0.0509)	(0.0515)
Resource Wealth	0.0129	0.0122	0.0106
	(0.0130)	(0.0134)	(0.0136)
GDP per capita	-0.0557*	-0.0518	-0.0578*
	(0.0325)	(0.0348)	(0.0337)
GDP growth rate	-0.0040***	-0.0041***	-0.0038**
	(0.0014)	(0.0015)	(0.0014)
Civil Conflict	0.1669***	0.1438***	0.1660***
	(0.0292)	(0.0284)	(0.0289)
Population	0.7446***	0.6132***	0.6763***
	(0.1358)	(0.1308)	(0.1405)
Coldwar	-0.0357	-0.0323	-0.0306
	(0.0443)	(0.0478)	(0.0445)
time	0.0265***	0.0311***	0.0282***
	(0.0075)	(0.0077)	(0.0076)
time2	-0.0008***	-0.0008***	-0.0008***
	(0.0001)	(0.0001)	(0.0001)
Constant	-11.6184***	-9.7339***	-10.5974***
	(1.9308)	(1.8366)	(1.9651)
Observations	3,750	3,750	3,750
Number of groups	129	129	129
Country FE	Yes	Yes	Yes
Time FE	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix B Supplementary Analyses for Paper 2

Appendix B.1 Data Summary

Appendix B.1 Table 1 Summary statistics

Variable	Observation	Mean	Std. Dev.	Min	Max
Physical Integrity Rights	8,365	0.267	1.390	-3.134	4.693
Resource Wealth (logged)	6,764	2.312	2.872	0.000	11.304
Protest	5,662	0.000	1.000	-3.781	2.611
Democracy	7,226	0.341	7.484	-10.000	10.000
GDP per capita (logged)	7,107	7.849	1.605	3.913	11.975
GDP growth rate	6,925	3.991	7.052	-64.047	189.830
Trade Openness (logged)	6,811	4.149	0.621	0.269	6.278
FDI (logged)	6,581	0.845	0.910	-4.196	4.516
Civil Conflict	7,470	0.160	0.366	0.000	1.000
Population	9,405	15.099	2.176	8.739	21.009
Cold War (binary)	9,800	0.612	0.487	0.000	1.000

Appendix B.1 Table 2 List of Western Democracies

Australia	France	Japan	Portugal
Austria	Germany	Luxembourg	Spain
Belgium	Greece	Malta	Sweden
Canada	Iceland	Netherlands	Switzerland
Denmark	Ireland	New Zealand	United Kingdom
Finland	Italy	Norway	United States

Appendix B.2 Table 1 Sensitivity Analysis

Appendix B.2 Table 1 Resource Wealth and State Repression (non-OECD Countries)

VARIABLES	(1) physint	(2) physint	(3) physint	(4) physint	(5) physint
Resource Wealth	-0.026***	0.012	-0.046***	-0.044***	-0.046***
	(0.008)	(0.019)	(0.010)	(0.012)	(0.014)
Democracy_binary				0.500***	
				(0.054)	
Democracy_continuous	0.039***	0.045***	0.036***		0.036***
	(0.005)	(0.002)	(0.005)		(0.005)
Resource Wealth#Democracy (binary)				-0.016	
				(0.012)	
Resource Wealth#Democracy (cont.)					-0.000
					(0.001)
GDP per capita	0.305***	0.028	0.297***	0.245***	0.297***
	(0.042)	(0.259)	(0.047)	(0.047)	(0.048)
GDP growth rate	-0.001	0.007	-0.001	-0.001	-0.001
	(0.001)	(0.008)	(0.002)	(0.001)	(0.001)
Trade Openness	0.132***	0.148	0.142***	0.128**	0.142***
	(0.046)	(0.123)	(0.048)	(0.052)	(0.048)
FDI	0.032***	0.082**	0.021*	0.020	0.021*
	(0.010)	(0.040)	(0.011)	(0.012)	(0.011)
Civil Conflict	-0.702***	-0.311***	-0.738***	-0.695***	-0.738***
	(0.031)	(0.074)	(0.036)	(0.036)	(0.036)
Population	-0.425***	-0.793**	-0.409***	-0.322**	-0.410***
	(0.141)	(0.318)	(0.130)	(0.126)	(0.129)
Cold War	4.111*	-0.044	-0.261**	-0.263**	-0.262**

	(2.191)	(0.061)	(0.126)	(0.122)	(0.126)
Constant	0.000	13.539*	4.059*	2.950	3.714*
	(0.000)	(6.907)	(2.210)	(2.134)	(2.187)
Observations	4,299	828	3,471	3,471	3,471
Number of groups	150	27	129	129	129
Country FE	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix B.2 Table 2 Resource Wealth and State Repression: Alternative Resource Operationalization

VARIABLES	(1) physint	(2) physint	(3) physint	(4) physint	(5) physint	(6) physint
Oil	0.050***	-0.047***				
	(0.018)	(0.009)				
Oil&Gas&Coal			0.058**	-0.051***		
			(0.024)	(0.010)		
Ross:Oil&Gas					0.001	-0.053***
					(0.021)	(0.007)
Democracy_continuous	0.052***	0.035***	0.053***	0.035***	0.055***	0.036***
	(0.004)	(0.005)	(0.004)	(0.005)	(0.005)	(0.005)
GDP per capita	-0.236	0.315***	-0.343*	0.324***	-0.254	0.301***
	(0.202)	(0.042)	(0.201)	(0.042)	(0.203)	(0.044)
GDP growth rate	0.021*	-0.001	0.021**	-0.001	0.025**	-0.001
	(0.010)	(0.002)	(0.010)	(0.001)	(0.011)	(0.001)
Trade Openness	0.140	0.130***	0.082	0.136***	-0.017	0.173***
	(0.173)	(0.046)	(0.172)	(0.045)	(0.164)	(0.046)
FDI	0.079*	0.019*	0.089**	0.019*	0.080**	0.015*
	(0.043)	(0.011)	(0.044)	(0.010)	(0.038)	(0.009)
Civil Conflict	-0.304**	-0.727***	-0.302**	-0.722***	-0.425***	-0.705***
	(0.113)	(0.034)	(0.116)	(0.033)	(0.127)	(0.030)
Population	-0.746**	-0.436***	-1.049***	-0.403***	-0.305	-0.322**
	(0.331)	(0.133)	(0.325)	(0.137)	(0.452)	(0.132)
Cold War	14.616**	-0.242*	20.716***	-0.222*	8.153	2.317
	(5.933)	(0.127)	(5.661)	(0.128)	(7.454)	(2.118)
Constant	0.000	4.410*	0.000	3.818	0.000	0.000
	(0.000)	(2.284)	(0.000)	(2.346)	(0.000)	(0.000)
Observations	735	3,564	735	3,564	806	3,949
Number of groups	21	129	21	129	22	130
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix B.2 Table 3 Resource Wealth and State Repression: Controlling for Protests

VARIABLES	(1) physint	(2) physint	(3) physint	(4) physint
Resource Wealth	-0.042***			
	(0.011)			
Oil		-0.040***		
		(0.010)		
Oil&Gas&Coal			-0.043***	
			(0.011)	
Ross:Oil&Gas				-0.050***
				(0.008)
Protests	-0.179***	-0.179***	-0.177***	-0.169***
	(0.027)	(0.027)	(0.027)	(0.027)
Democracy_continuous	0.034***	0.034***	0.034***	0.035***
	(0.005)	(0.005)	(0.005)	(0.005)
GDP per capita	0.306***	0.301***	0.308***	0.287***
	(0.041)	(0.041)	(0.041)	(0.043)
GDP growth rate	-0.002	-0.002	-0.002	-0.001
	(0.002)	(0.002)	(0.002)	(0.002)
Trade Openness	0.134***	0.132***	0.137***	0.181***
	(0.044)	(0.044)	(0.044)	(0.047)
FDI	0.014	0.015	0.014	0.009
	(0.011)	(0.011)	(0.011)	(0.009)
Civil Conflict	-0.700***	-0.700***	-0.696***	-0.679***
	(0.035)	(0.035)	(0.034)	(0.031)
Population	-0.267*	-0.278**	-0.251*	-0.194
	(0.136)	(0.136)	(0.139)	(0.126)
Cold War	-0.177	-0.176	-0.159	0.375
	(0.123)	(0.123)	(0.123)	(2.032)
Constant	1.756	1.944	1.461	0.000
	(2.321)	(2.331)	(2.377)	(0.000)
Observations	3,564	3,564	3,564	3,949
Number of groups	129	129	129	130
Country FE	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix B.2 Table 4 Resource Wealth and State Repression: Regions

VARIABLES	(1) physint	(2) physint	(3) physint	(4) physint	(5) physint	(6) physint
Resource Wealth	-0.037***	-0.065***	-0.031*	-0.052***	-0.034**	-0.043***
	(0.011)	(0.013)	(0.018)	(0.012)	(0.014)	(0.012)
Protests	-0.222***	-0.169***	-0.156***	-0.144***	-0.181***	-0.182***
	(0.032)	(0.031)	(0.036)	(0.030)	(0.028)	(0.029)
Democracy_continuous	0.034***	0.025***	0.040***	0.037***	0.035***	0.034***
	(0.006)	(0.003)	(0.008)	(0.006)	(0.006)	(0.006)
GDP per capita	0.311***	0.406***	0.166***	0.381***	0.229***	0.291***
	(0.049)	(0.044)	(0.057)	(0.036)	(0.047)	(0.043)
GDP growth rate	-0.003*	-0.002	-0.002	-0.002	-0.002	-0.002
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Trade Openness	0.116**	0.207***	0.018	0.169***	0.116**	0.148***
	(0.047)	(0.047)	(0.082)	(0.038)	(0.043)	(0.045)
FDI	0.030***	0.011	-0.011	0.012	0.009	0.015
	(0.011)	(0.013)	(0.021)	(0.010)	(0.010)	(0.011)
Civil Conflict	-0.690***	-0.598***	-0.743***	-0.723***	-0.711***	-0.709***
	(0.037)	(0.032)	(0.035)	(0.040)	(0.038)	(0.037)
Population	-0.471**	0.665***	-0.443***	-0.416***	-0.325**	-0.270*
	(0.184)	(0.124)	(0.139)	(0.135)	(0.160)	(0.135)
Cold War	-0.322**	-13.717***	5.760**	3.116	3.085	1.655
	(0.149)	(2.174)	(2.200)	(2.126)	(2.628)	(2.194)
Constant	5.069	0.000	0.000	0.000	0.000	0.000
	(3.129)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Observations	3,061	2,820	2,202	3,211	3,278	3,248
Number of groups	110	107	86	115	119	108
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix B.2 Table 5 Resource Wealth and State Repression: Alternative Model Specification

