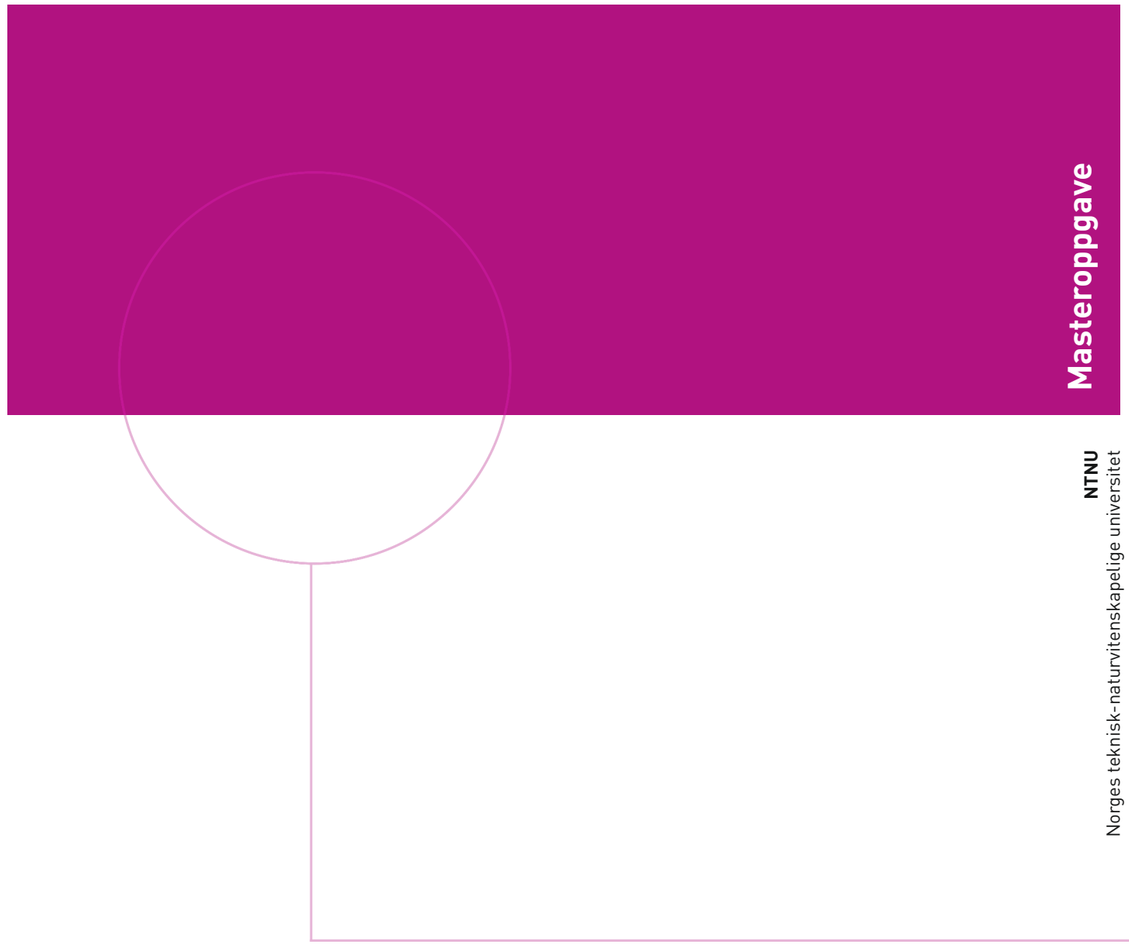

Oda Pernille Hoff

Development Aid as Human Rights Promoter

An empirical test of Norwegian aid allocation and human rights practises from 1990-2013

Masteroppgave i Political Science

Trondheim, mai 2018

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Abstrakt på Norsk:

Er norsk bistandsallokering sensitiv til mottakerlandenes menneskerettighetspraksiser? Norge blir sett på som en av verdens moralske supermakter innen bistandslitteraturen, og denne studien vil undersøke hvorvidt dette synes når det kommer til norsk bistand og menneskerettigheter.

Bistandsallokering blir bestemt ut ifra flere betraktninger. Bistandslitteraturen peker ut tre hovedmodeller for bistandsallokering. Den første dreier seg om nød i mottakerlandene, den andre omhandler meritter i mottakerlandene og den tredje handler om geopolitiske strategiske interesser hos donoren. Tidligere forskning hevder at Norge er en altruistisk donor som ikke har strategiske interesser som drivkraft i sin bistandsallokering. Dersom dette stemmer burde mottakerlandenes menneskerettighetspraksis bli tatt i betraktning i norsk bistandsallokering.

Funnene i denne studien peker mot at norsk bistandsallokering øker ved høyere menneskerettighetsbrudd. Med andre ord, land med dårlig menneskerettighetspraksis mottar mer norsk bistand enn land med bedre praksis. Videre viser studien også at Norge heller ikke ser ut til å følge FNs rekommandasjoner. Land som er dømt av UNHRC mottar mer norsk bistand enn de som ikke er dømt. Med andre ord kan det tenkes at også Norge har strategiske interesser i sin bistandsallokering.

Forord:

Mitt siste år på NTNU har vært en berg-og-dalbane av selvtillit og tvil. Arbeidet med masteroppgaven har vært noe av det mest lærerike jeg har gjort til nå, og annenhver time har bestått av frustrasjon og prestasjon. Det viktigste jeg tar med meg fra studietiden er at jeg slettes ikke vet alt, og det er et godt utgangspunkt for å nysgjerrig se etter nye utfordringer.

Jeg vil gjerne takke min veileder Indra de Soysa som har vært en støttespiller gjennom hele perioden. Han har hjulpet meg å rydde opp i mitt eget hode, og støttet meg for at jeg skulle finne mange av svarene selv. Videre vil jeg takke Arild Blekesaune for god metodeopplæring. På mine 6 år på NTNU har jeg gått fra å ha mareritt om standardavvik til å elske å jobbe med statistikk og Stata. Jeg vil også takke min veileder på bacheloroppgaven Krishna Chaitanya Vadlamannati. Han åpnet døren mot internasjonal politisk økonomi og hjalp meg å finne mitt felt i en jungel av temaer.

En stor takk går også til min familie. Dere har hjulpet meg med korrektur, og ikke minst moralsk støtte. Uten dere er det vanskelig å tenke seg hvor jeg hadde vært nå. Jeg vil takke pappa som later som han ringer fordi han kjeder seg, og mamma som alltid kommer med vise ord. En stor takk går også til min kjæreste som har taklet å bo med meg i en hektisk tid hvor alt av rutiner har stått på hode.

Til slutt må jeg også takke mine gode venner. Ingen nevnt, ingen glemt. Dere har hjulpet meg både med å komme meg ut av min egen boble, og ved å dra meg ut av lesesalen. Noen ganger er det bare avstand til arbeidet som hjelper, og det har dere vist meg. Studentlivet handler om mer enn studiene i seg selv, og jeg kommer alltid til å huske tiden i FN-studentene i Trøndelag som en milepæl i mitt liv.

Oda Pernille Hoff

Trondheim, mai 2018

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1. Introduction:

How does Norway consider human rights practices when it comes to aid allocation? In other words, do human rights violations have an impact on Norwegian aid allocation? Previous studies have examined the impact of human rights, democracy, civil conflict, and other forms of rights on aid allocation. However, very little research has been done on the topic of human rights violations in a Norwegian context. This is the gap in the literature that I will attempt to contribute to fill, by focusing on Norwegian aid allocation. Previous research on general aid allocation patterns by Norway is limited. There is some anecdotal evidence suggesting that Scandinavian donors are altruistic in their motives. If this is true, then I expect that to be reflected in Norwegian aid allocation decisions, especially to those countries which have high human rights violations or have been condemned by the United Nations Human Rights Council.

A 'global justice' agenda stresses that the rich should help the poor overcome poverty and accelerate development (Pogge, 2002). This, and the praise of Scandinavians as 'different', is the foundation for choosing to study Norwegian aid allocation. Aid has been used as a tool to contribute to developing poor countries. Increase in good human rights practices and encouragement of good governance are also seen as foundations for development (Sen, 1999). In other words, human rights practices are key for development. Human rights issues are one of the key purposes and principles of the United Nations (United Nations, 2016). The United Nations encourages all member states to do what is in their power to promote human rights and decrease violations. A big number of treaties, policies and bodies such as The Universal Declaration of Human Rights (UDHR) have blossomed and serves as tools to governments on how to address human rights issues both in the national and international arena. Norway is a member of the UN and they are among the top performers in human rights in the world (United Nations, 2016). This study will examine if Norway, as one of the generous 'global norm entrepreneurs' considers (a) human rights practices of recipient countries in decisions about aid allocation, and (b) condemnation of human rights violators by the United Nations Human Rights Council when making decisions about aid allocation.

There are several studies in the aid literature that examine the topic of the relationship between development aid and human rights. Some scholars argue that development aid allocation has rewarded countries that recently improved their human rights practices, or punished countries with bad practices (Carey, 2003). Neumayer (2003a) argues that human rights play a limited role in foreign aid allocation, but that this is due to all the other factors

determining aid allocation. Development aid can be used as a tool for donor countries to fulfil their strategic and commercial interests (Bueno de Mesquita 2011). Cingranelli and Pasquarello (1985) state that in the U.S aid allocation to Latin American countries, human rights records were not taken under consideration when choosing recipient countries. However, deciding on the amount of aid given, higher levels of human rights respect were rewarded with bigger allocations. Alesina and Weder (2002) found that the Scandinavian donors rewarded countries with more development aid if they were less corrupt. This positive result might mirror the case of human rights. If Norway rewards less corrupt regimes they might also reward good human rights practices. Despite the fact that there is a lot of research on development aid and human rights, there is a gap in the literature on Norway, which this study aims to fill.

Three main arguments will be presented in this study to suggest that Norwegian aid allocation should consider good human right practices. Firstly, not considering human rights practices might lead to a moral hazard problem in the recipient country. Allocating aid to violators, without any criterion for human rights improvements, takes away the deterrence effect. In other words, aid recipients believe that there is no need to change their practices and aid money can indeed keep bad regimes in power, prolonging development failure. Secondly, the United Nations provides a shield of naming and shaming that allows aid allocators to hide behind the organization and use it as an excuse to decrease or remove aid allocation to violators if they do not improve to avoid harming the relations to the recipients severely. Thirdly, I argue that human rights practices put donors in a spotlight, where their domestic voters can monitor their every move. If the government receives a bad reputation giving aid to bad countries and the domestic voters catch up on it, they might punish the government by supporting political opponents.

To test these arguments empirically, a few analyses were conducted using Norwegian aid allocation data, Political Terror Scale data and UNHRC condemnation data covering 130 developing countries during the period 1990-2013. I put this to the test in a Time-series cross-section OLS regression. My findings are two-fold. First, there is no evidence to show that Norway considers human rights performance of governments as key when allocating development aid, indeed there is evidence to suggest the opposite. In many specifications, higher aid from Norway flowed to countries showing higher violations. These results do not support the views that Norway takes human rights under consideration when allocating aid. After controlling for selection effects bias using Heckman two-step selection effects models,

the result remains unchanged. There is no evidence to suggest that selection biases the basic finding. In addition, models estimated with Driscoll-Kraay robust standard errors also suggest no spatial correlation in the main models. Even after all these robustness checks, higher human rights violations relate positively with Norwegian aid. Secondly, UNHRC condemnations also seem to increase Norwegian good governance aid allocation.

The rest of my study is structured as follows: In the next section, I will provide a brief overview of definitions, theory, past research, and models for aid allocation. In section 2.2 I will present my theoretical arguments, leading to some testable hypotheses. Section 3. describes my data, sources and the methods applied to examine my hypotheses. While section 4 presents my analysis and findings, section 5 discusses the findings against previous literature. Section 6 concludes the study.

2. Definitions, Theory and Hypothesis:

In this section, I will first provide some definitions of core concepts related to this study and explore the importance of human rights for development, the most prominent terms being development, human rights and development aid. Then I will present some information about the origins of the United Nations Human rights Council (UNHRC) and examine why its activities are important for donors. Then a short historical overview of aid allocation with the main focus on Norway will be given. Further, I will present a brief overview of the aid literature when it comes to efficiency and its effects. Following this I will present some models for what matters in aid allocation decision-making processes, then examine the issue of Norwegian aid allocation and consideration of human rights. I end this section by coming up with some testable hypotheses. In the following section some key terms and concepts will be discussed.

2.1 Development:

Development has been defined in numerous ways in the aid literature. Some speak of it as merely an economic objective. A country that experiences development has a rising gross domestic product (GDP), and GDP or gross national income (GNI) are often used as measures for level of development. Others argue that economic factors are means to an end (development itself). The United Nations Development Programme (UNDP) is an organisation working on amending sustainable development. They use the term human development, focusing on development being about expanding the 'richness of human life' instead of focusing on developing the economic life around humans (UNDP, 2018). Essentially, human development focuses on the opportunities and choices individuals have, and economic development is not assumed to improve the wellbeing of all people. It might just be a means to an end, such as the quality of life and freedoms. The UNDP publishes annual reports on human development, and they have been doing this since 1990. In the last edition, they report that there are significant improvements in human development in almost all countries in the world, but they point out that there still are millions that do not gain from this as some groups are more prone to be left behind. The reports also suggest how human development can be better in the future by suggesting policy recommendations at national levels and examines how we can counter global issues together in the international sphere in order to achieve the 2030 agenda and the Sustainable Development goals (UNDP, 2016). The

main issue is that donor countries must pay greater attention to allocating aid to promote human development rather than just growth in GDP.

The UN Millennium Development Goals (MDGs) were adopted in September 2000 by the UN General Assembly (United Nations Millennium Declaration, 2000). The resolution consists of 8 broad overarching goals for poverty eradication, universal primary education, promote gender equality and empower women, reduce child mortality, improve maternal health, combat HIV/AIDS and malaria, ensure environmental sustainability and develop a global partnership for development. The goals were set to be achieved by 2015. The final report on the MDGs shows tremendous improvements in the anti-poverty movement (The Millennium Development Goals Report, 2015). From 1990 to 2015 the number of people living in extreme poverty has been reduced by 50%, and the same goes for people suffering malnutrition. The rate for school enrolment in developing regions has risen to 91%, and more girls are now enrolled in primary education (Ibid). These are promising results when it comes to development, but there are still millions suffering from poverty, sickness, insufficient healthcare, gender inequality and lack of opportunities. In 2015 The Sustainable development goals (SDGs) were adopted by the General assembly as a successor to the MDGs, and one of the most optimistic goals is to end poverty worldwide permanently by 2030 (UNDP, 2018). Discussing the UNs goals is interesting from the point of view of Norwegian rhetoric and Norway's commitment to these goals, particularly to peace, and this makes the subject important for greater scrutiny. This will be discussed further in section 2.2.

Hugo Slim (1995) argues that development ideally hits three key principles: First, development is more than economics and economic growth. Secondly, development is a universal goal for all countries in the world, not only the least developed countries. Lastly, development depends on fair interaction between people, groups and nations. Defining development is two-fold. The Cocoyoc Declaration from 1974 was a result of 10 development experts from all over the world coming together to set a new agenda of 'alternative development'. The meeting was born out of a growing consensus that the development strategies of the 50s and 60s failed to produce real development. The new term 'development' was linked to developing humans, not things, and they made a distinction between 'inner limits' and 'outer limits'. The former included fundamental human needs like food, health, shelter and physical security. The latter covered the planets integrity from population growth like environmental degradation and resource availability (Cocoyoc, 1974). The 'inner limits'

focus on human rights and the 'outer limits' focus on our planet started the debates we are still having today. Over 40 years later both are being violated. Slim (1995) argues that this is still useful, and that the two parts are highly interdependent on each other because there can be no development without greater human rights for ordinary people.

