Hands Off My Regime! Governments' Restrictions on Foreign Aid to Non-Governmental Organizations in Poor and Middle-Income Countries

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Abstract

Many resource-strapped developing country governments seek international aid, but when that assistance is channeled through domestic civil society, it can threaten their political control. As a result, in the last two decades, 39 of the world's 153 low- and middle-income countries have adopted laws restricting the inflow of foreign aid to domestically operating nongovernmental organizations (NGOs). Governments recognize that such laws harm their international reputations for supporting democracy and may invite donor punishment in terms of aid reductions. Yet, they perceive foreign aid to NGOs as supporting political opponents and threatening their grip on power. In the aftermath of competitive electoral victories, governments often take new legal steps to limit these groups' funding. We test this argument on an original dataset of laws detailing the regulation of foreign aid inflows to domestically operating NGOs in 153 low- and middle-income countries for the period 1993-2012. Using an event history approach, we find that foreign aid flows are associated with an increased risk of restrictive law adoption; a log unit increase in foreign aid raises the probability of adoption by 6.7%. This risk is exacerbated after the holding of competitive elections: the interaction of foreign aid and competitive elections increases the probability of adoption by 11%.

Keywords: NGOs; civil society; regulations; foreign funding; elections; development aid

Introduction

Non-governmental organizations (NGOs), including non-profits and advocacy organizations, are important policy actors in the developing world, and often receive substantial funds from overseas sources. During the early 1990s, many donors viewed NGOs as working together with developing country governments to deliver essential public services, build a vibrant civil society, and enhance democracy. Governments, facing multiple demands on their resources, have appreciated this external infusion of funds. Indeed, by some accounts, foreign aid flows from donor countries have amounted to an average of 10% of the GDP of aid-receiving countries between the mid-1990s and 2012. However, in the last two decades, 39 of the world's 153 low and middle income countries[1] risked their international reputations as well as potential reductions in foreign aid by restricting overseas financing to domestically operating non-governmental organizations (NGOs).[2] Such laws reduce governments' access to scarce resources, and often trigger international condemnation. Why, then, would governments take such risks? Aided by a new dataset on foreign funding restrictions, we provide a political explanation for this paradox.

NGOs are formal organizations outside the government and for-profit sectors, advocating specific policies and/or providing services (Vakil, 1997; Lewis & Wallace, 2000; Johnson & Prakash, 2007). International NGOs (INGOs) operate in more than one country, and often have headquarters in the global North; domestic NGOs (DNGOs) operate in, and are often founded by, the citizens of a single country. Our analyses pertain to the new laws that bear on locally operating advocacy and service delivery NGOs of both the international and domestic variant. We focus here on NGOs operating in low and middle-income countries, where resources are particularly scarce, and where foreign assistance is particularly important. It is here that the paradox is most apparent, as the governments in these countries should be particularly eager for foreign assistance, even when channeled through locally operating NGOs.

Since the fall of the Berlin Wall, Western states and multilateral donors have heavily funded NGOs and other civil society actors in the global South and former Communist countries, seeking to spread liberal norms, encourage democratization, and foster development (Barnett, 2011; Dietrich & Wright, 2015). This aid is part of a broader package of international development assistance provided by richer to poorer countries. Although most of this aid may be channeled through governments, a substantial percentage also flows through locally operating NGOs. As a result, the number of foreign-supported NGOs active in the developing world, including both INGOs and DNGOs, has grown exponentially (Carothers & Ottaway, 2000; Henderson, 2003; Mendelson, 2001; Murdie, 2014; Reimann, 2006). Many donors viewed this support as a "magic bullet" (Edwards & Hulme, 1996) capable of solving all manner of problems unaddressed by state and market. Western donors realized NGOs would find it difficult to raise resources internally within resource-poor countries, and viewed international financial support as an appropriate way to establish and strengthen the domestic NGO sector, and to support the on-the-ground work of international NGOs. Many governments, similarly, regarded this aid to NGOs operating on their territory as a welcome (if indirect) addition to their ongoing service-provision efforts, and as a budgetary "force multiplier" in budget-constrained environments.

Yet, beginning in the mid-1990s, governments in poor and middle-income countries began passing laws restricting the ability of INGOs and DNGOs to access and use foreign aid while operating on their sovereign territory. In recent years this trend has accelerated, drawing substantial scholarly and policy attention (Dupuy, Ron, & Prakash, 2014; Carothers & Brechenmacher, 2014; Christensen & Weinstein, 2013; Howell, Ishkanian, Obadare, Seckinelgin, & Glasius, 2012; Kiai, 2013; Tiwana & Belay, 2010; Mendelson, 2015; Rutzen, 2015). These restrictions are puzzling; restrictive governments are risking their international reputations by provoking local and international NGO protest, and are voluntarily foregoing valuable resources. To systematically explore this paradox, we introduce a novel dataset detailing laws restricting foreign aid to locally operating INGOs and DNGOs, from 1993 to 2012.

Our enquiry is anchored in four premises: (1) foreign aid is an important source of funding for domestically operating NGOs;[3] (2) although governments generally regard such aid as useful, there are political conditions under which they are willing to forego international assistance to civil society; (3) government regulations shape the behavior of domestically operating NGOs (Bloodgood et al., 2014; Stroup, 2012); and (4) and states worry about erosion of their sovereignty and seek to regulate transnational influences on domestic politics,.

Our statistical model includes a number of controls, including regime type, per capita income, and embeddedness in international NGO networks. Using an event history approach, we find that foreign aid inflows are associated with an increased "risk" of restrictive law adoption in low- and middle-income countries, and that a log unit increase in foreign aid raises the probability of restrictive law adoption by 6.7%. This risk is exacerbated after nationally competitive legislative or executive elections, when the interaction of foreign aid and competitive elections increases the probability of restrictive law adoption by 11%. Our results are robust to a range of alternative model specifications, and we interpret this finding as evidence that governments will forego valuable international assistance, and risk their international reputations when aid to NGOs has recently challenged their political survival, and when their fresh electoral victory has given them a window of opportunity to curb political dissent.

We focus on the *onset* of restrictive laws, rather than *variations* in these laws' types - an issue of regulatory "design" that we explore elsewhere – or on the enforcement of these laws, a topic we scrutinize in ongoing work. We also do not focus on informal restrictions on NGO operations, another issue deserving of systematic research. Restrictive legal onset deserves concentrated and focused scrutiny, we believe, as it is a remarkable, formal rupture in the global spread of NGO-enabling legal environments charted by international relations scholars (Reimann, 2006). The liberal norms of the Western-backed "world polity" have been spreading rapidly for decades (Meyer et al., 1997), and foreign aid to locally operating NGOs is central to this process. Formal restrictions on this process, we believe, are a dramatic break in this process of global legal, administrative and normative diffusion. Governments prioritize political survival over aid, international reputations and norm compliance, and are willing to buck world polity legitimation pressures when they perceive serious threats to their rule. By bringing governments back in to the study of NGOs, we remind development scholars of the intrinsically political nature of international aid and civil society.

