

Pushing Back or Backing Down? Examining Donor Response to Restrictive NGO Legislation*

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Abstract

As authoritarianism has spread around the world, government efforts to stifle civic space have increased dramatically. Among the most alarming tactics has been the spread of restrictive laws targeting non-governmental organizations (NGOs). While such laws threaten the core objectives of many foreign donors, they have become especially common in aid-dependent nations. How do foreign donors react to this assault on their local and international development partners? Do their responses hinge on their commitment to promoting democracy? On one hand, democracy-focused donors might push back, ramping up support for advocacy in defiance of draconian measures. Alternatively, when restrictions make it difficult to work with local partners, donors might back down to aspiring autocrats by decreasing support for advocacy. Testing these arguments using dyadic data on aid flows, an original dataset of NGOs laws, and a variety of research designs, we find that the donors most committed to democracy promotion back down in the face of restrictive NGO laws, reducing support for advocacy work by over 70%. Our findings suggest that donor behavior creates strong incentives for governments in aid-receiving countries to use legal measures to crackdown on civil society.

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1 Introduction

In recent decades, non-governmental organizations (NGOs) have become a powerful political force in countries that receive foreign aid. The rise of NGOs as major political actors was driven largely by bilateral donors, who dramatically increased the share of aid channeled through NGOs (Reimann, 2006).¹ In seeking to bypass corrupt governments and empower civil society, donors have relied on a growing number of both international and local NGOs to implement aid projects (Dietrich, 2013; Bush, 2015).

Importantly, NGOs engage in activities that can both benefit and threaten political incumbents. On one hand, many NGOs provide services that improve citizen well-being (Tsai et al., 2020; Nyqvist et al., 2019; Bold et al., 2018; Croke et al., 2016; Schwartz and Bhusan, 2005) and yield political benefits for national incumbents (Springman, 2022, 2020; DiLorenzo, 2018; Brass, 2016). NGOs can also strengthen ties between citizens and the state (Teets, 2014) and bolster states' international standing (Bush, 2015). On the other hand, NGOs have been a force for democratic accountability (Carothers, 2020) credited with public mobilization ranging from higher voter turnout and local land disputes all the way to regional 'color revolutions' (Gilbert, 2020; Gilbert and Mohseni, 2018; Boulding, 2014; Boulding and Gibson, 2009).

In response, many governments have adopted 'NGO laws' that provide administrative means to crack-down on activities incumbents find threatening (Viterna et al., 2015; Nelson and Dorsey, 2008, p.17). These laws emerged over the last 15 years (Youngs and Echague, 2017, p. 9) and have proliferated most dramatically in aid-receiving countries (Dupuy et al., 2016). Research has found that these laws work as intended, reshaping the NGO sector by driving-out NGOs working on human rights and discouraging domestic and international civil society groups from engaging in politically sensitive activities (Hollerbauer et al., 2024; Springman et al., 2022; Smidt et al., 2021; Plantan, 2022, 2020; Dupuy et al., 2015). Clearly, these laws threaten the interests of donors who value democracy promotion by constraining the activities and increasing administrative burdens on their implementing partners.

How have bilateral donors responded? Existing research has focused on explaining cross-country variation in the adoption of NGO laws (Dupuy et al., 2016; Christensen and Weinstein, 2013) and

¹According to OECD data, between 2005 and 2017, the share of bilateral aid channeled through NGOs increased from 5% to 17%.

why governments use administrative rather than violent means of repression (Chaudhry, 2016). However, relatively little research has considered the response of donors.² We argue that donor responses will hinge on their commitment to democracy promotion. While donors like France and Japan have focused their aid policies on services delivery and infrastructure, countries like Norway, Sweden, and Denmark have prioritized political advocacy around democracy, governance, and human rights. We expect that restrictive NGO laws will have a greater impact on the behavior of advocacy-oriented (AO donors) donors, relative to donors who prioritize service and infrastructure.

We identify two reasons to expect that AO donors will be more responsive to NGO laws. On one hand, by erecting new barriers to democratic governance, NGO laws threaten the programmatic objectives of AO donors. As a result, we might expect AO-donors to “push back” by increasing the volume of aid allocated to political advocacy. Initiatives such as the United States’ ‘Stand with Civil Society’ agenda, which calls for increased funding and “coordinated action to support and defend civil society” amidst increasing restrictions on freedom of association and assembly, give the impression that AO donors respond to closing civic space by channeling more resources to advocacy efforts (USAID, 2014, p.2).

Alternatively, NGO laws reduce the delivery capacity of AO donors more than other donors. AO donors channel more aid through NGOs than non-AO donors, and NGO laws typically include vague provisions that allow for selective enforcement targeting NGOs engaged in advocacy while sparing those providing services (Heiss and Kelley, 2017; Christensen and Weinstein, 2013). By differentially increasing the cost of advocacy work, NGO laws may prompt AO donors to “back down” and decrease the volume of aid devoted to advocacy.

To study heterogeneity in donor responses to NGO laws, we use data on commitments for nearly 2.3 million aid projects from OECD donors. We calculate the amount of aid channeled to advocacy or service and infrastructure (SI) projects for each donor-recipient dyad for 2005 through 2019. We combine this with an original dataset of restrictive NGOs laws and use a variety of research designs, including two-way fixed effects (TWFEs) event-study models and generalized synthetic control (GSC). Our approach expands on previous analyses of NGO laws and aid flows in at least two ways (Dupuy and Prakash, 2018; Chaudhry and Heiss, 2018). First, by conducting the

²Dupuy and Prakash (2018) is a notable exception, finding that the adoption of restrictive NGO finance laws are associated with a 32% decline in bilateral aid inflows in subsequent years, likely due to the removal of NGOs from aid delivery chains rather than as a punishment for democratic backsliding.

analysis at the donor-recipient dyad level, we account for theoretically important heterogeneity in the response of donors that prioritize different types of aid. Second, GSC allows us to inspect how the treatment effect changes over the full period after laws are enacted, providing a more complete picture of donor responses over time.

We find that AO donors decrease advocacy spending by more than 70% in the years after the passage of a restrictive NGO law, equivalent to a \$3.4 million annual reduction in funding for advocacy projects for the average law-passing dyad. AO donors also decrease their spending on SI aid, though to a smaller degree. Furthermore, these decreases persist across the full post-treatment period in our sample, indicating a long-run negative effect on advocacy funding. Meanwhile, NGO laws have no impact on aid allocated by non-AO donors.

This paper contributes to large literatures on the strategic behavior of bilateral donors, international pressure on repressive governments, and the impact of repression on civil society. We begin by theorizing how bilateral donors might respond to administrative repression of their implementing partners in aid-receiving countries. Specifically, we identify reasons donors that prioritize democracy promotion might use their significant power to push back against these measures or back down in the face of increased costs.

We then present new evidence on donor responses, and how responses vary according to donors' prioritization of democracy promotion. How donors respond has important implications for the incentives facing aspiring autocrats intent on consolidating power. By showing that the donors most committed to democracy promotion back down in the face of administrative crackdowns on their development partners, our findings suggest that the proliferation of NGO laws has been "successful" from the perspective of backsliding regimes. In fact, donor behavior creates strong incentives for governments in aid-receiving countries to use legal measures to crackdown on civil society.

2 NGO Laws and the Response of Bilateral Donors

Over the last three decades, the prominence of NGOs in both international and domestic politics has increased dramatically. This rise has been driven by two factors. First, concerns about the misuse of aid given to government agencies in recipient-countries drove many donors to bypass

governments in aid-disbursement, relying instead on NGOs to implement aid projects (Banks et al., 2015; Dietrich, 2013; Watkins et al., 2012). In doing so, donors helped fund a massive increase in the number and size of NGOs in aid-receiving countries, where domestic sources of funding were (and remain) scarce (Hollerbauer et al., 2024).

The increased reliance on NGOs for aid delivery coincided with a growing interest among bilateral donors in democracy promotion. After the Cold War, many donors began to prioritize funding for political advocacy work around human rights, government transparency, and election monitoring (Ottaway and Carothers, 2000; Gilbert, 2020; Dupuy et al., 2016; Bush, 2015). While most aid-receiving governments welcomed the growing role of NGOs in providing services like health care and education (Malena and Chhim, 2009; Coventry, 2016), many were less enthused by the increased availability of resources for NGOs working to mobilize citizens and advocate for political change (Gilbert, 2020; Bunce and Wolchik, 2010; Boulding and Gibson, 2009).

In response to the growing influence of NGOs, many aid-receiving governments have implemented restrictive “NGO laws.” These laws often bar organizations from engaging in “political” work or activities that threaten “national interests,” expand government oversight of NGO operations, and increase the state’s discretion to target specific NGOs.³ Figure 1 shows that between 2005 and 2019, 63 countries receiving bilateral aid from OECD donors passed at least one law imposing significant restrictions on NGOs. These restrictions rarely ban NGOs outright; instead, they provide incumbents with tools for selective enforcement against NGOs engaged in anti-regime advocacy work (Heiss and Kelley, 2017; Christensen and Weinstein, 2013). In doing so, these countries have erected barriers to democracy promotion, a central component of many Western donors’ aid strategies in the post-Cold War period (Williams, 2020).

Some donors have been vocal in their intention to counter legal repression by supporting advocacy. For example, USAID included the issue of closing civic space in its strategy on Democracy, Human Rights, and Governance starting in 2013 (Carothers and Brechenmacher, 2014, p. 32). Similarly, the Swedish International Development Cooperation Agency (SIDA) listed “promoting an enabling environment for civil society” in response to “restrictive legislation in a large num-

³For example, NGO laws in Cambodia, Russia, Saudi Arabia, and Egypt all contain clauses empowering the government to revoke the registration of NGOs found to compromise “national unity” (Brechenmacher, 2017; RGC, 2015). Similarly, the 2016 Foreign Donations Regulation Act in Bangladesh that grants the government authority to shut down NGOs that make derogatory remarks about “constitutional bodies,” including the parliament, the election commission, and the judiciary (USAID, 2018).