For development to be successful Slim (1995) argues that several ingredients are required. First, development is about improvements for the better and for continuity. This means that development might just happen differently from place to place. For a positive change to be accepted by the society it must be in line with their culture, social structure, economy, technology and physical environment. In other words, the change you are trying to make must fit the capacity and values of that particular group of people. Development cannot be imitated or imposed upon people, as its success is highly dependent on origin. Development must originate from within the people and country itself as sustainable development is only achievable in communities who strive for it themselves. What Norwegians want to change in Rwanda might not be mirroring what Rwandans want or need. "Genuine development, therefore, is not about similitude and making everything the same. Instead, real development safeguards and thrives on difference, and produces diversity" (Slim, 1995: 144). These processes are often referred to as endogenous processes of development often tied to how free people are to generate new ideas, to trade, to invest, and expand markets.

Norwegian policy makers want to see results from their aid allocation but the results they hope for might not be aligned with the needs of recipients of the aid. This leads us to the next ingredients, equity and justice. Change cannot be improvement if it is unjust and does not benefit everyone equally. This means that struggle, conflict and opposition are part of development, as the relationship between people is a determinant for development. In every society people are diverse when it comes to sex, race, social class, power status etc. These groups will be challenged by effective development, and that is part of the process of change. Participation is key as development can only be achieved by people not to people. This fulfils some other ingredients of development, like choice, control and access. "At the end of the day, development is judged as successful by whether or not if it lasts. Sustainability, self-reliance, and independence are seen as vital ingredients in effective development: the eggs that bind the mixture of the cake" (Slim, 1995, 144). Sustainable development ensures future continuity and benefits to present and future generations by a community or society.

Development is more than making today better as it includes a better future. Slim (1995) argues that all these ingredients are cooked in the oven called time. Development takes time, and this is a problem for all us Westerners pushing for results.

Amartya Sen (1999) argues that development is freedom. Poverty is in his eyes, an unfreedom causing the people to get less power in the market and in economic relationships. However, the economical aspect is not the only important factor in development as people can have other "unfreedoms". For instance, in Saudi Arabia most people have economic freedom, but they lack other freedoms like gender equality or political rights. There are five basic human freedoms according to Amartya Sen (1999). The first one is political freedom, underlining the importance of choosing who governs you. The next one is economic facilities, creating a framework where individuals can consume, produce and exchange goods. Number three is social opportunities like health care and education, while number four is transparency and guarantees ensuring that dealing with other individuals happens under certain conditions. The last one is protective security of the individuals and this includes safety nets for unemployed people or people that cannot work for other reasons. A rising GDP or gross national income (GNI) are important, but they are means rather than ends. For instance, even though countries like Brazil, Gabon, South Africa, and Namibia are much richer in terms of GNI than Sri Lanka or India, life expectancy is still higher in the latter countries. In other words, higher GNI is not automatically connected to all kinds of development that people might really want (Ibid).

Over the years a lot of theories have appeared claiming to have found the key for development, and one of these keys are inclusive institutions. Acemoglu and Robinson (2013) argue that three factors explain why countries have different rates of economic success. First of all, they have different institutions, different rules for how the economy works, and lastly, the incentives motivating the people are different. To explain why these factors are important, they use North and South Korea as examples. In the North, people get education based on propaganda, they serve 10 years in the military, they have no incentive to excel in anything as they will have no legal access to the global marke,t and they will not own property. In addition, there are no human rights, so people can exercise their will. In the South people have incentives to excel as the state supports the market-breed economic activities. People can take up loans, go into partnerships with international firms, take up mortgages to buy a house, and benefit greatly from these open institutions (Acemoglu and Robinson, 2013, 75).

> To be inclusive, economic institutions must feature secure private property, an unbiased system of law, and a provision of public services that provide a level playing field in which people can exchange and contract; it also must permit the entry of new businesses and allow people to choose their careers (Acemoglu and Robinson, 2013:75).

Inclusive economic institutions are crucial to economic development as people who expect their work to be expropriated, stolen or taxed unfairly will lose the incentives to work which leads to a decrease in productivity. Hence, inclusive economic institutions foster economic activity, growth and prosperity. It also brings along technological development and educational boosts to help the labour force increase their productivity. "The ability of economic institutions to harness the potential of inclusive markets, encourage technological innovations, invest in people, and mobilize the talents and skills of a large number of individuals is critical for economic growth" (Acemoglu and Robinson, 2013:79). Then why are there so many countries that fail? In contrast to inclusive institutions some states have extractive economic institutions. These kinds of institutions are designed to take the incomes of some groups and to give it to other groups, and not in a Robin Hood "steal from the rich and give it to the poor" kind of way, but unfair re-distribution to favour the elites (Acemoglu and Robinson, 2013). In other words, elites can create rules that violate the rights of others and benefiting unevenly.

How can one ensure the emergence of inclusive economic institutions? The answer lays in the politics. Political inclusive institutions are also important for securing development as the economic institutions are made by the society. Political inclusive institutions ensure that economic inclusion will exist. Acemoglu and Robinson (2013) argue that in the case of North Korea, the communists forced their economic institutions on the people. They had different political objectives than the decision-makers in South Korea. Political institutions set the political incentives, dictate how the government is chosen, and determine what tasks and mandates fall to each branch of the government (Acemoglu and Robinson, 2013). A state can have absolutist political institutions, recognized as a narrow distribution of power, with less constrains. In the opposite corner we have pluralistic institutions spreading the power and adding constrains on the powerful. Political and economic institutions go hand in hand, as having inclusive political institutions would work against extractive economic institutions, as the people would put pressure on the government for reforms. Absolutist political institutions would easier get away with enhancing extractive economic institutions, as the power is narrowly distributed among the elite, and the people have less power to influence this

(Acemoglu and Robinson, 2013). In the next section, human rights will be defined, and the link between institutions and human rights violations will be discussed.

2.2 Human rights:

The Universal Declaration of human Rights conducted by the United Nations in 1948 (UNUDHR) was the first international written recognition of the need for universal protection of human rights. The declaration protects all people independent of nationality, race, gender, and age entitling everyone rights of being equal and free. However, human rights cover a wide spectre of individuals rights and freedoms. It focuses on personal or physical integrity rights and security rights (Carey and Poe, 2004). The former refers to integrity of the lives of the people. This can include the rights to be free from torture, murder, and random imprisonment. The latter refers to fulfilling basic human needs. Examples can be living standard, housing, food, and clothing. Other rights found in social or cultural spheres are also important but the physical integrity rights will be the main focus of this study. Article 5 in the UNUDHR states that all have the right to not be tortured, treated with cruelty, be harmed or to be punished based on who they are (UNUDHR, 1948). The article targets exactly the kind of human rights which prevents peoples' freedom of political and economic choice. Hard core human rights are defined as the right to life and freedom from torture and slavery (Condé, 2004). All human rights are important to uphold, but one should deal with the worst offences and offenders first. Human rights abuses are unfreedoms enforced by the state causing torture, political imprisonment and disappearances, limiting the freedom of expression, organisation and free will, or what are grouped under physical integrity rights.

Human rights are crucial when it comes to development in recipient countries. As inclusive institutions are key for development, repression of any kind might be considered elitist abuse of power. Aid allocating countries should consider human rights violations as a crime enforced by the state limiting the publics freedom and thus their development. For donor countries, the results of their aid allocation matters, and allocating aid to repressive countries with extracting economic institutions and absolutist political institutions should lead to poor results (Acemoglu and Robinson, 2013). Sponsoring this behaviour should be in no donor's interest, and therefor aid should be used as a tool to make recipients improve how they behave towards dissidents in their societies. No donor country can meddle in sovereign states and how they conduct their policies, but they can put pressure on. This means that if change is required, one needs to find leverage to give the recipient country incentives to

change in the direction the allocator prefers. When donor countries attach conditions, recipients must meet in order to get aid; this is called political conditionality (Carey, 2007). Thus, the aid is being used as a tool to accomplish particular changes abroad. The asymmetrical power relationship between donor and recipient is leverage in fulfilling the donors' foreign policies as the donor can threaten to withdraw or reduce aid (Ibid). The threat might force recipients to change, as it might be destructive to their economy. In other words, a repressing government receiving aid might remain in office because aid allows them to survive (Buena de Mesquita and Smith, 2011).

In the previous section, the SDGs were discussed in the context of development in general, but in this section Norwegian commitment to the SDGs in the context of human rights will be discussed. In a National review presented at the high-level political forum on sustainable development (HLPF) from 2016 Norway explained how to implement the 2030 Agenda nationally, and how Norway would work to contribute internationally (Utenriksdepartementet, 2016). "Human rights" is mentioned 28 times in this 35 page document and Norwegian commitment to protect them is pronounced. In general, the review mentions several policies and enabling factors both nationally and internationally. Giving the Norwegian population ownership of the SDGs, incorporate the goals to national frameworks, have consultations with the Sami people, engage with local and regional authorities and have a human rights-based approach are central actions to work on nationally. In this review, a white paper called Opportunities for all: Human Rights in Norway's Foreign Policy and Development Cooperation, Norwegian priorities in the battle for human rights are set (Ibid). The three main focus areas are individual freedom and public participation, the rule of law and legal safeguards, and equality and equal rights.

> In the area of human rights, Norway cooperates with multilateral organisations, other countries and civil society. Norway is a longstanding supporter of the Office of the High Commissioner for Human Rights and efforts to strengthen the integration of human rights across the work of the UN, both politically and financially (Utenriksdepartementet, 2016:29).

These attempts of spreading awareness and ownership of the SDGs nationally also raise the citizens' awareness of the situations abroad, also when it comes to human rights violations. In addition, the review underlines that the SDGs will be served as guidelines in Norwegian foreign policy and development aid, particularly in order to achieve SDG number 3: "Ensure healthy lives and promote well-being for all at all ages" (Utenriksdepartementet, 2016:12).

Norwegian rhetoric concerning development, human rights, and the UN supports the assumption that Norwegian aid allocation is sensitive to recipient human rights violations, but are they key in the allocation process? In the next section, a brief introduction of the UNHRCs history and organisation will be given, before giving a short glimpse of development aid history.

2.3 The UNHRC: Background and organization

The rich Western countries took responsibility to help the rest after World War Two and they created several international bodies designed for this. The United Nations (UN) has become one of the most important international actors in the world, and ensuring human rights are one of their main objectives. In this study the UN is important because of its focus on human rights, but also because this body is central in Norwegian foreign policy interests. Norway was a member of the UNHRC from 2009-2012, and some of the Norwegian core affairs were prohibition of torture, universal abolition of death penalty, and to draw attention to particularly bad human right violations of oppressive regimes (Utenriksdepartementet, 2014). In addition, Norway worked on trying to improve the councils' efficiency and visibility. Considering Norwegian efforts at the council, Norwegian aid allocation should show sensitivity to UNHRC condemnations, which after all are aimed at the most serious offenders regarding human rights.

The United Nations Commission of Human Rights (UNCHR) was established in 1946 (Lebovic and Voeten, 2006). The UNCHR was a body under the Economic and Social Council that was strictly subsidiary. The world saw its first intergovernmental organization for human rights. Both promotion and protection of human rights was the purpose of this body. The organizational structure was as follows: 53 non- permanent members were elected by the Economic and Social Council for a three-year period, with possibility of re-election. Even though there were no permanent members, the seats were distributed by region. The council was made up of "African States 15, Asian States 12, Eastern European States 5, Latin American & Caribbean States 11, Western Europe & Other States 10" (OHCHR, 2016). Each region recommended delegates, and a confirmation vote was set up by The Social and Economic Council. A Secret ballot vote was set up in the case of disagreement in the council (Edwards et al, 2008).

The UNHRC was an initial success but quickly stagnated to a point of operating mostly on principal matters instead of taking action or establishing practises. It did not possess the power needed to be an insurer for good human right practices worldwide. What it did manage to do was to create treaties, conventions and declarations. So why was it that the UNCHR could not get power? Lebovic and Voeten (2006) argue that it was because states fear losing sovereignty and interference in internal affairs. Opening one's country for outside inspections would possible harm ones' interests more than help. However, into the 1970's the UNCHR started expanding its power. The UNCHR now established four steps to take if a government was accused of human rights violations. In step one, the UNCHR would decide to continue pursuing the case or not. This could be done publicly even if a resolution has not passed. Should the matter enter step two, it would be a matter of concern, and be considered in a confidential session. In this session, the UNCHR would decide to take the matter up to step three and give a mild sanction. This action would be a critical statement of the chair of the UNCHR, warning the public of the violations. The fourth step is where the UNCHR would adopt a public resolution condemning the country for violating human rights, with explanations for the condemnation included (Lebovic and Voeten, 2006).

The UNCHR has received a lot of criticism. One of the main problems was the number of seats in the UNCHR that was given to states with questionable human right records (Edwards et al., 2008). This lead to credibility problems for the UNCHR, and some argued that it also harmed the United Nations reputation. The UNCHR had lost both its credibility and professionalism, and this was damaging for the commissions capability of doing its job (Edwards et al., 2008). Other aspects of the criticism point out that the force to seek membership was not always to further human rights, but to protect one's own country from condemnations or criticism, and deflect criticism to others (Lebovic and Voeten, 2006; Edwards et al., 2008).

On the 15th of March 2006, the United Nations General Assembly adopted a resolution creating the United Nations Human Rights Council (UNHRC from here on) as a successor to the former commission (OHCHR, 2007). Instead of being a subsidiary body to the UN Economic and Social Council, the UNHRC is under the General Assembly. This implies that the entire General Assembly elects the members of the UNHRC. The new council

also has fewer members than the predecessor, as the UNHRC has 47 members[1]. The meetings are also more frequent than before. Edwards et al. (2008) argue that even though there are significant changes, the General Assembly still rejects the proposal that nation-seeking seats needs a two-third vote of the General Assembly, and they also reject exclusion of members sanctioned for human rights violations. This might lead the new Council to suffer the same problems as its predecessor. However, today this body keeps an eye on human rights violations and are naming and shaming repressive governments for the world to see. Thus, it should be easy for development aid allocators to know which countries are on the "bad" list for human right violations. Norway in particular should be sensitive to UNHRC condemnations because of its commitment to the UN and the goal of eradicating human rights violations.

2.4 Historical overview of Development aid:

In this section, a summary of the development and history of bilateral aid after World War 2 will be presented. The focus will be mainly on the US and Norway, but Britain, France, and Japan are also worth mentioning to highlight different practises and goals with foreign assistance. Comparing several states' policies assists in the understanding of bilateral aid flows. This overview can help understand why or why not Norwegian aid allocation might be sensitive to human rights violations.