The rest of this paper is organized as follows: First, we describe the global pushback against foreign aid to domestically operating NGOs, discussing specific examples and the characteristics of restricting states. Then, we explore the theoretical reasons for this phenomenon, focusing on enabling conditions and on precipitating and exacerbating causes. We proceed to discuss our unique dataset, develop hypotheses, and present our statistical model and results. Finally, we suggest new areas for investigation, and explore our findings' theoretical and empirical implications for the study of development.

The Pushback against Foreign-Funded NGOs

Between 1993 and 2012, over a quarter of the world's low- and middle-income countries adopted newly restrictive laws regulating the flow of foreign funds to locally operating NGOs. These laws do one or more of the following: limit NGOs' ability to *receive* foreign money; specify the *amounts* of foreign money NGOs may legally receive; determine the *mechanisms* through which NGOs may access foreign aid; prescribe if, and how, NGOs can *use* foreign funds, including the issues on which they can work; and specify foreign aid *reporting and tax requirements*. With very few exceptions, these laws do not impose restrictions on specific categories of NGOs, such as human rights organizations or health groups. Furthermore, these restrictive laws do not distinguish between *types* of foreign funding, including money from private foundations, such as the Ford Foundation, or money from bilateral or multilateral aid agencies, such as the United States (U.S.) government or United Nations (U.N.).

A few examples illustrate the range of restrictions that have been adopted. In Equatorial Guinea and Angola, government authorization is required for locally operating NGOs to receive funding from international sources, while Azerbaijan and Belarus require organizations to notify government regarding receipt of internationally-sourced funds. Vietnam forbids the receipt of international funds that will negatively affect political order. Some governments set specific limits on the amounts of international financing organizations can receive; for instance, the Algerian government has discretionary power to set a cap on how much foreign money NGOs can legally receive, while Ethiopia has determined that human rights organizations cannot receive more than 10% foreign funding. In terms of restrictions on the use of foreign funding, Zimbabwe prohibits such funding from being use on voter education, while Rwanda allows only 20% of funds to be used on administrative expenses. Several governments require regular and extensive reporting on the receipt and use of foreign funds, such as Indonesia, Burundi, and India.

Figure 1 depicts the upward trend in the adoption of restrictive NGO finance laws, documenting their global cumulative prevalence, and Figure 2 shows their geographic spread.

Figure 1 here

Figure 2 here

Consider these examples. In 2005, Prime Minister Meles Zenawi's government permitted Ethiopian opposition parties, for the first time, to fully campaign in national parliamentary elections. Contrary to the government's expectations, however, "the opposition swept seats in Addis Ababa and finished strongly in other urban areas" (Lacey, 2005). Fearful for its political survival, the government claimed its rivals had won only 176 of 546 parliamentary seats - far fewer than likely - and passed new rules designed to bolster the governing party's legislative powers. Opposition groups, including the Coalition of Unity and Development, responded with furious demonstrations, which government forces harshly suppressed (Human Rights Watch, 2005). Officials later claimed these protests had been spurred by outside actors and funds, and in 2009, passed a law dramatically restricting foreign funding to locally operating NGOs. Henceforth, any INGO or DNGO seeking to work in Ethiopia on human rights and other politically sensitive issues would have to raise 90% of its funds locally. These laws are not just on paper, but have instead been seriously enforced. As a result, the organized Ethiopian human rights sector has all but shut down (Dupuy, Ron, & Prakash, 2014).

Something similar happened in Zimbabwe in 2008, when President Robert Mugabe grudgingly permitted semi-free national elections. Political challenger Morgan Tsvangirai's Movement for Democratic Change performed better than expected, prompting Mugabe to declare that foreign aid was being "channeled through nongovernmental organizations to opposition political parties, which are a creation of the West" (Dugger, 2008). Shortly thereafter, Mugabe's government enacted laws curbing the flow of overseas funds to locally operating NGOs (Human Rights Watch, 2008; International Crisis Group, 2009).

In Ecuador, similarly, the government of left-leaning president Rafael Correa was rocked by a political crisis in 2010, followed by a national referendum in May 2011. Shortly thereafter, Correa's government passed new regulations for foreign-sponsored DNGOs, outlawing activities "incompatible with public security and security" and banning over a dozen INGOs from the country. Foreign funded NGOs, Correa said, were undermining his government at the behest of right-wing groups (Freedom House, 2012; Reyes, 2011). A year later, Correa passed even tighter NGO rules, granting the president wide discretion in shutting civil society groups down (Human Rights Watch, 2013).

Table 1 lists the 39 low- and middle-income countries that have adopted restrictive NGO financing laws of this sort, along with their years of adoption. Appendix 1 summarizes each law's content.

Table 1 here

We focus on low and middle-income countries because their governments are particularly in need of international assistance and the contributions of civil society, and because NGOs in these countries tend to rely heavily on foreign funding. In these countries, the paradox of governments *restricting* foreign aid is particularly stark.

Restricting countries share the following characteristics: First, they are not confined to any given continent or region, but are instead scattered across Sub-Saharan and North Africa, the Middle East, all parts of Asia, South America, and Eastern Europe. The majority of restrictors (20 countries, or 51% of adopters), moreover, are what the World Bank classifies as "low income," with average per capita incomes under $1035 (in constant USD); the mean GDP per capita for adopter countries is $1630.[4] Not surprisingly, many of these countries also receive substantial overseas development assistance (ODA), with a median annual aid package of roughly $750 million USD.[5] This figure is nearly twice the median ODA for all recipient countries in our sample ($500 million), and represents nearly 7.5% of the median adopter's GDP. Foreign aid to restricting countries, in other words, has a comparatively large impact.

Politically, we find restrictors in every regime category, as defined by the Polity IV dataset, but most scored in the middle of Polity's autocracy-democracy spectrum. Their median measure on the Polity scale of -10 ("most autocratic") to +10 ("most democratic") was 5, which Polity defines as an "anocracy."[6] More importantly, most countries had experienced competitive national elections prior to adopting a newly restrictive law. Thus, 66% (26 of 39 adopting countries) had witnessed a competitive national legislative or executive election either in the year of adoption, or in the previous four years.

Why Do Governments Fear Foreign NGO Aid?

Governments appreciate foreign aid, particularly in low or middle-income countries, especially when channeled through state structures. Inevitably, some aid flows through local and international NGOs, but this money is also welcome, for the most part. Overall, governments regard both direct and indirect aid as a useful supplement to their ongoing activities, helping them deliver services, relieve budgetary pressure, and tying them more closely to key international actors.

Under what conditions might rulers fear foreign aid to locally operating NGOs so much that they would risk their international reputations, buck international normative trends, and forego the benefits of foreign-funded NGOs? Why are these fears especially acute following contested national elections? NGOs, after all, command no armies, have no legal powers, and direct no investment portfolios.

At the deepest level, governments are perennially anxious about hard-to-track and even harder-to-control transborder flows of goods, people, money, and ideas (Andreas, 2003). As a general rule, most states want to monitor and regulate these flows, for both instrumental and expressive reasons. “Border policing,” after all, is “a symbolic representation of state authority” (Andreas, 2000, p. 8), and real or perceived threats to the first can morph into perceived assaults on the second.