VARIABLES	(1) phys int	(2) phys int	(3) phys int	(4) phys int	(5) phys int	(6) phys int	(7) phys int	(8) phys int
Resource Wealth	-0.048***	-0.049***	-0.051***	-0.053***	-0.054***	-0.048***	-0.048***	-0.042***
	(0.017)	(0.015)	(0.015)	(0.014)	(0.011)	(0.011)	(0.011)	(0.011)
GDP per capita	0.411***	0.468***	0.466***	0.394***	0.352***	0.319***	0.319***	0.306***
	(0.047)	(0.038)	(0.040)	(0.049)	(0.043)	(0.042)	(0.042)	(0.041)
Democracy_continuous		0.036***	0.036***	0.037***	0.036***	0.035***	0.035***	0.034***
		(0.006)	(0.006)	(0.006)	(0.005)	(0.005)	(0.005)	(0.005)
Protests								-0.179***
								(0.027)
GDP growth rate			0.002	0.001	-0.001	-0.001	-0.001	-0.002
			(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Trade Openness				0.182***	0.153***	0.132***	0.132***	0.134***
				(0.045)	(0.043)	(0.045)	(0.045)	(0.044)
FDI				0.038***	0.019*	0.019*	0.019*	0.014
				(0.008)	(0.011)	(0.010)	(0.010)	(0.011)
Civil Conflict					-0.722***	-0.728***	-0.728***	-0.700***
					(0.034)	(0.034)	(0.034)	(0.035)
Population						-0.426***	-0.426***	-0.267*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
						(0.133)	(0.133)	(0.136)
Cold War							-0.244*	-0.177
							(0.127)	(0.123)
Constant	-3.023***	-3.293***	0.000	-3.433***	-2.892***	3.985*	4.229*	1.756
	(0.340)	(0.285)	(0.000)	(0.288)	(0.310)	(2.153)	(2.275)	(2.321)
Observations	4,025	3,905	3,870	3,580	3,564	3,564	3,564	3,564
Number of groups	136	133	131	130	129	129	129	129
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix B.2 Table 6 Resource Wealth and State Repression: Non-Linear (Quadratic) Time Trends

VARIABLES	(1) phys int	(2) phys int	(3) phys int	(4) phys int	(5) phys int	(6) phys int	(7) phys int	(8) phys int
Resource Wealth	-0.056***	-0.052***	-0.054***	-0.058***	-0.059***	-0.054***	-0.053***	-0.048***
	(0.016)	(0.014)	(0.014)	(0.013)	(0.011)	(0.010)	(0.010)	(0.011)
GDP per capita	0.397***	0.461***	0.460***	0.388***	0.346***	0.314***	0.314***	0.301***
	(0.045)	(0.038)	(0.040)	(0.050)	(0.043)	(0.043)	(0.042)	(0.042)
Democracy_continuous		0.036***	0.036***	0.037***	0.036***	0.036***	0.036***	0.034***
		(0.006)	(0.006)	(0.006)	(0.005)	(0.005)	(0.005)	(0.005)
Protests								-0.178***
								(0.027)
GDP growth rate			0.003	0.001	-0.001	-0.001	-0.001	-0.002
			(0.002)	(0.002)	(0.002)	(0.001)	(0.001)	(0.002)
Trade Openness				0.158***	0.133***	0.112**	0.111**	0.111***
				(0.039)	(0.039)	(0.042)	(0.042)	(0.040)
FDI				0.036***	0.018	0.018	0.018	0.013
				(0.008)	(0.011)	(0.011)	(0.011)	(0.011)
Civil Conflict					-0.722***	-0.728***	-0.728***	-0.700***
					(0.035)	(0.035)	(0.035)	(0.036)
Population						-0.420***	-0.426***	-0.263*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
						(0.125)	(0.132)	(0.137)
Cold War							-0.016	-0.031
							(0.037)	(0.035)
time	-0.021***	-0.027***	-0.026***	-0.028***	-0.019***	-0.007	-0.007	-0.004
	(0.004)	(0.003)	(0.003)	(0.004)	(0.004)	(0.005)	(0.005)	(0.005)
time2	0.001***	0.001***	0.001***	0.001***	0.001***	0.000***	0.000***	0.000***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Constant	-2.897***	-3.203***	-3.204***	-3.298***	-2.811***	3.936*	4.044*	1.591
	(0.323)	(0.278)	(0.286)	(0.293)	(0.311)	(2.048)	(2.169)	(2.243)
Observations	4,025	3,905	3,870	3,580	3,564	3,564	3,564	3,564
Number of groups	136	133	131	130	129	129	129	129
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix B.2 Table 7 Resource Wealth and State Repression: Alternative Interactional Specification

VARIABLES	(1) physint	(2) physint	(3) physint	(4) physint	(5) physint	(6) physint
Oil	-0.045***	-0.045***				
	(0.010)	(0.011)				
Democracy_binary	0.484***		0.530***		0.505***	
	(0.052)		(0.056)		(0.055)	
Oil#Democracy_binary	-0.014					
	(0.013)					
Democracy_continuous		0.036***		0.038***		0.036***
		(0.005)		(0.005)		(0.005)
Oil#Democracy_Continuous		-0.000				
		(0.001)				
Oil&Gas&Coal			-0.041***	-0.040***		
			(0.011)	(0.013)		
Oil&Gas&Coal#Democracy (binary)			-0.035***			
			(0.011)			
Oil&Gas&Coal#c.Democracy (cont.)				-0.001*		
				(0.001)		
Ross:Oil&Gas					-0.049***	-0.053***
					(0.009)	(0.011)
Ross:Oil&Gas#Democracy (binary)					-0.021**	
					(0.009)	
Ross:Oil&Gas#c.Democracy (cont.)						-0.000
						(0.001)
GDP per capita	0.263***	0.315***	0.273***	0.324***	0.255***	0.300***
	(0.042)	(0.042)	(0.043)	(0.042)	(0.042)	(0.043)
GDP growth rate	-0.001	-0.001	-0.001	-0.002	-0.000	-0.001
	(0.001)	(0.002)	(0.001)	(0.001)	(0.001)	(0.001)
Trade Openness	0.112**	0.130***	0.116**	0.137***	0.161***	0.173***
	(0.050)	(0.046)	(0.049)	(0.045)	(0.050)	(0.045)
FDI	0.019	0.019*	0.018	0.017	0.014	0.015
	(0.012)	(0.011)	(0.012)	(0.011)	(0.010)	(0.009)
Civil Conflict	-0.686***	-0.727***	-0.684***	-0.722***	-0.661***	-0.705***
	(0.034)	(0.034)	(0.033)	(0.033)	(0.031)	(0.030)
Population	-0.352***	-0.439***	-0.347**	-0.420***	-0.256*	-0.323**
	(0.128)	(0.132)	(0.128)	(0.136)	(0.128)	(0.134)
Cold War	-0.257**	-0.245*	-0.257**	-0.238*	1.469	1.961
	(0.123)	(0.127)	(0.120)	(0.127)	(2.085)	(2.139)
Constant	3.366	4.098*	3.232	3.724	0.000	0.000
	(2.217)	(2.262)	(2.210)	(2.326)	(0.000)	(0.000)
Observations	3,564	3,564	3,564	3,564	3,949	3,949
Number of groups	129	129	129	129	130	130
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix B.2 Table 8 Resource Wealth and State Repression: China Effect

VARIABLES	(1) physint	(2) physint	(3) physint	(4) physint
Resource Wealth	-0.050***			
	(0.012)			
China_2000	0.165***	0.156***	0.169***	0.138***
	(0.035)	(0.035)	(0.035)	(0.041)
Resource Wealth#China_2000	0.005			
	(0.007)			
Oil		-0.050***		
		(0.011)		
Oil#China_2000		0.009		
		(0.007)		
Oil&Gas&Coal			-0.051***	
			(0.012)	
Oil&Gas&Coal#China_2000			0.000	
			(0.006)	
Ross:Oil&Gas				-0.034***
				(0.012)
Ross:Oil&Gas#China_2000				0.007
				(0.007)
Democracy_continuous	0.036***	0.035***	0.035***	0.036***
	(0.005)	(0.005)	(0.005)	(0.006)
GDP per capita	0.319***	0.314***	0.323***	0.320***
	(0.042)	(0.042)	(0.041)	(0.039)
GDP growth rate	-0.001	-0.002	-0.001	-0.002
	(0.002)	(0.002)	(0.001)	(0.002)
Trade Openness	0.130***	0.128***	0.136***	0.139***
	(0.046)	(0.046)	(0.045)	(0.047)
FDI	0.019*	0.020*	0.019*	0.023**
	(0.011)	(0.011)	(0.011)	(0.011)
Civil Conflict	-0.728***	-0.727***	-0.722***	-0.726***
	(0.034)	(0.034)	(0.033)	(0.033)
Population	-0.429***	-0.443***	-0.403***	-0.419***
	(0.134)	(0.134)	(0.137)	(0.142)
Cold War	-0.002	-0.007	0.011	0.030
	(0.084)	(0.084)	(0.084)	(0.088)
Constant	4.047*	4.298*	3.586	3.837
	(2.247)	(2.260)	(2.306)	(2.394)
Observations	3,564	3,564	3,564	3,564

Number of groups	129	129	129	129
Country FE	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Appendix B.3 Table 2 Sensitivity Analysis

Appendix B.3 Table 1 Resource Wealth and Protests: Alternative Resource Operationalization

VARIABLES	(1) Protest	(2) Protest	(3) Protest	(4) Protest
Resource Wealth	0.034**			
	(0.015)			
Oil		0.038***		
		(0.013)		
Oil&Gas&Coal			0.043***	
			(0.014)	
Ross:Oil&Gas				0.020
				(0.013)
Democracy_continuous	-0.008***	-0.007***	-0.007***	-0.009***
	(0.003)	(0.003)	(0.003)	(0.002)
GDP per capita	-0.076**	-0.077**	-0.085***	-0.080**
	(0.030)	(0.031)	(0.031)	(0.030)
GDP growth rate	-0.004***	-0.004***	-0.004***	-0.004**
	(0.002)	(0.002)	(0.002)	(0.002)
Trade Openness	0.010	0.011	0.005	0.048
	(0.048)	(0.048)	(0.048)	(0.051)
FDI	-0.025*	-0.024*	-0.024*	-0.032***
	(0.012)	(0.012)	(0.012)	(0.011)
Civil Conflict	0.154***	0.153***	0.149***	0.154***
	(0.034)	(0.034)	(0.034)	(0.032)
Population	0.888***	0.888***	0.858***	0.757***
	(0.094)	(0.093)	(0.096)	(0.127)

Cold War	0.371***	0.370***	0.352***	-11.464***
	(0.069)	(0.069)	(0.070)	(1.801)
Constant	-13.814***	-13.810***	-13.281***	0.000
	(1.437)	(1.434)	(1.478)	(0.000)
Observations	3,564	3,564	3,564	3,949
Number of groups	129	129	129	130
Country FE	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix B.3 Table 2 Resource Wealth and Protests: non-OECD countries