Bilateral aid has existed for a considerable amount of time but became prominent after World War 2 (Williams, 2013). The US withdrew from the war as a victorious super power, and its dominant economic and military position allowed the US to create an international order of their liking. Within this new order the USs' assisting developing countries had two overarching goals. The first one was to jump-start the post-war international economy, to ensure liberal ideas of mutually beneficial trade, and open international markets and revenue flows. Assisting developing countries to get them on the marketplace would be beneficial for US exports, as well as having positive long-term consequences for US security, as economic development was assumed to lead to political stability. The second goal was to use aid as a tool to battle communism in the Cold War competition with the USSR. The economic crisis in Europe in 1946 frightened US policy makers as the USSR possibly could get political

[1] List of current members can be seen here: http://www.ohchr.org/EN/HRBodies/HRC/Pages/CurrentMembers.aspx

opportunities to spread communism to weaker states. The Marshall Plan can be seen as a US plan to get allies in Europe in order to keep the USSR from spreading its influences across the world (Williams, 2013).

Other bilateral agencies appeared later. The USSR started using aid as an instrument to counter the US and wanted to help weaker states to develop socialist beliefs. However, the USSR was not a very significant actor, as the aid budget was a lot smaller in size compared to the US. Further, their allocation seemed to be more ad hoc and it never got the aid programs professionalized or properly organized (Williams, 2013). China also started out small, using aid as a tool to compete with the USSR for influence, but has today become one of the most important allocators in the world. France, Britain, and Japan were considered bigger actors after the war. In the beginning both Britain and France allocated the bulk of their aid budget to former colonies as a strategy to maintain good relations (Williams, 2013). After 1990 this changed as Britain developed the Department of International Development (DfID), and this ministry modernised the aid policy by starting research and publishing reports. Williams (2013) argue that part of this build-up was related to greater British influence in larger international projects. For France, on the other hand, this period turned into an aid disaster as their former colonies, especially in Sub-Saharan Africa was in economic crises, and put tremendous pressure on the French aid budget. In addition, France got internal problems, as the public accused the French authorities of fuelling dictators after several corruption crises in French companies operating in former colonies. Japan differs considerably in aid allocation policy from the states discussed so far. Regional assistance was on the Japanese agenda, and they had an aid policy clearly targeted to countries in their region to satisfy Japans commercial interests (Ibid).

Norway was quick to follow the US implementing bilateral aid policies. After the war, rebuilding and accepting assistance through the Marshall plan, Norway was the second country with no former colonies to become a bilateral donor in 1952 (Engh, 2015). In the beginning, Norwegian aid policy dealt with transferring knowledge and funds. The funds were supposed to assist in technology and modernisation investments in the developing countries, while the knowledge was supposed to assist in utilizing and spending the funds in a sensible way. In addition, the knowledge exchange was a mean of spreading western techniques and methods in the third world. The Norwegian aid projects and developments plans were highly focused on staying out of the recipients' political spheres. The 60s was a

time of development optimism and the Norwegian aid industry got institutionalized (Ibid), and a predecessor of the Norwegian Agency for Development Cooperation (NORAD) was founded in 1962 (Norsk Utviklingshjelp). The new agency received the responsibility of bilateral aid programs, while the Ministry of Foreign Affairs kept control of the multilateral aid. After inspiration from the US and J.F. Kennedy, Norway also established Fredskorpset (translated to Peace Corps), a program meant to involve Norwegian youth in developmental projects abroad. During the 50's and 60's decolonization blossomed, and the Norwegian state wanted to support the newly independent countries. By the end of the 60's Norway set a goal to increase the aid budget to 1% of GDP by 1974 (Ibid).

After 1970 Norwegian aid changed. The belief in the opportunities aid could give was still strong, and Norway adopted more recipients from new parts of the world. The aid was more professionalized, and non-governmental non-profit organisations became more important. Norwegian development aid tripled during the 70s, and Norway supported several big projects in industry, fish, renewable energy, infrastructure, and agriculture (Engh and Vik, 2015). The trend worldwide in the 70s aid debate was concerning coverage of basic human needs and to reach the poorest of the poor. Norway's most important recipients was in Sub-Saharan Africa and Latin-America. The need of the recipients was supposed to be central in the allocation process, but in some occasions the principle of not interfering in recipients' policy was neglected, for instance during the battle against Apartheid (Ibid). The 80s brought pessimism as the internal conditions in the recipient countries were pointed out as the reason for their problems. Many poor countries suffered from enormous debt, and the donor countries answered this by imposing conditions for receiving their development aid. Neo-liberal ideas about restricting the states interference in the economy flourished, and this became evident in Norwegian aid as Norway used development aid as leverage forcing Tanzania to change its economic politics. In 1981 Norway reached the goal of the development aid budget being 1% of GDP. In the 80s Norwegian aid focused more on women, and they continued focusing on the basic human needs. Voluntary NGOs received even more of the development aid budget to continue their projects in developing countries (Ibid).

The 90s continued the conditional development aid, but now the conditions were more political. The development aid flows were supposed to promote good governance, democracy and a vibrant civil society in the recipient countries (Engh and Vik, 2015). The recipients had

responsibility to ensure the correct spending of the development aid, and donors focused more on local ownership of projects to ensure that the aid actually resulted in development that was needed in the specific places. Toward the end of the 90s emergency aid and human rights become more important, and the former Norwegian aid minister became minister for development and human rights. During this period, Norwegian aid was also supposed to create a foundation for peace building. With the UN adaptation of the MDGs, energy and environment became prominent in Norwegian aid allocation. Norway started projects with water power and in 2007 they started the project of preserving the rainforests. With these changes, Norwegian aid allocation shifted towards Brazil, Indonesia, and Chile.

After a glimpse of the Norwegian development aid history, it seems like the aid was used in order to help, but also in order to follow its own foreign policy and strategies. In the next section, international studies of aid allocation and human rights will be discussed. First, a general picture will be painted, then three models for aid allocation will be discussed. After the end of the next section, the hypothesis in this study will be presented and discussed.

2.5 Literature overview and models for aid allocation

In the following section, past literature on the relationship between human rights and development aid will be presented and discussed. Are there any signs that donor countries are sensitive to the recipients' human rights practises? Demirel-Pegg and Moskowitz (2009) state that human rights practices are among the key variables for donors in their allocation of aid. Some argue that the US reward governments for human right promotion and protection (Abrams and Lewis, 1993). They claim that the US is allocating aid for those in need, reward for furthering human rights but still answers to US security interests. Carey (2007) argues that the European Commission, Germany, or France are not influenced by human rights levels when it comes to giving or withholding aid to a country. What was interesting in Carey (2007)'s findings were this:

> France and Germany were four and three times more likely to give aid to countries that had recently increased their respect for personal integrity rights, while the European Commission gave more aid to countries that had substantially improved their human rights records (Carey, 2007: 461).

In other words, improvements seem to be more important for these European countries than levels of human rights violations itself. Neumayer (2003a) states that bilateral aid allocation is a tool in foreign policy. "It will therefore be determined to some extent by the self-interest of the donor country as well as the recipient country's need for aid" (Neumayer 2003a: 650). He

continues with that, many donors claim to respect human rights, and that donors consider it in their aid allocation processes. However, his conclusion is that human rights considerations are not a consistent influence in donor countries allocation of aid.

William Easterly (2006) is a tough critic on how the aid agencies operate today. He states that aid agencies globally are thinking the wrong way about how we in the West can help developing countries. He critiques the aid allocators for setting overwhelmingly huge overarching goals, and then just throw money out in order to reach them. What we are doing wrong here is that we do not make sure that the money reaches the poor (Easterly, 2006). The examples that Easterly (2006) provide for underlining the fact that the money never reaches the poor are many. For instance, he focuses on the fight against malaria. To prevent five million child deaths over ten years would cost 3 dollars per mother. This is not a lot of money, but 60 years and 2.3 trillion US dollars later, the problem is still not solved (Easterly, 2006). As aid agencies do not take responsibility after the money is allocated, aid does more harm than good in the world. Easterly (2006) does not find any evidence that aid causes growth in developing countries, and a lot of the aid ends up in the pockets of corrupt leaders and bureaucrats (Easterly, 2006). Is then allocating aid like punishing the struggling population twice?

So why do we even allocate aid? Is it out the goodness of our hearts?

> Most of us would believe that foreign aid is about helping impoverished people. The United States Agency for International Development (USAID), the primary organization for allocating US aid, advertises itself as "extending a helping hand to those people overseas struggling to make a better life, recover from disaster or striving to live in a free and democratic country. It is this caring that stands as a hallmark of the United States around the world" (Bueno de Mesquita and Smith, 2011: 161).

Bueno de Mesquita and Smith (2011) argue that the aid world is dominated by democracies wanting to make good deals with their recipients. Donors need political support internationally as well as domestically and pays other states in aid to get this support. "The United States provided Liberia's Sergeant Doe with an average of $50 million per year in exchange for his anti-Soviet stance" (Bueno de Mesquita and Smith, 2011: 168). In the cold war period, it was crucial for the United States to stop the spread of communism, and they saw aid as a discrete way of securing this. If Westerners use aid as a currency for deals, how is it possibly in favour of the poor?

There has been a lot of research on development aid allocation in the past (Abrams and Lewis, 1993; Alesina and Dollar, 2000; Alesina and Weder, 2008; Dollar and Levin, 2006; Neumayer, 2003a; Demirel-Pegg and Moskowitz, 2009), and former studies on aid allocation suggests that there are three main driving factors of aid allocation. These include needs of the recipient countries, merit of the recipient countries and geo-political and commercial interests of the donor.

The *needs model* of aid allocation is based on the level of development in the recipient countries. Neumayer (2003b) argues that recipient need is often measured based on country's income level, and then shows that donors give more aid to poor countries. Other humanitarian needs, like calories per day or life expectancy, is proven insignificant. Poor countries with low levels of development will have a higher demand for development aid than other countries. This money is vital for the poorest countries with people that struggle to survive on a day to day basis. Demirel-Pegg and Moskowitz (2009) argue that need overwrites other variables like level of corruption, simply because of the desperate need itself. Middle-income countries have greater access to the international market than low-income countries (Dollar and Levin, 2006). I argue then that middle-income countries can ensure development through marked mechanisms. Low-income countries have less access, and rely on development aid to develop, and increase their per capita income, and in the long run establish a better access to the global market.

The *merits model* argues that recipients merit is a key factor because bad governance and weak economic institutions might lead to waste of aid money. The government's capabilities of prioritizing growth enhancing institutions like property rights, law and order and social infrastructure, ensures aid allocators that the aid allocated will promote development. This argument is in line with Dollar and Levin (2006) that argue that institutions and policies are determinants for long-term growth, as well as reduction of poverty. They also state that "macroeconomic stability and a relatively open trade regime help create an environment conductive to investment and growth" (Dollar and Levin, 2000: 2036). Recent studies (Demirel-Pegg and Moskowitz, 2009; Alesina and Weder 2002; Carey, 2007) show that democracy is an important factor in aid allocation processes, especially for the US. Aid allocators might find democracies more trustworthy than autocracies when it comes to rational use of the aid money. Furthermore, Alesina and Dollar (2000) argue that foreign aid is only partially successful at promoting growth, and one of the reasons for that is bad

bureaucracy in recipient countries. In other words, development aid is more effective in a well-functioning framework of good governance. As Acemoglu and Robinson (2013) argue, inclusive institutions are key for ensuring development, and if this is the case, donor countries will prefer recipients that have established a framework of institutions that can handle the aid.

The third allocation factor is *donor interests*. Broadly speaking, it includes geo-political and commercial interests of the donors. According to Smith (2003), geopolitics:

> …refers to the relationships of authority that are created within practices among polities across a given ecumene through the demarcation of difference, hegemony, exclusion, and inclusion. Geopolitical landscapes are produced and reproduced on the ground through physical barriers and borders, in evocative cues that signal relations of independence and obeisance, and in the imagination of the proper political order of the world (Smith, 2003: 115).

Donor countries might have strategic interests in specific territory, resources or alliances, and this might shed some light in their development aid allocation. Alesina and Weder (2002) state that donor countries allocate disproportionally higher aid to their former colonies, despite high levels of corruption in the country. Building on that, Alesina and Dollar (2000) adds that a non-democratic former colony receives almost twice as much aid as a democratic non-colony. France allocates most of its aid to former colonies, while Japan allocates the greatest share according to voting patterns in the UN (Alesina and Dollar, 2000). Approximately one third of the US aid allocation goes to Egypt and Israel, as these countries have strategic value to the US.

Commercial interests of donors generally include (but are not restricted to) trade, production, marketing, distribution among others. Macdonald and Hoddinott (2004) illustrate that if a donor country exports goods and services to a recipient country, they would be able to raise their prices or export volume in line with the recipient's incomes. Providing development aid will as such promote future trade and it will be rewarding the donor country on a long-term basis. Similar events might occur when it comes to contracts, trade openness, and room for foreign direct investments. After 1990s, it seems like Canadian self-interest trumped the need in particularly in Sub-Saharan Africa (Macdonald and Hoddinott, 2004). The more a recipient country imports from Canada, the higher levels of development aid they receive. Interestingly, the same can be said about the emerging donors like China and India. Being a poor country, it is not surprising that they allocate their aid as a tool to follow their interest. "… Indian aid is seen as an instrument not only to gain access to overseas markets

for its goods and services, but also to pave the way for Indian investment abroad" (Fuchs and Vadlamannati, 2013: 4). It can also look like Indian aid is targeting developing countries with natural resources. Likewise, similar findings are echoed in the case of Chinese development aid, in a study by Dreher and Fuchs (2015).

2.6 Why Norway?

Now why is Norway an interesting case? As mentioned earlier, the Scandinavian countries are getting credit for being among the most generous aid allocators in the world. Norway also has a reputation for not following strategic interest when allocating, as it is not a former colonizer nor a great power in terms of geopolitics. If Norway is insensitive to human rights practises, then how might we expect powerful donors with geopolitical interests to behave? As a rich, stable, and democratic country, Norway should have best-practices in this area, and this is what this study investigates by testing the best possible scenario for aid and human rights.

Tvedt (2009) describes the Norwegian prime minister's new years' speech January 1st year 2000 as presenting a Norwegian state built on solidarity and altruism. Norway was going to be a country of solidarity and peace on the global arena. Now, Norway has become an expert on developing countries and has built a tremendous arena for voluntary organisations operating on state funds, a large bureaucracy of scientists, politicians, aid officials, and others working on the foreign ministries pay roll, and created a convincing notion of the Norwegian projects (Tvedt, 2009). However, the results of this commitment are hard to measure. The large use of resources indicates that Norway should be good at ensuring quality of its' projects, the question is whether human rights practises are taken under consideration.

The Norwegian Agency for Development Cooperation (NORAD) is a directorate under the Ministry of Foreign Affairs, and its main goal is to "…ensure that Norwegian development aid funds are spent in the best possible way, and to report on what works and what does not work" NORAD, 2018. NORAD has 5 overarching goals including advising the ministries of development and aid issues, quality assurance and monitoring of Norwegian aid flows, grant programs, communicating Norwegian aid policy and results to the public and evaluation of results of allocation. The first and second point are crucial when it comes to the issue targeted in this study as NORAD aims to show zero-tolerance for corruption and advice the ministries of human rights situations in the recipient countries (NORAD, 2018). Human rights are clearly on the Norwegian aid agenda, the question is if this shows in the aid allocation decisions.

2.7 Hypothesis:

To get to my hypothesis, I will first present my core arguments. I argue that there are three important arguments suggesting that Norway should take human rights practices under consideration in their aid allocation processes. These are the moral hazard argument, the naming and shaming argument, and the reputation argument.