At a similarly deep level, the global norm of national sovereignty is also crucial; even the most quotidian forms of national pride are still pervasive (Billig, 1995). As the founders of the World Values Survey note, “Despite globalization, the nation remains a key unit of shared experience, and its educational and cultural institutions shape the values of almost everyone in that society” (Inglehart and Baker, 2000). Or, as another leading scholar observes, “we cannot but be struck by the hold and tenacity of local, ethnic, and national cultures, and the failure to instill in the mass of the world’s population a truly cosmopolitan outlook” (Smith, 2009). This attachment to national sovereignty has proved remarkably persistent, and foreign aid, like foreign direct investment, can easily be seen, or portrayed, as a violation of the same (Rutzen, 2015; Mendelson, 2015; Pandya, 2010). These sovereignty-focused explanations, however, cannot by themselves explain temporal and geographic variation in the onset of legal restrictions, as they are shared by almost all states.[7]

Another underlying cause for concern is the growing donor preference for channeling aid through non-governmental mechanisms, contrary to government preferences (Acht, Mahmoud & Thiele, 2013; Bebbington & Riddell, 1995; Dietrich, 2013).[8] This is particularly true for states with poor governance records, where donors often greatly prefer to send their support through non-governmental actors.[9] Official aid statistics do not consistently track aid to governments as opposed to NGOs, but since many of the restrictive legislation-enacting countries are poor or middle-income, their governance capacities are likely weak. In such cases, prior research has shown that donors routinely turn to locally operating NGOs, many of which are outside the government's direct control.

But herein lies the dilemma for recipient governments. On the one hand, they appreciate these aid inflows, even when some flows through NGOs. Most governments, moreover, want to be seen as norm-complying members of the world polity, which expects governments, among other things, to legally and practically facilitate NGO activities on their territory (Reimann, 2006). On the other hand, domestically operating NGOs and the political forces they are sometimes allied with (or *appear* allied with) can threaten the regime's survival.

Faced with these two opposing imperatives, governments need to decide whether to impose restrictive laws. If they do crack down on foreign aid to NGOs, overall aid inflows might drop,[10] and their international reputations might suffer, as a result of NGO "naming and shaming." [11] When the Ethiopian government proposed its new restrictive NGO law in 2008, for example, "Human Rights Watch, Amnesty International, UN agencies and others condemned the proposed law," and the international media published multiple critical articles (Dupuy, Ron & Prakash 2015, 25). On the other hand, if governments do *not* crack down on foreign-funded NGOs, they may face an emboldened civil society, heightened public criticism of their policies, greater international engagements, and all manner of spillover support for political challengers.

Recipient countries, in other words, must balance the *political* imperative of regulating aid inflows to NGOs - to ensure regime durability - against the *economic* imperative of securing larger aid inflows, and the *reputational* imperative of being viewed as an international norm complier. Under specific conditions, the political imperatives will crowd out governments' economic and reputational needs.

These government fears of foreign-supported NGOs are not idle; both scholarship and empirical experience clearly suggest that locally operating INGOs and DNGOs *can* and often *do* wield real influence. Domestic chapters of INGOs, as well as some types of locally-based INGOs, can promote anti-government sentiments and protest (Murdie & Bhasin, 2011). Bolstered by external resources and transnational connections, moreover, DNGOs and INGOs can attract global attention to government malfeasance such as human rights abuse, political corruption, and electoral manipulation. NGOs provide unique opportunities for autonomous and collective political action, and break the government's media monopoly (Sell & Prakash, 2004; Bob, 2005; Boulding & Gibson, 2009; Brown, Brown, & Desposato, 2007; Carpenter, 2014; Davis, Murdie, & Steinmetz, 2012; Hafner-Burton, 2013; Meernik, Aloisi, Sowell, & Nichols, 2012; Murdie & Bhasin, 2011; Nelson & Dorsey, 2007; Simmons, 2009). All of these trends have been heightened by the international development community's increasing engagement with the rights-based approach to development, which urges service and advocacy NGOs to conduct data-gathering, public advocacy, and policy critique (Cornwall & Nyamu-Musembi, 2004; Kindornay, Ron, & Carpenter, 2012; Schmitz, 2012; Uvin, 2004). Foreign-funded NGOs have credibility with influential international audiences; gather and disseminate hard-to-access, sensitive information, often in highly strategic ways; and create personal ties to international activists, journalists, foreign officials, and bureaucrats in inter-governmental organizations (IGOs). Although foreign-funded NGOs may not be directly and self-consciously linked to the government's political challengers, their resources, along with their tendency to criticize government misdeeds, can easily empower government rivals.

Most governments, however, wait until *after* competitive national elections to crack down on foreign funded NGOs, for a variety of reasons. First, national pride and political passions are often at their zenith at this point, following months of highly charged rhetoric and "rally around the flag" sloganeering. The losing side, moreover, often contests the electoral results, protesting at home and abroad that their victory was stolen. These claims and counter-claims act as focal points for governments and critics, as both sides realize the stakes have just become exceptionally high; if allowed to retain their grip on power, the newly (re) confirmed rulers will have several years to solidify control, undermine the opposition, and boost their chances for the next electoral round.

Many post-election governments may also feel they have gained room and legitimacy for political maneuver. Prior to elections, they felt obliged to tread lightly, fearing local or international backlash if they cracked down too hard on NGOs. Once the election has over, however, governments perceive a (limited) window of opportunity crush their opponents. Governments may also feel an urge for revenge against those opponents who just caused them so much grief. And finally, rulers may be keen to put new laws in place that will ensure their advantage in future electoral contestations; having seen the trouble that NGOs can cause, rulers do not want this cycle to repeat.

Importantly, the government need not have most of the population on its side when cracking down. Publics in some adopting states might oppose the adoption of restrictive NGO laws, preferring foreign aid over domestic spending (Findley et al, 2015), and other evidence suggests ordinary people may be less concerned by foreign aid to NGOs than their rulers (Ron & Crow, 2015). Still, rulers need only convince some key groups, including the party faithful, senior members of military and law enforcement agencies, and some of the politically undecided.[12]

For all these reasons, regimes that have recently experienced competitive elections are particularly likely to crack down on foreign aid to locally operating NGOs. Political passions are still running high; governments perceive a window of political opportunity to crack down; and political opponents seek to discredit the government's victory. By enacting laws to regulate foreign funds to local NGOs, these governments display a willingness to incur potential economic and reputational costs in return for greater political security.

Data and Hypotheses

We examine the onset of restrictive laws in the world's low- and middle-income countries from 1993 to 2012. We collected data on NGO laws in all states of the world, but restrict our sample to the 153 countries classified as low- and middle-income countries. To represent a government's decision to impose formal restrictions on foreign aid our dependent variable, *more restrictive law,* is binary, coded "1" for the year in which the state passed a new or more limiting law regulating funds from outside the country, and "0" for all other years. We define laws as "more restrictive" when they limit foreign funding to locally operating NGOs – either international or locally based - and are either entirely new, or more restrictive than, previous legislation. If a country passed a restrictive law in 1997, and then passed an even more restrictive law in 2004, we coded only the latter as "1."[13]

We collected data on NGO legislation worldwide from the International Center for Non-Profit Law; country reports from the US State Department Bureau of Democracy, Human Rights, and Labor; the World Movement for Democracy; the NGO Regulation Network; Civicus; the International Center for Civil Society Law; USAID's NGO Sustainability Index; country reports from United States International Grantmaking; reports by Amnesty International, Freedom House, and Human Rights Watch; and country-specific academic and policy sources. In most cases, we located and read the actual law(s) adopted by each country.[14]

Our key independent variables are *overseas development aid* (logged), and *competitive elections.* We measure overseas development aid using data from the World Bank's World Development Indicators dataset. Much of this foreign aid is funneled through NGOs, especially when recipient countries are poorly governed (Dietrich 2013).[15] We hypothesize that:

H1: Countries are more likely to pass restrictive NGO foreign finance laws when they receive larger sums of *overseas development aid.*

We expect governments to assess the implication of international influences through the lens of domestic politics. Government concerns about foreign aid will be magnified during periods of intense political challenge, measured here by the variable *competitive elections* from the NELDA dataset.[16] We expect that:

H2: Countries are more likely to pass restrictive NGO foreign finance laws after holding *competitive elections* and the country receives more *overseas development aid*.