VARIABLES	(1) Protest	(2) Protest	(3) Protest	(4) Protest
Resource Wealth	**0.030****			
	(0.014)			
Oil		**0.035****		
		(0.013)		
Oil&Gas&Coal			**0.040*****	
			(0.013)	
Ross:Oil&Gas				**0.017**
				(0.013)
Democracy_continuous	-0.008***	-0.008***	-0.008***	-0.009***
	(0.002)	(0.002)	(0.002)	(0.002)
GDP per capita	-0.061*	-0.063*	-0.074**	-0.067**
	(0.031)	(0.033)	(0.032)	(0.031)
GDP growth rate	-0.004***	-0.004***	-0.004***	-0.004**
	(0.002)	(0.002)	(0.002)	(0.002)
Trade Openness	0.041	0.042	0.038	0.083
	(0.045)	(0.045)	(0.045)	(0.050)
FDI	-0.027**	-0.026**	-0.026**	-0.036***
	(0.012)	(0.012)	(0.012)	(0.012)
Civil Conflict	0.172***	0.171***	0.168***	0.171***
	(0.031)	(0.031)	(0.031)	(0.030)
Population	0.882***	0.880***	0.861***	0.741***
	(0.096)	(0.095)	(0.096)	(0.134)
Cold War	0.418***	0.416***	0.408***	0.292***
	(0.071)	(0.071)	(0.072)	(0.106)
Constant	-13.932***	-13.899***	-13.523***	-11.790***
	(1.457)	(1.452)	(1.479)	(2.005)
Observations	3,456	3,456	3,456	3,816
Number of groups	128	128	128	129
Country FE	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix B.3 Table 3 Resource Wealth and Protests: Regions

VARIABLES	(1) Protest	(2) Protest	(3) Protest	(4) Protest	(5) Protest	(6) Protest
Resource Wealth	0.025*	0.043**	0.061***	0.028*	0.013	0.035**
	(0.013)	(0.019)	(0.021)	(0.014)	(0.018)	(0.015)
Democracy_continuous	-0.011***	-0.005	-0.011***	-0.009***	-0.003	-0.006**
	(0.002)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
GDP per capita	-0.047	-0.087***	0.021	-0.064	-0.096***	-0.092***
	(0.030)	(0.030)	(0.076)	(0.038)	(0.023)	(0.030)
GDP growth rate	-0.004***	-0.004**	-0.005	-0.005***	-0.003**	-0.006***
	(0.001)	(0.002)	(0.003)	(0.002)	(0.001)	(0.002)
Trade Openness	0.023	-0.010	0.034	0.003	-0.016	0.032
	(0.052)	(0.058)	(0.052)	(0.048)	(0.045)	(0.047)
FDI	-0.017	-0.025	-0.050***	-0.024*	-0.013	-0.027*
	(0.012)	(0.015)	(0.015)	(0.013)	(0.013)	(0.015)
Civil Conflict	0.207***	0.122***	0.083*	0.174***	0.158***	0.157***
	(0.037)	(0.033)	(0.045)	(0.031)	(0.033)	(0.033)
Population	1.108***	0.765***	0.531***	0.855***	0.981***	1.025***
	(0.133)	(0.136)	(0.068)	(0.101)	(0.107)	(0.072)
Cold War	0.499***	-11.563***	-8.436***	-12.926***	-14.569***	-15.583***
	(0.100)	(2.073)	(1.279)	(1.357)	(1.552)	(1.137)
Constant	-17.569***	0.000	0.000	0.000	0.000	0.000
	(2.066)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Observations	3,061	2,820	2,202	3,211	3,278	3,248
Number of groups	110	107	86	115	119	108
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix B.3 Table 4 Resource Wealth and Protests: Alternative Model Specification

VARIABLES	(1) Protest	(2) Protest	(3) Protest	(4) Protest	(5) Protest	(6) Protest	(7) Protest	(8) Protest
Resource Wealth	0.020	0.021	0.029*	0.038**	0.047***	0.047***	0.034**	0.034**
	(0.015)	(0.015)	(0.014)	(0.016)	(0.013)	(0.013)	(0.015)	(0.015)
GDP per capita	-0.126***	-0.120***	-0.111***	-0.149***	-0.151***	-0.143***	-0.076**	-0.076**
	(0.031)	(0.033)	(0.034)	(0.033)	(0.035)	(0.036)	(0.030)	(0.030)
Democracy_continuous		-0.006*	-0.006**	-0.007**	-0.009***	-0.009***	-0.008***	-0.008***
		(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
GDP growth rate			-0.005***	-0.006***	-0.006***	-0.005***	-0.004***	-0.004***
			(0.001)	(0.002)	(0.001)	(0.002)	(0.002)	(0.002)
Trade Openness				-0.077	-0.040	-0.034	0.010	0.010
				(0.051)	(0.050)	(0.052)	(0.048)	(0.048)
FDI					-0.028**	-0.024*	-0.025*	-0.025*
					(0.012)	(0.012)	(0.012)	(0.012)
Civil Conflict						0.141***	0.154***	0.154***
						(0.033)	(0.034)	(0.034)
Population							0.888***	0.888***
							(0.094)	(0.094)
Cold War								0.371***
								(0.069)
Constant	0.662***	0.596**	0.571**	1.132***	0.988***	0.883**	-13.443***	-13.814***
	(0.221)	(0.233)	(0.244)	(0.316)	(0.340)	(0.350)	(1.373)	(1.437)
Observations	3,970	3,888	3,854	3,714	3,564	3,564	3,564	3,564
Number of groups	134	132	130	130	129	129	129	129
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix B.3 Table 5 Resource Wealth and Protests: non-Linear (Quadratic) Time Trends

VARIABLES	(1) Protest	(2) Protest	(3) Protest	(4) Protest
Resource Wealth	0.027*			
	(0.015)			
L_oilcap_log		0.031**		
		(0.013)		
L_fuelcap_log			0.035**	
			(0.014)	
L_Rossoilgascap_log				0.015
				(0.013)
Democracy_continuous	-0.007**	-0.007**	-0.007**	-0.009***
	(0.003)	(0.003)	(0.003)	(0.002)
GDP per capita	-0.075**	-0.076**	-0.083***	-0.077**
	(0.029)	(0.030)	(0.030)	(0.030)
GDP growth rate	-0.004***	-0.004***	-0.004***	-0.004**
	(0.001)	(0.001)	(0.001)	(0.001)
Trade Openness	-0.004	-0.004	-0.009	0.033
	(0.051)	(0.051)	(0.051)	(0.053)
FDI	-0.027**	-0.027**	-0.026**	-0.036***
	(0.012)	(0.012)	(0.012)	(0.011)
Civil Conflict	0.155***	0.154***	0.151***	0.157***
	(0.034)	(0.034)	(0.035)	(0.033)
Population	0.913***	0.912***	0.888***	0.779***
	(0.095)	(0.094)	(0.097)	(0.127)
Cold War	-0.083*	-0.084*	-0.087*	-0.055
	(0.042)	(0.043)	(0.044)	(0.046)
time	0.017**	0.017**	0.018**	0.021***
	(0.007)	(0.007)	(0.007)	(0.007)
time2	-0.001***	-0.001***	-0.001***	-0.001***
	(0.000)	(0.000)	(0.000)	(0.000)
Constant	-13.779***	-13.749***	-13.328***	-11.845***
	(1.393)	(1.385)	(1.428)	(1.820)
Observations	3,564	3,564	3,564	3,949
Number of groups	129	129	129	130
Country FE	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix B.4 Table 3 Sensitivity Analysis

Appendix B.4 Table 1 Resource Wealth and Authoritarian Regime Type: Alternative Resource Operationalization

VARIABLES	(1) physint	(2) physint	(3) physint	(4) physint
Resource Wealth	**-0.060****			
	(0.025)			
Military	0.119	0.120	0.132	0.118
	(0.111)	(0.113)	(0.112)	(0.112)
Monarchy	-0.839*	-0.129	-0.882**	-0.883**
	(0.431)	(0.479)	(0.421)	(0.417)
Party	0.147*	0.151*	0.161*	0.174**
	(0.086)	(0.088)	(0.088)	(0.081)
Resource Wealth#Military	-0.025			
	(0.016)			
Resource Wealth#Monarchy	0.123***			
	(0.037)			
Resource Wealth#Party	0.076***			
	(0.020)			
Oil		**-0.062*****		
		(0.022)		
Oil#Military		**-0.030***		
		(0.017)		
Oil#Monarchy		**0.028**		
		(0.045)		
Oil#Party		**0.078*****		
		(0.021)		
Oil&Gas&Coal			**-0.065****	
			(0.027)	
Oil&Gas&Coal#Military			**-0.035****	
			(0.017)	
Oil&Gas&Coal#Monarchy			**0.120*****	
			(0.034)	
Oil&Gas&Coal#Party			**0.064*****	
			(0.021)	
Ross:Oil&Gas				**-0.054****
				(0.023)
Ross:Oil&Gas#Military				**-0.017**
				(0.020)

Ross:Oil&Gas#Monarchy				**0.110***
				(0.036)
Ross:Oil&Gas#Party				**0.051***
				(0.019)
GDP per capita	0.461***	0.467***	0.469***	0.493***
	(0.057)	(0.056)	(0.060)	(0.058)
GDP growth rate	0.001	0.000	0.001	0.001
	(0.002)	(0.002)	(0.002)	(0.002)
Trade Openness	0.260***	0.260***	0.262***	0.275***
	(0.048)	(0.049)	(0.048)	(0.045)
FDI	0.015	0.015	0.014	0.014
	(0.012)	(0.012)	(0.012)	(0.011)
Civil Conflict	-0.559***	-0.559***	-0.561***	-0.543***
	(0.052)	(0.051)	(0.051)	(0.048)
Population	0.524***	0.546***	0.541***	0.662***
	(0.191)	(0.192)	(0.198)	(0.182)
Cold War	-12.451***	-12.877***	-12.760***	0.807***
	(3.115)	(3.099)	(3.237)	(0.200)
Constant	0.000	0.000	0.000	-15.707***
	(0.000)	(0.000)	(0.000)	(3.163)
Observations	2,154	2,154	2,154	2,334
Number of groups	96	96	96	97
Country FE	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix B.4 Table 2 Resource Wealth and Authoritarian Regime Type: Random Effects Model

VARIABLES	(1) physint	(2) physint	(3) physint	(4) physint
Resource Wealth	**-0.063****			
	(0.028)			
Military	0.062	0.060	0.076	0.065
	(0.096)	(0.097)	(0.096)	(0.097)
Monarchy	-0.160	0.041	-0.168	-0.171
	(0.215)	(0.229)	(0.236)	(0.251)
Party	0.154***	0.155***	0.159***	0.188***
	(0.054)	(0.054)	(0.054)	(0.051)
Resource Wealth#Military	**-0.015**			
	(0.022)			
Resource Wealth#Monarchy	**0.065***			
	(0.037)			
Resource Wealth#Party	**0.070*****			
	(0.024)			
Oil		**-0.067****		
		(0.025)		
Oil#Military		**-0.019**		
		(0.022)		
Oil#Monarchy		**0.030**		
		(0.035)		
Oil#Party		**0.070*****		
		(0.023)		
Oil&Gas&Coal			**-0.058***	
			(0.031)	
Oil&Gas&Coal#Military			**-0.022**	
			(0.023)	
Oil&Gas&Coal#Monarchy			**0.063**	
			(0.041)	
Oil&Gas&Coal#Party			**0.066*****	
			(0.023)	
Ross:Oil&Gas				**-0.050****
				(0.025)
Ross:Oil&Gas#Military				**-0.011**
				(0.025)
Ross:Oil&Gas#Monarchy				**0.057**
				(0.045)
Ross:Oil&Gas#Party				**0.050****
				(0.020)
GDP per capita	0.214**	0.228***	0.213**	0.225***