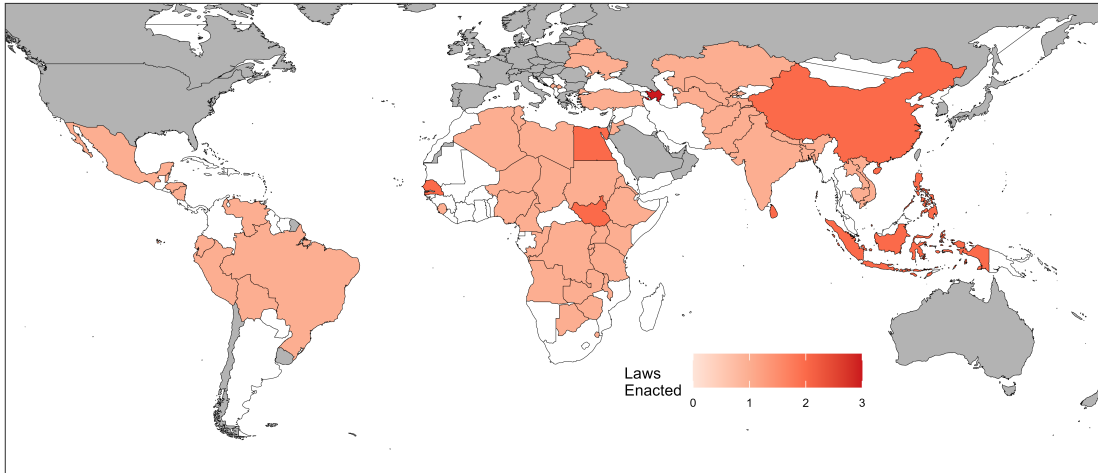


Figure 1: Restrictive NGO laws enacted between 2009 and 2019 in aid-receiving countries. Grey indicates countries that did not receive aid from OECD donors during this period. White indicates countries did not enact any restrictive laws.

ber of countries” as one of two stated priorities in a 2016-2022 strategy document (SIDA, 2017, p.10). The EU continued support of advocacy work in restrictive environments through a variety of mechanisms (Brechenmacher, 2019; EIDHR, 2018), including negotiating an agreement to allow EU funding to bypass Ethiopia’s draconian restrictions on NGOs’ access to foreign funding (Yntiso et al., 2014, p.54).

Other donors have openly reduced or redirected funding for politically sensitive programs. Some observers have argued that “tactical pullback appears to be most common among those aid providers... [with] a strong desire to maintain good relations with partner governments” (Carothers and Brechenmacher, 2014, p.46). In such cases, donors’ tend to respond by “replacing political advocacy programming with service delivery support” (Carothers, 2015, p.15). Increasingly restrictive environments are “pulling some EU policies even further in the direction of development cooperation and away from active democracy support” (Youngs and Echague, 2017, p.26).

In the face of legal crackdowns on NGOs, do donors push back or back down? We argue that bilateral donors who prioritize democracy promotion will face countervailing pressures. In the following sections, we discuss this argument and provide corresponding empirical expectations.

3 Heterogenous Responses to NGO Laws

Bilateral donors take drastically different approaches to foreign aid, including the institutions through aid is channeled (Dietrich, 2016, 2013), the provision grants versus loans (Nunnenkamp et al., 2005; Odedokun, 2003), the geographic regions donors target (Stallings and Kim, 2017; Youngs, 2003), the extent to which donors are altruistic versus self-interested (Alesina and Dollar, 1998; Barthel et al., 2014; Berthélemy, 2006; Neumayer, 2003a,b; Söderberg, 2020), and the prioritization of different programmatic sectors (Carothers, 2009; Crawford, 2001; Stallings and Kim, 2017; Williams, 2020; Youngs, 2008). Among programmatic sectors, NGO laws are often designed to curtail political activism and have a disproportionate effect on donors that prioritize democracy promotion activities.⁴ Figure 2 shows the share of total aid allocated to advocacy activities among large DAC donors.⁵ Sweden is the most advocacy-oriented, allocating nearly 25% of total aid to advocacy, while France channels less than 2% of total aid to advocacy.

According to this measure, the most advocacy-oriented donors aligns with the group of donors commonly referred to as the “like-minded” countries: Sweden, Denmark, Norway, the Netherlands, and Canada (Neumayer, 2003b). However, the “big donors” — the U.S., U.K., Germany, France, Italy, and Japan — range from highly advocacy-oriented (U.S.) to relatively advocacy-adverse (Italy, Japan, France). We argue that donors’ prioritization of advocacy conditions both their motivation and capacity to pushing back against NGO laws. However, such efforts are expected to come at significant cost. Alternatively, non-AO donors will face little cause to alter the composition of their aid portfolios.

The Logic of Pushing Back

AO donors care more about democracy promotion than their less advocacy-oriented counterparts. The Nordic countries especially are known for an “altruistic” foreign policy motivated by “moral duty” (Schaffer, 2020; Stokke, 2020; Lawler, 1997). Because NGO laws simultaneously signal a

⁴In this context, political advocacy refers to organized efforts to influence government policies, legislation, or public opinion to advance democratic governance, including government transparency and accountability, respect for human rights and the rule of law, free and fair elections, media independence, conflict prevention, and citizen engagement. These efforts often involve activities such as public campaigns, public and private sector capacity-building, and direct engagement with policymakers.

⁵A complete list of purpose codes that have been coded as belonging to the advocacy sector can be found in Table 3 in Appendix B

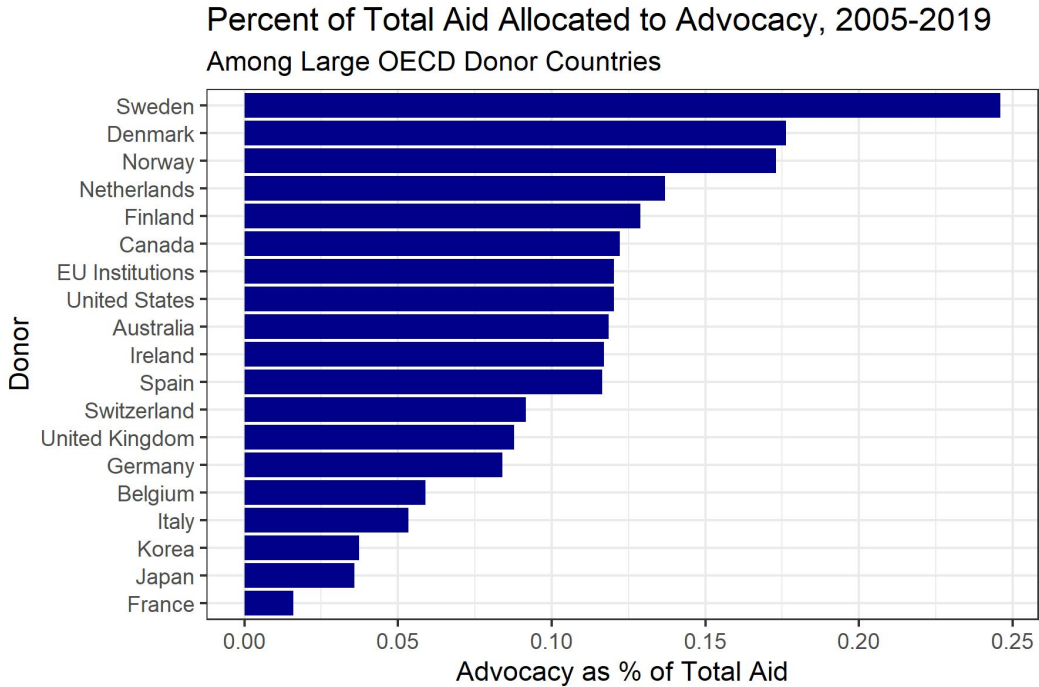


Figure 2: Advocacy Aid as Share of Total Aid (2005-2019)

weakening of democratic rule and erect barriers to democracy promotion in aid-receiving countries, they pose a greater threat to the foreign policy objectives of AO donors. Alternatively, non-AO donors are less likely to see NGO laws as a threat to their objectives.

AO donors and their implementing partners are also better equipped to adapt to more restrictive legal environments. AO donors are likely to have a larger network of advocacy partners, providing ready alternatives if partner NGOs are shut down, allowing for “experimentation” with effective resistance strategies (Ziaja, 2020), and enabling networks of resistance against NGO laws (ICNL, 2018). Similarly, a track-record of supporting democracy promotion activities requires certain skills that could aid in resistance, such as retaining legal experts, adopting encrypted communications and security systems, providing psycho-social support and protection to staff, and training staff to de-escalate conflicts with local authorities (Stephan, 2017; Brechenmacher, 2024).

Donors engaged primarily in regime-compatible activities are less likely to have networks and capacities already in place when NGO laws are enacted. Instead, these donors will see the costs of advocacy increase relative to service and infrastructure projects without a commensurate increase in the desire to promote democracy. Alternatively, AO donors possess both the motivation and the capacity to double-down on advocacy in the context of closing civic space, yielding the following

empirical expectations:

- Expectation 1: Following the passage of a restrictive NGO law, AO donors will *increase* their support of advocacy activities.
- Expectation 2: Following the passage of a restrictive NGO law, non-AO donors will *reduce or maintain* their support of advocacy activities.

The Logic of Backing Down

While AO donors have greater motive and capacity to push back against NGO laws, they may also face dramatically increased costs to continued prioritization of democracy promotion. First, NGO laws cause potentially severe disruptions to their aid delivery chains. AO donors channel more aid through NGOs than other donors, and NGO laws are selectively enforced to target advocacy rather than service delivery NGOs (Heiss and Kelley, 2017; Christensen and Weinstein, 2013). NGOs that receive funding from AO donors are often subject to especially aggressive repression, making them more likely to shut-down or seek work that is less likely to provoke the regime (USAID, 2018; Dupuy et al., 2015).

Implementing restrictive NGO laws may also signal the resolve of aid-receiving governments to reduce political dissent, leading donors to question the utility of democracy promotion in the face of concerted resistance. AO donors may conclude that the return on investments in advocacy are too small or decide to prioritize the preservation of bilateral relations by reducing advocacy work while maintaining other forms of aid (Carothers and Brechenmacher, 2014). Non-AO donors with relatively small advocacy portfolios composed of less-contentious activities are unlikely to face these pressures.

AO donors are likely to face steep costs to continued prioritization of advocacy and democracy promotion efforts, yielding the following empirical expectations:

- Expectation 3: Following the passage of a restrictive NGO law, AO donors will *reduce* their support of advocacy activities.

Countervailing Pressures in Donor Decision-Making

Despite their commitment to democracy and capacity for pushing back, NGO laws increase the costs associated with advocacy and democracy promotion. Let U represent the utility of an AO donor derived from engaging in advocacy activities in a recipient country. This utility depends on three key factors: the donor’s intrinsic motivation to promote democracy M , the donor’s capacity C to continue or expand advocacy efforts, and the costs K associated with doing so in the context of restrictive NGO laws. We can express the utility function as $U = M \times C - K$, where:

- M represents the donor’s motivation, which is likely to be higher for AO donors with a strong commitment to democracy promotion.
- C reflects the donor’s capacity to operate effectively, which may include networks, legal resources, and institutional experience in advocacy, making this term larger for AO donors.
- K denotes the increasing costs that restrictive NGO laws impose, such as heightened risks for partner NGOs, reduced access to funding channels, and potential political repercussions.

Under this framework, AO donors will increase their advocacy efforts when $M \times C$ outweighs K . However, as K rises sharply due to restrictive laws, even motivated and capable donors may reach a point where the costs outweigh the benefits. This simple model captures the countervailing pressures faced by AO donors: while they have both motivation and capacity to push back against restrictive NGO laws, if NGO laws ‘work’, costs will force them to back down from advocacy work.