We also control for a host of domestic and international factors that may independently influence the onset of restrictive laws.

International Control Variables

Some scholars suggest countries are emboldened to enact restrictive laws when sheltered from international criticism by a close alliance with the US (Christensen & Weinstein, 2013). In this view, while the US seeks to strengthen civil society abroad, it is unlikely to punish its allies when they restrict the domestic civil society sector. Yet, a higher affinity with the US might indicate that the country shares the values espoused by the US regarding the promotion of civil society. We, therefore, control for the extent to which a country votes with the US at the UN – *UN votes* - drawn from the Affinity of Nations dataset.[17] This source uses a "voting similarity index" of 0 to 1 equaling the total number of UN votes in which both the US and the other state agree, divided by the total number of joint votes.

Some scholars also suggest that NGOs are a crucial element of world society or world polity (Meyer et al., 1997). Constructivist international relations scholars (Finnemore, ,1996) trace this society's constitutive, constraining, and shaping effects on individual state structure and behavior. As Reimann (2006) notes, one of the world polity's key assumptions is that states will permit legally registered NGOs to receive and spend foreign funds from international sponsors. States with stronger world polity linkages, therefore, should be less inclined to pass restrictive NGO finance laws. In particular, we are interested in world polity linkage via a state's embeddedness in the network of international NGOs (INGOs); the more INGOs operating on its territory, the less likely the government should be to pass restrictive laws. And yet, as noted above, INGOs may also pose an acute political threat to regimes, which should, in turn, make the passing of restrictive laws *more* likely. We measure *INGO branch offices* (logged) with data from the Union of International Association's *Yearbook of International Organizations*.[18]

Domestic Control Variables

Domestic factors may also influence the onset of more restrictive laws. Democratic states, for example, should be less likely than their autocratic peers to adopt restrictive NGO laws, since they have a greater respect for civil liberties and civil society. Autocracies, by contrast, are more likely to view foreign funding flows to NGOs as political threats, as they are more likely to regard civil society as aligned potentially with the political opposition. As noted above, we assess *regime type* with the Polity2 measure from the Polity IV dataset, using scores from -10, or "most autocratic," to +10, or "most democratic." For ease of interpretation, we add 10 to each measure, creating a 0 to 20 scale.

We also include two additional measures of state repression: the *CIRI empowerment rights* and *CIRI physical integrity rights* indices. The first is an additive index of the extent to which governments respect their citizens' right to foreign and domestic movement, freedom of speech, assembly, religion, and association, workers' rights, and electoral self-determination. It ranges in value from 0, indicating no government respect for these rights, to 14, or full government respect. The second, physical integrity variable, is an additive index of government respect for its citizens' right to be free from torture, extrajudicial killing, political imprisonment, and disappearance. It ranges from 0, no government respect for these rights, to 8, full respect.[19]

Low levels of *economic development* are often associated with human rights abuse (Fearon & Laitin, 2003; Poe, Tate, & Keith, 1999), and may make it easier for governments to pass restrictive laws. Therefore, we control for the per capita income (logged), as reported in the World Bank's World Development Indicators.[20]

We also test for four other factors that could lead to domestic instability, and therefore influence the onset of restrictive laws: *strength of the political opposition, regime stability*, *party orientation*, and *armed conflict*. Governments may assess threats to their rule by examining the *strength of the political opposition*, measured here with voting data from the World Bank's Database of Political Institutions. This calculates the share of votes earned by the largest opposition party in the legislature.[21]

Politicians who have been in office for shorter periods are more politically insecure because they have had less time to develop popular support, create patronage networks, and instill bureaucratic and military loyalty. Politicians who have been in office for longer amounts of time, by contrast, should feel more secure, and are less likely to view larger sums of *overseas development aid* as a threat to their political survival. To measure *regime durability*, we count the number of years the chief executive has been in office, as provided by the World Bank's Database of Political Institutions.[22]

Political party orientation may also influence the adoption of restrictive NGO finance laws. Liberal political and economic philosophy emphasizes the importance of civil society in the development of democratic, capitalist societies. We measure *party orientation* using data from the World Bank's Database of Political Institutions, which contains information on the ideological orientation of the party of the chief executive with respect to economic policy. We code this variable for party ideology to the right, left, or center.

Finally*, armed conflict* poses a direct threat to regime stability, and is also associated with human rights abuse and poverty (Fearon & Laitin, 2003; Poe, Tate, & Keith, 1999. Fear of armed conflict may also prompt the political opposition to mobilize, or attract foreign intervention, and all of these may prompt governments to enact restrictive NGO foreign financing laws. We measure *armed conflict* as a dichotomous variable with data from the Uppsala/PRIO conflict dataset (version 4-2012).[23]

Neighborhood Effects

Countries may restrictive laws if their neighbors do so (Carothers & Brechenmacher, 2014; Civicus, 2014). For instance, Kenya's recently proposed legislation mirrored the draconian law adopted in Ethiopia in 2009. States may follow their neighbors for a variety of reasons. Governments may have insufficient information or understanding to assess the domestic consequences of foreign funding of NGOs. Or, they may have sufficient information or understanding, but may be less sure of how to translate it into policy. They may be inclined to follow a regional "logic of appropriateness" about how to assess or respond to foreign funding of domestic NGOs. While diffusion scholars have examined a range of ways in which we can think of neighborhoods (Beck, Gleditsch, & Beadersley, 2006), given our context, we focus on the geographical neighborhood only. We control for the *percentage of countries in a geographical region* that have adopted more restrictive foreign funding laws, using regional categorizations from the "Democracy Time Series Data" dataset. As a robustness check, we also test for percentage of countries with a common language, and those with a common religion (Simmons & Elkins, 2004).

We also considered an alternative measure of a neighborhood effects, the number of human rights NGOs in bordering countries (Bell, Clay, & Murdie, 2012). States may adopt restrictive NGO finance laws as a response to NGO activities; NGOs may cross borders to work in neighboring countries. However, this measure is unsuitable for this paper for two reasons. First, it does not actually measure cross-border activism activity. Second, if human rights or other NGOs cross borders to work in a neighboring country, they are unlikely to do so illegally. Rather, they must register with the government in order to operate, and their numbers should thus be captured in the variable *INGO branch offices*. Thus, we decided against including this measure in our model.