	(0.083)	(0.081)	(0.087)	(0.077)
GDP growth rate	-0.000	-0.000	-0.000	0.000
	(0.002)	(0.002)	(0.002)	(0.002)
Trade Openness	0.236***	0.236***	0.236***	0.258***
	(0.051)	(0.052)	(0.051)	(0.048)
FDI	0.018	0.018	0.017	0.015
	(0.015)	(0.015)	(0.015)	(0.014)
Civil Conflict	-0.620***	-0.621***	-0.620***	-0.607***
	(0.047)	(0.047)	(0.047)	(0.045)
Population	-0.206***	-0.206***	-0.203***	-0.195***
	(0.059)	(0.060)	(0.058)	(0.055)
Cold War	-0.134**	-0.091	-0.085	-0.150**
	(0.060)	(0.060)	(0.063)	(0.061)
Constant	0.729	0.633	0.668	0.355
	(0.790)	(0.792)	(0.797)	(0.757)
Observations	2,154	2,154	2,154	2,334
Number of groups	96	96	96	97
Country FE	No	No	No	No
Time FE	Yes	Yes	Yes	Yes

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix B.4 Table 3 Resource Wealth and Authoritarian Regime Type: Alternative Model Specification

VARIABLES	(1) physint	(2) physint	(3) physint	(4) physint	(5) physint	(6) physint	(7) physint
Resource Wealth	**-0.037***	**-0.039****	**-0.054****	**-0.072****	**-0.053****	**-0.060****	**-0.060****
	(0.019)	(0.019)	(0.024)	(0.027)	(0.024)	(0.025)	(0.025)
Military	0.034	0.061	0.051	0.077	0.114	0.119	0.119
	(0.092)	(0.090)	(0.083)	(0.102)	(0.111)	(0.111)	(0.111)
Monarchy	-0.690***	-0.700***	-0.749***	-0.345	-0.980**	-0.839*	-0.839*
	(0.191)	(0.193)	(0.205)	(0.453)	(0.447)	(0.431)	(0.431)
Party	0.100	0.114	0.079	0.186**	0.156*	0.147*	0.147*
	(0.079)	(0.080)	(0.075)	(0.081)	(0.087)	(0.086)	(0.086)
Resource Wealth#Military	**-0.036****	**-0.037****	**-0.019**	**-0.005**	**-0.026**	**-0.025**	**-0.025**
	(0.014)	(0.014)	(0.016)	(0.017)	(0.016)	(0.016)	(0.016)
Resource Wealth#Monarchy	**0.160***	**0.161***	**0.177***	**0.133***	**0.139***	**0.123***	**0.123***
	(0.032)	(0.032)	(0.031)	(0.042)	(0.039)	(0.037)	(0.037)
Resource Wealth#Party	**0.083***	**0.083***	**0.106***	**0.117***	**0.075***	**0.076***	**0.076***
	(0.017)	(0.017)	(0.018)	(0.023)	(0.020)	(0.020)	(0.020)
GDP per capita	0.593***	0.594***	0.490***	0.534***	0.430***	0.461***	0.461***
	(0.044)	(0.046)	(0.059)	(0.061)	(0.057)	(0.057)	(0.057)
GDP growth rate		0.003*	0.003	0.002	-0.000	0.001	0.001
		(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Trade Openness			0.145**	0.263***	0.238***	0.260***	0.260***
			(0.070)	(0.058)	(0.049)	(0.048)	(0.048)
FDI				0.039***	0.018	0.015	0.015
				(0.012)	(0.012)	(0.012)	(0.012)
Civil Conflict					-0.574***	-0.559***	-0.559***
					(0.052)	(0.052)	(0.052)
Population						0.524***	0.524***
						(0.191)	(0.191)
Cold War							-12.451***
							(3.115)
Constant	0.000	0.000	0.000	-5.338***	-4.238***	-13.171***	0.000
	(0.000)	(0.000)	(0.000)	(0.419)	(0.369)	(3.301)	(0.000)
Observations	2,749	2,691	2,547	2,170	2,154	2,154	2,154
Number of groups	100	100	99	97	96	96	96
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix B.4 Table 4 Resource Wealth and Authoritarian Regime Type: non-Linear (Quadratic) Time Trend

VARIABLES	(1) physint	(2) physint	(3) physint	(4) physint
Resource Wealth	**-0.071***			
	(0.024)			
Military	0.122	0.123	0.135	0.122
	(0.110)	(0.112)	(0.111)	(0.111)
Monarchy	-0.707	0.108	-0.760*	-0.700
	(0.451)	(0.468)	(0.443)	(0.445)
Party	0.159*	0.164*	0.173*	0.185**
	(0.088)	(0.090)	(0.091)	(0.081)
Resource Wealth#Military	-0.039**			
	(0.017)			
Resource Wealth#Monarchy	0.099**			
	(0.041)			
Resource Wealth#Party	0.063***			
	(0.021)			
Oil		**-0.071***		
		(0.021)		
Oil#Military		-0.045**		
		(0.019)		
Oil#Monarchy		-0.010		
		(0.044)		
Oil#Party		0.064***		
		(0.022)		
Oil&Gas&Coal			**-0.075***	
			(0.026)	
Oil&Gas&Coal#Military			-0.049**	
			(0.018)	
Oil&Gas&Coal#Monarchy			0.098**	
			(0.038)	
Oil&Gas&Coal#Party			0.050**	
			(0.021)	
Ross:Oil&Gas				**-0.061***
				(0.021)
Ross:Oil&Gas#Military				-0.028
				(0.022)
Ross:Oil&Gas#Monarchy				0.081*
				(0.041)
Ross:Oil&Gas#Party				0.042**

				(0.018)
GDP per capita	0.444***	0.450***	0.457***	0.476***
	(0.057)	(0.056)	(0.060)	(0.058)
GDP growth rate	0.000	0.000	0.000	0.001
	(0.002)	(0.002)	(0.002)	(0.002)
Trade Openness	0.208***	0.210***	0.214***	0.230***
	(0.048)	(0.048)	(0.046)	(0.045)
FDI	0.009	0.009	0.008	0.009
	(0.012)	(0.012)	(0.012)	(0.011)
Civil Conflict	-0.566***	-0.566***	-0.566***	-0.547***
	(0.052)	(0.051)	(0.051)	(0.049)
Population	0.555***	0.562***	0.582***	0.686***
	(0.189)	(0.191)	(0.195)	(0.176)
Cold War	-0.057*	-0.053	-0.050	-0.077**
	(0.033)	(0.032)	(0.032)	(0.032)
time	-0.031***	-0.031***	-0.031***	-0.033***
	(0.007)	(0.007)	(0.007)	(0.007)
time2	0.000**	0.000**	0.000**	0.000***
	(0.000)	(0.000)	(0.000)	(0.000)
Constant	-12.626***	-12.824***	-13.141***	-14.961***
	(3.093)	(3.082)	(3.193)	(2.905)
Observations	2,154	2,154	2,154	2,334
Number of groups	96	96	96	97
Country FE	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix C Supplementary Analyses for Paper 3

Appendix C.1

Appendix C.1 Table 1 Exclusion of Western Democracies

VARIABLES	(1) All regime types	(2) Autocracies	(3) Democracies	(4) All regime types	(5) Autocracies	(6) Democracies
FDI	**-0.1157***	**-0.0933***	**-0.0989**	**-0.1108**	**-0.0980***	**0.2715**
	(0.0367)	(0.0272)	(0.0894)	(0.0852)	(0.0570)	(0.2335)
Military Spending	-0.1089***	-0.0826***	-0.0906**			
	(0.0200)	(0.0157)	(0.0335)			
FDI#Mlitary Spending	**0.0395***	**0.0299***	**0.0332**			
	(0.0107)	(0.0084)	(0.0246)			
Welfare Spending				-0.1181**	-0.0881**	0.0021
				(0.0471)	(0.0338)	(0.0708)
FDI#Welfare Spending				**0.0605**	**0.0496***	**-0.1062**
				(0.0405)	(0.0275)	(0.1020)
Protest	-0.1945***	-0.1482***	-0.0880	-0.1995***	-0.1389***	-0.1454**
	(0.0255)	(0.0322)	(0.0614)	(0.0267)	(0.0368)	(0.0570)
Democracy_continuous	0.0370***	0.0120**	0.0948***	0.0418***	0.0141***	0.0845***
	(0.0057)	(0.0053)	(0.0239)	(0.0056)	(0.0047)	(0.0192)
Trade Openness	0.1749***	0.1576***	0.3984**	0.1888***	0.2336***	0.1935
	(0.0421)	(0.0527)	(0.1820)	(0.0466)	(0.0538)	(0.1241)
Resource Wealth	-0.0548***	-0.0526**	-0.0742**	-0.0730***	-0.0913***	-0.0300
	(0.0157)	(0.0204)	(0.0353)	(0.0165)	(0.0227)	(0.0302)
GDP per capita	0.4067***	0.4842***	0.1051	0.3626***	0.4097***	0.0700
	(0.0407)	(0.0704)	(0.1809)	(0.0372)	(0.0633)	(0.1533)
GDP growth rate	-0.0019	-0.0009	-0.0035	-0.0031*	-0.0021	-0.0035*
	(0.0013)	(0.0013)	(0.0023)	(0.0016)	(0.0014)	(0.0020)
Civil Conflict	-0.6666***	-0.5870***	-0.6499***	-0.6969***	-0.6109***	-0.6896***
	(0.0269)	(0.0440)	(0.0854)	(0.0374)	(0.0430)	(0.1042)
Population	-0.1900	0.4960**	-0.1256	0.0586	0.7972***	0.2025
	(0.1442)	(0.2292)	(0.2154)	(0.1876)	(0.2689)	(0.2337)
Cold War	-0.1975***	0.4554*	-0.2290	-0.0184	-15.8908***	-4.6826
	(0.0555)	(0.2484)	(0.2462)	(0.1285)	(4.2526)	(3.9220)
Constant	-0.1075	-11.9036***	-0.2159	-3.8739	0.0000	0.0000
	(2.4181)	(3.9518)	(4.0238)	(3.1683)	(0.0000)	(0.0000)

Observations	3,474	2,258	1,216	3,141	2,056	1,085
Number of groups	129	108	74	128	107	74
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	YES	YES	YES	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix C.1 Table 2 Military Spending as ratio of GDP