4 Data and Measurement

To test these competing expectations about how donors respond to NGO laws, we compile a dyadic dataset of yearly aid flows between 19 large OECD Development Assistance Committee (DAC) donors⁶ and 110 recipient countries from 2005 to 2019.

⁶We focus our analysis on large donors with consistent aid flows. These donors have greater financial leverage and more diplomatic and political influence, making them the most likely donors to push back against NGO laws. We exclude small donors from the analysis by dropping dyads containing donors with total commitments below the 25th percentile for at least five years. See Appendix A for a complete list.

Identifying NGO Legislation

Our independent variable is the passage of a significant, restrictive NGO law. Partnering with International Center for Not-for-Profit Law (ICNL), we compile original data on legislation that directly impacts NGOs between 2005 and 2019. We classify NGO laws as “direct” when they explicitly regulate NGOs, and significant when contemporaneous reports anticipate major disruptions to NGOs operating in the enacting-country.⁷ A complete list of laws included in the dataset can be found in Appendix C. *NGO Law* is an indicator that takes the value of one in the dyad-years *after* the passage of a restrictive NGO law in the recipient country. Because we use aid commitments, which are determined in the preceding year, *NGO Law* is zero in the year of passage. Figure 3 plots treatment onset for the 110 aid-receiving countries in our sample.⁸

Categorizing Aid Flows

To measure aid flows, we aggregate project-level data on aid commitments in constant USD from 2,265,000 projects funded by DAC donors in the OECD’s Creditor Reporting System. To identify advocacy and SI projects, we use the 5-digit purpose code attached to each project. *Advocacy Aid* captures commitments to projects involving democratic participation and institutions, civil society, human rights, media, elections, and anti-corruption. *SI Aid* captures commitments to projects involving education, health, water and sanitation, transportation, agricultural development, housing, and food security.⁹ Projects classified as “multisector” or “administrative costs” are excluded from both measures.

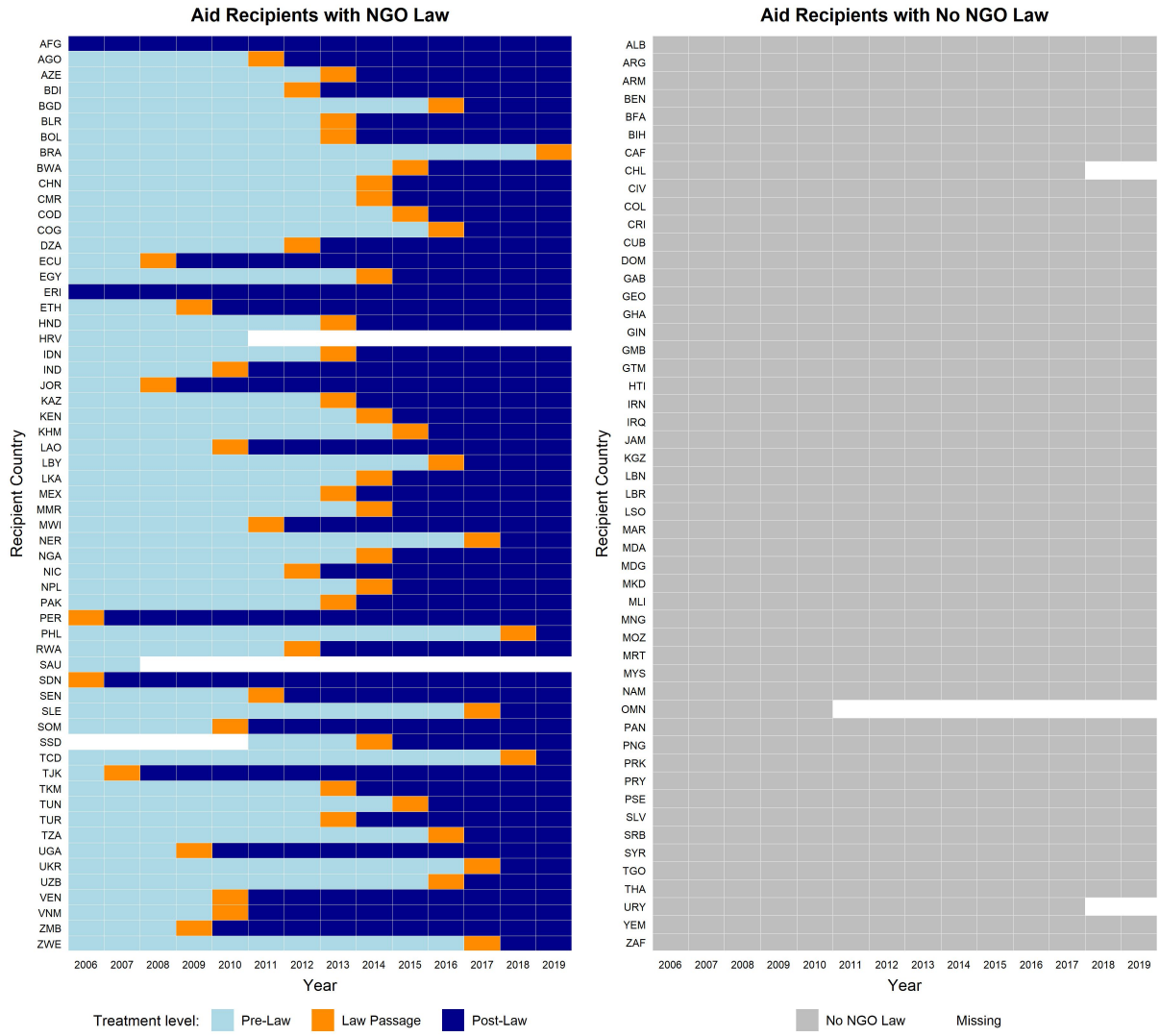
Because our outcome is highly skewed and contains zero values, we use a $\log(x + 1)$ transformation for results presented in the manuscript. However, we test several transformations commonly used in studies of foreign aid. Importantly, our findings are robust to the use traditional log excluding dyads with zero-values (which likely understate the true effect size if some donors reduce advocacy commitments to zero in years after an NGO law) and to an inverse hyperbolic sine (IHS) transformation (which is defined for zero values, but is difficult to interpret for large coefficients).

⁷To make these assessments, we rely on reports from ICNL, CIVICUS, and USAID. When reports do not exist, we gauge significance from news coverage or academic and policy writing.

⁸In cases where more than one law is passed during the study period, treatment is determined by the first restrictive law.

⁹A complete list of advocacy purpose codes can be found in Table 3 in Appendix B. SI purpose codes include all non-advocacy codes for which the sector can be determined.

Figure 3: Treatment Status of Aid Recipient Countries, 2006-2019



Measuring Advocacy Orientation

We measure advocacy-orientation of donors with two approaches. First, we estimate the extent to which a donor’s recent global aid portfolio emphasizes advocacy funding. The variable *Advocacy-Oriented Donor*, or *AOD*, takes a value of one for dyad ij in year Y_0 if the share of all aid commitments allocated to advocacy from donor i to *all recipient countries* in the years Y_{-3} to Y_{-1} is in the 75th percentile of all donors. This measure varies within-donors over time. This captures the overall advocacy orientation of donors for each year averaging across all recipients. Table E reports AO donors for each year.

However, *AOD* may be a poor indicator of a donor’s support for advocacy in a given recipient country. Strategic considerations in specific countries may override a donor’s general aid priorities — as has been the case with US support for countries like Uganda and Ethiopia, where counter-terrorism often takes precedent over democracy promotion (Carothers, 2015) — or can result in different aid policies on a country-by-country basis — as with the European Union Institution’s substantial support for good governance programs in the early 2000s in Azerbaijan and Ukraine, but not in nearby Afghanistan or Russia (Youngs, 2008).

To account for the highly contextual nature of donor priorities, our second measure estimates the time-invariant orientation of each dyad based on the composition of aid for each dyad in the years prior to law passage.¹⁰ *Advocacy-Oriented Relationship (AOR)* is set to one for dyad ij if the share of aid allocated to advocacy projects from donor i to recipient j in the year of and two years prior to law passage is above the 75th percentile of all donors to recipient j over the same period. See Table 5 for a full list of Advocacy-Oriented Relationships.¹¹

5 Estimation

Our outcome variables are the natural log of total dyadic aid commitments, aid commitments to advocacy projects, and aid commitments to service & infrastructure projects. Our independent variable is the passage of a significant, restrictive NGO law in the recipient country. We employ

¹⁰This measure can only be calculated for recipients that receive the treatment during the study period. For all analyses that include never-treated recipients, we rely on *AOD*.

¹¹Because we use the two years prior to the law passage to calculate AOR, 2005-2007 are dropped from the sample in the heterogenous effects analysis.

two measures of advocacy orientation. The variable *Advocacy-Oriented Relationship*, or *AOR*, is measured at the dyad-level, while the variable *Advocacy-Oriented Donor*, or *AOD*, is measured at the donor-year.

To estimate the effect of NGO laws on aid flows, we estimate “static” two-way fixed effects models (Borusyak and Jaravel, 2016). To model heterogeneity in donor response, we interact the treatment indicator with an advocacy-orientation indicator. As “treatment” (law passage) is assigned at the recipient-country level, we cluster our standard errors by recipient for all models. We estimate the following models:

$$Y_{ij,t} = \beta_1 PostPassage_{ij,t} + \alpha_{ij} + \lambda_t + \epsilon_{ij,t} \quad (1)$$

$$Y_{ij,t} = \beta_1 PostPassage_{ij,t} + \beta_2 AOR_{ij} + \beta_3 PostPassage_{ij,t} * AOR_{ij} + \mu_i + \lambda_t + \epsilon_{ij,t} \quad (2)$$

$$Y_{ij,t} = \beta_1 PostPassage_{ij,t} + \beta_2 AOD_{it} + \beta_3 PostPassage_{ij,t} * AOD_{it} + \alpha_{ij} + \lambda_t + \epsilon_{ij,t} \quad (3)$$

where $Y_{ij,t}$ is the outcome of interest at time t for the dyad containing donor i and recipient j ; *PostPassage* is a dummy that takes the value of one for dyad ij in the post-law passage period and zero otherwise; AOR_{ij} is a time-constant, binary variable equal to one if the dyad ij is coded as advocacy-oriented at the time of law passage; AOD_{it} is a time-varying, binary variable equal to one if the donor i is coded as advocacy-oriented in the year t ; α_{ij} , μ_i , and λ_t are dyad, donor, and year fixed effects that control for time-invariant confounders across dyads, donors, and years, respectively.