Model, Analysis, and Findings

We use survival analysis to test our hypotheses, allowing us to explain why and when governments adopt *more restrictive laws* (Box-Steffensmeier & Jones, 1997). Specifically, we employ a Cox proportional hazards model with time varying covariates to analyze the time elapsing until a country adopts a more restrictive NGO finance law. The Cox model is appropriate since we make no assumptions about the shape of the hazard rate, or the probability that an entity will experience a legislative event (Box-Steffensmeier & Jones, 2004). Moreover, multiple countries adopt laws in the same year, meaning that our dataset has tied events; the Cox model handles this with the Breslow method (ibid). Countries that do not adopt a restrictive foreign funding law are "right censored" (do not exit the analysis), while countries exit the analysis the first time they adopt a more restrictive law ("left censored").

We present our analysis in Table 2. We lag all independent variables by one year, and cluster robust standard errors by country to account for intra-country temporal dependence. We record 39 "failures," or instances in which states passed more restrictive NGO foreign finance laws.[24]

Table 2 here

Model 1 in Table 2 presents the unconditional effects of *overseas development aid* and our two measures of regime instability, *competitive elections* and *strength of political opposition*. The coefficient for *overseas development aid* is positive and statistically significant at the 90% level, and the hazard ratio (1.067) is greater than 1, meaning that *ceteris paribus*, a log unit change in *overseas development aid* increases the probability of adoption by 6.7%. This provides some weak support for Hypothesis 1. Other key variables of interest reflecting electoral instability, *competitive elections* and *strength of political opposition,* are not statistically significant.[25]

As argued above, governments are likely to assess the implications of international influences on regime durability through the prism of domestic politics. Model 2 in Table 2 examines how our measure of electoral instability interacts with *overseas development aid*. Model 2 tests Hypothesis 2, which expects states to more readily adopt restrictive laws when they receive more *overseas development aid* and hold *competitive elections.* The coefficient of the interaction term is positive and statistically significant, and the combination of more *overseas development aid* and *competitive elections* increases the hazard rate of adoption (1.11) by 11%.

In Model 3, we add the measures for the *CIRI empowerment* and *physical integrity rights* indices to the covariates in Model 1. Our results indicate that a higher CIRI empowerment score slightly reduces the risk of adopting a restrictive NGO finance law (by 2%), which is not surprising. However, the CIRI physical integrity rights measure is not a significant predictor of the onset of a restrictive NGO finance law.

Finally, in Model 4, we test for the possibility that certain *types* of foreign aid might trigger the onset of restrictive NGO laws, rather than aid in general. States that receive higher levels of US economic assistance might crack down on civil society in an effort to push back against perceived US hegemony and interference into their internal affairs, a version of what Pape (2005) might call "soft balancing." We subtract flows of *US net bilateral aid flows* from our measure of *overseas development aid* to test the effect of US aid separately, but the measure for US aid does not achieve statistical significance. Non-US aid, however, remains significant at the 90% level. Since bilateral aid may be more heavily politicized than multilateral aid, at least in the eyes of recipient governments, we further test the robustness of our findings by subtracting total bilateral aid out from total aid. Our results hold.

Among control variables, *democracy* is significant across models (save for Model 3), slightly lowering the risk of adoption from roughly 0.1% to 1.5%. Logged *INGO branch offices* is also statistically and substantive significant across several of the models, lowering the risk of adoption between 7% and 15%. When countries have more formally registered INGO offices, these groups can collectively pressure the government to *not* adopt more restrictive laws. Alternatively, a higher number of INGO member offices may signal the host government's greater dependence on these organizations for service delivery. This dependence, in turn, may make rulers less willing to restrict foreign aid flows to NGOs. Finally, *armed conflict* is also significant across models, with a hazard ratio varying from 1.12 to 1.18 in the different models. Conflict onset thus increases the risk of adoption by 12% to 18%, depending on the other variables included in the model.

Importantly, our results provide some evidence to disconfirm two alternative explanations advanced in the scholarly and policy literatures to explain the rash of restrictive NGO finance laws. *Voting with the US at the UN* is not significant in any of the models, offering no evidence that US allies feel less constrained to crack down on foreign financed NGOs because they feel protected by the US (Christensen & Weinstein, 2013). Again, contrary to recent literature (Carothers & Brechenmacher, 2014; Civicus, 2014), we find no neighborhood effects; *percentage of countries in a geographical region* that have adopted more restrictive foreign funding laws is not significant across any model. We thus have no empirical evidence that restrictive laws are spreading through processes of diffusion.

Finally, we tested a number of alternative specifications to ensure the robustness of our results. Using Model 1, we tested separately for the effects of the interactions between *overseas development aid* and *strength of the political opposition, armed conflict, regime durability, party orientation*, and *INGO member offices*, but none were significant. Assuming that our *INGO* variable is a proxy either for the strength of "boomerang effects" or world society, we find no support for the notion that governments enact restrictive laws to preempt boomerang effects via aid, and/or are seeking to reject world society's influence.

We also tested alternative spatial diffusion measures to the *percentage of countries in a geographical region*, including the *percentage of countries with a common language* as well as those *with a common religion*. Neither were statistically significant, leading us to conclude that it is indeed the domestic political environment that conditions the effects of *overseas development aid*, particularly when *competitive elections* threaten political stability.

In Model 5, we add in regional dummies for Africa, Asia, and Latin America to Model 2, to ensure that no one region, such as Africa, is driving our results. We find the same results as in Model 2, with the interaction raising the probability of adoption by nearly 10%.

Conclusion

Rising levels of restrictive NGO finance legislation are slowing the third sector's global expansion and undermining policy optimism about civil society's ability to further economic development, support democracy, and spread liberal norms. Instead, the Western-supported global civil society project faces growing government opposition in recipient countries. Promoting human rights, democracy, and development can appear politically loaded to political incumbents, pushing them to find ways of containing the domestic political challenges posed by foreign-funded civil society. Importantly, our evidence does not suggest that governments are opposed to civil society promotion *per se,* but rather that they oppose civil society promotion via foreign aid during times of domestic political competition.

Governments often accommodate foreign flows to NGOs, especially in poor or middle-income countries, because these provide scarce resources and strengthen their reputations with significant international audiences. When governments' political survival appears threatened, however, they are more willing to forego this aid and risk being "named and shamed" by NGOs, the media, and donor governments. In these cases, reducing political risk through restrictive NGOs finance laws outweighs the attendant economic and reputational costs.

What are the implications for the study and practice of development? First, donors must remind themselves that aid to civil society development is not a win-win for *all* domestic actors.

It has concrete political consequences, creating and empowering a new class of actors whose political preferences may not necessarily cohere with those of political elites and others in recipient countries (Prakash & Gugerty, 2010). Under some conditions, perceived losers will push back, and when these control the state, this pushback will undermine domestically operating civil society.

Second, civil society should, in theory, be a grass-roots phenomenon, articulating the interests of groups and individuals who cannot otherwise make their needs felt. For reasons of legitimacy and efficacy, civil society must focus to a much greater extent on mobilizing resources from people they claim to represent (Chahim & Prakash, 2014). In other words, these organizations must start looking inwards rather than solely outwards for the resources they need to survive. If citizens are willing to pay for civil society, they may also be more willing to stand by it, especially in countries where state repression is not so high that local donors and protestors risk severe penalties.