VARIABLES	(1) All regime types	(2) Autocracies	(3) Democracies
FDI	**0.1496****	**0.1320***	**0.3114****
	(0.0613)	(0.0676)	(0.1390)
L_militaryspendGDP_log	-0.1437***	-0.0977***	-0.1492***
	(0.0287)	(0.0197)	(0.0515)
FDI#Mlitary Spending	**0.0375****	**0.0360****	**0.0751****
	(0.0150)	(0.0166)	(0.0367)
Protest	-0.1918***	-0.1465***	-0.0901
	(0.0263)	(0.0313)	(0.0736)
Democracy_continuous	0.0356***	0.0113**	0.1017***
	(0.0055)	(0.0053)	(0.0256)
Trade Openness	0.2027***	0.1676***	0.4245**
	(0.0433)	(0.0523)	(0.1725)
Resource Wealth	-0.0563***	-0.0545**	-0.0751*
	(0.0171)	(0.0215)	(0.0402)
GDP per capita	0.3150***	0.4401***	0.0117
	(0.0425)	(0.0728)	(0.1850)
GDP growth rate	-0.0023*	-0.0013	-0.0029
	(0.0012)	(0.0013)	(0.0023)
Civil Conflict	-0.6556***	-0.5839***	-0.6555***
	(0.0276)	(0.0452)	(0.0882)
Population	-0.2120	0.5004**	-0.2463
	(0.1434)	(0.2319)	(0.2215)
Cold War	-0.1587	0.5483**	-0.2190
	(2.3196)	(0.2341)	(0.2263)
Constant	0.0000	-12.3159***	1.3543
	(0.0000)	(4.0428)	(4.0781)
Observations	3,356	2,245	1,111
Number of groups	127	106	72
Country FE	Yes	Yes	Yes
Time FE	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix C.2

Appendix C.1 Table 3 Military Spending, Regional Exclusion: All Regime Types

VARIABLES	(1) All regime types	(2) All regime types	(3) All regime types	(4) All regime types	(5) All regime types	(6) All regime types
FDI	**-0.1439***	**-0.0764**	**-0.3027***	**-0.0843**	**-0.0972***	**-0.1169***
	(0.0448)	(0.0329)	(0.0670)	(0.0353)	(0.0355)	(0.0365)
Military Spending	-0.1193***	-0.0753***	-0.1339***	-0.0786***	-0.1209***	-0.1187***
	(0.0251)	(0.0197)	(0.0324)	(0.0221)	(0.0206)	(0.0198)
FDI#Mlitary Spending	**0.0592***	**0.0280***	**0.0716***	**0.0297***	**0.0310***	**0.0409***
	(0.0132)	(0.0087)	(0.0149)	(0.0103)	(0.0111)	(0.0111)
Protest	-0.2406***	-0.1847***	-0.1855***	-0.1615***	-0.1985***	-0.1987***
	(0.0307)	(0.0278)	(0.0404)	(0.0311)	(0.0262)	(0.0283)
Democracy continuous_	0.0365***	0.0249***	0.0435***	0.0415***	0.0383***	0.0368***
	(0.0059)	(0.0033)	(0.0077)	(0.0061)	(0.0062)	(0.0061)
Trade Openness	0.1860***	0.2325***	0.1280	0.2434***	0.1587***	0.1976***
	(0.0526)	(0.0487)	(0.0804)	(0.0468)	(0.0481)	(0.0472)
Resource Wealth	-0.0418**	-0.0577***	-0.0659**	-0.0608***	-0.0501***	-0.0558***
	(0.0182)	(0.0173)	(0.0245)	(0.0161)	(0.0153)	(0.0161)
GDP per capita	0.3911***	0.4849***	0.1596**	0.4737***	0.3163***	0.3776***
	(0.0579)	(0.0452)	(0.0729)	(0.0391)	(0.0563)	(0.0479)
GDP growth rate	-0.0025*	-0.0009	-0.0023	-0.0013	-0.0015	-0.0016
	(0.0014)	(0.0013)	(0.0020)	(0.0014)	(0.0013)	(0.0015)
Civil Conflict	-0.6561***	-0.5696***	-0.7237***	-0.6973***	-0.6786***	-0.6776***
	(0.0297)	(0.0270)	(0.0309)	(0.0341)	(0.0316)	(0.0296)
Population	-0.3160	0.8047***	-0.4199***	-0.3068**	-0.2699	-0.1717
	(0.1994)	(0.0886)	(0.1481)	(0.1386)	(0.1611)	(0.1549)
Cold War	-0.2940	0.6594***	5.5115**	-0.2809**	-0.3248***	-0.2526**
	(0.1789)	(0.1129)	(2.3603)	(0.1307)	(0.1082)	(0.1065)
Constant	2.0243	-17.1702***	0.0000	0.9444	2.0380	-0.1927
	(3.3883)	(1.6507)	(0.0000)	(2.3081)	(2.7910)	(2.6375)
Observations	2,891	2,650	2,074	3,034	3,077	3,074
Number of groups	110	106	84	114	119	107
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	YES	YES	YES	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix C.2 Table 4 Military Spending, Regional Exclusion: Autocracies

VARIABLES	(1) Autocracies	(2) Autocracies	(3) Autocracies	(4) Autocracies	(5) Autocracies	(6) Autocracies
FDI	**-0.0655***	**-0.0773****	**-0.3329*****	**-0.0931*****	**-0.0609****	**-0.0951*****
	(0.0371)	(0.0317)	(0.0626)	(0.0272)	(0.0259)	(0.0282)
Military Spending	-0.0641***	-0.0686***	-0.1245***	-0.0689**	-0.1091***	-0.0827***
	(0.0186)	(0.0174)	(0.0310)	(0.0264)	(0.0157)	(0.0175)
FDI#Mlitary Spending	**0.0319****	**0.0267*****	**0.0756*****	**0.0286*****	**0.0168***	**0.0295*****
	(0.0124)	(0.0084)	(0.0135)	(0.0080)	(0.0093)	(0.0086)
Protest	-0.2111***	-0.1472***	-0.1122**	-0.1145***	-0.1347***	-0.1483***
	(0.0321)	(0.0336)	(0.0513)	(0.0341)	(0.0349)	(0.0331)
Democracy_continuous	0.0128**	0.0089	0.0216**	0.0121**	0.0122**	0.0120**
	(0.0056)	(0.0062)	(0.0101)	(0.0049)	(0.0057)	(0.0054)
Trade Openness	0.1634***	0.2087***	0.0579	0.2005***	0.1179**	0.1571***
	(0.0517)	(0.0568)	(0.1097)	(0.0416)	(0.0566)	(0.0562)
Resource Wealth	-0.0350	-0.0820***	-0.0325	-0.0613***	-0.0408*	-0.0532**
	(0.0215)	(0.0223)	(0.0256)	(0.0209)	(0.0229)	(0.0206)
GDP per capita	0.4866***	0.5429***	0.3636**	0.5433***	0.3617***	0.4877***
	(0.0844)	(0.0586)	(0.1484)	(0.0674)	(0.0782)	(0.0718)
GDP growth rate	-0.0012	-0.0005	-0.0015	-0.0006	-0.0006	-0.0009
	(0.0016)	(0.0012)	(0.0019)	(0.0014)	(0.0014)	(0.0013)
Civil Conflict	-0.5613***	-0.5726***	-0.6355***	-0.5910***	-0.6006***	-0.5975***
	(0.0416)	(0.0436)	(0.0615)	(0.0440)	(0.0463)	(0.0459)
Population	0.2273	0.9957***	0.2498	0.3298	0.4656*	0.4914**
	(0.3754)	(0.1952)	(0.2726)	(0.2320)	(0.2307)	(0.2362)
Cold War	0.2785	0.8641***	-0.1732	0.0491	0.1947	0.4356
	(0.3369)	(0.2192)	(0.1636)	(0.1850)	(0.1889)	(0.2593)
Constant	-7.6524	-20.6239***	-6.5497	-9.7377**	-10.2874**	-11.8305***
	(6.3895)	(3.2590)	(5.4266)	(3.9342)	(3.9529)	(4.0613)
Observations	1,823	1,995	1,194	2,035	2,029	2,169
Number of groups	91	88	67	94	98	97
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	YES	YES	YES	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix C.2 Table 5 Military Spending, Regional Exclusion: Democracies

VARIABLES	(1) Democracies	(2) Democracies	(3) Democracies	(4) Democracies	(5) Democracies	(6) Democracies
FDI	**-0.2255****	**-0.1170**	**-0.0812**	**-0.0283**	**-0.1516**	**-0.0807**
	(0.1024)	(0.0809)	(0.1049)	(0.1026)	(0.1081)	(0.0962)
Military Spending	-0.1348***	-0.0200	-0.0416	-0.0715**	-0.1107***	-0.0978***
	(0.0403)	(0.0500)	(0.0414)	(0.0288)	(0.0388)	(0.0345)
FDI#Mlitary Spending	**0.0793****	**0.0367**	**0.0163**	**0.0147**	**0.0414**	**0.0294**
	(0.0309)	(0.0225)	(0.0323)	(0.0274)	(0.0288)	(0.0279)
Protest	-0.1291*	-0.2111**	-0.1151	-0.0604	-0.0701	-0.1136
	(0.0654)	(0.0819)	(0.0788)	(0.0643)	(0.0720)	(0.0892)
Democracy_continuous	0.0969***	0.0852**	0.1241***	0.0821***	0.0984***	0.1276***
	(0.0261)	(0.0338)	(0.0256)	(0.0233)	(0.0257)	(0.0274)
Trade Openness	0.3702*	0.2159*	0.3456	0.4254**	0.4358**	0.5146**
	(0.1997)	(0.1222)	(0.2310)	(0.1791)	(0.2083)	(0.1959)
Resource Wealth	-0.0386	-0.0149	-0.1295***	-0.0822**	-0.0553	-0.1015**
	(0.0394)	(0.0321)	(0.0458)	(0.0403)	(0.0415)	(0.0423)
GDP per capita	0.1153	-0.0028	0.2577	0.1460	0.0525	-0.2234
	(0.1856)	(0.1548)	(0.2388)	(0.1772)	(0.1949)	(0.2092)
GDP growth rate	-0.0030	0.0002	-0.0048	-0.0033	-0.0017	-0.0008
	(0.0024)	(0.0025)	(0.0030)	(0.0023)	(0.0022)	(0.0039)
Civil Conflict	-0.6633***	-0.3855***	-0.7466***	-0.8851***	-0.6371***	-0.6418***
	(0.0970)	(0.0860)	(0.1082)	(0.1477)	(0.1026)	(0.0982)
Population	0.2334	0.1625	-0.1524	-0.4895**	-0.1818	0.1553
	(0.2430)	(0.2706)	(0.3273)	(0.2190)	(0.2298)	(0.3304)
Cold War	0.1311	-3.8320	-1.1829	-0.3963**	-0.2842	-0.0613
	(0.2692)	(4.2765)	(5.8764)	(0.1543)	(0.2848)	(0.2487)
Constant	-5.9926	0.0000	0.0000	5.2173	0.9526	-3.0271
	(4.3973)	(0.0000)	(0.0000)	(3.3354)	(4.3986)	(5.6197)
Observations	1,068	655	880	999	1,048	905
Number of groups	69	53	53	65	68	52
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	YES	YES	YES	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix C.2 Table 6 Welfare Spending, Regional Exclusion: All Regime Type