The moral hazard argument is a kin to moral hazard in financial economics[2]. Allocating development aid to countries that are violating human rights, creates a moral hazard effect in the recipient countries. The recipient country loses its incentive to improve human rights standards and continues bad human rights practices, because it has no consequences. Rulers might think that their practices are good enough because they keep getting aid. Withdrawing aid allocation from violating countries creates opportunities for violators to improve their human rights practices, as change is required for getting the aid back. Another aspect is that allocation of "free" money to bad regimes, without any criterion of improvements, might prolong the duration of that regime (Bueno de Mesquita and Smith, 2011). Still, many donor countries allocate development aid to countries with high human rights violations to fulfil their interests. However, Norway should avoid moral hazard problems due to their rhetoric and their role as a global norm entrepreneur (de Soysa, Strømmen and Vadlamannati, 2014). Norway has signed and ratified several Human Rights Treaties. Among them are for example The Universal Declaration of Human Rights (UDHR). In addition, donor countries know about this effect, and should avoid it. In other words, Norway should not allocate development aid to countries with high human rights violations or those that have been condemned by the UNHRC.

The second argument is the naming and shaming argument. This argument is based on international relations between donor countries and recipient countries. It is in no country's interests having bad relations to another country, unless there are severe reasons for it. For example, Iran can be an important country to have good relations with because of oil trade, but they generally score high on the Political Terror Scale. Withdrawing aid allocation to Iran and creating bad relations might harm the oil trade. This can be too great of a risk for the donor country to take. Instead of breaking it off and ruining the relation to the recipients, the donor countries can hide behind the United Nations. The UN is a credible organization, and

[2] The definition of moral hazard in economics can be found here: http://economictimes.indiatimes.com/definition/moral-hazard

battling bad human rights practises are on their agenda. Donors can "blame" the organization for not allocating aid to violating regimes. Another argument might be that the donor countries then can use the argument that they simply cannot sell to their domestic voters that they are in fact supporting countries with bad human rights practices. This could be a win-win situation, because the donor countries could then get rid of the worst violators on their allocation list, without damaging relations too much. Secondly, they can create a deterrence effect saying that if the recipient country improves its human rights practices, it can start receiving aid again. Thirdly, the donor governments send a signal to their voters that they are taking human rights seriously.

The third argument is the reputation argument. I argue that the Norwegian government should show respect for human rights and follow the recommendations from the UNHRC because they are in a constant spotlight. This is in line with the work of Hafner-Burton (2008). The public gets information about violations, and problem areas where human rights violations occur. For instance, voters in democratic countries can easily observe the practices their government engage in. If they do not like that the government is allocating aid to violators, they may vote differently next time, or even protest. The spotlight effect works best above all in "… democracies that allow citizens to engage in domestic political protest and peaceful opposition" (Hafner-Burton, 2008: 694). Citizens protesting the government for allocating aid to human rights violators does not look particularly good in the media. This reputation effect or spotlight effect should make the Norwegian government wary of allocating development aid to countries violating human rights or countries that have been condemned by the UNHRC. Norway is a stable democracy, with strong institutions, free media, strong opposition and high awareness and literacy among the citizens. Norwegian taxpayers might object to the government spending their tax money on fuelling human rights violations, and this can ruin the reputation of the government. This leads to a hypothesis:

H1a: Countries with higher violations of human rights receive less Norwegian aid.

Even though these three arguments clearly show why Norway should consider human rights practises in its aid decisions, the reality might not mirror this. The three models of aid allocation described earlier might be granted more consideration. Bueno de Mesquita and Smith (2011) might be right about political interests as main driving factor of aid allocation. This suggests that human rights violations are not top priority for Norwegian aid allocation. Geo-political and commercial interests trump human rights in most aid allocation and the

same might be true for Norway. Easterly and Williamson (2011) also claim that Scandinavia is doing much worse than what they get credit for. This leads to another hypothesis:

H1b: Human rights violations have no effect on Norwegian aid allocation.

Lebovic and Voeten (2009) argue that UNHRC condemnations of countries with bad human right practices are correlated with reduction of World Bank and multilateral loans, but not bilateral aid allocations. The question is if the reality is different when it comes to Norway. Past literature is divided on this issue, and it is necessary to analyse this empirically. In the next section, I present the data, method, and methodological issues in the analysis.

3. Data and methods:

In this chapter data and methods will be presented. The first of the two parts in this chapter (3.1) contain information about the variables, data and sources. In section 3.2 I will present the method chosen for this empirical analysis, present some of the problems in association with this, as well as showing how I have countered them. First, the data will be described in detail.

3.1 Data:

I study 130 developing countries during the period from 1990-2013[3]. For examining the relationship between Norwegian aid allocation and human rights violation and condemnations by the UNHRC, I use two main variables for aid as dependent variables. The first one is total Norwegian aid provided by NORAD[4], and the second one is Good Governance aid also provided by NORAD. For capturing human rights practices, my main independent variables are the Political Terror Scale scores and UNHRC Condemnations. Next, I will present the details about these variables. See Appendix 1 for descriptive statistics.

3.1.1 Dependent variables:

In this study, two different measures for development aid will be operationalized. The first variable captures total Norwegian bilateral aid, while the other captures Norwegian good governance aid. The measure for Norwegian total aid is collected from NORAD[5]. The variable measures Norwegian total bilateral aid to all countries between 1990-2013. Total aid captures aid flows targeting good governance, economic development and trade, education, health, environment and energy, emergency aid, multilateral aid, and costs in Norway. I converted the Norwegian kroner to current US dollars by using the US dollar exchange rate from Norges Bank (Central bank of Norway). Then I divided the values on total population to obtain per capita values. Since this gave a skewed distribution, I log transformed the value to make sure no extreme values would drive the result, making sure the outliers are pulled in creating a more symmetrical distribution (Mehmetoglu and Jakobsen, 2017). As zero values (countries who never get aid) cannot be logged, 1 dollar was assigned to all countries before the logging.

[3] See appendix 2 for list of countries included in this study
[4] These are almost perfectly correlating to the numbers from the World Bank, so I chose to use only NORAD data.
[5] This data was collected from: https://www.norad.no/en/front/toolspublications/norwegian-aid-statistics/

The measure for Norwegian good governance aid is also collected from NORAD. This is aid strategically allocated to recipients for battling corruption and jump start good governance. This measure was also exchanged to current US dollars per capita and logged the same way. The main reason for operationalizing two different measures of aid is to compare the total aid to good governance aid. As the total aid include many target areas, the good governance aid should be more sensitive to recipients' human rights practices, as the goal with these aid flows is development of political institutions and organizations. Figure 1 shows the Norwegian total aid and good governance aid from 1990-2013.

Figure 1: Norwegian aid allocation per capita from 1990-2013

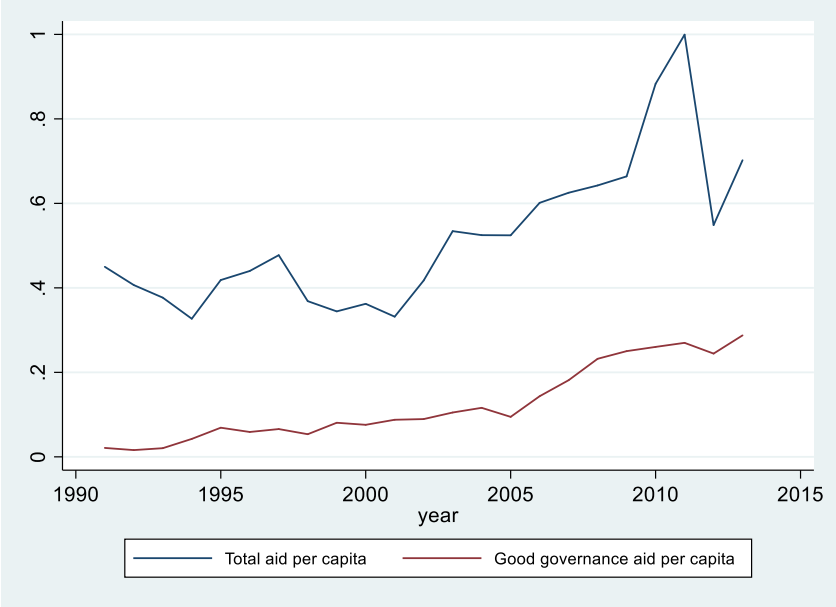


Figure 1 shows that Norwegian per capita has had a weak increase during the period under study, but that it drastically drops around 2012. One reason for why this drop occurred might be that some countries were dropped from the list of recipients, or some were added. This drop might be explained by the inclusion of Brazil around 2012, as adding a country with such a large population will reduce the per capita amounts drastically. The actual amount of Norwegian aid has just continued increasing but due to the focus of this study, per capita amounts are more interesting to work with as one is interested in the impact of the money.

3.1.2 Independent variables:

For measuring human rights performance of recipient countries, I use the Political Terror Scale (PTS from here). This index is constructed by Gibney, Cornett, Wood and Hascke

(2015)[6], and is widely used in studies examining human rights violations (Carey and Poe, 2004). The PTS measures the human rights performance of governments on a scale from 1-5. The highest value denotes the worst performance, and the lowest value denotes the best performance. The scale is set up as follows:

> Score 5 : Terror has expanded to the whole population. The leaders of these societies place no limits on the means or thoroughness with which they pursue personal or ideological goals.
>
> Score 4 : Civil and political rights violations have expanded to large numbers of the population. Murders, disappearances, and torture are a common part of life. In spite of its generality, on this level terror affects those who interest themselves in politics or ideas.
>
> Score 3 : There is extensive political imprisonment, or a recent history of such imprisonment. Execution or other political murders and brutality may be common. Unlimited detention, with or without a trial, for political views is accepted.
>
> Score 2 : There is a limited amount of imprisonment for nonviolent political activity. However, few persons are affected, torture and beatings are exceptional. Political murder is rare.
>
> Score 1 : Countries under a secure rule of law, people are not imprisoned for their views, and torture is rare or exceptional. Political murders are extremely rare (Gibney et al., 2015)

The index is constructed using information on each of the countries' human rights performances. This information is found in the US state departments, the Human Rights Watch's and Amnesty international's annual reports. Using the information provided by these agencies, Gibney et al. (2015) constructs three sets of PTS score for all the countries. One based on information from the US state department, The Human Rights Watch and the last is based on the information provided by Amnesty International. In my study, I use the data based on the Amnesty reports to avoid any bias associated with US foreign policy and because of that the reports from Human Rights Watch are quite new, and do not have data from the period I wish to study.

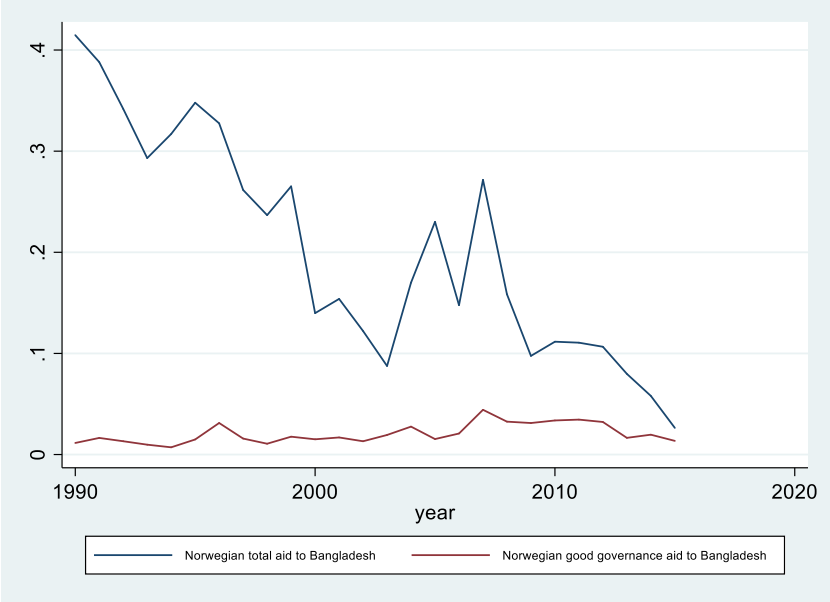
Because this study attempts to study the Norwegian states' sensitivity to recipients' human rights practises, another measure for human rights is necessary. It might be only experts that are updated on the annual human rights reports, and the Norwegian policymakers might not be, and certainly not the average Norwegian. To solve this puzzle, data on UNCHR

[6] For details about this dataset, see: http://www.politicalterrorscale.org/

condemnations will be used. As a country with strong ties and respect for the UN, at least the policy makers should be updated on UN recommendations. The data is based on public resolutions (OHCHR, 2018) and it is collected by Lebovic and Voeten (2006/2009) from the period 2002-2009, and by Vadlamannati (2016) from the period 2009-2013. The variable is a dummy given countries the value 0 for each year they have not been condemned, and the value 1 for each year they have been condemned in a public resolution by the UNCHR. Values are also given to countries that have been targeted for condemnation, but not condemned. However, only the actual condemnations will be used in this study as this is of more interest. The discussion about several targeted countries that never have been condemned because they have the rights allies in the UNCHR is beyond the scope of this study.

The control variables are chosen based on previous literature. They are all considered to have effect on aid allocation patterns of donor countries, and therefore they might also affect Norwegian aid allocation. The first control variable is gross domestic product divided by population (GDP per capita) collected from The World Development Indicators (World Bank). This might be a key variable as aid is supposed to go to who needs it. If Norwegian aid allocation is solely driven to assist the poorest countries, Norwegian aid allocation to for instance Bangladesh would be high and increasing. Bangladesh is a very poor country with little natural resources, and their need for assistance is quite high. Figure 2 tells a different story.

Figure 2: Norwegian aid allocation to Bangladesh from 1990-2013



The per capita Norwegian aid allocation to Bangladesh has decreased from 1990 to 2013. In 1990 Norwegian aid allocation was approximately 0,4 US dollars per capita, while it has dropped to under 0,05 US dollars per capita after 2010. If the purpose of aid is to help developing countries develop, why is it that Norwegian aid allocation decreases the minute conflict goes down? The actual number of Norwegian total aid has only increased but seeing such a drop of per capita aid to Bangladesh raises questions about how many mouths the Norwegian aid feeds. The reason must be that other variables play a role in Norwegian aid allocation, and this leads to the next control variables.

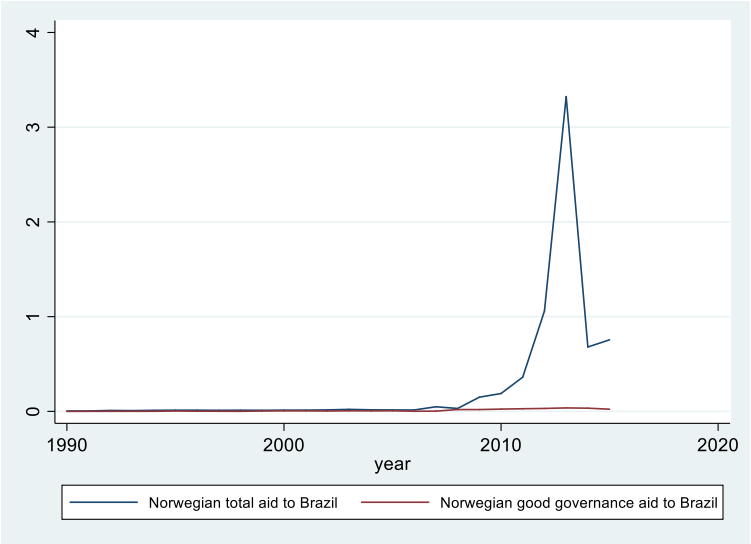
The variable capturing recipients' level of democracy is collected from the V-Dem Institute. This variable is building on five different foundations. Elected officials, free, fair and frequent elections, freedom of association, inclusive citizenship, and freedom of expression[7]. The level of democracy might have an impact on democratic donors as Norway, as democracy is highly valued.