Third, our findings reinforce the message that international donors cannot "purchase" civil society in developing countries. Instead, flows of foreign aid are likely to create a dual system pitting traditional, grassroots groups against the modern, often urban-based, NGO sector (Chahim & Prakash, 2014). This creates tensions, undermines the legitimacy of all civil society actors, and provides opportunities for political elites to crack down on civil society, and in some cases, criminalize dissent. Thus, scholars of civil society promotion must continue to engage with the broader debate over aid efficacy, and the extent to which foreign aid inadvertently undermines some of the very same objectives it seeks to support (Henderson 2003; Easterly, 2006; Sachs, 2006).

More hopefully, our findings suggest that civil society organizations can band together against states seeking to repress the sector. One important recent example is Kenya, where civil society organizations successfully came together to pressure Parliament not to adopt a newly proposed law that mirrored Ethiopia's restrictive legislation in capping foreign funding contributions to NGOs at 15%.[26] While our results support the idea that strength lies in numbers, other collective action tactics might also be effective in thwarting restrictive legislation where organizational numbers are low.

Finally, this article confirms that elections matter for authoritarian and semi-authoritarian governments. Elections should not be confused with democracy, but they do have important symbolic value. Political scientists routinely focus on the characteristics of "competitive authoritarians," "hybrid regimes," and "authoritarian enclaves" (Fox, 1994; Levitsky & Way, 2010); our findings suggest development scholars should do the same.

Future research should focus on examining the *implementation and enforcement* of restrictive NGO finance laws to better understand their impact, as well as the *non-legal methods* states use to clamp down on civil society. Governments constrain NGOs in multiple ways, and only one of these is formal law. To be sure, recent reports clearly indicate that enforcement is happening, with examples ranging from India's cancellation of Greenpeace's operating license in 2015, to Russia forcing dozens of NGOs to register as "foreign agents" since 2012, to Egypt's crackdown on U.S.-funded groups. In Ethiopia, moreover, scholars have shown that many NGOs went out of business following the new laws. Still, enforcement patterns will vary, and governments have other, less formal mechanisms for restricting funds to NGOs; these too are worthy of systematic inquiry.

Scholars should also explore whether restrictive NGO finance laws are an isolated phenomenon, or whether they are part of a larger and more comprehensive anti-democratic strategy. Recent reports argue for a marked increase in government restrictions on Internet and press freedoms,[27] suggesting a broader backlash against democracy overall (Diamond, 2015). Further research is needed to verify whether this is, in fact, true.

Finally, researchers should focus on foreign funding crackdowns in wealthier countries, such as Canada, Israel, and Russia. Why do political elites in these countries, where foreign aid does not play such a substantial role, also feel threatened by foreign funding to civil society? Does this reflect a deeper issue of states, rulers, and traditional elites seeking to reclaim sovereignty in an era of enhanced communication, globalization, and transnational action?

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Appendix 1: Summary of the Contents of Adopted Laws, 1993 – 2012

Country	**Summary Description of Legal Restrictions on Foreign Funding**
Afghanistan	Requirements for how organizations can receive foreign funding; restrictions on certain types of organizations receiving foreign funding
Algeria	Requirements for how organizations can receive foreign funding; government may cap the amount of foreign funding that NGOs can receive; foreign funding may come only from approved sources

Angola	Government approval required for foreign funding
Azerbaijan	Government notification of foreign funding required
Belarus	Government approval required for foreign funding; foreign funding can be used only for certain purposes
Belize	Requirements for how organizations can receive foreign funding
Benin	Requirements for how organizations can receive foreign funding; government notification of revenue sources required
Bhutan	Requirements for how organizations can receive foreign funding; reporting requirements
Bolivia	Use of foreign funding prohibited for particular activities; government approval required for foreign funding
Burundi	Requirements for how organizations can receive foreign funding; government approval required for foreign funding; reporting requirements
Cameroon	Government approval required for foreign funding
China	Requirements for how organizations can receive foreign funding; government approval required for foreign funding
Ecuador	Foreign-funded organizations prohibited from carrying out particular activities; government monitoring of NGO contracts financed with foreign funding
Egypt	Government approval required for foreign funding
Equatorial Guinea	Government approval required for foreign funding
Eritrea	Requirements for how organizations can receive foreign funding; government restrictions on use and source of foreign funds; minimum amount of foreign funding required for INGOs to operate
Ethiopia	Foreign-funded NGOs prohibited from working on certain issue areas
India	Reporting and accounting requirements for foreign funding; government approval required for foreign funding; foreign-funded organizations prohibited from carrying out particular activities, and certain types of organizations are prohibited from receiving foreign funding; other restrictions on use of foreign funding
Indonesia	Foreign-funded organizations prohibited from carrying out particular activities; government restrictions on whether foreign funding can be received; reporting requirements; requirements for how organizations can receive foreign funding
Jordan	Government approval required for foreign funding; requirements for how organizations can receive foreign funding
Myanmar	Requirements for how organizations can receive foreign funding
Nepal	Government approval required for foreign funding
Oman	Foreign funding prohibited
Pakistan	Reporting requirements
Rwanda	Requirements for how organizations can receive foreign funding; restrictions on use of foreign funding; organizations must report source of revenues
Sierra Leone	Requirements for how organizations can receive foreign funding; reporting requirements
Somalia	International NGOs required to financially empower domestic NGOs; government approval required for foreign funding

Sri Lanka	Foreign funds are taxed
Sudan	Government approval required for foreign funding
Thailand	Government approval required for foreign funding; organizations must report source of revenues
Tunisia	Restrictions on sources from which foreign funding can be acquired
Turkmenistan	Foreign funding prohibited for certain activities; government notification of foreign funding required
Uganda	Requirements for how organizations can receive foreign funding; reporting requirements
Ukraine	Requirements for how organizations can receive foreign funding; government approval required for particular uses of foreign funding
Uruguay	Reporting and accounting requirements
Uzbekistan	Requirements for how organizations can receive foreign funding; organizations must report source of revenues; government approval required for foreign funding; reporting requirements
Venezuela	Certain organizations are prohibited from receiving foreign funding
Vietnam	Foreign funding prohibited for certain activities; restrictions on receipt and use of foreign funding; government approval required for foreign funding
Zimbabwe	Government approval for foreign funding; foreign funding prohibited for certain activities