We estimate these models on a panel dataset containing dyads for which the recipient passed a restrictive NGO law during the study period. By excluding never-treated units from the analysis, we avoid assumptions that never-treated units can serve as valid counterfactuals. However, recent work has highlighted how the exclusion of never-treated units in the event studies framework can lead to under-identification (Schmidheiny and Siegloch, 2020; Borusyak and Jaravel, 2016). In Appendix G.2, we show that our findings are robust to the inclusion of never-treated dyads in a staggered difference-in-differences design.

We also test our hypothesis using the generalized synthetic control (GSC) method. Similar to conventional synthetic control, GSC constructs a synthetic counterfactual for treated units through a weighted combination of never-treated units. However, the GSC method employs an interactive

fixed effects model to estimate latent factors that inform the weighting scheme, reducing bias. The method also allows for units with heterogenous treatment timing to be incorporated into a single model and produces straightforward frequentist uncertainty estimates using a parametric bootstrap procedure (Xu, 2017).

Drawing from literature on the determinants of aid flows, we use the following as potential predictors in generating weights: logged trade flows between recipient and donor country, logged recipient country GDP per capita from the World Bank Development Indicators, an IHS-transformed count of deaths from natural disasters in the recipient country, the average of the Freedom House Civil Liberties and Political Rights scores for the recipient country, and an indicator equal to one if the recipient in the dyad was formerly colonized by the donor country.

To compare the effect of law passage on advocacy-oriented versus non-advocacy oriented donors, we partition the sample of treated dyads into two sub-samples: dyads with advocacy-oriented donors and dyads with non-advocacy-oriented donors.¹² We then estimate the GSC models separately on each sub-sample, taking all never-treated units as potential controls.

6 Results

First, we estimate the effect restrictive NGO laws on total, advocacy, and SI aid commitments for all donors in Table 1. The coefficient on *NGO Law Passage* can be understood as the average *within-dyad* change in aid flows following the passage of an NGO law. Consistent with previous research, we find negative effects of law passage on ODA commitments, including a substantively large negative effect on advocacy aid, equivalent to a 22% decrease in advocacy commitments following law passage. However, the results are very imprecisely estimated, providing only suggestive evidence of an aggregate reduction of advocacy aid across all donors.

Next, we test whether donors’ past commitment to democracy promotion conditions the effect of NGO law passage on aid flows. Table 2 reports the marginal effect of law passage on aid flows (logged), as moderated by the advocacy orientation of the donor-recipient relationship (Models 1-3) and the donor overall (Models 4-6).

We find strong evidence that AO donors “back down” in the face of legal repression. The passage

¹²There are 558 dyads containing non-advocacy-oriented donors at the time of law passage, and 213 dyads containing advocacy-oriented donors at the time of law passage.

Table 1: All Donor Response to NGO Law passage

	<i>Dependent variable:</i>		
	Total Aid	Advocacy Aid	SI Aid
	(1)	(2)	(3)
NGO Law Passage	-0.038 (0.169)	-0.250 (0.216)	-0.018 (0.205)
Year FEs	✓	✓	✓
Dyad FEs	✓	✓	✓
Donor FEs	×	×	×
Number of Dyads	1121	1121	1121
Observations	15,200	15,198	15,199
R ²	0.658	0.594	0.668
Adjusted R ²	0.631	0.561	0.641

*p<0.1; **p<0.05; ***p<0.01.

Robust standard errors clustered by recipient country. *NGO Law Passage* is an indicator variable that takes the value of one in years following law passage, and 0 otherwise. All dependent variables are logged using a $\log(y + 1)$ transformation to preserve zero values. The unit of analysis is the dyad-year, and the sample includes all dyad-years from dyads in which the recipient country passes a restrictive NGO law during the study period.

Table 2: Marginal Effect of Law Passage by Advocacy Orientation

	<i>Dependent variable:</i>					
	Total Aid	Advocacy Aid	SI Aid	Total Aid	Advocacy Aid	SI Aid
	(1)	(2)	(3)	(4)	(5)	(6)
NGO Law Passage	-0.260 (0.289)	-0.578 (0.474)	-0.201 (0.384)	0.233 (0.160)	0.221 (0.224)	0.179 (0.197)
AO Relationship (AOR)	-0.319 (0.216)	1.458*** (0.353)	-0.976*** (0.291)			
NGO Law * AOR	-0.340 (0.254)	-0.911*** (0.303)	-0.038 (0.322)			
AO Donor (AOD)				-0.448*** (0.165)	0.499** (0.206)	-0.616*** (0.174)
NGO Law * AOD				-0.670*** (0.193)	-1.480*** (0.237)	-0.465** (0.229)
Year FEs	✓	✓	✓			
Dyad FEs	×	×	×	✓	✓	✓
Donor FEs	✓	✓	✓	×	×	×
No. of Dyad FE	NA	NA	NA	1102	1102	1102
No. of Donor FE	19	19	19	NA	NA	NA
Observations	12,183	12,181	12,182	12,996	12,994	12,995
R ²	0.176	0.220	0.184	0.703	0.622	0.705
Adjusted R ²	0.174	0.217	0.182	0.675	0.587	0.678

*p<0.1; **p<0.05; ***p<0.01.

Robust standard errors clustered by recipient country. *NGO Law Passage* is an indicator variable that takes the value of one in years following law passage, and 0 otherwise. Due to the time-invariant nature of our measures of relationship orientation within dyads (AOR), we employ donor FEs (as opposed to dyad FEs) in Models 1-3. All dependent variables are logged using a $\log(y + 1)$ transformation to preserve zero values. The unit of analysis is the dyad-year, and the sample includes all dyad-years from dyads in which the recipient country passes a restrictive NGO law during the study period.

of an NGO law is associated with an enormous and statistically significant decrease in advocacy spending among advocacy-oriented donors across both dyad and donor-level measures of advocacy orientation. The coefficients in Models 2 and 5 suggest that AO donors decrease advocacy spending by more than 71% in the years after the passage of a restrictive NGO law.¹³ To contextualize the size of the estimated effect, in the years prior to law passage, AO donors allocated \$4,700,000 on average to advocacy activities annually. A 71% decrease in advocacy spending thus corresponds to roughly \$3,350,000 per year in foregone advocacy spending for the average donor-recipient dyad. We find weak evidence that restrictive laws are also associated with a decrease in SI aid among AO donors, although this decrease is much smaller (21 - 25% across the two models) and only statistically significant for donor-level measures of advocacy orientation (model 6).

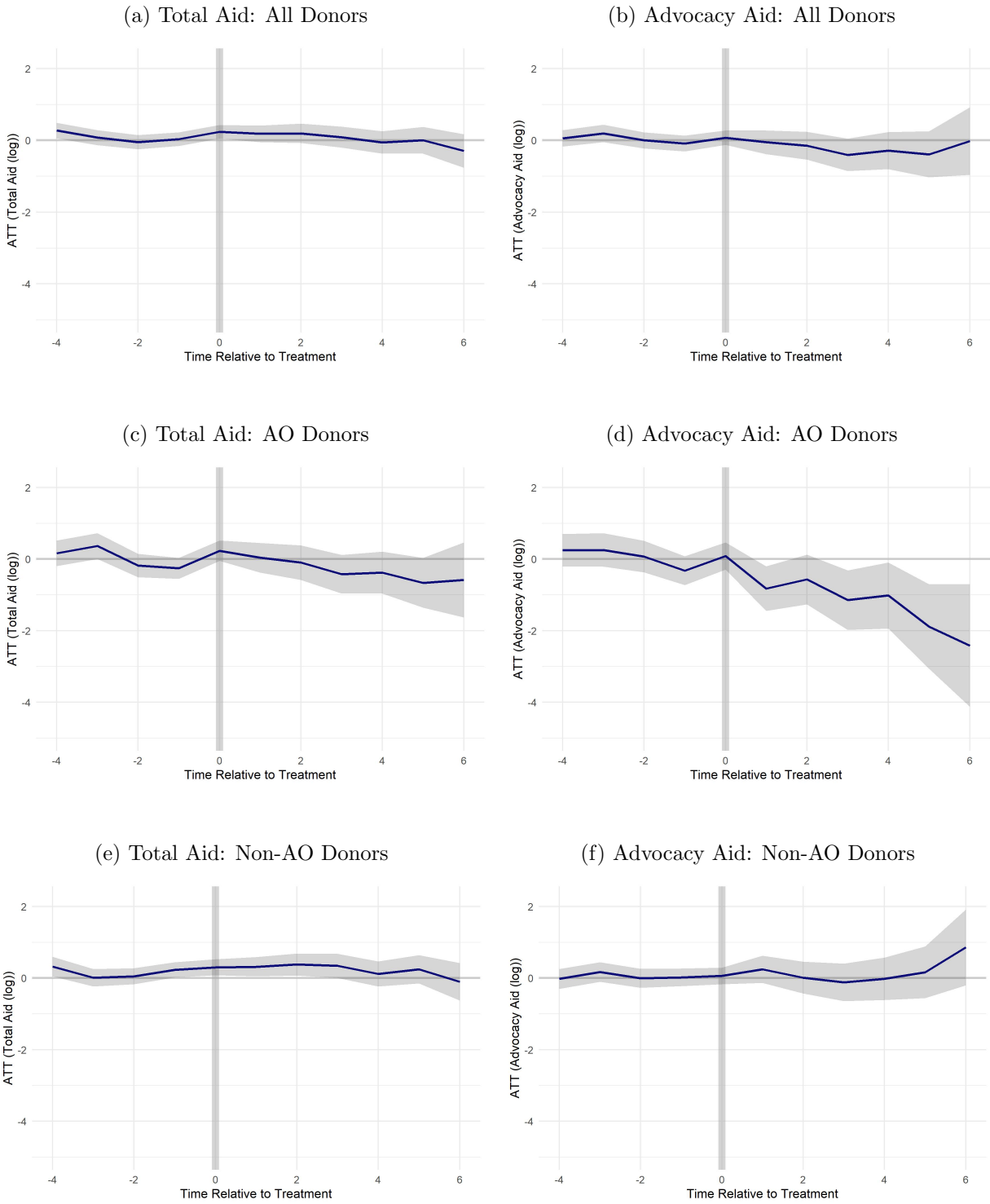
The finding that the passage of an NGO law corresponds to a statistically significant and substantively large decrease in advocacy aid among AO donors holds under a range of alternative measurement choices and model specifications, including the exclusion of dyads with zero outcome values, the inclusion of never-treated dyads in a staggered difference-in-differences design, the use of a continuous measure of advocacy-orientation, the addition of covariates, IHS transformation for the dependent variable (preserving zero values), and dropping the largest donor (the United States). Results from these robustness tests are reported in Appendix G.