VARIABLES	(1) All regime types	(2) All regime types	(3) All regime types	(4) All regime types	(5) All regime types	(6) All regime types
FDI	**-0.1233**	**-0.1152**	**-0.0539**	**-0.0271**	**-0.1489**	**-0.1419**
	(0.0991)	(0.0771)	(0.1387)	(0.0721)	(0.0879)	(0.0900)
Welfare Spending	-0.1561**	-0.1340***	-0.1087*	-0.0921**	-0.1574***	-0.1523***
	(0.0732)	(0.0416)	(0.0560)	(0.0429)	(0.0506)	(0.0491)
FDI#Welfare Spending	**0.0731**	**0.0598**	**0.0156**	**0.0191**	**0.0749***	**0.0764***
	(0.0482)	(0.0370)	(0.0652)	(0.0346)	(0.0414)	(0.0430)
Protest	-0.2415***	-0.1783***	-0.1748***	-0.1786***	-0.2051***	-0.2082***
	(0.0327)	(0.0318)	(0.0336)	(0.0315)	(0.0289)	(0.0281)
Democracy_conti nuous	0.0417***	0.0308***	0.0509***	0.0447***	0.0437***	0.0426***
	(0.0057)	(0.0030)	(0.0074)	(0.0061)	(0.0062)	(0.0060)
Trade Openness	0.1884***	0.2442***	0.1125	0.2468***	0.1971***	0.2338***
	(0.0458)	(0.0564)	(0.0928)	(0.0451)	(0.0487)	(0.0530)
Resource Wealth	-0.0685***	-0.0709***	-0.0914***	-0.0773***	-0.0680***	-0.0740***
	(0.0173)	(0.0154)	(0.0280)	(0.0161)	(0.0172)	(0.0166)
GDP per capita	0.3548***	0.4048***	0.1765**	0.4346***	0.2668***	0.3204***
	(0.0488)	(0.0461)	(0.0650)	(0.0381)	(0.0471)	(0.0422)
GDP growth rate	-0.0040**	-0.0023	-0.0025	-0.0030	-0.0027*	-0.0031*
	(0.0017)	(0.0016)	(0.0021)	(0.0018)	(0.0016)	(0.0017)
Civil Conflict	-0.6807***	-0.6112***	-0.7544***	-0.7169***	-0.7149***	-0.7098***
	(0.0412)	(0.0296)	(0.0456)	(0.0453)	(0.0426)	(0.0397)
Population	-0.1437	0.9725***	-0.1969	-0.0930	0.0469	0.1498
	(0.2473)	(0.1336)	(0.2163)	(0.1817)	(0.2129)	(0.2130)
Cold War	-0.6529	-18.3657***	1.7592	-2.3531	-0.0138	0.0663
	(3.9379)	(2.3797)	(3.1313)	(2.8784)	(0.1426)	(0.1480)
Constant	0.0000	0.0000	0.0000	0.0000	-2.9210	-5.1895
	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(3.6246)	(3.5471)
Observations	2,633	2,435	1,837	2,736	2,789	2,790
Number of groups	109	106	84	113	117	106
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	YES	YES	YES	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix C.2 Table 7 Welfare Spending, Regional Exclusion: Autocracies

VARIABLES	(1) Autocracies	(2) Autocracies	(3) Autocracies	(4) Autocracies	(5) Autocracies	(6) Autocracies
FDI	**-0.0904**	**-0.1006**	**-0.0558**	**-0.0802**	**-0.1395****	**-0.1078***
	(0.0766)	(0.0629)	(0.1024)	(0.0549)	(0.0664)	(0.0569)
Welfare Spending	-0.0835	-0.1008**	-0.0298	-0.0864**	-0.1022**	-0.0870**
	(0.0550)	(0.0384)	(0.0408)	(0.0389)	(0.0384)	(0.0340)
FDI#Welfare Spending	**0.0552**	**0.0491**	**0.0251**	**0.0398**	**0.0657****	**0.0538***
	(0.0368)	(0.0316)	(0.0522)	(0.0272)	(0.0301)	(0.0275)
Protest	-0.1884***	-0.1425***	-0.0987	-0.0991**	-0.1337***	-0.1426***
	(0.0371)	(0.0339)	(0.0680)	(0.0390)	(0.0387)	(0.0375)
Democracy_continuous	0.0144***	0.0152***	0.0221**	0.0118**	0.0145**	0.0136***
	(0.0046)	(0.0052)	(0.0084)	(0.0052)	(0.0063)	(0.0049)
Trade Openness	0.2212***	0.2326***	0.2053	0.2515***	0.2287***	0.2420***
	(0.0420)	(0.0560)	(0.1265)	(0.0469)	(0.0551)	(0.0564)
Resource Wealth	-0.0792***	-0.0999***	-0.0993***	-0.0996***	-0.0786***	-0.0907***
	(0.0206)	(0.0224)	(0.0349)	(0.0235)	(0.0261)	(0.0227)
GDP per capita	0.4055***	0.4477***	0.3489*	0.4759***	0.2951***	0.4034***
	(0.0709)	(0.0569)	(0.1747)	(0.0548)	(0.0738)	(0.0632)
GDP growth rate	-0.0028*	-0.0019	-0.0003	-0.0022	-0.0019	-0.0024*
	(0.0016)	(0.0014)	(0.0017)	(0.0016)	(0.0014)	(0.0013)
Civil Conflict	-0.5694***	-0.6199***	-0.6467***	-0.6124***	-0.6299***	-0.6216***
	(0.0418)	(0.0454)	(0.0555)	(0.0421)	(0.0475)	(0.0436)
Population	0.4302	1.2104***	0.7410*	0.5782**	0.8307***	0.8416***
	(0.3665)	(0.2203)	(0.3861)	(0.2517)	(0.2656)	(0.2978)
Cold War	-10.1556*	0.9387***	-0.0056	-13.3024***	0.1803	0.2020
	(5.8688)	(0.1843)	(0.1916)	(3.9991)	(0.1241)	(0.1287)
Constant	0.0000	-23.2954***	-15.3523**	0.0000	-16.1498***	-17.2112***
	(0.0000)	(3.6231)	(6.8599)	(0.0000)	(4.4979)	(4.9295)
Observations	1,674	1,857	1,051	1,836	1,852	1,975
Number of groups	89	89	66	93	97	96
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	YES	YES	YES	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix C.2 Table 8 Welfare Spending, Regional Exclusion: Democracies

VARIABLES	(1) Democracies	(2) Democracies	(3) Democracies	(4) Democracies	(5) Democracies	(6) Democracies
FDI	**0.3700**	**0.1718**	**0.2923**	**0.5887*****	**0.4276**	**0.3939**
	(0.2432)	(0.1702)	(0.3428)	(0.2145)	(0.2578)	(0.2614)
Welfare Spending	-0.0539	0.0753	-0.0330	0.0433	-0.0258	-0.0367
	(0.0700)	(0.0687)	(0.0810)	(0.0575)	(0.0690)	(0.0746)
FDI#Welfare Spending	**-0.1459**	**-0.0638**	**-0.1472**	**-0.2386****	**-0.1812**	**-0.1603**
	(0.1080)	(0.0715)	(0.1474)	(0.0948)	(0.1157)	(0.1164)
Protest	-0.1566**	-0.1916*	-0.1453*	-0.1343*	-0.1169	-0.1963***
	(0.0618)	(0.1024)	(0.0715)	(0.0684)	(0.0708)	(0.0702)
Democracy_continuous	0.0877***	0.0676**	0.1012***	0.0756***	0.0874***	0.1108***
	(0.0243)	(0.0308)	(0.0219)	(0.0189)	(0.0223)	(0.0236)
Trade Openness	0.1273	0.0876	0.0650	0.2193**	0.1668	0.2642**
	(0.1219)	(0.0975)	(0.1255)	(0.0930)	(0.1236)	(0.1061)
Resource Wealth	-0.0055	0.0069	-0.0723	-0.0165	0.0127	-0.0342
	(0.0336)	(0.0310)	(0.0431)	(0.0279)	(0.0320)	(0.0293)
GDP per capita	0.0519	0.1090	0.2169	0.0937	-0.0225	-0.3235
	(0.1525)	(0.1570)	(0.2203)	(0.1501)	(0.1781)	(0.1970)
GDP growth rate	-0.0039*	-0.0004	-0.0045*	-0.0031	-0.0019	-0.0013
	(0.0020)	(0.0024)	(0.0024)	(0.0022)	(0.0018)	(0.0034)
Civil Conflict	-0.7421***	-0.3505***	-0.7986***	-0.9807***	-0.7202***	-0.7122***
	(0.1174)	(0.0756)	(0.1231)	(0.1711)	(0.1235)	(0.1190)
Population	0.3594	0.1319	-0.2117	0.1357	0.1079	0.7271*
	(0.2425)	(0.2576)	(0.2912)	(0.2538)	(0.2563)	(0.3846)
Cold War	-0.0700	0.3934***	1.0656	-0.0407	-2.6344	-0.0010
	(0.1544)	(0.1275)	(5.1435)	(0.1369)	(4.2570)	(0.2124)
Constant	-6.7400*	-3.6014	0.0000	-3.8958	0.0000	-10.6933
	(3.9343)	(4.3022)	(0.0000)	(4.1360)	(0.0000)	(6.3584)
Observations	959	578	786	900	937	815
Number of groups	69	53	54	65	67	52
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	YES	YES	YES	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix C.3