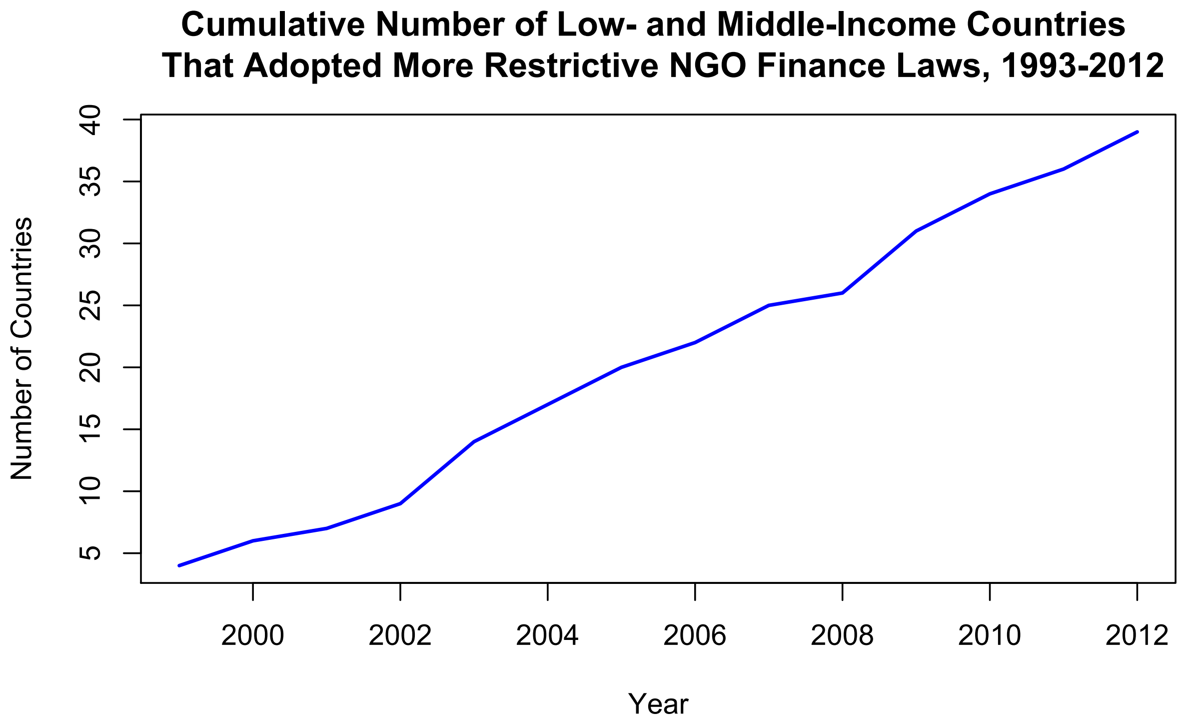

Figure 1: Running Total (Cumulative) Number of More Restrictive NGO Foreign Finance Laws

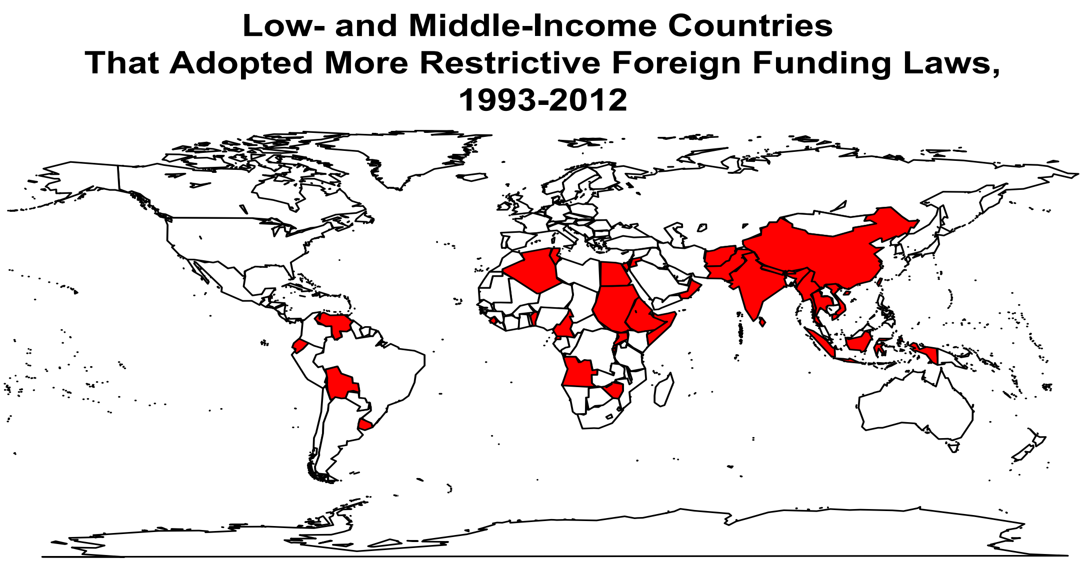

Figure 2: Global Spread of Restrictive NGO Finance Laws

Table 1.[1]

39 Low- and Middle-Income Countries Imposed "More Restrictive" Foreign Funding Laws, 1993 – 2012

Afghanistan (2005)	Egypt (2002)	Somalia (2010)
Algeria (2012)	Equatorial Guinea (1999)	Sri Lanka (2005)
Angola (2002)	Eritrea (2005)	Sudan (2006)
Azerbaijan (2004)	Ethiopia (2009)	Thailand (2000)
Belarus (2001, 2003)	India (2010)	Tunisia (2011)
Belize (2003)	Indonesia (2004, 2008)	Turkmenistan (2003)
Benin (2003)	Jordan (2008)	Uganda (2009)
Bhutan (2007)	Myanmar (2006)	Ukraine (1999)
Bolivia (2007)	Nepal (2012)	Uruguay (2004)
Burundi (1999)	Oman (2000)	Uzbekistan (2003, 2004)
Cameroon (1999)	Pakistan (2003)	Venezuela (2010)
China (2009)	Rwanda (2012)	Vietnam (2009)
Ecuador (2011)	Sierra Leone (2009)	Zimbabwe (2007)

Table 2. Cox Proportional Hazards Models for Restrictive NGO Finance Laws Adoption					
	Model 1 baseline	Model 2: interaction term	Model 3: include CIRI	Model 4: US aid	Model 5: regional dummies
Key Variables of Interest					
Overseas development aid	1.067+ (0.038)	1.052 (0.042)	1.063 (0.041)		1.043 (0.043)
Competitive election	1.048 (0.038)	0.130** (0.082)	1.051 (0.042)	1.067 (0.038)	0.159** (0.093)
Interaction Term					
ODA and competitive election interaction		1.110*** (0.035)			1.099** (0.032)
International controls					
INGOs	0.880* (0.051)	0.869* (0.054)	0.888* (0.045)	0.856** (0.050)	0.875* (0.053)
Neighborhood effects	0.871 (0.170)	0.828 (0.172)	0.831 (0.144)	0.944 (0.177)	0.664 (0.193)
Voting with the US at the UN	1.328 (0.423)	1.349 (0.438)	1.245 (0.428)	1.313 (0.537)	1.375 (0.494)
Non-US ODA				1.063+ (0.039)	
US economic aid				1.014 (0.025)	
Domestic controls					
Regime Type	0.988* (0.005)	0.989* (0.005)	0.994 (0.005)	0.987* (0.005)	0.990* (0.005)
Economic Development	1.072+ (0.044)	1.075 (0.049)	1.063 (0.041)	1.071 (0.048)	1.066 (0.005)
Armed conflict	1.159** (0.059)	1.152** (0.062)	1.189** (0.063)	1.173* (0.079)	1.166* (0.076)
Opposition strength	1.002 (0.001)	1.002* (0.001)	1.003** (0.001)	1.001* (0.001)	1.002* (0.001)
Chief executive years in office	1.001 (0.002)	1.002 (0.002)	1.000 (0.001)	1.000 (0.002)	1.002 (0.002)
Party orientation	0.974 (0.017)	0.978 (0.018)	0.972 (0.016)	0.979 (0.018)	0.975 (0.020)

CIRI empower			0.980* (0.008)		
CIRI physical			1.020 (0.021)		
N	915	915	873	773	915
AIC	123.8779	121.8345	124.4883	104.8945	126.498

ENDNOTES

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[1] Based on World Bank data and definitions. "Low-income" countries are those whose GDP is less than $1045, while "middle-income" countries are those whose GDP falls between $1045 and $12,615. See http://data.worldbank.org/news/new-country-classifications.