Taken together, these results provide strong support for AO donors “backing down.” However, two-way fixed effects models suffer from significant limitations. Fixed effects models are vulnerable to bias in the presence of heterogeneous or dynamic treatment effects (Goodman-Bacon, 2021; Sun and Abraham, 2021). Event studies models can also overweight short-term and discount longer-term treatment effects (Borusyak and Jaravel, 2016). Most importantly, fixed effects models average across all post-treatment years, obscuring potential trends or reversions. To address these limitations and illuminate how treatment effects evolve over time, we complement our event study analysis with GSC analysis.

GSC models are estimated on the full sample of donors, as well as two sub-samples including only dyads with AO or non-AO donors, respectively. For all three samples, the pool of control units includes all never-treated dyads. To ensure a viable weighted control group, we exclude treated

¹³For large coefficients in log-linear models, exponentiating the coefficient provides the precise percentage change in the outcome, given by the formula $Percentagechange = 100 \times (\exp(\beta) - 1)$. For Model 5, the precise calculation is $71.6 = 100 \times (\exp(.221 - 1.48) - 1)$.

Figure 4: Effect of Law Passage on Aid Flows



Note: Gray areas show 95% confidence intervals

dyads with less than five pre-treatment periods.¹⁴ Results are plotted in Figure 4.¹⁵ Consistent with the event study results, the passage of an NGO law is associated with little or no change in aid flows when averaging across all donors.

Turning to dyads containing an AO donor, we again find that AO donors decrease their total aid after NGO law passage, although this decrease is not statistically significant in most post-treatment years. However, we again see clear evidence for a substantial, significant, and sustained decrease in advocacy aid among AO donors. The average effect of law passage on treated AO dyads is -0.823 ($p = 0.009$) in the first year following passage, equivalent to a 56% decrease in advocacy aid flows. By the fifth year after law passage, the effect of NGO law passage is estimated at -1.89 ($p = 0.002$), equivalent to a 84% decrease from pre-law advocacy commitments. By contrast, we see no changes in aid commitments among non-AO donors. Effect sizes hover around zero (ATTs range from -0.12 to 0.25 in the first five years after passage) and do not approach statistical significance.

Together, the results provide a clear picture of the aid environment following legal crackdowns on NGOs. Rather than leveraging their networks and capacity to push back against autocratization, the most advocacy-oriented donors back away from contentious activities in the wake of legal repression. Importantly, we find no evidence that AO donors reallocate this funding to SI projects, nor that they scale back SI funding proportionately to reductions in advocacy. While NGO laws work as intended for aid-receiving countries by leading to dramatically lower support for democracy promotion activities, this foregone funding does not yield increased support for more regime-compatible aid to services and infrastructure.

7 Discussion

We find strong evidence that AO donors respond to restrictive NGO laws by dramatically reducing support for democracy promotion projects. In this section, we consider two alternative explanations for our findings: (1) that donors are responding not to NGO laws specifically, but to democratic backsliding and closing civic space in general; and (2) that the observed decreases in advocacy aid reflect AO donors' sanctioning of law-passing regimes, rather than backing down from advocacy

¹⁴This excluded ten recipient countries: Afghanistan, Eritrea, Peru, Sudan, Tajikistan, Jordan, Ecuador, Ethiopia, Zambia, and Uganda.

¹⁵See Appendix H for results for SI aid.

support to NGOs.

7.1 Disentangling NGO laws from other repression

Are donors responding to general increases repression of civil society, rather than NGO laws specifically? Much of the literature exploring the proliferation of NGO laws identifies restrictive legislation as part of a regimes' general embrace of illiberal norms and policies (Bromley et al., 2019; Glasius et al., 2020). To isolate the effect of NGO laws from from the effect of closing civic space more broadly, we re-estimate our two-way fixed effects models including the lagged value of VDEM's *Core Civil Society Index*. The index includes measures of the ability of civil society organizations (CSOs) to achieve formal registration, the extent of CSO repression, and extent of public participation in CSOs. This measure should capture increased administrative and violent repression of CSOs not caused by NGO laws. The results, presented in Table 13 in Appendix G.4, show that NGO laws decrease advocacy aid from AO donors by a similar amount even after controlling for other forms of civil society repression.

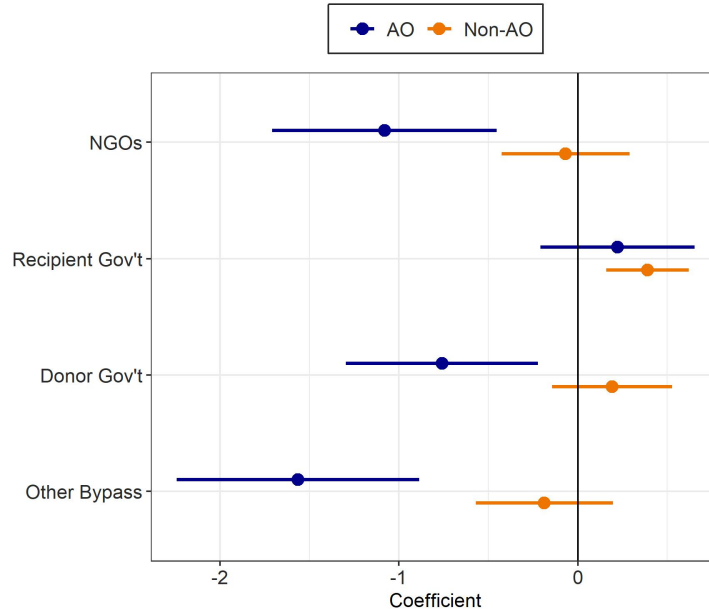
7.2 Estimating changes in aid channeling

Although they decrease aid for advocacy projects, donors may be punishing recipient governments by decreasing aid channeled through government agencies while maintaining or increasing aid channeled through NGOs. We disaggregate advocacy aid commitments by delivery channel, estimating the effect of NGO laws on advocacy aid channeled through international and local NGOs, recipient government institutions, donor government institutions, and other bypass channels.¹⁶

Results are reported in Figure 5. Among AO donors, the passage of an NGO law results in a significant decrease in the amount of advocacy aid channeled through NGOs and other bypass channels, as well as through *donor* government institutions. By contrast, NGO laws have no effect on the amount of advocacy aid channeled through *recipient* country governments. While this analysis is exploratory, it suggests that it is the NGO community, and not the recipient government, that bears the brunt of these recisions. Interestingly, non-AO donors slightly increase the amount of aid going through recipient government institutions in the wake of NGO laws.

¹⁶*Other Bypass* includes public-private partnerships, multilateral organizations, universities, network organizations, and private companies (Dietrich, 2013).

Figure 5: Effect of NGO Laws on Channels of Advocacy Aid



Note: Horizontal lines depict 95% confidence intervals from robust standard errors clustered by recipient. Coefficients obtained from separate regressions of advocacy commitments via each channel on NGO law passage, with dyad and year fixed effects. Models are estimated on separate samples: blue points depict the coefficient for regressions of the outcome on law passage among advocacy oriented dyads (AOR = 1), while orange points depict the same for non-advocacy oriented dyads (AOR = 0). Due to historic missingness in channel classification, dyad years prior to 2010 are dropped.

8 Conclusion

As democracies across the developing world backslide toward authoritarianism, it is important to assess what rich, democratic countries are doing to help defend the gains made under democracy's third wave. Looking at the funding decisions of the 19 largest bilateral donors, the answer appears to be "not much." Contrary to the bellicose rhetoric of advocacy-oriented donors like the United States, even the among the small group of donors that have invested most heavily in democracy promotion, legal repression of civil society is decimating international support for advocacy work. At the same time, development aid for services and infrastructure that bolsters support for backsliding regimes continues to flow.

As a result, aspiring autocrats that use legal means to repress civil society and attack donors' implementing partners are rewarded with more a favorable aid composition of foreign aid flows into their country. Although SI aid from AO donors decreases slightly in the years after an NGO law, the dramatic reductions in advocacy aid results in SI aid constituting a larger share aid being received from AO donors. This reduction in aid to advocacy projects suggests that NGO laws are

effective not only in suppressing the activities of local civil society but also in altering the behavior of international actors who support democratic governance. The retreat by AO donors underscores the limitations of international pressure in reversing democratic backsliding. When joined with recent micro-level data on the efficacy of government repression in disincentivizing advocacy by domestic NGOs (Hollerbauer et al., 2024; Springman et al., 2022), the overall picture is distressing.

Future research should investigate the specific costs and constraints that cause donors to back down in such dramatic fashion. One possibility is that AO donors take the passage of big, restrictive legislation as credible commitments by recipient governments to erode democracy and view any attempts to intervene as a waste of resources. Alternatively, NGO partners might be too intimidated to continue partnering with international donors; in this case, the engine for reduced donor advocacy efforts could be rooted in constraints faced by the CSOs they aim to support.

Given the dramatic effects of NGO legislation on international funding for advocacy work, future research should develop analytical and empirical tools that can inform the strategic choices of NGOs working on contentious issues and donors looking to support them, with an eye toward making democracy more resilient. As governments in aid-receiving countries continue to adopt restrictive measures, the prominent role of NGOs, and civil society more broadly, may become increasingly tenuous. Researchers looking to defend democratic accountability should focus on developing and evaluating tools that can help both government and philanthropic donors channel support to NGOs in closing spaces, and help civil society operate in a world where donor funding is increasingly scarce.

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Appendix

A Excluded Countries

In the main analysis, we omit dyads containing donors whose total commitments are below the 25th percentile for at least one-third of the years in the sample period (5 years or more). This removes the following countries: Austria, Czech Republic, Greece, Hungary, Iceland, Luxembourg, New Zealand, Poland, Portugal, Slovakia, and Slovenia. We also remove dyads containing small recipient countries with populations less than 2 million throughout the entire sample period (2005-2019). This includes: Anguilla, Antigua and Barbuda, Bahrain, Barbados, Belize, Bhutan, Cabo Verde, Comoros, Cook Islands, Djibouti, Dominica, Equatorial Guinea, Eswatini, Fiji, Grenada, Guinea-Bissau, Guyana, Kiribati, Maldives, Marshall Islands, Mauritius, Mayotte, Micronesia, Montenegro, Montserrat, Nauru, Niue, Palau, Saint Helena, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Sao Tome and Principe, Seychelles, Solomon Islands, Suriname, Timor-Leste, Tokelau, Tonga, Trinidad and Tobago, Turks and Caicos Islands, Tuvalu, Vanuatu, Wallis and Futuna.