Appendix C.3 Table 9 Military Spending, Model Specification: All Regime Type

VARIABLES	(1) All regimes	(2) All regimes	(3) All regimes	(4) All regimes	(5) All regimes	(6) All regimes	(7) All regimes	(8) All regimes	(9) All regimes
FDI	**-0.0601****	**-0.0648****	**-0.0678****	**-0.0843*****	**-0.1099*****	**-0.1151*****	**-0.1183*****	**-0.1169*****	**-0.1169*****
	(0.0231)	(0.0258)	(0.0252)	(0.0280)	(0.0354)	(0.0380)	(0.0368)	(0.0370)	(0.0370)
Military Spending	-0.1682***	-0.1683***	-0.1710***	-0.1515***	-0.1446***	-0.1510***	-0.1039***	-0.1073***	-0.1073***
	(0.0227)	(0.0238)	(0.0265)	(0.0221)	(0.0236)	(0.0250)	(0.0180)	(0.0197)	(0.0197)
FDI#Mlitary Spending	**0.0326*****	**0.0328*****	**0.0317*****	**0.0367*****	**0.0433*****	**0.0430*****	**0.0404*****	**0.0398*****	**0.0398*****
	(0.0058)	(0.0065)	(0.0060)	(0.0081)	(0.0102)	(0.0106)	(0.0107)	(0.0108)	(0.0108)
GDP per capita	0.4692***	0.4642***	0.4235***	0.5099***	0.4434***	0.4876***	0.3999***	0.3874***	0.3874***
	(0.0609)	(0.0622)	(0.0598)	(0.0470)	(0.0639)	(0.0559)	(0.0461)	(0.0461)	(0.0461)
GDP growth rate		0.0020	0.0005	0.0003	-0.0003	0.0002	-0.0016	-0.0018	-0.0018
		(0.0015)	(0.0017)	(0.0016)	(0.0016)	(0.0016)	(0.0013)	(0.0013)	(0.0013)
Protest			-0.2450***	-0.2588***	-0.2695***	-0.2638***	-0.2041***	-0.1982***	-0.1982***
			(0.0286)	(0.0267)	(0.0250)	(0.0248)	(0.0234)	(0.0266)	(0.0266)
Democracy_continuous				0.0398***	0.0370***	0.0370***	0.0374***	0.0371***	0.0371***
				(0.0064)	(0.0059)	(0.0059)	(0.0059)	(0.0058)	(0.0058)
Trade Openness					0.2359***	0.2456***	0.2006***	0.1914***	0.1914***
					(0.0475)	(0.0460)	(0.0464)	(0.0469)	(0.0469)
Resource Wealth						-0.0661***	-0.0567***	-0.0539***	-0.0539***
						(0.0173)	(0.0168)	(0.0159)	(0.0159)
Civil Conflict							-0.6682***	-0.6711***	-0.6711***
							(0.0281)	(0.0284)	(0.0284)
Population								-0.1726	-0.1726
								(0.1424)	(0.1424)
Cold War									-0.4620
									(2.2829)
Constant	0.0000	0.0000	0.0000	-3.4344***	0.0000	0.0000	0.0000	0.0000	0.0000
	(0.0000)	(0.0000)	(0.0000)	(0.3456)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)
Observations	3,810	3,715	3,643	3,492	3,360	3,360	3,360	3,360	3,360
Number of groups	138	137	135	128	128	128	128	128	128
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	YES	YES	YES	YES	YES	YES	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix C.3 Table 10 Military Spending, Model Specification: Autocracies

VARIABLES	(1) Autocracies	(2) Autocracies	(3) Autocracies	(4) Autocracies	(5) Autocracies	(6) Autocracies	(7) Autocracies	(8) Autocracies	(9) Autocracies
FDI	-0.0454*	-0.0534**	-0.0570**	-0.0650**	-0.0752**	-0.0791**	-0.0924***	-0.0934***	-0.0934***
	(0.0230)	(0.0234)	(0.0237)	(0.0257)	(0.0298)	(0.0304)	(0.0295)	(0.0273)	(0.0273)
Military Spending	-0.1483***	-0.1489***	-0.1436***	-0.1422***	-0.1320***	-0.1365***	-0.0902***	-0.0822***	-0.0822***
	(0.0219)	(0.0214)	(0.0228)	(0.0224)	(0.0203)	(0.0199)	(0.0146)	(0.0159)	(0.0159)
FDI#Mlitary Spending	0.0242***	0.0251***	0.0246***	0.0268***	0.0306***	0.0307***	0.0305***	0.0299***	0.0299***
	(0.0072)	(0.0072)	(0.0067)	(0.0074)	(0.0082)	(0.0085)	(0.0092)	(0.0084)	(0.0084)
GDP per capita	0.5438***	0.5408***	0.5325***	0.5606***	0.5246***	0.5836***	0.4614***	0.4837***	0.4837***
	(0.0596)	(0.0616)	(0.0583)	(0.0545)	(0.0788)	(0.0731)	(0.0696)	(0.0707)	(0.0707)
GDP growth rate		0.0016	0.0006	0.0005	0.0002	0.0008	-0.0013	-0.0009	-0.0009
		(0.0014)	(0.0013)	(0.0013)	(0.0014)	(0.0014)	(0.0012)	(0.0013)	(0.0013)
Protest			-0.1651***	-0.1713***	-0.1827***	-0.1760***	-0.1390***	-0.1484***	-0.1484***
			(0.0364)	(0.0353)	(0.0356)	(0.0349)	(0.0300)	(0.0322)	(0.0322)
Democracy_continuous				0.0127**	0.0094	0.0094	0.0118**	0.0121**	0.0121**
				(0.0062)	(0.0061)	(0.0060)	(0.0052)	(0.0053)	(0.0053)
Trade Openness					0.1802***	0.1823***	0.1342**	0.1571***	0.1571***
					(0.0652)	(0.0604)	(0.0526)	(0.0525)	(0.0525)
Resource Wealth						-0.0658***	-0.0456**	-0.0526**	-0.0526**
						(0.0204)	(0.0190)	(0.0205)	(0.0205)
Civil Conflict							-0.6009***	-0.5898***	-0.5898***
							(0.0430)	(0.0448)	(0.0448)
Population								0.4939**	0.4939**
								(0.2278)	(0.2278)
Cold War									0.1904
									(0.1846)
Constant	-3.7424***	0.0000	0.0000	0.0000	-4.3558***	-4.5527***	-3.5128***	-11.8556***	-11.8556***
	(0.4410)	(0.0000)	(0.0000)	(0.0000)	(0.5320)	(0.4942)	(0.4766)	(3.9267)	(3.9267)
Observations	2,453	2,378	2,378	2,378	2,249	2,249	2,249	2,249	2,249
Number of groups	109	107	107	107	107	107	107	107	107
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	YES	YES	YES	YES	YES	YES	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix C.3 Table 11 Military Spending, Model Specification: Democracies

VARIABLES	(1) Democracies	(2) Democracies	(3) Democracies	(4) Democracies	(5) Democracies	(6) Democracies	(7) Democracies	(8) Democracies	(9) Democracies
FDI	**-0.0625**	**-0.0720**	**-0.0595**	**-0.0641**	**-0.1186**	**-0.1316**	**-0.1064**	**-0.1022**	**-0.1022**
	(0.0535)	(0.0560)	(0.0557)	(0.0676)	(0.0874)	(0.0995)	(0.0971)	(0.0972)	(0.0972)
Military Spending	-0.1404***	-0.1369***	-0.1323***	-0.1089**	-0.1060**	-0.0997**	-0.0847**	-0.0858**	-0.0858**
	(0.0385)	(0.0382)	(0.0385)	(0.0410)	(0.0393)	(0.0379)	(0.0351)	(0.0356)	(0.0356)
FDI#Mlitary Spending	**0.0303****	**0.0313****	**0.0311****	**0.0277**	**0.0414**	**0.0423**	**0.0354**	**0.0336**	**0.0336**
	(0.0124)	(0.0128)	(0.0122)	(0.0208)	(0.0262)	(0.0288)	(0.0268)	(0.0271)	(0.0271)
GDP per capita	0.2203	0.1708	-0.0579	-0.1337	-0.0887	-0.0681	0.0613	0.0538	0.0538
	(0.1895)	(0.1957)	(0.2012)	(0.2346)	(0.2323)	(0.2246)	(0.1885)	(0.1946)	(0.1946)
GDP growth rate		0.0003	-0.0000	0.0001	-0.0016	-0.0005	-0.0021	-0.0025	-0.0025
		(0.0028)	(0.0030)	(0.0028)	(0.0025)	(0.0025)	(0.0021)	(0.0023)	(0.0023)
Protest			-0.1402**	-0.1319*	-0.1322*	-0.1361**	-0.1031	-0.0978	-0.0978
			(0.0636)	(0.0736)	(0.0703)	(0.0669)	(0.0656)	(0.0691)	(0.0691)
Democracy_ continuous				0.1257***	0.1163***	0.1213***	0.1045***	0.1031***	0.1031***
				(0.0339)	(0.0303)	(0.0306)	(0.0252)	(0.0252)	(0.0252)
Trade Openness					0.3213*	0.3791**	0.4171**	0.4130**	0.4130**
					(0.1646)	(0.1824)	(0.1945)	(0.1937)	(0.1937)
Resource Wealth						-0.1027**	-0.0742*	-0.0742*	-0.0742*
						(0.0407)	(0.0387)	(0.0387)	(0.0387)
Civil Conflict							-0.6730***	-0.6743***	-0.6743***
							(0.0943)	(0.0960)	(0.0960)
Population								-0.1408	-0.1408
								(0.2151)	(0.2151)
Cold War									-0.2366
									(0.2567)
Constant	0.0000	-0.7943	0.8770	0.2213	-1.2422	-1.4435	-2.4652	-0.2020	0.2528
	(0.0000)	(1.5282)	(1.5504)	(1.6070)	(1.6620)	(1.6292)	(1.5278)	(3.9340)	(4.1729)
Observations	1,357	1,337	1,265	1,114	1,111	1,111	1,111	1,111	1,111
# of groups	85	83	81	73	72	72	72	72	72
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	YES	YES	YES	YES	YES	YES	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix C.3 Table 12 Welfare Spending, Model Specification: All Regime Types

VARIABLES	(1) All regimes	(2) All regimes	(3) All regimes	(4) All regimes	(5) All regimes	(6) All regimes	(7) All regimes	(8) All regimes	(9) All regimes
FDI	**-0.1827***	**-0.1887***	**-0.1150**	**-0.1007**	**-0.1060**	**-0.0911**	**-0.1075**	**-0.1120**	**-0.1120**
	(0.1073)	(0.1075)	(0.1076)	(0.0945)	(0.1051)	(0.1035)	(0.0829)	(0.0865)	(0.0865)
Welfare Spending	0.0896	0.0885	0.1101	-0.0531	-0.0649	-0.0720	-0.1371***	-0.1385***	-0.1385***
	(0.0668)	(0.0662)	(0.0658)	(0.0515)	(0.0589)	(0.0605)	(0.0490)	(0.0497)	(0.0497)
FDI#Mlitary Spending	**0.1207****	**0.1211****	**0.0793**	**0.0692**	**0.0667**	**0.0591**	**0.0581**	**0.0603**	**0.0603**
	(0.0490)	(0.0495)	(0.0501)	(0.0440)	(0.0491)	(0.0488)	(0.0392)	(0.0415)	(0.0415)
GDP per capita	0.3401***	0.3387***	0.3213***	0.3948***	0.3311***	0.3991***	0.3386***	0.3441***	0.3441***
	(0.0603)	(0.0615)	(0.0625)	(0.0581)	(0.0603)	(0.0502)	(0.0427)	(0.0415)	(0.0415)
GDP growth rate		0.0014	-0.0004	-0.0008	-0.0021	-0.0010	-0.0031*	-0.0031*	-0.0031*
		(0.0019)	(0.0020)	(0.0021)	(0.0022)	(0.0021)	(0.0016)	(0.0016)	(0.0016)
Protest			-0.2663***	-0.2547***	-0.2753***	-0.2666***	-0.2007***	-0.2026***	-0.2026***
			(0.0273)	(0.0264)	(0.0249)	(0.0247)	(0.0261)	(0.0277)	(0.0277)
Democracy_ continuous				0.0431***	0.0396***	0.0400***	0.0422***	0.0423***	0.0423***
				(0.0055)	(0.0052)	(0.0054)	(0.0059)	(0.0057)	(0.0057)
Trade Openness					0.2714***	0.2835***	0.2077***	0.2111***	0.2111***
					(0.0529)	(0.0484)	(0.0483)	(0.0502)	(0.0502)
Resource Wealth						-0.0820***	-0.0712***	-0.0726***	-0.0726***
						(0.0178)	(0.0165)	(0.0164)	(0.0164)
Civil Conflict							-0.7017***	-0.7003***	-0.7003***
							(0.0377)	(0.0387)	(0.0387)
Population								0.0757	0.0757
								(0.1865)	(0.1865)
Cold War									0.0415
									(0.1330)
Constant	-3.0329***	-2.9405***	0.0000	-2.8534***	0.0000	0.0000	0.0000	-4.0614	-4.0621
	(0.4926)	(0.5054)	(0.0000)	(0.4520)	(0.0000)	(0.0000)	(0.0000)	(2.9923)	(3.1147)
Observations	3,229	3,200	3,185	3,156	3,044	3,044	3,044	3,044	3,044
Number of groups	131	130	129	127	127	127	127	127	127
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	YES	YES	YES	YES	YES	YES	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix C.3 Table 13 Welfare Spending, Model Specification: Autocracies