Next, a variable controlling for the share of natural resources in recipient countries economy is included. The variable captures the amount of natural resources in the economy after calculating the expenses when it comes to drilling and selling it. This variable is also gathered from the World Development Indicators. In this study this variable is being used as a

[7] For more details about this variable see: https://www.v-dem.net/media/filer_public/f1/b7/f1b76fad-5d9b-41e3-b752-07baaba72a8c/v-dem_working_paper_2016_25.pdf

proxy for Norwegian strategic interests in order to control for natural resources. One of the main reasons why this variable is included is to control for extreme cases like Brazil. Figure 3 illustrates Norwegian aid allocation to Brazil from 1990-2013. Norway is a country considered not to follow strategic interests allocating aid as it has no former colonies, but as a natural resource rich country recipients' natural resources could potentially be affecting even Norwegian aid allocation.

Figure 3: Norwegian aid allocation to Brazil from 1990-2013

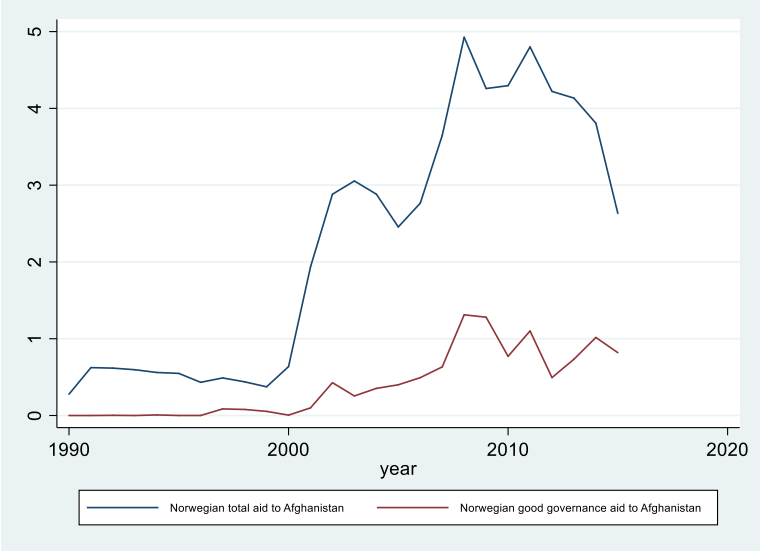


As seen in figure 3, Brazil as one of the world biggest economies received no aid from Norway in the 90s and beginning of 2000. However, Norwegian total aid allocation increased quickly around 2011, and peaked at about 3,5 US dollar per capita in 2013. Brazil, a country that itself allocates aid to poorer countries, received large amounts of Norwegian aid because of the Norwegian quest to contribute towards saving the rainforest according to the policymakers. Another explanation might be Norwegian interest in Brazilian natural resources, and if that is the case, this control variable will pick up on that.

I also include a measure of civil war which might affect both human rights and aid allocation decisions. I use the data from the Uppsala Conflict Data Project which defines a civil war as armed conflict between a state and rebel group where at least 25 deaths have occurred. Donors might be weary to allocate aid to regimes in conflict, however total aid include crisis aid 0 values are given to each country year without current civil war, and 1 is given to country years with internal conflict. This means that for instance Sri Lanka and Norway would both get a 0 value and be treated the same not considering that the civil war

just barely is over in Sri Lanka. Considering the down side to the civil war variable, we also include peace years. The peace years variable measures how many years a country has been free from civil war and is also collected from the Uppsala Conflict Data Project.[8] These variables are used as proxies to control for internal problems in some of the extreme cases in the dataset. Figure 4 shows the Norwegian aid allocation to Afghanistan over time.

Figure 4: Norwegian aid allocation to Afghanistan from 1990-2013



As seen in figure 4, Norwegian total aid per capita had a drastic increase at the beginning of the 21st century, around the same time that The Afghan War started. The level of per capita Norwegian aid received was about 0,5 US dollar during the 90s but increased rapidly to 3 US dollar per capita at the beginning of the war. Norwegian aid allocation peaked around 2007, almost reaching a staggering 5 US dollar per capita. After 2010 it seems like Norwegian aid allocation to Afghanistan is decreasing, but the per capita amount is still high at the end of the period focused on in this study. By controlling for civil war and peace years these kinds of extreme values should not drive our results.

Lastly, the variable Official Development Assistance (ODA) from the World Development Indicators is used as a control to make sure that what we see is an independent Norwegian pattern. The variable shows net ODA provided as share of GNI, and it has been log transformed to get a more normal distribution. The ODA variable captures aid flows by all the DAC (Development Assistance Committee) and using this might shed some light on if Norway allocates in line with other OECD DAC countries, or has its own politics in the

[8] Se Appendix 3 for more information

allocation. ODA is defined as government aid promoting economic development and welfare, hence loans and credits for military are excluded. It captures both bilateral and multilateral aid, and it includes grants, "soft" loans and for instance technical support. Soft loans are defined as loans where the grant element is at least 25% of the total amount (OECD, 2018). This variable is unproblematic to add in the models as it is not transformed to per capita amounts, hence it does not correlate with the other variables measuring aid.

3.2 Method and modelling:

Next, I will introduce in short, the method conducted for my analysis. I use a Time Series Cross-Section (TSCS) dataset to examine the implication of human rights violations on Norwegian aid allocation. TSCS data allow me to examine patterns in units over several time points (Jakobsen and Mehmetoglu, 2017). This method is commonly used by political economists, enabling them to study countries and look for patterns based on annual data on political and economic variables (Beck, 2008). I use data for 130 developing countries covering the years 1990–2013. The analysis of data presents a few problems for standard OLS regression because of biases from autocorrelation and heteroscedasticity. I use the Newey-West standard error estimator that is robust to both issues (Newey and West, 1987). The selection of the countries and time period is dependent entirely on the availability of the data. Testing the period after the Cold War minimizes biases that are associated with Cold War strategic concerns.

To assure that the assumptions for OLS regressions are met, the dependent variables has been log transformed as the distribution of the residuals was highly skewed and pointed. The Log transformation provides a much more normal distribution. For the same reason, the control variable GDP per capita has also been log transformed. To make sure all effects of the X-variables happen before Y in time, all independent variables have been lagged 1 year. Theoretically it makes sense that the independent variables should show effect before the Norwegian aid allocation, as one cannot expect Norwegian decisionmakers to be able to foresee the future. Based on the correlograms done on several units in the panel data, a 1-year lag should be sufficient, as the 1-year lag has the highest correlation with the variables.

All models have been run as pooled OLS (Not shown), random effects models (Not shown) and fixed effects models. Between effects modelling is not suited for this study, as the model does not allow inclusion of variables that are the same for all units in a giving year, but vary over time (Jakobsen and Mehmetoglu, 2017). Considering this paper is focusing on

political and economic variables, it is important to include also this pattern, and not to lose too much information due to collapsing and working with means for each country. The Hausman test have been used as a tool to decide between random effects models and fixed effects models (Ibid). The test suggested that the fixed effects model is more efficient. Because there are no time-invariant variables that are of theoretical importance, there should not be any problem with the fixed effects model's intercepts absorbing them (Ibid). Based on that test, and previous research on comparable questions (de Soysa, Strømmen and Vadlamannati, 2014), I present table 1, consisting of model 1-4 showing PTS on total Norwegian aid, and model 5-8 showing PTS and good governance aid. First a OLS model with time fixed effects (Table 1, model 1 and 5), a time and country fixed model (Table 1, model 2 and 6) a OLS with time fixed effects and the control variable ODA (Table 1, model 3 and 7) and lastly, a time and country fixed model with the control variable ODA (Table 1, model 4 and 8).

However, after testing these models with the Wooldridge test for autocorrelation in panel data, and the Breusc-Pagan / Cook-Weisberg test for heteroskedasticity we have a problem with both autocorrelation and heteroskedasticity. Solving this problem is including Newey-West standard errors which are robust to both issues. The Newey-West estimate does not have an impact on coefficients, but it inflates the standard errors, giving more correct p-values. This makes it easier to avoid reporting false significant results. Newey-west is chosen over Huber-White because it accounts for both heteroskedasticity and first order autocorrelation, whereas the Huber-white estimate only accounts for heteroskedasticity (Newey and West, 1979).

In TSCS models we get an additional problem with stationarity in the dataset. This can be solved by including a lagged dependent variable as an independent variable in the model. The augmented Dickey-Fuller (1979) test was run on several units to look for stationarity (Mehmetoglu and Jakobsen, 2017). The null-hypothesis that the series is non-stationary could not be rejected, meaning there might be time-trends in the data. I argue that the Newey-west estimator is enough for battling serially correlated residuals, and there is no need to solve the problem twice. The Newey-West estimator has already removed the worst trend, and taking away more, leave us with a too stripped model. We might lose interesting patterns. This model is however fully pooled, meaning that we assume that all units or in this case all countries follow the same specification and same parameter values (Beck, 2008). Allowing

country heterogeneity is done by making the intercepts vary by country, which is what is done in the next models.

Model 1 and 3 in table 1 shows the effect of PTS on Norwegian Total aid in time fixed models. The same thing has been done in model 5 and 7, but with good governance aid as the dependent variable. Including a control for time, we can include effects that vary across time, and not unit. Examples of time varying phenomenon can be financial climate, weather or other things that might affect all units in the same way but varying in time (Ibid).

Next the country fixed and time fixed models (Table 1, models 2, 4, 6 and 8) are presented to control for fixed effects within units, and make sure that the error term is not correlating with the x variables (Jakobsen and Mehmetoglu, 2017). In other words, because there might be unmeasured variables correlating with our independent variables, this can be causing bias in the coefficients. This is called omitted variable bias. A pooled OLS might show only spurious relationships. The Hausman test suggests that the fixed effects model give more consistent results than a random effects model. Country specific dummies have been added to the model, and the effect is estimated (Ibid). In this model we can see the relationship between Norwegian aid and the explanatory variables within each unit, as every unit might have distinctive characteristics that might influence the explanatory variables differently. This model helps us observe clearer relationships, and we will get a smaller problem of spurious relationships as it controls for all time-invariant variables. These models are also controlled for time fixed effects. Again Newey-West estimation of standard errors are computed to account for autocorrelation and heteroskedasticity. Table 3 is set up the same way using the UNHRC condemnations as the main independent variable.

Since the method used only finds an association between human rights violation and Norwegian aid, it cannot be interpreted as a clear causal relationship. An association between Norwegian aid and higher repression might not mean it is causal. For example, doctors are associated with higher deaths only because they have to treat the sick. In the same way, Norway's aid maybe associated with higher human rights violations only because those are the types of countries that need aid. Also, Norwegian aid officials may pick the best countries on purpose. Selection bias and endogeneity might lead the Norwegian government away from problematic countries, creating false associations. To check for this, I compute a two-step Heckman model. This model method computes a first stage probit model to see which countries are systematically left out from getting Norwegian aid. This information is used to

estimate the effect between Norwegian aid and human rights violations on a more randomized sample (Heckman, 1979). This is how this model corrects a special form of omitted bias in the variables. The main reason to do this is to check if the Norwegian government systematically allocates to the hard cases or not, and to see what impact the aid have on human rights violations controlled for the allocation pattern. Robust standard errors are estimated using the twostep command, but models calculated with Huber-White standard errors are also reported. As a robustness check the Heckman model was run with a lagged dependent variable as an independent variable in stage two in order to deal with panel stationarity (Not shown), but this did not change the findings significantly.

In addition, it is important to add exclusion restrictions in a two-step Heckman model to ensure more robust identification (Cameron and Trivedi, 2010). Exclusion restriction is adding a variable in the selection model (step 1) but exclude it in the regression (Step 2). In other words, the selection equation has an exogeneous variable that is excluded from the outcome equation (Ibid). The most important thing to have in mind in selecting such a variable is that it is crucial for the selection step, but not one that directly affect the outcome. In other words, one variable that is crucial for being picked to receive Norwegian aid, but that does not directly affect the amount of aid received. Several attempts were made to find a suitable variable for exclusion restriction. Civil war and peace years seemed appropriate as these countries probably need it, but these factors themselves might not affect the amount given. However, ODA was in the end used as an exclusion restriction because it can be assumed that other types of aid go to the same countries as ODA, but ODA itself should have no theoretical impact on the amount of aid given by Norway. The Heckman two-step selection effects models are reported in table 3.

Spatial dependence can be a problem if Norwegian aid systematically is clustered in space. Treating aid allocation to country A independently from country B might not be empirically valid. Thus, I also control for spatial dependence in robustness tests. Models have been computed with Driscoll-Kraay standard errors. In social sciences, most empirical studies are now conducted with robust standard error estimates that are autocorrelation and heteroskedasticity consistent, but today spatial or cross-sectional dependence seems to be neglected (Hoechle, 2007). Taking within correlation into account is important, but assuming the residuals to correlate within but not between groups is inappropriate. Correlation of residuals between groups, in this case between countries, is equally important to counter than

correlation of residuals within each country (Ibid). “By relying on large-T asymptotic, Driscoll and Kraay (1998) demonstrate that the standard nonparametric time-series covariance matrix estimator can be modified such that it is robust to general forms of cross-sectional as well as temporal dependence” (Hoechle, 2007:284). Driscoll and Kraay (1998) created a Newey-West-type correction to the sequence of cross-sectional averages of the moment conditions, guaranteeing that the covariance matrix estimator is consistent independently of the cross-sectional dimension N. Since this study has quite a large N, the Driscoll-Kraay standard error estimates is the best way to control for spatial correlation in the data set. Other approaches like Parks-Kmenta or Beck and Katz panel corrected standard errors tends to become inappropriate when the cross-sectional dimension N gets large relative to T in a micro econometric panel data set (Hoechle, 2007). In this model however, one cannot use lagged variables or dummies for time. The lags have been taken out, and the variable time has been added as a regular linear variable just to control for time-trends. The Driscoll-Kraay models are reported in table 4.

4. Analysis:

In this chapter the main models (table 1 and 2) will be introduced and analysed. Then 8 Heckman two-step selection effects models will be introduced in table 3. Lastly, a robustness test controlling for spatial dependence is shown in table 4. Table 1 present the effect of human rights violations (PTS) on both Total Norwegian aid per capita (Total aid per capita in table) and Norwegian Good Governance aid per capita (Good gov aid per capita in table). Model 1 and 5 are OLS regressions using Newey West standard errors computed with time fixed effects, model 2 and 6 are computed with country fixed effects in addition, model 3 and 7 have added a control variable (ODA) for capturing influence in allocation patterns controlled for time fixed effects, and model 4 and 8 have the extra control variable ODA and country fixed effects. Table 2 present the effect of UNHRC condemnation on Norwegian total aid and Norwegian good governance aid. Model 1 and 5 show the relationship between UNHRC condemnations and Norwegian total aid and good governance aid controlled for time fixed effects. Country dummies are added in model 2 and 6. In model 3 and 7, the control variable ODA have been added, and model 4 and 8 include both the ODA variable and the country dummies.