[2] 6 upper income countries have also passed restrictions in this time period, but we restrict our argument here to lower-income and middle-income countries.

[3] Several country-level studies highlight the dependence of local NGOs on foreign aid. Barr, Fafchamps, and Owens (2003, Table 9) report that in Uganda, 74% of funding for local-origin NGOs in 2000-2001 came from foreign sources; Gauri and Galef (2005, 2053) report that in Bangladesh, 50% of grants to small, local-origin NGOs come from international sources; Two studies of local-origin human rights NGOs in Nigeria and Israel suggest that foreign aid comprises over 90% of their budgets (Berkovitch and Gordon, 2008; Okafor, 2006); and Ron, Pandya and Crow (forthcoming) estimate that 60-70% of local rights groups depend "substantially" on foreign aid.

[4] Based on World Bank data and definitions. "Low-income" countries are those whose GDP is less than $1045, while "middle-income" countries are those whose GDP falls between $1045 and $12,615. See http://data.worldbank.org/news/new-country-classifications.

[5] In constant USD, from the World Development Indicators dataset; see http://data.worldbank.org/indicator/DT.ODA.ALLD.CD, last accessed November 16, 2015.

[6] Based on the Polity III scoring of *regime type* from -10 to +10, and definition of "autocracies" from -10 to -6; "anocracies" from -5 to +5; and "democracies" from +6 to +10. All figures from year of adoption, or the year prior. We do not include Afghanistan, Belarus, and Belize, as their

data is missing. See http://www.systemicpeace.org/polityproject.html, last accessed November 16, 2015, and (Jaggers and Gurr, 2011).

[7] Carnegie and Dolan (2015) suggest that in response to natural disasters, states might decide to reject aid to bolster their reputation, or signal to the world that they are more economically developed and/or stronger at times of crisis such as a humanitarian disaster. We agree but wish to underscore that there are significant differences in the scale of aid inflows a country might accept on a regular basis versus in response to the one-shot events. Thus, the politics aid acceptance and rejection varies under these two scenarios. Carnegie and Dolan (2015) note the case of India that has rejected foreign aid offered in response to natural disasters. Yet, India continues to accept foreign aid on a regular basis: between 2000 and 2015, India received $25 billion in aid.

[8] Donors often prefer to support NGOs rather than governments for reasons of transparency, efficiency, and impact, but some observers argue that this mode of aid delivery can undermine state capacity and accountability (De Waal, 1997); undercut civil society's independence, legitimacy, and ties to the broader population (Jalali, 2013); or provoke divisions among civil society actors (Stiles, 2002).

[9] Dietrich 2015 argues that domestic ideologies in aid-sending countries can help explain patterns of NGO aid allocation.

[10] In forthcoming work, we show that the adoption of restrictive NGO finance laws reduces foreign aid flows to adopting countries 15%-57%, depending on model specification.

[11] For a review of the theoretical and empirical "naming and shaming" literature, see Hafner-Burton (2008) and Murdie and Davis (2011).

[12] There is little polling information on the general public's attitudes towards foreign funding of NGOs, but one recent study found that popular trust in local rights groups in four countries was "not reliably and consistently undermined by foreign aid" (Ron and Crow 2015, 209).

[13] Six countries adopted foreign funding restrictions prior to 1993, and five countries adopted less restrictive foreign funding laws between 1993 and 2012, with four of these included in our dataset. These instances appear as "0" in our data. Five countries also imposed multiple restrictive laws from 1993 to 2012, but we coded "1" only in the first instance. These multiple laws are separate pieces of restrictive legislation that restrict different aspects of foreign funding flows to locally operating NGOs. An additional two countries updated their legislation with a more restrictive law between 1993 and 2012.

[14] Records of each law are on file with the author, as are notes regarding sources referenced for each country.

[15] We recognize that not all foreign aid is channeled through NGOs. However, to the best of our knowledge, there is no systematic longitudinal data for a large panel of countries on the proportion of aid channeled through NGOs. Our assumption is that on average, larger aid flows overall are associated with larger aid flows through NGOs.

[16] To identify a *competitive election*, we use three indicators from the National Elections across Democracy and Autocracy (NELDA) dataset: whether the opposition was allowed to participate, whether more than one political party was legal, and whether the electoral ballot displayed a choice of candidates. If the answer was "yes" to all three, we coded this binary variable as "1." If not, we coded it as "0." The NELDA dataset can be accessed at http://hyde.research.yale.edu/nelda/, last accessed on November 16, 2015 (see also Hyde and Marinov 2011).

[17] Anton Strezhnev; Erik Voeten, 2013, "United Nations General Assembly Voting Data," http://hdl.handle.net/1902.1/12379 UNF:5:s7mORKL1ZZ6/P3AR5Fokkw== Erik Voeten [Distributor] V7, last accessed on November 16, 2015.

[18] Data available online at http://www.uia.org, last accessed November 16, 2015..

[19] Data available online at http://www.humanrightsdata.com, last accessed on November 16, 2015.

[20] Data available online at http://data.worldbank.org/data-catalog/world-development-indicators, last accessed on November 16, 2015.

[21] See Beck, Clarke, Groff, Keefer, and Walsh, 2001. Data available online at http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTRESEARCH/0,,contentMDK:20649465~pagePK:64214825~piPK:64214943~theSitePK:469382,00.html, last accessed November 16, 2015.

[22] Data available online at http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTRESEARCH/0,,contentMDK:20649465~pagePK:64214825~piPK:64214943~theSitePK:469382,00.html, last accessed November 16, 2015.

[23] These data define "armed conflict" as one with at least 1,000 annual battle deaths. See Gleditsch, Wallensteen, Eriksson, Sollenberg, and Strand, 2002; Themnér and Wallensteen, 2014.

[24] In the four states in our sample that adopted multiple laws during 1993-2012, we record only the first year in which these states adopted the law.

[25] Some critics may argue that the coding of our dependent variable to record only the shift to a more restrictive NGO finance law might bias our results. We replicate Model 1 using a

dependent variable that includes the four countries in the sample that adopted multiple, separate pieces of legislation restricting foreign funding flows (Belarus, Indonesia, Zimbabwe, and Uzbekistan), as well as the one country (Egypt) that adopted one set of foreign funding restrictions between 1993 and 2012, and then adopted an even more restrictive piece of legislation superseding the first legislation. We find the same results as in Model 1.

[26] See http://www.article19.org/join-the-debate.php/128/view/, last accessed November 16, 2015.

[27] See Freedom House's reports "Freedom on the Net" (https://freedomhouse.org/report/freedom-net/freedom-net-2015) and "Freedom of the Press" (https://freedomhouse.org/report/freedom-press/freedom-press-2015#.VkeBWHum0Q0), last accessed November 16, 2015.