VARIABLES	(1) Autocracies	(2) Autocracies	(3) Autocracies	(4) Autocracies	(5) Autocracies	(6) Autocracies	(7) Autocracies	(8) Autocracies	(9) Autocracies
FDI	**-0.1088**	**-0.1190***	**-0.1082**	**-0.1082**	**-0.1061**	**-0.1020**	**-0.0890**	**-0.0979***	**-0.0979***
	(0.0684)	(0.0676)	(0.0687)	(0.0688)	(0.0805)	(0.0777)	(0.0592)	(0.0569)	(0.0569)
Welfare Spending	-0.0224	-0.0268	-0.0094	-0.0579	-0.0406	-0.0638	-0.0823**	-0.0877**	-0.0877**
	(0.0397)	(0.0380)	(0.0413)	(0.0405)	(0.0453)	(0.0465)	(0.0352)	(0.0341)	(0.0341)
FDI#Welfare Spending	**0.0734****	**0.0761****	**0.0689****	**0.0673****	**0.0620**	**0.0628**	**0.0469**	**0.0496***	**0.0496***
	(0.0317)	(0.0319)	(0.0331)	(0.0327)	(0.0384)	(0.0371)	(0.0283)	(0.0274)	(0.0274)
GDP per capita	0.3968***	0.4017***	0.4010***	0.4359***	0.3717***	0.4851***	0.3766***	0.4088***	0.4088***
	(0.0660)	(0.0688)	(0.0672)	(0.0635)	(0.0712)	(0.0671)	(0.0644)	(0.0636)	(0.0636)
GDP growth rate		0.0005	-0.0005	-0.0006	-0.0020	-0.0005	-0.0027*	-0.0022	-0.0022
		(0.0020)	(0.0019)	(0.0019)	(0.0020)	(0.0018)	(0.0013)	(0.0014)	(0.0014)
Protest			-0.1491***	-0.1575***	-0.1886***	-0.1743***	-0.1295***	-0.1391***	-0.1391***
			(0.0428)	(0.0430)	(0.0429)	(0.0407)	(0.0373)	(0.0368)	(0.0368)
Democracy_continuous				0.0171***	0.0113**	0.0116**	0.0135***	0.0140***	0.0140***
				(0.0041)	(0.0049)	(0.0051)	(0.0048)	(0.0047)	(0.0047)
Trade Openness					0.2882***	0.2888***	0.2057***	0.2333***	0.2333***
					(0.0544)	(0.0515)	(0.0569)	(0.0536)	(0.0536)
Resource Wealth						-0.1039***	-0.0773***	-0.0911***	-0.0911***
						(0.0221)	(0.0194)	(0.0228)	(0.0228)
Civil Conflict							-0.6292***	-0.6145***	-0.6145***
							(0.0442)	(0.0432)	(0.0432)
Population								0.7950***	0.7950***
								(0.2683)	(0.2683)
Cold War									-15.8413***
									(4.2355)
Constant	0.0000	-3.0988***	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	(0.0000)	(0.4918)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)
Observations	2,183	2,163	2,160	2,160	2,049	2,049	2,049	2,049	2,049
Number of groups	108	107	106	106	106	106	106	106	106
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	YES	YES	YES	YES	YES	YES	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix C.4

Appendix C.4 Table 14 Welfare Spending, Model Specification: Democracies

VARIABLES	(1) Democracies	(2) Democracies	(3) Democracies	(4) Democracies	(5) Democracies	(6) Democracies	(7) Democracies	(8) Democracies	(9) Democracies
FDI	**0.4991**	**0.5053***	**0.5724***	**0.5220***	**0.4907**	**0.4784***	**0.4057**	**0.4060**	**0.4060**
	(0.2965)	(0.2962)	(0.3014)	(0.3027)	(0.2910)	(0.2794)	(0.2511)	(0.2523)	(0.2523)
Welfare Spending	0.0483	0.0498	0.0575	0.0537	0.0388	0.0366	-0.0153	-0.0164	-0.0164
	(0.0905)	(0.0911)	(0.0880)	(0.0854)	(0.0836)	(0.0812)	(0.0693)	(0.0695)	(0.0695)
FDI#Welfare Spending	**-0.1900**	**-0.1940**	**-0.2319***	**-0.2178**	**-0.2054**	**-0.2017**	**-0.1671**	**-0.1669**	**-0.1669**
	(0.1298)	(0.1299)	(0.1306)	(0.1332)	(0.1278)	(0.1247)	(0.1113)	(0.1119)	(0.1119)
GDP per capita	0.0693	0.0451	-0.0775	-0.1777	-0.1388	-0.1143	0.0036	0.0092	0.0092
	(0.1617)	(0.1662)	(0.1821)	(0.2191)	(0.2216)	(0.2134)	(0.1707)	(0.1702)	(0.1702)
GDP growth rate		-0.0003	-0.0020	-0.0008	-0.0015	-0.0011	-0.0031	-0.0027	-0.0027
		(0.0014)	(0.0022)	(0.0027)	(0.0024)	(0.0026)	(0.0019)	(0.0020)	(0.0020)
Protest			-0.2514***	-0.1973***	-0.1922***	-0.1904***	-0.1403**	-0.1461**	-0.1461**
			(0.0526)	(0.0617)	(0.0635)	(0.0635)	(0.0618)	(0.0660)	(0.0660)
Democracy_ continuous				0.1040***	0.1007***	0.1026***	0.0888***	0.0898***	0.0898***
				(0.0260)	(0.0254)	(0.0260)	(0.0219)	(0.0214)	(0.0214)
Trade Openness					0.1241	0.1450	0.1753	0.1765	0.1765
					(0.1045)	(0.1075)	(0.1157)	(0.1135)	(0.1135)
Resource Wealth						-0.0462	-0.0175	-0.0179	-0.0179
						(0.0353)	(0.0304)	(0.0304)	(0.0304)
Civil Conflict							-0.7482***	-0.7452***	-0.7452***
							(0.1132)	(0.1170)	(0.1170)
Population								0.1601	0.1601
								(0.2378)	(0.2378)
Cold War									-3.6788
									(4.0529)
Constant	-0.3566	0.0000	0.8095	0.7181	-0.0113	-0.1892	-0.9394	0.0000	0.0000
	(1.1656)	(0.0000)	(1.3489)	(1.4731)	(1.6600)	(1.6377)	(1.4182)	(0.0000)	(0.0000)
Observations	1,046	1,037	1,025	996	995	995	995	995	995
Number of groups	79	77	76	73	72	72	72	72	72
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	YES	YES	YES	YES	YES	YES	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Appendix C.5

Appendix C.5 Table 1 Military and Welfare Spending: Quadratic Time Trend

VARIABLES	(1) All regime types	(2) Autocracies	(3) Democracies	(4) All regime types	(5) Autocracies	(6) Democracies
FDI	**-0.1183***	**-0.0953***	**-0.1033**	**-0.1204**	**-0.1097***	**0.3190**
	(0.0368)	(0.0274)	(0.0894)	(0.0869)	(0.0574)	(0.2504)
Military Spending	-0.1105***	-0.0902***	-0.0749**			
	(0.0192)	(0.0164)	(0.0305)			
FDI#Mlitary Spending	**0.0400***	**0.0297***	**0.0380**			
	(0.0107)	(0.0083)	(0.0246)			
Welfare Spending				-0.1266**	-0.0873**	0.0243
				(0.0476)	(0.0334)	(0.0720)
FDI#Welfare Spending				**0.0644**	**0.0550***	**-0.1204**
				(0.0411)	(0.0273)	(0.1095)
Protest	-0.1985***	-0.1450***	-0.1235*	-0.2062***	-0.1437***	-0.1651**
	(0.0259)	(0.0314)	(0.0693)	(0.0273)	(0.0357)	(0.0642)
Democracy_ continuous	0.0372***	0.0126**	0.0946***	0.0417***	0.0142***	0.0836***
	(0.0057)	(0.0052)	(0.0243)	(0.0057)	(0.0047)	(0.0191)
Trade Openness	0.1745***	0.1289**	0.4192**	0.1985***	0.2171***	0.1609
	(0.0446)	(0.0517)	(0.1952)	(0.0474)	(0.0521)	(0.1125)
Resource Wealth	-0.0567***	-0.0580***	-0.0566	-0.0736***	-0.0911***	-0.0149
	(0.0157)	(0.0199)	(0.0384)	(0.0170)	(0.0229)	(0.0320)
GDP per capita	0.3850***	0.4809***	0.0268	0.3407***	0.4074***	0.0314
	(0.0458)	(0.0678)	(0.1931)	(0.0419)	(0.0631)	(0.1679)
GDP growth rate	-0.0019	-0.0012	-0.0028	-0.0029*	-0.0023*	-0.0026
	(0.0013)	(0.0013)	(0.0020)	(0.0016)	(0.0014)	(0.0017)
Civil Conflict	-0.6700***	-0.5891***	-0.6754***	-0.6993***	-0.6148***	-0.7548***
	(0.0286)	(0.0442)	(0.0949)	(0.0387)	(0.0437)	(0.1160)
Population	-0.1736	0.4929**	-0.1163	0.0779	0.7911***	0.1772
	(0.1429)	(0.2241)	(0.2051)	(0.1839)	(0.2651)	(0.2249)
Cold War	-0.0429	-0.0593**	0.0177	0.0150	0.0296	0.0123
	(0.0293)	(0.0284)	(0.0972)	(0.0379)	(0.0370)	(0.0879)
time	0.0072	-0.0177**	-0.0011	-0.0094**	-0.0314***	-0.0222
	(0.0056)	(0.0086)	(0.0152)	(0.0037)	(0.0069)	(0.0146)
time2	-0.0000	0.0002*	0.0002	0.0003***	0.0004***	0.0006**
	(0.0001)	(0.0001)	(0.0003)	(0.0001)	(0.0001)	(0.0003)
Constant	-0.3859	-11.2439***	-0.2221	-4.0327	-15.6744***	-3.8738
	(2.2946)	(3.6163)	(3.8629)	(2.9681)	(4.2042)	(3.8953)
Observations	3,360	2,249	1,111	3,044	2,049	995
Number of groups	128	107	72	127	106	72
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	YES	YES	YES	YES	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

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