B Sector Coding

Table 3: DAC Purpose Codes Categorized as Advocacy

DAC Code	DAC Purpose Code Description
15113	Anti-corruption organisations and institutions
15130	Legal and judicial development
15150	Democratic participation and civil society
15151	Elections
15152	Legislatures and political parties
15153	Media and free flow of information
15160	Human rights
15170	Women’s rights organisations and movements, and government institutions
15180	Ending violence against women and girls
15190	Facilitation of orderly, safe, regular and responsible migration and mobility
15210	Security system management and reform
15220	Civilian peace-building, conflict prevention and resolution
15261	Child soldiers (prevention and demobilisation)
16070	Labour Rights
16080	Social Dialogue

C Restrictive, Significant NGO Laws

We rely on a number of sources to identify NGO legislation. We began with a dataset of over 500 drafted and enacted legal measures pertaining to NGOs from 2011- 2019, compiled by ICNL, and removed laws that were drafted but never enacted, effected an enabling or unclear change in the NGO environment, or only indirectly or insignificantly affected NGOs. To fill in gaps resulting from ICNL’s evolving regional focus on Eastern Europe, MENA, Eurasia, and Latin America, we relied on USAID’s Civil Society Organizations Sustainability Index (CSOSI) reports on the countries of

Sub-Saharan Africa and Asia.¹⁷ We then expanded the coverage of the dataset to include the years 2005 - 2010, relying again on CSOSI reports, ICNL’s Digital Legal Library,¹⁸ and the NGO laws dataset originally compiled by Christensen and Weinstein (2013) and augmented by Glasius et al. (2020) to identify legislation.

Table 4: Restrictive, Significant NGO Laws Passed in OECD Recipient Countries, 2005 - 2019

Country	Year	Initiative
Afghanistan	2005	Law on Non-Governmental Organizations
Algeria	2012	Law on Associations
Angola	2011	Law on Associations (14/91)
Azerbaijan	2013	Amendments to Laws on CSOs, Registering Legal Entities, Grants, and Administrative Penalties
Bangladesh	2016	Foreign Donations (Voluntary Activities) Regulation Act
Belarus	2013	Regulation on the Procedure of Opening and Operating of Representative Offices of Foreign Organizations
Bolivia	2013	Regulation of Law on Awarding Legal Personalities (to CSOs)
Botswana	2015	Societies Act (Reviewed)
Brazil	2019	Provisional Measure 870
Burundi	2012	Bill to repeal Decree-Law No. 100/187/91 of December 24, 1991
Cambodia	2015	Law on Associations and NGOs
Cameroon	2014	Anti-Terrorism Law
Chad	2018	Decree-Law on Associations (Ordonnance no 023/PR/2018 du 27 juin 2018 portant regime des associations)
China	2014	Law on the Management of Domestic Activities of Overseas NGOs
DR Congo	2015	Ministry of Justice - Suspended Registrations
Ecuador	2008	Presidential Executive Decree No. 982
Egypt	2014	Penal Code Amendment
Eritrea	2005	Proclamation 145/2005 Proclamation to Determine the Administration of Non-Governmental Organisations
Ethiopia	2009	Charities and Societies Proclamation No. 621 of 2009
Honduras	2013	Regulations Implementing the Special Law to Promote Development Non-Governmental Organizations (NGO-D Law)
India	2010	Foreign Contribution (Regulation) Act, 2010 (FCRA)
Indonesia	2013	Bill on Societal Organizations (Ormas Bill)
Jordan	2008	Law of Societies of 2008
Kazakhstan	2013	Criminal Code
Kenya	2014	Security Laws (Amendments) Act
Laos	2010	Decree on Foreign NGOs
Libya	2016	Regulation on Foreign Civil Society Organizations and Regulation on Libyan Civil Society Organizations
Malawi	2011	Tax Regime Change (2011)
Mexico	2013	Regulations implementing the Anti-Money Laundering Act
Myanmar	2014	Anti-Terror and Anti-Money Laundering Bills
Nepal	2014	Development Cooperation Policy
Nicaragua	2012	Law to Create the Unit of Financial Analysis (UAF)
Niger	2017	Ministries of the Interior and of Community Planning and Development (2017)
Nigeria	2014	Same Sex Marriage (Prohibition) Act
Pakistan	2013	Policy for Regulation of Organizations Receiving Foreign Contributions
Peru	2006	Law that establishes the Peruvian Agency for International Cooperation (amended in 2006)
Philippines	2018	Memorandum Circular 15-2018 ; Memorandum Circular 17-2018
Congo	2016	Law Establishing the Regime of Associations
Rwanda	2012	CSO Laws
Senegal	2011	International NGO HQ Agreements (2011)
Sierra Leone	2017	NGO Policy Regulations (2017)

¹⁷CSOSI reports can be accessed at <https://csosi.org/>.

¹⁸ICNL’s Digital Legal Library can be accessed at <https://www.icnl.org/resources/library>.

South Sudan	2014	FBO Change (2014)
Sri Lanka	2014	Laws and Regulations to Control NGOs
Sudan	2006	Voluntary and Humanitarian Work (Organization) Act
Tajikistan	2007	Law on Public Associations
Tanzania	2016	Access to Information Act
Tunisia	2015	Law on Counterterrorism and Money-Laundering
Turkey	2013	Terror Finance Legislation
Turkmenistan	2013	The Resolution of the President of Turkmenistan 12792 of January 18, 2013 on State Registration of Foreign Projects and Programs Free of Technical, Financial and Humanitarian Aid and Grants
Uganda	2009	Law No. 19, Non-Governmental Organization Registration.
Ukraine	2017	Law on NGO e-declarations
Uzbekistan	2016	Law on changes to the Law on Non-governmental Non-commercial Organizations, the Law on Public Foundations, the Law on Bank Secrecy, the Law on Charity, and the Code of Administrative Liability.
Venezuela	2010	Law for the Defense of Political Sovereignty and National Self-Determination
Viet Nam	2010	12/2012/ND-CP on Registration and Management of Nongovernmental Organizations in Vietnam
Zambia	2009	Law no. 16, the Non-Governmental Organizations Act
Zimbabwe	2017	Dec 2017 Memo

D Advocacy-Oriented Relationships

Table displays donors classified as being in an Advocacy-Oriented relationship with the recipient country at the time of law passage. Relationship orientation is calculated from two years prior to law passage to the year of passage. For example, Algeria passed its NGO law in 2012, so relationship advocacy orientation for Algeria is calculated over the period from 2010-2012. As a result, we cannot obtain a measure of relationship orientation for recipient countries that passed a law in the first two years of our sample (Afghanistan, Eritrea, Peru, and Sudan). We also do not obtain measures for two countries, Croatia and Saudi Arabia, that no longer received aid as of the year of the law passage.

Table 5: Relationship Advocacy Orientation in Countries that Pass NGO Laws

Recipient Country	Passage Year	75th Percentile	Donors in AO Relationship
Afghanistan	2005	NA	
Algeria	2012	0.077	CAN, GBR, NOR, NLD
Angola	2011	0.112	ITA, NOR, NLD, DNK, IRL
Azerbaijan	2013	0.17	USA, GBR, NOR, FIN
Bangladesh	2016	0.215	ITA, SWE, NOR, FIN, DNK
Belarus	2013	0.473	USA, CAN, NOR, DNK
Bolivia	2013	0.189	USA, SWE, NOR, NLD, IRL
Botswana	2015	0.081	CAN, SWE, KOR
Brazil	2019	0.114	CAN, SWE, NLD, BEL, IRL
Burundi	2012	0.244	SWE, NLD, ESP, DNK, IRL
Cambodia	2015	0.198	SWE, EUI, GBR, NOR, FIN
Cameroon	2014	0.067	CAN, SWE, NOR, BEL
Chad	2018	0.055	ITA, DEU, CHE, IRL
China	2014	0.232	USA, SWE, NLD, DNK, IRL
Congo	2016	0.194	CAN, NOR, DEU, KOR
DRC	2015	0.136	CAN, SWE, EUI, NOR, NLD
Ecuador	2008	0.092	NOR, DEU, FIN, ESP
Egypt	2014	0.37	SWE, NOR, NLD, ESP, IRL
Eritrea	2005	NA	
Ethiopia	2009	0.044	CAN, SWE, DEU, ESP, DNK
Honduras	2013	0.337	SWE, GBR, NOR, DNK, IRL
India	2010	0.17	CAN, SWE, NOR, NLD, IRL
Indonesia	2013	0.134	EUI, NOR, NLD, ESP, BEL

Jordan	2008	0.124	CAN, NLD, ESP, DNK, IRL
Kazakhstan	2013	0.539	USA, SWE, NLD, FIN
Kenya	2014	0.209	SWE, NOR, NLD, FIN, DNK
Lao PDR	2010	0.076	USA, CAN, SWE, NOR
Libya	2016	0.558	SWE, GBR, NLD, FIN
Malawi	2011	0.102	SWE, EUI, NOR, FIN, DNK
Mexico	2013	0.172	USA, CHE, NLD, ESP, IRL
Myanmar	2014	0.261	USA, SWE, NLD, BEL, IRL
Nepal	2014	0.186	SWE, NOR, ESP, DNK, IRL
Nicaragua	2012	0.167	SWE, NOR, NLD, DNK, IRL
Niger	2017	0.096	CAN, EUI, NOR, DNK
Nigeria	2014	0.162	SWE, EUI, CHE, NLD, AUS
Pakistan	2013	0.171	SWE, NOR, NLD, DNK, IRL
Peru	2006	NA	
Philippines	2018	0.405	SWE, NOR, NLD, ESP, BEL
Rwanda	2012	0.066	SWE, NOR, NLD, IRL
Senegal	2011	0.079	CAN, SWE, EUI, GBR
Sierra Leone	2017	0.076	CAN, SWE, NOR, IRL
Somalia	2010	0.139	ITA, SWE, EUI, NOR, DEU
South Sudan	2014	0.101	USA, SWE, NOR, CHE, NLD
Sri Lanka	2014	0.277	USA, SWE, GBR, NOR, NLD
Sudan	2006	NA	
Tajikistan	2007	0.082	USA, NOR, CHE, FIN
Tanzania	2016	0.082	SWE, NOR, FRA, DNK, IRL
Tunisia	2015	0.542	SWE, GBR, NOR, NLD, DNK
Turkey	2013	0.08	SWE, EUI, GBR, NOR, NLD
Turkmenistan	2013	0.163	USA, GBR
Uganda	2009	0.126	CAN, SWE, GBR, NOR, NLD
Ukraine	2017	0.447	ITA, CAN, SWE, BEL, IRL
Uzbekistan	2016	0.048	USA, SWE, EUI
Venezuela	2010	0.443	USA, CAN, NOR, NLD
Viet Nam	2010	0.092	CAN, SWE, NOR, ESP, DNK
Zambia	2009	0.067	SWE, NOR, ESP, DNK, IRL
Zimbabwe	2017	0.397	SWE, NOR, FIN, ESP, DNK

E Advocacy-Oriented Donors

Table 6 reports donors coded as Advocacy-Oriented Donors from 2008 - 2019. Donor orientation is calculated as the three years *prior* to the year listed (2008 = 2005 + 2006 + 2007).