4.1 The Political Terror Scale and Norwegian aid:

The effect of PTS on Norwegian aid is reported in table 1. In the models' number 1-4 we see the effect of PTS score on the log transformed Total aid per capita. In model number 1 we see an OLS regression model with time fixed effects, in model number 2 we include country fixed effects, and in model 3 and 4 we do the same, only we include an extra variable capturing other western countries' allocation pattern (ODA). Model 5-8 show the same models but here the dependent variable is Norwegian good governance aid.

Table 1: Effects of PTS on Norwegian total aid and Norwegian good governance aid

VARIABLES	(1) Log Total aid per capita	(2) Log Total aid per capita	(3) Log Total aid per capita	(4) Log Total aid per capita	(5) Log Good gov aid per capita	(6) Log Good gov aid per capita	(7) Log Good gov aid per capita	(8) Log Good gov aid per capita
PTS t-1	0.676***	0.007	0.350***	-0.035	0.898***	0.080	0.793***	0.038
	(0.125)	(0.101)	(0.124)	(0.105)	(0.139)	(0.114)	(0.147)	(0.118)
Log GDPpc t-1	-1.986***	0.459	-0.665***	0.422	-1.323***	0.752	-0.066	0.704
	(0.102)	(0.599)	(0.174)	(0.669)	(0.111)	(0.637)	(0.185)	(0.687)
Democracy t-1	-1.663***	-0.279	-0.574	-0.711	-0.662	2.491**	0.184	1.745*
	(0.568)	(0.901)	(0.559)	(0.804)	(0.602)	(1.040)	(0.644)	(1.015)
Log Natural resources t-1	-0.155	0.523**	-0.469***	0.508**	-0.661***	0.581**	-0.950***	0.588**
	(0.120)	(0.207)	(0.118)	(0.224)	(0.125)	(0.253)	(0.128)	(0.271)
Civil War t-1	-0.229	0.067	0.232	0.015	-0.356	0.086	-0.103	-0.069
	(0.287)	(0.221)	(0.274)	(0.229)	(0.336)	(0.268)	(0.339)	(0.276)
Peace years t-1	-0.007	-0.017	-0.004	-0.020*	-0.038***	-0.045***	-0.042***	-0.038***
	(0.008)	(0.011)	(0.007)	(0.011)	(0.008)	(0.012)	(0.009)	(0.012)
Log ODA t-1			1.144***	0.694**			1.388***	0.408
			(0.230)	(0.299)			(0.252)	(0.350)
Constant	8.449***	-3.660	-2.517	-5.774	-1.580	-11.140***	-13.222***	-12.169***
	(1.034)	(3.399)	(1.818)	(3.965)	(1.047)	(3.728)	(1.912)	(4.362)
R-Squared	0,2537	0,7656	0,1366	0,6821	0,1867	0,7146	0,1892	0,7038
Year Dummies	YES	YES	YES	YES	YES	YES	YES	YES
Country Dummies	NO	YES	NO	YES	NO	YES	NO	YES
Countries	130	130	118	118	130	130	118	118
Observations	2,496	2,496	2,183	2,183	2,506	2,506	2,193	2,193

Standard errors in parentheses

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

In model 1, PTS score lagged one year has a positive effect (0,676) on total aid. In other words, a higher PTS score is associated with higher amount of Norwegian total aid received. This result is significant at the 1% level. In column number two, we look at the same relationship but this time we include country fixed effects. The coefficient is still positive (0,007), but it is weak and not statistically significant. In the third and fourth model we have added the variable capturing ODA both without country dummies and with them. In model 3 we see that the coefficient for PTS is positive (0,350) and highly significant at the 1% level. In the fourth model, the coefficient is negative. However, this finding is not statistically significant. The results taken together suggest that Norwegian aid increases at higher levels of human rights violations but are not robust to estimating fixed factors within countries that are unmeasured in the model.

Looking at the control variables, GDP per capita log transformed and lagged one year shows a negative (-1,986) effect on Norwegian total aid. Countries that were poorer last year receive more aid from Norway the following year, and this finding is significant at the 1% level. This is in thread with previous research stressing that need of the recipient is important in aid allocation decision-making. However, when we include the country fixed effects, GDP per capita shows a positive, yet not statistically significant coefficient. The same pattern shows itself in model 3 and 4 when we include the control ODA. The relationship is negative (-1,665) and highly statistically significant, but the effect disappears when we add the country fixed effects.

The next variable controls for the recipients' level of democracy. In model 1 we see that democracy has a negative (-1,663) effect on Norwegian total aid per capita. This is not surprising as we can assume that less democratic states are in more need of aid. This finding is highly statistically significant at the 1% level. However, when we include the country dummies, this effect disappears. It is still negative (-0,279) but it is no longer statistically significant. In model 3 and 4 the effect is still negative but, we also see that adding the control variable ODA changes the p-value of democracy, and the effect is not statistically significant in either model.

The next control variable captures recipient countries' natural resource income, which proxies strategic value. In model 1 the coefficient is negative (-0,155) but this finding is not statistically significant. Adding the country fixed effects in model 2 changes things. Now the relationship is positive (0,523) and this is significant at the 5% level. This means that the

more natural resources that are in the recipient's economy, the more Norwegian aid they receive. This is surprising as Norway is supposed to be a country operating in order to make the world a better place, not following strategic interests. In model 3 ODA have been added as a control, and this changes the direction of the relationship again. The coefficient for natural resource rent is now negative (-0,469) and this finding is statistically significant at the 1% level. If this is true, the more natural resources in a recipients' economy, the less Norwegian total aid do they receive. This is more like the finding we would expect to see. In model 4, the country fixed effects are added, and the coefficient shows a positive (0,508) effect on Norwegian total aid. This is statistically significant at the 5% level. Norwegians give more aid to countries that have higher percentage of natural resources in their economy, and this is surprising from a humanitarian perspective and future studies might examine how oil interests in Norway are implicated in the aid allocation.

The variable civil war captures whether or not the recipients are suffering civil war. In model 1 we see that countries that were at civil war the prior year receive less Norwegian total aid as the relationship is negative (-0,229). This effect is not statistically significant in any of the models, even if the effect is positive or negative. However, this measure does not capture the difference between countries that have barely had peace lately, and the ones that have had peace for a while. In order to get a better picture, we need to also look at the variable peace years. In model two the coefficient for peace years is negative (-0,007) suggesting that for every year of peace, they receive less Norwegian total aid. This is however not statistically significant except in model 4 (5% level). It makes sense to assume that the need for aid drops when countries stabilize after conflict.

Lastly, we look at the variable capturing ODA, a variable added to control for other OECD countries allocation patterns. In model 3 the coefficient is positive (1,144) and highly statistically significant at the 1% level. This indicate that the more ODA the recipient gets, the more Norwegian Total aid they receive. Adding this control allows us to look at the relationship between PTS and Norwegian aid controlling for how the other DAC countries are allocating their aid. In other words, it shows a Norwegian effect. In model 4, the coefficient is still positive (0,694) and it is statistically significant at the 5% level.

Model 5-8 shows the same models, but the dependent variable has been changed to good governance aid. In the pooled OLS model 5 we see that the relationship between PTS and good governance aid is positive (0,898) and highly significant. This mirror the result from

model 1. This is very surprising as we imagine good governance aid to be more concerned about human rights practises than the total aid combined. Adding country fixed effects also impacts the result here. In model 6 the coefficient for PTS on good governance aid is positive (0,080) but it is not statistically significant. In model 7 and 8 we add the variable capturing ODA. In model 7 the relationship between PTS and good governance aid is positive (0,793) and highly statistically significant at the 1% level. However, adding the country fixed effects in model 8 shows a weaker association, and the finding is not statistically significant. These results mirror the results for total Norwegian aid. Again, there is little to suggest that Norway prefers to aid governments that respect human rights.

Looking at the control variables, we start with GDP per capita. In model 5 the coefficient is negative (-1,323) and this is highly statistically significant at the 1% level. The higher the income of a recipient, the less Norwegian good governance aid they receive. Country dummies are included in model 6. The coefficient is positive (0,752), but this finding is not statistically significant. Further, adding ODA in model 7 shows again a negative (-0,066) effect, but the significance is lost. The same can be said about model 8, however this again shows a positive relationship. Given that these results are mixed it is hard to conclude that Norway prioritizes poverty.

Further, we look at democracy. In model 5 the coefficient shows a negative (-0,662) effect on good governance aid, however this is not statistically significant. Adding the country fixed effects in model 6, however, shows a positive (2.491) effect that is significant at the 5% level. Here it might look like Norwegian good governance aid favours democratic development. In model 7, the relationship is still positive, but not statistically significant. Lastly, in model 8, we see a significant positive effect of democracy on Norwegian good governance aid. Unlike the results from the total aid, good government seems to favour more democratic recipients.

Looking at civil war and peace years on Norwegian good governance aid civil war shows us no statistically significant effects in any of the models. Peace years on the other hand show a negative (-0,038) effect in model 5, and this is highly statistically significant at the 1% level. This indicates that the longer the recipient has been without internal conflict, the less Norwegian good governance aid they receive. This is somewhat surprising as good governance aid is supposedly allocated to countries that can use it well. In other words, countries with a better framework of institutions to manage the money and ensure that the

money is used for developmental purposes, and in addition, where corruption is not too high. Adding the country fixed effects in model 6 shows the same. Even when the control variable ODA is added in model 7 and 8, we see that peace years has a negative effect on Norwegian good governance aid, and they are both highly statistically significant at the 1% level.

In model 7, ODA shows a positive (1.388) effect on Norwegian good governance aid, and this is highly statistically significant at the 1% level. This is in line with the assumption that ODA and good governance aid go to the same countries. However, adding the country dummies in model 8, the effect loses its significance.

To summarize the results this far, the effects of human rights violations on Norwegian development aid is positive. The more repression in the recipient country, the more Norwegian development aid they receive. Even though this finding is not robust to adding country fixed controls, it is worth discussing further. How is it that Norwegian aid decision-makers can defend fuelling violating regimes? It might be that the knowledge of human rights violations is not widely known or recognized, so using other variables to capture human rights violations might be necessary. As a country that uses a rhetoric suggesting high prioritizing of the United Nations as an international body, the Norwegian aid allocation policymakers should at least be updated on matters discussed in the UN. In the next table, we will look at the same factors using UNHRC condemnations as a measure for human rights violations.

4.2 UNHRC condemnations and Norwegian aid:

Table 2 illustrates the relationship between UNHRC condemnations and Norwegian total aid and good governance aid. Model 1-4 show the effect of UNHRC condemnations on Norwegian total aid, while model 5-8 show the effect represents the relationship between UNHRC condemnations and Norwegian good governance aid. Model 1and 2 show the effect without and with country fixed effects, and model 3 and 4 show the same, only also controlling for ODA. Model 5-8 is set up the same way.

Table 2: Effects of UNHRC condemnation on Norwegian total aid and Norwegian good governance aid

VARIABLES	(1) Log Total aid per capita	(2) Log Total aid per capita	(3) Log Total aid per capita	(4) Log Total aid per capita	(5) Log Good gov aid per capita	(6) Log Good gov aid per capita	(7) Log Good gov aid per capita	(8) Log Good gov aid per capita
UNHRC condemned t-1	-0.528	0.053	0.155	0.146	0.238	1.146**	1.078*	1.287***
	(0.510)	(0.507)	(0.496)	(0.381)	(0.571)	(0.529)	(0.608)	(0.493)
Log GDP pc t-1	-2.091***	-0.018	-1.152***	-0.227	-1.427***	0.560	-0.526***	0.562
	(0.099)	(0.425)	(0.178)	(0.461)	(0.104)	(0.522)	(0.177)	(0.559)
Democracy t-1	-2.103***	0.387	-0.886	0.274	-1.648***	3.391***	-0.845	2.872***
	(0.560)	(0.881)	(0.562)	(0.817)	(0.590)	(1.010)	(0.643)	(0.990)
Log Natural resources t-1	-0.066	0.568***	-0.401***	0.503**	-0.476***	0.569**	-0.733***	0.490**
	(0.120)	(0.188)	(0.122)	(0.201)	(0.121)	(0.229)	(0.126)	(0.247)
Civil war t-1	1.180***	0.186	1.057***	0.079	1.136***	0.257	1.076***	0.049
	(0.257)	(0.199)	(0.245)	(0.205)	(0.298)	(0.256)	(0.306)	(0.256)
Peace years t-1	0.005	-0.011	0.007	-0.016	-0.037***	-0.046***	-0.044***	-0.043***
	(0.008)	(0.011)	(0.007)	(0.011)	(0.008)	(0.011)	(0.009)	(0.011)
Log ODA t-1			0.521**	0.932***			0.840***	0.783**
			(0.243)	(0.285)			(0.249)	(0.319)
Constant	10.682***	-1.080	2.946	-3.375	1.405	-9.689***	-6.792***	-12.656***
	(0.944)	(2.438)	(1.815)	(3.227)	(0.917)	(3.077)	(1.767)	(3.762)
R-Squared	0,2583	0,7628	0,1296	0,6931	0,1835	0,7099	0,1763	0,7064
Time dummies	YES	YES	YES	YES	YES	YES	YES	YES
Country dummies	NO	YES	NO	YES	NO	YES	NO	YES
Countries	127	127	115	115	127	127	115	115
Observations	2,859	2,859	2,491	2,491	2,872	2,872	2,505	2,505

Standard errors in parentheses

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

First, we look at the relationship between UNHRC condemnations and Norwegian total aid in model 1-4. In model 1 UNHRC condemnations show a negative (-0,528) effect on Norwegian total aid, but this finding is not statistically significant. Adding the country fixed effects in model two show a positive effect, but this finding is not statistically significant either. Adding ODA as a control variable in model 3 and 4 changes little. The effect of UNHRC condemnations is positive in both models, but still the findings are not statistically significant.

Model 5-8 show UNHRC condemnations and Norwegian good governance aid. We start with model 5. Here we see that UNHRC condemnations have a positive (0.238) effect on Norwegian good governance aid. However, this finding is not statistically significant. Adding the country dummies in the fixed effects model 6 changes a few things. UNHRC condemnations now still show a positive (1.146) effect on Norwegian good governance aid, but the finding is now statistically significant at the 5% level. In model 7 we see how the model changes when adding the ODA variable. UNHRC condemnation show a positive (1,078) effect on Norwegian good governance aid here as well, but the finding is only significant at the 10% level. In line with the other findings, however, this is an effect we cannot overlook. In model 8 both the ODA variable and country fixed effects have been controlled for. UNHRC condemnations show a positive (1,287) effect on Norwegian good governance aid. This is statistically significant at the 1% level. These findings put together indicates that when countries are condemned by the UNHRC it has no statistically significant effect on Norwegian total aid but Norwegian good governance aid increases. This is quite surprising as we expect Norway to follow recommendations set out by the UN, and this should especially be true in the good governance allocation.

Further, we look at the control variables. When it comes to Norwegian total aid, GDP per capita shows a negative effect (-2,091) in model 1, and this is highly significant at the 1% level. Adding the country fixed effects in model 2, the effect is still negative (-0,018) but it is not statistically significant. Adding ODA in model 3 GDP per capita still shows a highly statistically significant negative effect (-1,152), but again adding the country fixed effects in model 4, the effect is no longer statistically significant. Further we look at the effect of GDP per capita on Norwegian good governance aid. In model 5 the log transformed variable GDP per capita shows a negative relationship with Norwegian good governance aid. This finding is statistically significant at the 1% level and it is in line with both expectations as well as the

overall findings in table 1. In model 6 we see no statistically significant effect of GDP per capita on Norwegian good governance aid. In model 7 GDP per capita shows a negative (-0,526) effect on good governance aid, and this is highly significant at the 1% level. Poorer countries receive in other words more aid than richer countries, and this is in line with previous literature. In the final model 8, GDP per capita show no statistically significant effect on good governance aid.