Table 6: Donor Orientation, 2008-2019

Year	75th percentile	AO Donors
2008	0.103	AUS, FIN, IRL, NOR, SWE
2009	0.107	AUS, CAN, IRL, NOR, SWE
2010	0.111	CAN, DNK, NOR, SWE, USA
2011	0.127	CAN, DNK, NOR, SWE, USA
2012	0.131	DNK, NLD, NOR, SWE, USA
2013	0.155	DNK, NLD, NOR, SWE, USA
2014	0.154	DNK, NLD, NOR, SWE, USA
2015	0.153	DNK, ESP, NLD, NOR, SWE
2016	0.174	DNK, ESP, NLD, NOR, SWE
2017	0.159	DNK, ESP, NLD, NOR, SWE
2018	0.158	DNK, FIN, NLD, NOR, SWE
2019	0.158	AUS, DNK, NLD, NOR, SWE

F Summary Statistics

Table 7: Summary Statistics

Variable	All Dyads		AO Donors		Non-AO Donors	
	n	Mean	n	Mean	n	Mean
Total Commitments	30,590	\$30,918,686	6,415	\$27,241,722	17,962	\$31,621,106
Advocacy Commitments	30,590	\$3,270,585	6,415	\$4,754,706	17,962	\$3,163,551
SI Commitments	30,590	\$26,010,654	6,415	\$21,448,321	17,962	\$26,607,166

G Robustness Checks

G.1 Omitting Observations with \$0 in Outcome

Table 8 reports the results from re-estimating the models reported in Table 2 excluding any dyad-years in which the value of the outcome variable is zero.

Table 8: Non-Zero Aid Flows Only: Marginal Effect of Law Passage by Relationship Orientation

	<i>Dependent variable:</i>					
	Total Aid (1)	Advocacy Aid (2)	SI Aid (3)	Total Aid (4)	Advocacy Aid (5)	SI Aid (6)
NGO Law Passage	0.034 (0.219)	-0.078 (0.175)	0.058 (0.218)	0.051 (0.092)	0.087 (0.108)	0.013 (0.103)
AO Relationship	-0.478*** (0.143)	0.363*** (0.113)	-0.664*** (0.140)			
NGO Law * AOR	-0.029 (0.138)	-0.235* (0.135)	0.047 (0.150)			
AO Donor				-0.216*** (0.062)	0.036 (0.086)	-0.287*** (0.065)
NGO Law * AOD				-0.237*** (0.085)	-0.299*** (0.101)	-0.165* (0.096)
Year FEs	✓	✓	✓	✓	✓	✓
Dyad FEs	×	×	×	✓	✓	✓
Donor FEs	✓	✓	✓	×	×	×
No. Dyad FEs	NA	NA	NA	1093	1093	1093
No. Donor FEs	19	19	19	NA	NA	NA
Observations	11,715	8,524	11,220	11,859	8,484	11,181
R ²	0.286	0.277	0.282	0.798	0.685	0.781
Adjusted R ²	0.284	0.274	0.280	0.777	0.641	0.758

Note:

*p<0.1; **p<0.05; ***p<0.01

G.2 Staggered DiD: Inclusion of Never-Treated Dyads

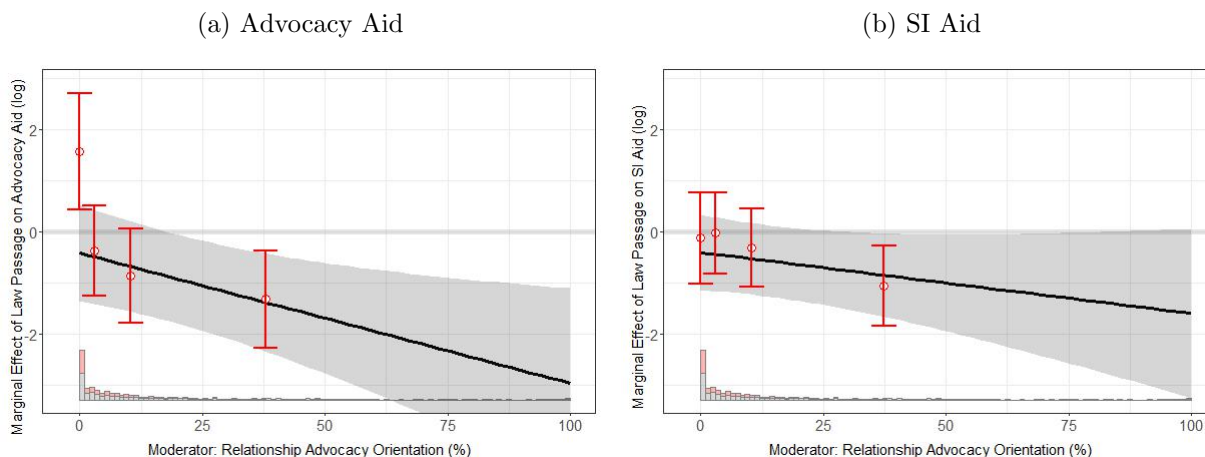
Table 9: Staggered DID: Inclusion of Never-Treated Dyads

	<i>Dependent variable:</i>		
	Total Aid (1)	Advocacy Aid (2)	SI Aid (3)
NGO Law Passage	0.104 (0.139)	0.259 (0.218)	0.056 (0.169)
AOD	-0.614*** (0.101)	0.158 (0.127)	-0.517*** (0.109)
NGO Law*AOD	-0.559*** (0.180)	-1.253*** (0.206)	-0.531** (0.216)
Year FEs	✓	✓	✓
Dyad FEs	✓	✓	✓
Donor FEs	×	×	×
No. of Dyad FEs	2071	2071	2071
No. of Donor FEs	NA	NA	NA
Observations	24,377	24,373	24,376
R ²	0.714	0.629	0.720
Adjusted R ²	0.687	0.595	0.694

Note: *p<0.1; **p<0.05; ***p<0.01.

G.3 Continuous Measure of Relationship Advocacy Orientation

Figure 6: Marginal Effect Plots



Plots display the marginal effect of Law Passage on Advocacy and SI Aid, respectively, as Relationship Advocacy Orientation varies. Relationship Advocacy Orientation is a continuous variable ranging between 0 and 100. The black line plots the marginal effect of law passage on aid as estimated by a linear model with donor and year FEs. The grey shaded region indicating 95% confidence intervals (with errors clustered by recipient). The red dots plot marginal effect of law passage on aid within four separate bins containing the observations in which Relationship Advocacy Orientation is in the 0-25th percentile, 25th-50th percentile, 50-75th percentile, and 75th-100th percentile, respectively. Binned estimates are derived using the method proposed by Hainmueller et al. (2019). The red lines indicate 95% confidence intervals for the estimated marginal effect of law passage on aid within each bin.

G.4 Inclusion of Covariates

In the tables below, we first re-estimate the core models reported in Table 2 with the following controls: *Population (ln)*: logged recipient country population, lagged one year, from the World Bank Development Indicators; *Trade Flow (ln)*: logged bilateral trade flows in 1000 current USD, from BACI, lagged one year.¹⁹; *GDP per capita (ln)*: logged recipient country GDP per capita, lagged one year, from the World Bank Development Indicators; *Disaster Deaths (ihs)*: an IHS-transformed count of deaths from natural disasters in the recipient country in the prior year from EM-DAT; *Civil Society Index*: VDEM’s “Core Civil Society Index” (v2xcs_ccsi), lagged one year; and *Democracy*: the average of the Freedom House Civil Liberties and Political Rights scores, lagged one year.

Table 10: With Covariates: Marginal Effect of Law Passage by Advocacy Orientation

	<i>Dependent variable:</i>					
	Total Aid (1)	Advocacy Aid (2)	SI Aid (3)	Total Aid (4)	Advocacy Aid (5)	SI Aid (6)
NGO Law Passage	0.094 (0.203)	-0.098 (0.424)	0.217 (0.265)	0.295* (0.164)	0.323 (0.247)	0.177 (0.184)
AO Relationship	-0.075 (0.207)	1.686*** (0.349)	-0.671** (0.282)			
AO Donor				-0.502*** (0.176)	0.328 (0.220)	-0.726*** (0.187)
Population (ln)	0.186 (0.116)	0.003 (0.161)	0.261* (0.153)	-2.960 (2.712)	-2.774 (3.956)	-0.424 (3.642)
Tradeflow (ln)	0.458*** (0.080)	0.872*** (0.125)	0.499*** (0.095)	0.038 (0.088)	-0.103 (0.122)	0.089 (0.093)
GDP per Capita (ln)	-1.407*** (0.159)	-1.866*** (0.262)	-1.811*** (0.204)	-2.648*** (0.941)	-1.300 (1.274)	-2.414* (1.289)
Disaster Deaths (ihs)	0.009 (0.025)	0.012 (0.038)	0.004 (0.030)	0.013 (0.016)	0.005 (0.019)	0.013 (0.020)
Civil Society Index	2.211*** (0.788)	3.375*** (1.115)	2.117** (0.988)	2.387 (1.439)	4.600*** (1.598)	1.268 (1.619)
Democracy	0.296** (0.126)	0.466** (0.188)	0.266 (0.163)	-0.033 (0.224)	-0.012 (0.273)	-0.103 (0.282)
NGO Law * AOR	-0.354 (0.256)	-0.796** (0.323)	-0.168 (0.342)			
NGO Law * AOD				-0.643*** (0.214)	-1.422*** (0.252)	-0.492** (0.241)
Year FEs	✓	✓	✓	✓	✓	✓
Dyad FEs	×	×	×	✓	✓	✓
Donor FEs	✓	✓	✓	×	×	×
No. Dyad FEs	NA	NA	NA	1008	1008	1008
No. Donor FEs	18	18	18	NA	NA	NA
Observations	10,340	10,338	10,339	10,677	10,675	10,676
R ²	0.294	0.310	0.297	0.722	0.651	0.725
Adjusted R ²	0.291	0.307	0.294	0.692	0.614	0.696

Note:

*p<0.1; **p<0.05; ***p<0.01

G.5 IHS-transformed outcomes

G.6 Dropping Dyads Containing USA

¹⁹http://www.cepii.fr/cepii/en/bdd_modele/presentation.asp?id=37

Table 11: IHS-Transformed Outcomes: Marginal Effect of Law Passage by Advocacy Orientation

	<i>Dependent variable:</i>					
	Total Aid	Advocacy Aid	SI Aid	Total Aid	Advocacy Aid	SI Aid
	(1)	(2)	(3)	(4)	(5)	(6)
NGO Law Passage	-0.274 (0.293)	-0.607 (0.494)	-0.203 (0.393)	0.243 (0.165)	0.231 (0.234)	0.193 (0.204)
AO Relationship (AOR)	-0.312 (0.221)	1.527*** (0.368)	-1.002*** (0.300)			
NGO Law * AOR	-0.354 (0.262)	-0.953*** (0.316)	-0.031 (0.333)			
AO Donor (AOD)				-0.465*** (0.172)	0.520** (0.216)	-0.645*** (0.184)
NGO Law * AOD				-0.694*** (0.202)	-1.559*** (0.248)	-0.476* (0.239)
Year FEs	✓	✓	✓			
Dyad FEs	×	×	×	✓	✓	✓
Donor FEs	✓	✓	✓	×	×	×
No. of Dyad FE	NA	NA	NA	1102	1102	1102
No. of Donor FE	19	19	19	NA	NA	NA
Observations	12,183	12,183	12,183	12,996	12,996	12,996
R ²	0.171	0.216	0.180	0.697	0.617	0.700
Adjusted R ²	0.169	0.214	0.178	0.668	0.581	0.672

Note:

*p<0.1; **p<0.05; ***p<0.01

Table 12: Dropping Dyads with USA: Marginal Effect of Law Passage by Advocacy Orientation

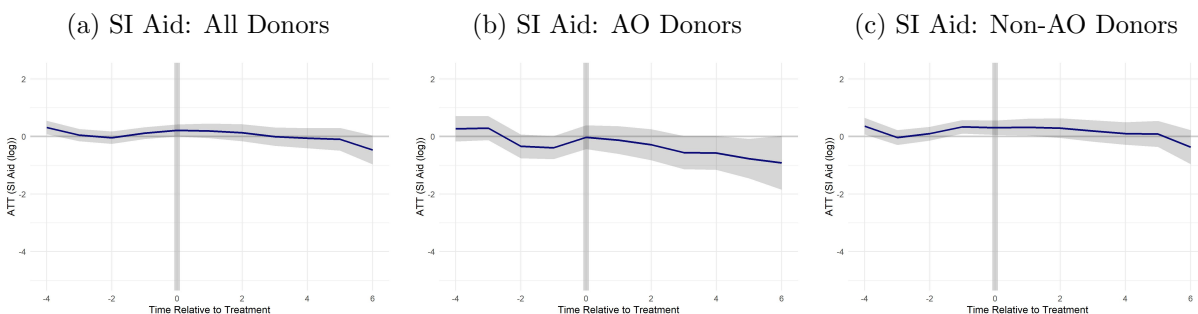
	<i>Dependent variable:</i>					
	Total Aid	Advocacy Aid	SI Aid	Total Aid	Advocacy Aid	SI Aid
	(1)	(2)	(3)	(4)	(5)	(6)
NGO Law Passage	-0.308 (0.293)	-0.613 (0.488)	-0.247 (0.392)	0.227 (0.163)	0.231 (0.230)	0.165 (0.199)
AO Relationship (AOR)	-0.262 (0.234)	1.486*** (0.385)	-0.927*** (0.311)			
NGO Law * AOR	-0.294 (0.270)	-0.915*** (0.323)	0.036 (0.343)			
AO Donor (AOD)				-0.535*** (0.197)	0.517** (0.236)	-0.716*** (0.210)
NGO Law * AOD				-0.693*** (0.210)	-1.584*** (0.256)	-0.461* (0.247)
Year FEs	✓	✓	✓	✓	✓	✓
Dyad FEs	×	×	×	✓	✓	✓
Donor FEs	✓	✓	✓	×	×	×
No. of Dyad FE	NA	NA	NA	1044	1044	1044
No. of Donor FE	18	18	18	NA	NA	NA
Observations	11,446	11,444	11,445	12,312	12,310	12,311
R ²	0.135	0.174	0.150	0.690	0.599	0.693
Adjusted R ²	0.132	0.172	0.147	0.660	0.561	0.664

Note:

*p<0.1; **p<0.05; ***p<0.01

H Supplementary GSC Results

Figure 7: Effect of Law Passage on Services and Infrastructure Aid Flows



Note: Gray areas show 95% confidence intervals

I Disentangling Laws from Civic Space Restrictions

The table below presents re-estimations of the models in Table 2 including a lagged control for civil society robustness, as measured by VDEM’s “Core Civil Society Index.” The CCSI (v2xcs_ccsi) measures the overall robustness of the recipient country’s civil society, taking into account the ease of CSO entry and exit, the extent of CSO repression, and the CSO participatory environment. The index ranges from 0 to 1, with higher values indicating a more robust civil society.

Table 13: With Covariates: Marginal Effect of Law Passage by Advocacy Orientation

	<i>Dependent variable:</i>					
	Total Aid (1)	Advocacy Aid (2)	SI Aid (3)	Total Aid (4)	Advocacy Aid (5)	SI Aid (6)
NGO Law Passage	-0.042 (0.277)	-0.254 (0.470)	0.066 (0.374)	0.310* (0.167)	0.342 (0.240)	0.230 (0.201)
AO Relationship	-0.295 (0.217)	1.494*** (0.354)	-0.947*** (0.290)			
AO Donor				-0.448*** (0.165)	0.499** (0.206)	-0.616*** (0.174)
Civil Society Index	1.584** (0.720)	2.353** (1.008)	1.933** (0.870)	2.870* (1.480)	4.554*** (1.547)	1.913 (1.510)
NGO Law * AOR	-0.344 (0.253)	-0.916*** (0.301)	-0.043 (0.322)			
NGO Law * AOD				-0.670*** (0.193)	-1.480*** (0.237)	-0.465** (0.229)
Year FEs	✓	✓	✓	✓	✓	✓
Dyad FEs	×	×	×	✓	✓	✓
Donor FEs	✓	✓	✓	×	×	×
No. Dyad FEs	NA	NA	NA	1102	1102	1102
No. Donor FEs	19	19	19	NA	NA	NA
Observations	12,183	12,181	12,182	12,996	12,994	12,995
R ²	0.188	0.229	0.195	0.706	0.627	0.707
Adjusted R ²	0.186	0.226	0.193	0.679	0.592	0.679

Note:

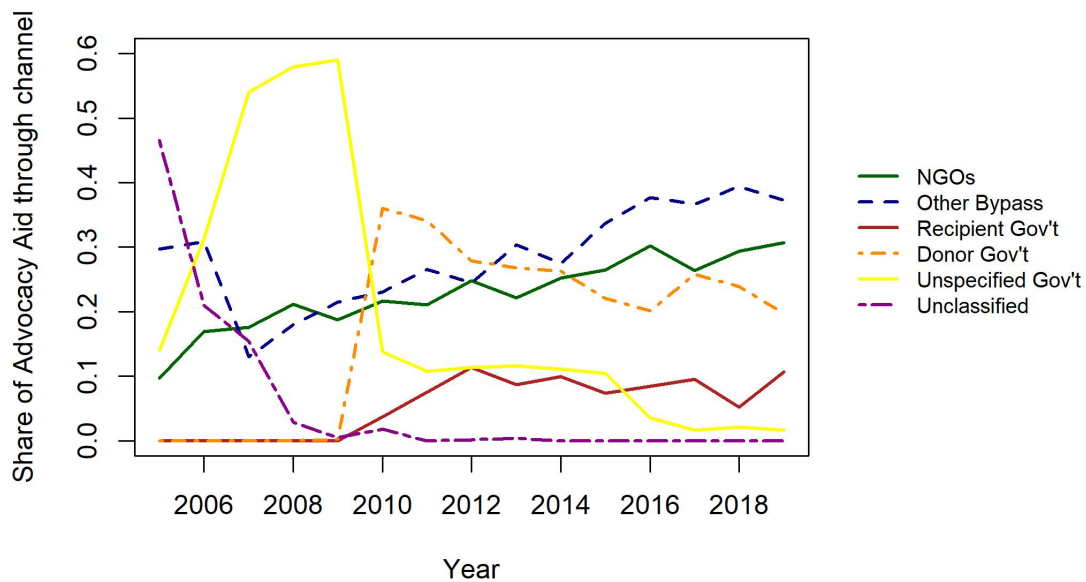
*p<0.1; **p<0.05; ***p<0.01

J Advocacy Aid by Channel

Disaggregating aid by channel offers insight into the actors implicated in the aid chain linking donors to recipient country populations; however, there are several limitations to the OECD’s channel codes. First, the channel codes reflect only the *first* implementing partner on a grant. Thus, they provide information only on the entity linked most closely to the donor, and cannot tell us the entities where funding ultimately ends up or the other intermediaries in the aid chain. Second, channel codings were first employed by the OECD in 2005, and regular use of the codes took several years. It is not until 2009 that we see channel information for nearly 100% of project records.²⁰ Given the extent of missingness prior to 2009, we omit from the analysis all dyad-years prior to 2010.

With these caveats noted, Figure 8 plots the percentage of all advocacy aid from the 19 largest OECD donors allocated through the various aid channels from 2005 to 2019. Since 2010, when the OECD began distinguishing aid channeled through recipient government institutions from donor government institutions, recipient government institutions have channeled only 5-11% of annual advocacy aid, compared to a range of 19-36% for donor government institutions. As the percentage of aid channeled through donor country institutions has declined over time, NGOs and other bypass actors have become increasingly important first channels of delivery for advocacy aid, channeling 31% and 37% of all advocacy aid in 2019, respectively. Given that the channel codes reflect only the first implementing partner on a grant, the 31% figure for aid channeled through NGOs should be understood as the lower limit on the percent of advocacy aid ultimately allocated to NGOs. Other bypass entities and public sector institutions, in addition to first-implementer NGOs, rely extensively on sub-grants to international and local NGOs to implement various aspects of a grant, rendering the total percent of aid passing through NGOs likely much higher than is reported in Figure 8.

Figure 8: Advocacy Aid Channels by Year, 2005-2019



²⁰This can be seen by the sharp decline in “unclassified” advocacy aid from 2005 to 2009 in Figure 8

Table 14: Effect of Law on Advocacy Aid by Channel, AO and non-AO Donors

	<i>Channel of Advocacy Aid:</i>							
	<i>Advocacy-Oriented Donors</i>				<i>Non-Advocacy-Oriented Donors</i>			
	NGOs	Rec Gov't	Don Gov't	Bypass	NGOs	Rec Gov't	Don Gov't	Bypass
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
NGO Law Passage	-1.081** (0.421)	0.221 (0.256)	-0.759** (0.346)	-1.564*** (0.430)	-0.068 (0.187)	0.389*** (0.130)	0.191 (0.169)	-0.187 (0.322)
Year FEs	✓	✓	✓	✓	✓	✓	✓	✓
Dyad FEs	✓	✓	✓	✓	✓	✓	✓	✓
No. Dyad FEs	242	242	242	242	635	635	635	635
Observations	2,414	2,411	2,413	2,413	6,335	6,335	6,336	6,336
R ²	0.548	0.423	0.550	0.546	0.657	0.542	0.559	0.549
Adjusted R ²	0.496	0.356	0.498	0.494	0.618	0.490	0.509	0.498

*p<0.1; **p<0.05; ***p<0.01. "Bypass" includes advocacy aid delivered through the following channels: public-private partnerships, multilateral organizations, universities, networks, and private companies.