Next, in model 1 democracy show a negative (-2.103) effect on Norwegian total aid, and this is highly statistically significant at the 1% level. In model 2 the significant effect disappears. Adding ODA as a control in model 3 and 4, democracy shows no statistically significant effect on Norwegian total aid. Looking at Norwegian good governance aid in model 5 democracy show a negative (-1,648) effect, and this is statistically significant at the 1% level. This indicates that more democratic recipients, receive less good governance aid. This is perhaps not surprising, as more democratic countries tend to have less need for governance aid, however, good governance aid is supposed to be allocated to countries with the institutional framework to spend the money in a good way. In model 6 democracy has a positive (3,391) effect, and this is highly significant at the 1% level. The more democratic traits the recipient has, the more good governance aid they receive. This is as expected as good governance aid is targeted to countries with good institutions to ensure reasonable spending and thereby development. Model 7 democracy show a negative (-0,845) effect on Norwegian good governance aid. Adding the country fixed effects in model 8 democracy shows a positive (2,872) effect and is highly significant at the 1% level.

Further, the log transformed natural resources variable captures a negative (-0,066) effect on Norwegian total aid in model 1 but this is not statistically significant. In model 2 the effect is positive (0,568) and this finding is highly statistically significant at the 1% level. That countries with more natural resources receive more Norwegian total aid than others might indicate that Norway is following strategic interests in their aid allocation. Adding ODA in model 3, natural resources show a negative (-0,401) highly statistically significant effect, but adding the country fixed effects in model 4, the effect is positive (0,503) and this is statistically significant at the 5% level. Next, looking at Norwegian good governance aid, natural resources show a negative (-0,476) effect in model 5. This is expected as natural resources might lead to economic development, and less need for aid. This finding is statistically significant at the 1% level. In model 6 Natural resources variable shows a positive

(0,569) effect on good governance aid, and this is statistically significant at the 5% level. When looking at natural resources in model 7, we see a negative (-0,733) highly significant effect. Controlling for country fixed effects in model 8, natural resources shows a positive coefficient (0,490) significant at the 5% level. The more natural resources, the more good governance aid.

Next, the civil war variable shows a positive (1,180) effect on Norwegian total aid, and this is highly statistically significant at the 1% level. This finding might not be surprising as internal conflict creates a greater need for help. Adding the country fixed effects in model 2 shows a positive effect, but the finding is no longer statistically significant. In model 3 civil war shows a positive (1,057) effect on Norwegian total aid, and this is highly statistically significant at the 1% level. However, in model 4 the significance disappears as the finding is not robust to the country dummies added. The variable peace years show no statistically significant effects on Norwegian total aid. Looking at good governance aid civil war shows a positive (1,136) effect in model 5. This indicates that countries with internal problems receive more aid. This might be surprising as good governance aid is supposed to target countries with stability enough to use the aid for developing the country. The finding is statistically significant at the 1% level. Looking at the number of years with peace, we see a negative (-0,037) effect. The longer the recipient have had peace, the less good governance aid they receive. This might be explained by a drop in the recipients' needs, as peace may increase good governance. In model 6, civil war shows no statistically significant effect, but peace years shows a negative (-0,046) effect on aid. For every year without internal conflict, the less good governance aid is received. This is statistically significant at the 1% level. In model 7 civil war has a positive (1,076) effect and is highly significant at the 1% level and peace years has a negative (-0,044) effect on Norwegian good governance aid, also highly significant. In the last model civil war is no longer significant, but peace years still shows a negative (0,043) effect significant at the 5% level.

The control variable ODA is added in model 3,4,7 and 8. Looking at Norwegian total aid, ODA shows a positive (0,521) effect in model 3. This suggest that Norwegian aid goes to the same countries as the rest of the DAC countries' aid. This is statistically significant at the 5% level. Adding the country dummies in model 4 ODA shows a positive (0,932) effect, and this is highly statistically significant at the 1% level. In model 7 the coefficient shows a positive (0,840) effect on good governance aid, suggesting that the ODA and good

governance aid also go together. This is highly significant at the 1% level. Lastly, in model 8 the ODA shows a positive (0,783) effect on good governance aid and is statistically significant at the 5% level.

Summarized the findings in table 2 suggest that Norwegian good governance aid seem to be insensitive to condemnations by the UNHRC as condemned countries receives more Norwegian good governance aid. This is even robust to country fixed effects. When it comes to Norwegian total aid, the findings were mostly showing positive effects, but this was not statistically significant. In other words, it is worth questioning the Norwegian rhetoric and UN commitment when these findings suggest that human rights violators receive more Norwegian aid even controlled for need.

There does not seem to be large differences in Norwegian total aid and Norwegian good governance aid allocation based on table 1. Considering that the country fixed models suggest that PTS score has no statistically significant effect on either total aid nor good governance aid, it might suggest that the Norwegian government's rhetoric and the reality do not match. There might still be some truth in model 1 and 3 suggesting a positive effect of PTS on total Norwegian aid allocation and model 5 and 7 suggesting the same effect on good governance aid. Adding country dummies create a very stringent test because now omitted variable bias is limited. In summary, table 2 suggests that the Norwegian government does not follow the recommendations by the UN as Norwegian good governance aid seems to be not responding to the naming and shaming by the UN. Even the models with country dummies suggest a positive effect of UNHRC condemnations on good governance aid. Controlling for ODA suggest that this finding is a Norwegian pattern isolated from other OECD DAC aid giving countries.

4.2 Heckman selection effects models:

If the Norwegian government allocates more aid knowingly to human rights violators, how can they defend this for their voters? It is hard to conclude based on previous models how the causal relationship here actually looks like. In order to get a better idea, we estimate a two-step Heckman selection effect model. In the first stage this estimate sorts out who receives Norwegian aid, and who does not by including aid dummies. The countries not receiving Norwegian aid is coded 0 and the receiving countries are coded 1. In the second stage we test the effect of Norwegian total aid and Norwegian good governance aid on pts score in an OLS

model controlling the residuals from the 1st step. In other words, if Norway chooses all the hard cases, then this effect will be explained by the 1st stage equation.

Table 3: Two-step Heckman Selection Effects models

Variables	1	2	3	4	5	6	7	8
	Heckman	Heckman	Heckman	Heckman	Heckman	Heckman	Heckman	Heckman
	Total aid		Total aid cluster		GG aid		GG aid cluster	
	Selection	Allocation	Selection	Allocation	Selection	Allocation	Selection	Allocation
PTS t-1	0.178***	0.610	0.162**	-0.171	0.236***	2.379	0.212***	-0.178
	(0.045)	(0.528)	(0.081)	(0.123)	(0.035)	(1.670)	(0.059)	(0.160)
Log GDP pc	-0.455***	-1.821***	-0.527***	-0.775***	-0.200***	-1.694*	-0.337***	-0.531***
	(0.056)	(0.587)	(0.142)	(0.177)	(0.043)	(0.874)	(0.104)	(0.196)
Democracy t-1	0.127	0.369	0.158	0.249	0.531***	5.513	0.513	0.369
	(0.175)	(1.564)	(0.417)	(0.875)	(0.140)	(4.052)	(0.373)	(1.063)
Log Natural re t-1	0.009	-0.301	0.021	-0.322*	-0.096***	-1.327*	-0.090	-0.347*
	(0.034)	(0.313)	(0.104)	(0.170)	(0.028)	(0.785)	(0.077)	(0.201)
Civil War t-1	0.089	0.177	0.109	0.085	-0.005	-0.727	-0.037	-0.381
	(0.126)	(0.950)	(0.194)	(0.333)	(0.089)	(1.516)	(0.153)	(0.417)
Peace years t-1	-0.001	-0.004	-0.001	0.003	-0.008***	-0.098	-0.008	-0.012
	(0.002)	(0.021)	(0.006)	(0.009)	(0.002)	(0.062)	(0.005)	(0.012)
Log ODA t-1	-0.294***		-0.446***		-0.149***		-0.426***	
	(0.075)		(0.172)		(0.058)		(0.129)	
Constant	4.719***	7.493**	5.558***	4.759***	1.629***	-7.351	3.271***	1.279
	(0.572)	(2.944)	(1.282)	(1.287)	(0.433)	(6.660)	(0.990)	(1.430)
IML	14.244**	14.244**			21.325*	21.325*		
	(6.234)	(6.234)			(11.955)	(11.955)		
Countries	118	118	118	118	118	118	118	118
Observations	2,183	2,183	2,183	2,183	2,193	2,193	2,193	2,193

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

The first stage or the selection model of the Heckman two-step approach is reported in the columns marked “selection”, and the second stage is reported in the columns marked “allocation”. The models for both total aid, and good governance aid are run without robust standard errors and with Huber-White corrected robust standard errors. Let us start with total Norwegian aid without robust standard errors. The Inverse Mills Lambda is statistically significant, reporting that the second stage is significantly different from the first stage. This encourages the two-step approach. In the first stage we see who are selected to receive Norwegian aid. Poorer countries with higher human rights violations and who receive less ODA are systematically picked by Norwegian aid allocators. The other variables are not statistically significant. In the next column, we look at the effect of PTS on total Norwegian aid controlled for the pattern we uncovered in the selection model. Here we see that controlled for the selection effects, PTS show no significant effect on Norwegian total aid. The only significant finding in this stage is that richer countries receive less aid, and that is in line with previous literature.

The next Heckman selection effect model show us the same, but with Huber-White robust standard errors. The Wald-test for independent equations reports a significance of 0,0005, and we can be sure that the two steps are different from each other. In the selection model we see that poorer countries with lower natural resources in the economy, receives less ODA and with a higher pts-score get selected to receive Norwegian aid. In the allocation model, only GDP per capita and natural resources are significant. Poorer countries get more aid, and countries with lower natural resources get more aid. These findings are not surprising, but the fact that PTS shows no statistically significant importance for Norwegian total aid is confirmed.

Looking at good governance aid in model 5, mills lambda is statistically significant only at the 10% level. This is not sufficient and that is telling us that the first and second stage is not differing enough to recommend a two-step approach. Lastly, model 7 and 8 report the results of PTS on good governance aid with Huber-White robust standard errors. The Wald-test shows that the two steps are independent of each other. In the selection model we see that poorer countries receiving less ODA but have higher PTS score are selected to receive good governance aid. In the allocation step we see that poorer countries receive more good governance aid, and that countries with lower natural resources receive more as well. Again, the PTS is not significant in the allocation step.

The findings in the Heckman selection effect models put together show that Norway seems to pick countries with higher PTS scores. However, it might just be that they don't have a choice. The countries with the highest PTS scores are also the poorest countries and they need the most aid. PTS scores do not seem to have an impact on the amount of aid received. However, the Heckman models helps us look at natural resources a little differently. In the main models it seems that the more natural resources recipients have, the more aid they receive. In the Heckman however, it seems like this pattern disappears when we control for selection effects. In other words, Norway might pick natural resource rich countries to aid, but they don't necessarily get more aid. The same models were replicated using UNHRC condemnations as the main independent variable (not shown), but the findings were not statistically significant.

4.3 Robustness test:

As a robustness check, the main models will now be computed by using the Driscoll-Kraay robust standard errors to counter the problem of spatial correlation in the models.

Table 4: PTS on total Norwegian aid and Norwegian good governance aid with Driscoll-Kraay robust standard errors

VARIABLES	(1) Total aid pc	(2) Good gov aid pc	(3) Total aid pc	(4) Good gov aid pc
PTS	0.358**	0.739***		
	(0.139)	(0.216)		
Log GDP pc	-0.666**	-0.068	-1.160***	-0.475***
	(0.275)	(0.230)	(0.224)	(0.118)
Democracy	-0.336	0.419	-0.720	-0.796
	(0.589)	(0.767)	(0.496)	(0.722)
Log Natural resources	-0.482***	-0.974***	-0.431***	-0.800***
	(0.112)	(0.168)	(0.077)	(0.142)
Civil war	0.092	-0.106	0.963***	1.003***
	(0.261)	(0.293)	(0.188)	(0.240)
Peace years	-0.003	-0.043***	0.006	-0.046***
	(0.007)	(0.007)	(0.006)	(0.005)
Log ODA	1.163***	1.403***	0.541***	0.931***
	(0.231)	(0.247)	(0.186)	(0.211)
Year	0.165***	0.349***	0.152***	0.324***
	(0.017)	(0.017)	(0.012)	(0.014)
UNCHR condemnations			0.247	0.852**
			(0.448)	(0.333)
Constant	-330.626***	-707.033***	-298.513***	-650.774***
	(33.933)	(33.822)	(24.214)	(28.447)
Observations	2,106	2,113	2,406	2,420
R-squared	0.164	0.233	0.158	0.211
Countries	118	118	115	115

Driscoll-Kraay standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

As seen there, the PTS still has a positive effect on both total aid and good governance aid. Natural resources are negative in both models, and ODA shows a positive effect in both. Civil war is not statistically significant in either model, but peace years show a negative effect on good governance aid. As time cannot be accounted for by adding time dummies in this model, time has been added as a linear variable. UNCHR condemnations show a positive effect on both total aid and good governance aid but is only statistically significant in model 4 at the 5% level. To conclude from this model, the coefficients are not very different from the coefficients calculated with the Newey-West estimation, and hence the findings in table 1 are robust to spatial correlation as well as autocorrelation and heteroskedasticity.

5. Discussion

In this section, the results of the analysis will be discussed in light of theory. The research question in this study was whether Norwegian aid allocation is sensitive to human rights violations in recipient countries. After all, examining Norway's aid allocation to good human rights might tell us much about the general pessimism about aid. The findings in Table 1, suggest that higher human rights violations are associated with higher amounts of Norwegian aid received, but these results are not robust after accounting for country heterogeneity. This association is picked up even controlling for need (GDP per capita), Norwegian plausible strategic interests (natural resources) and internal conflict (civil war and peace years). In Table 2 UNHRC condemnation show no statistically significant effect on Norwegian total aid, but the effect on Norwegian good governance aid is positive. Countries condemned by the UNHRC receives more Norwegian good governance aid. This finding is even robust to country fixed effects in the model. As a 'global entrepreneur' and moral superpower, why is it that human rights violators receive greater Norwegian aid per person? How can the Norwegian politicians defend this to their tax-payers? These findings are in line with the works of William Easterly. The Scandinavian aid donors appear to have gotten the role as 'altruistic' in their motives due to the amount of aid they allocate but not because they are following best practises of aid giving (Easterly and Williamson, 2011). Easterly and Williamson (2011) argue that the Scandinavian countries score low on transparency and reporting results of aid projects, as well as having a very high tolerance for non-democratic regimes. If the goal for Norwegian aid allocation is to show others that we can spend a lot of money on this without following up the projects, then Norway is no different than the rest of the donors. Considering not even Norway does this, gives us no reason to believe any of the other grand donors like the US do it either as they surely have strategic geopolitical interests.

Is aid conditionality a good tool to ensure more sensible use of aid money? Previous literature underlines that human rights are important in aid allocation (Demirel-Pegg and Moskowitz, 2009., Abrams and Lewis, 1993., Carey, 2007). Giving aid to countries violating human rights creates a moral hazard effect in the recipient country. The recipient loses any incentive to improve on human rights practises because aid flows will keep these regimes comfortably in power. In the worst case, this aid money might even help to increase human rights violations by prolonging bad regimes. Withdrawing aid until the recipient improves human rights practises might be a better way to ensure that people benefit from aid. To ensure

sustainable development human rights abuses must improve as it is crucial for the development of inclusive institutions (Acemoglu and Robinson, 2013). Inclusive institutions are crucial for economic development as it gives the people incentives to work, and thereby it will rise the nations' productivity. People who are repressed will expect their work to be expropriated, stolen and taxed unfairly, and their incentive to excel in their work will vanish. Repressive regimes will redistribute the peoples' income to favour the elites, as extractive economic institutions are tools for the ruler to satisfy the elites who secures the rulers position in the future. Human rights violations might be a brick in that game. However, Acemoglu and Robinson (2013) argue that inclusive economic as well as political institutions must origin in the country in question as each country is different and has different needs and wishes when it comes to development. Outsiders cannot simply enforce their own developmental agendas.

> Even in sub-Saharan Africa where foreign aid is a significant fraction of many governments' total budget, and even after the Millennium Challenge Accounts, which increased the extent of conditionality, the amount of additional foreign aid that a dictator can obtain by undermining his own power is both small and not worth the risk either to his continued dominance over the country or to his life (Acemoglu and Robinson, 2013:454).

In other words, foreign aid conditionality might not be as effective as one hopes in directly further development because a local framework is required. Further, Acemoglu and Robinson (2013) argue that the solution is not to drop foreign aid, as even though every penny is not spent, some reaches the need on the ground. If only 10 cents of each dollar reach the people that needs it, it is still 10 cents more than nothing (Ibid). They argue that conditionality is not the solution, as it requires existing leaders to make concessions, and a better way of using foreign ait to help create foundations for inclusive institutions would be to "... structuring foreign aid so that its use and administration bring groups and leaders otherwise excluded from power into the decision-making process and empowering a broad segment of population might be a better prospect" (Acemoglu and Robinson, 2013:455). In other words, for conditionality to be successful, the aid and projects must be in cooperation with locals and avoid disappearing in the corrupts bureaucracies and the pockets of dictators.

In this study the variable 'natural resources' was used as a proxy to control for Norwegian strategic interests in its aid allocation patterns. However, looking at Brazil, Afghanistan and Bangladesh, Norwegian aid seems to need some explanation. Norwegian aid allocation to Brazil suddenly increased drastically in 2002. Brazil is one of the biggest economies in the world, and even though poverty is still a problem here, Norwegian money is

allocated towards preserving the rainforest. By the looks of it, this project has not shown flattering results as Norwegian forest aid increases the forest degradation (de Soysa and Hermanrud, 2017). Was the forest aid initiative taken by Norway simply to cover the fact that aid money is used to buy a natural resource rich ally? Or was it to buy itself out of greater environmental responsibilities? The findings in table 1 and 2 indicates that Natural resources increase Norwegian aid received, meaning that countries with a higher share of natural resources in their economy, hence better possibility to develop themselves, received more than countries which has nothing. This is even robust to adding country fixed effects. This finding might indicate that Norway use aid as a strategic mean to get natural resource rich allies, however the results of the Heckman selection effects models indicate a slightly different story. Norwegian aid seems to select countries with lower amounts of natural resources in their economy, and controlled for the selection effects, lower natural resources is associated with higher Norwegian good governance aid allocation. However, this finding is not robust to The Huber white standard errors. As mentioned in section 2.5 both India and China seem to be targeting natural resource rich countries (Dreher and Fuchs, 2015), and this might also be the case of Norwegian aid allocation. Further research is required in order to get a better picture of the relationship between Norwegian strategic interests and aid allocation.

Further, the civil war and peace years variables control for internal conflict, but regardless of that we see that Norwegian aid to Afghanistan has been increasing drastically in line with the Afghan War. Considering that Afghanistan is a country that scored 5 on the Political Terror Scale most of the last 20 years, Norway has allocated great shares of aid to Afghanistan. This is one of the reasons why William Easterly (2006) argues that development aid is used for rebuilding, not developing. The money is used to rebuild the country up to the standards from before the conflict, not to develop any further. Norwegian aid millions could have come to better use in for instance Bangladesh, a country that is in desperate need for development assistance. In table 1 the variable civil war is not showing any statistically significant effects on Norwegian aid in any of the models, but the variable peace years indicate that countries with more years of peace, receive more Norwegian aid. In table 2 we see a different picture. Civil war has a positive effect on Norwegian aid, indicating that countries with internal conflict receives more however, this is not robust to country fixed effects. This might explain the pattern we see in Afghanistan. Years of peace is showing a negative effect on Norwegian good governance aid, indicating that for each year of peace in the recipient country, it receives less Norwegian aid. This might mean that Norwegian aid is

used to rebuild after conflicts, but not to develop the countries any further. Civil war shows no statistically significant effect in table 3 neither in the selection or the allocation models. However, in the selection models peace years show a negative effect, indicating that countries with less years of peace tend to be picked for receiving Norwegian good governance aid. This finding is not robust to The Huber White robust standard errors.

Do these findings indicate that the Norwegian government is deliberately allocating the largest shares to human rights violators? It might be that Norway simply has no other choice than to go to the bad places. Aid allocation decisions are two-folded. First one needs to choose which countries that should get aid, then one needs to decide the amount they get. Running the two-step Heckman selection effects models showed that Norwegian aid goes to countries with higher PTS score and lower GDP per capita, in other words human right violations might be higher in the poorer countries. Controlling for the selection of recipients, Norwegian aid showed no statistically significant results at the allocation stage. In other words, maybe the Norwegian government needs to go to the bad places, as these are also the poorest countries. However, the allocating model show no statistically significant effects of PTS on Norwegian aid, and we cannot claim that the pattern disappears when controlling for the selection effects.

When it comes to policy implications, this study will hopefully contribute in opening the eyes of policymakers and Norwegian aid decision-makers when it comes to the implications of allocating aid to countries with high human rights violations. Norway and the other Scandinavian countries have been described as ‘moral superpowers’ and ‘global norm entrepreneurs’, and if this is a role Norway want to keep in the international aid debate, it is required to do more than allocate high amounts of aid. The selection and allocation must be showing the world that Norway also can have best practises in this area. Norway is a resourceful and important actor in the development aid world, but more must be done to ensure the best way of spending the billions on the ground. Future studies ought to pin down which factors Norwegian aid decision-makers focus on and find out why aid is not being used as a tool to make recipients’ change their human rights practises.

6. Conclusion:

The purpose of this study was to examine whether the Norwegian government is sensitive to human rights violations in its aid allocation decision making processes. The hypothesis was based on theory, suggesting that Norway allocates less aid to countries that violate human rights because of Norway's role as a 'global norm entrepreneur'. However, some studies argue that the reality is slightly different, and that the Scandinavian countries are no different than other donors, as they also have strategic interests. This led to the hypothesis (b) stating that human rights violations have no effect on Norwegian aid allocation. To conclude, I have used aid panel data from 1990-2013 for 130 developing countries collected from NORAD (2016), the Political Terror scale index (Gibney et al, 2015 and UNHRC condemnations (Lebovic and Voeten, 2006/2009, and Vadlamannatti, 2016). These variables, including the control variables GDP per capita, democracy, natural resources civil war and peace years was computed into time-series cross-section OLS regressions, using time fixed and country fixed controls.

My findings in table 1 suggest that The Norwegian government allocate more aid to countries with high human rights violations. This finding suggests that hypothesis H1stating that the Norwegian government allocate less aid to countries with higher human rights violations must be rejected. This finding was not robust to controlling for country fixed effects in the model but considering that adding country dummies creates a very stringent model, the finding is worth discussing. Further the finding in table 2 shows that countries condemned by the UNHRC receive more Norwegian aid. This finding is even robust to the country fixed effects. In other words, countries that have been named and shamed by the United Nations receives more Norwegian aid despite the Norwegian commitment to the organization. These results put together paint a picture that is somewhat critical of Norwegian aid allocation as reflected in the data. Allocating high amounts of aid should not be enough as one should work harder to make sure the money spent actually contributes to helping the neediest people and sow the seeds for future development.

The Norwegian government might consider human rights in their aid allocation, but they use other means of battling this than using aid as a reward or a punishment, but more research is needed to figure out how this is occurring. Other matters might be more important in Norwegian aid allocation as well. My findings are in line with previous theory and suggest that the need of the recipient country for aid might be more important than their human rights

practices, even for Norway, and this is indeed a moral issue. Should you stop giving aid to repressive regimes, and be blind to their people in hunger? It is hard to answer yes on this question, but it raises a new one: Should you keep feeding the dictators to fund them violating human rights? Norwegian aid is allocated to human rights violating regimes, and the question is whether these regimes would have been better or worse without the Norwegian contribution.

Based on the finding in the Heckman models in table 3 it seems that Norwegian aid must be allocated to countries with high human rights violations, but the allocation models show no effect of PTS on Norwegian aid. In other words, the model does not seem to suffer from selection bias, and the main models should be sufficient. In addition, the robustness check for spatial correlation shows that the models are much alike the main models hence, spatial dependence is not an issue in the main models.

Furthering human rights practices and reducing violations is key for development, and if aid is properly used, it can be a powerful tool for accomplishing results. Giving incentives to recipient countries and making sure the aid money is spent in a reasonable way could make a notable change in the third world. Further studies should dig deeper to find the more specific considerations in Norwegian aid allocation and find out exactly what it is that trumps human rights. It would be interesting to do a policy analysis of aid allocation decision-making as it might seem like aid is not directly serving as an instrument of rewording and punishing violators. There might be other strategies used for dealing with this issue. Another question worth mentioning is the respect and functionality of the United Nations considering the result reported in table 2 as even UNHRC condemnations show a positive effect on Norwegian aid.

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Appendix:

Appendix 1: Descriptive statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Total aid pc	2 496	0,6380357	1,6394	0	51,66796
Good gov aid pc	2 496	0,1278438	0,3537887	-0,0052624	4,712319
PTS	2 303	2,869301	1,036615	1	5
GDP pc	2 496	7,678483	1,226003	4,748713	11,21787
ODA	2 184	1,985584	0,7787305	0,926316	5,273133
Democracy	2 457	0,4780036	0,2348523	0,0176478	0,9328707
Natural resources	2 491	11,59421	14,58646	0,0009929	83,44936
Peace years	2 459	18,01017	18,34899	0	67
Dummy Variables	Obs	Min	Max	Coded 0%	Coded 1%
Civil war	2 459	0	1	83%	17%
UNCHR condem	2 461	0	1	94%	6%

Appendix 2: Countries included in the study

Afghanistan	Guinea Bissau	Pakistan
Angola	Guatemala	Peru
Albania	Guyana	Philippines
Argentina	Honduras	Papua New Guinea
Armenia	Croatia	Panama
Azerbaijan	Haiti	Poland
Barbados	Hungary	Paraguay
Botswana	Indonesia	Qatar
Burundi	India	Romania
Benin	Iran, Islamic Republic of	Rwanda
Burkina Faso	Iraq	Saudi Arabia
Bangladesh	Israel	Suriname
Bulgaria	Jamaica	Sudan
Bosnia and Herzegovina	Jordan	Senegal
Belarus	Kazakhstan	Slovenia
Bolivia, Plurinational State of	Kenya	Solomon Islands
Brazil	Kyrgyzstan	Sierra Leone
Bhutan	Cambodia	El Salvador
Central African republic	Korea, Republic of	Slovakia
Chile	Lao People's Democratic Republic	Swaziland
China	Lithuania	Chad
Cote d'Ivoire	Lebanon	Togo
Cameroon	Liberia	Thailand
Comoros	Libya	Tajikistan
Congo	Sri Lanka	Turkmenistan
Colombia	Lesotho	Trinidad and Tobago
Costa Rica	Latvia	Tunisia
Cuba	Morocco	Turkey
Cyprus	Moldova, Republic of	Tanzania, United Republic of
Czech Republic	Mexico	Uganda
Djibouti	Macedonia, the former Yugoslav Republic of	Ukraine
Dominican Republic	Mali	Uruguay
Algeria	Mozambique	Uzbekistan
Ecuador	Mauritania	Venezuela, Bolivarian Republic of
Egypt	Mauritius	Vietnam
Eritrea	Madagascar	Yemen
Estonia	Mongolia	South Africa
Ethiopia	Malaysia	Congo, the Democratic Republic of the
Fiji	Malawi	Zambia
Gabon	Namibia	Zimbabwe
Georgia	Niger	Gambia
Ghana	Nigeria	Nepal
Guinea	Nicaragua	

Appendix 3: Variables Data definition and sources:

Variables:	**Data definition and sources**
Norwegian total aid	Average Norwegian aid measured in million current US dollars. Collected from NORAD (2016) https://www.norad.no/en/front/toolspublications/norwegian-aid-statistics/
Norwegian Good Governance Aid	Average Norwegian aid targeted for countries with good governance defined as a functional rechtsstaat and a political economy that contributes to battling poverty (NORAD, 2003). Collected from NORAD (2016) https://www.norad.no/en/front/toolspublications/norwegian-aid-statistics/
Human rights performance	Measurement of governments human rights practices based on Gibney et al. (2015)'s Political Terror Scale. Scale from 1-5 where 1 is best performance and 5 is worst. I use the average of values collected from Amnesty International, Human Rights Watch and the US Department of State http://www.politicalterrorscale.org/index.php
UNHRC condemnation	Dummy coded 1 in each year a country has been condemned by the UNHRC, and 0 otherwise. Data collected by Lebovic and Voeten (2006/2009) In addition, data for 2002-2003 and 2005-2008 is found in public resolutions here: http://www.ohchr.org/en/hrbodies/hrc/pages/hrcindex.aspx And data from 2009-2013 is collected and coded by Vadlamannati (2016).
GDP per capita	GDP per capita is gross domestic product divided by midyear population. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. http://data.worldbank.org/data-catalog/world-development-indicators

Natural resources	Total natural resource rents as percentage of GDP. Sum of oil rents, natural gas rents, coal rents, mineral rents and forest rents. Calculated as the difference between price of a commodity and the average unit cost of production. http://data.worldbank.org/data-catalog/world-development-indicators
Democracy	The Electoral Democracy Index (v2x_poliarchy) based on five guarantees: Elected officials, free, fair and frequent elections, freedom of association, inclusive citizenship and freedom of expression collected from: https://www.v-dem.net/en/data/data-version-6-2/
Civil War	Defined as conflict with more than 25 casualties in one year between government and non-government group coded 1 if the state is in a civil war, and 0 if not. Uppsala Conflict Data Program (Date of retrieval: 15.11.17) UCDP Conflict Encyclopaedia: www.ucdp.uu.se, Uppsala University
Peace years	The total number of years since the last civil war. Coded in years from 0-68 Uppsala Conflict Data Program (Date of retrieval: 15.11.17) UCDP Conflict Encyclopaedia: www.ucdp.uu.se, Uppsala University
ODA	Net Official Development Assistance received as a percentage of GNI to countries on the DAC list of recipients. ODA is defined as loans and grants from DAC members allocated to promote economic development and welfare. It includes loans with a grant element of at least 25%. http://data.worldbank.org/data-catalog/world-development-indicators