

**Putting Money to Mouths:  
Rewarding and Punishing Human Rights Behaviors**

Darren Hawkins  
Brigham Young University  
dhawkins@byu.edu

Jay Goodliffe  
Brigham Young University  
goodliffe@byu.edu

Paper prepared for the American Political Science Association Conference in Toronto, Canada,  
Sept. 3-6, 2009

In this paper, we investigate a simple, perhaps naïve, question: Do states use trade or aid to penalize and reward each other for their human rights policies and practices? Existing studies of foreign aid have found decidedly mixed results on this question, but with important evidence that some democratic Western donors and multilateral organizations reward recipients for respecting human rights (Neumayer 2003a; 2003b; 2003c). We seek to expand on these studies in three ways. First, we identify several reasons why states are likely to reward those who behave like them and punish those who do not. The result is that we expand the range of states who are likely to engage in human rights rewards beyond the United States and a handful of other Western democracies. Do all states, and not just prominent Western democracies, reward and punish others for their human rights policies and practices? Second, we examine trade as well as aid. Many states have rhetorically linked human rights and trade; does that rhetorical link show up in practice? Third, we examine human rights commitments as well as practices. Do states reward and punish each other for the international commitments they make when they sign and ratify human rights treaties?

## **Reciprocity, Rewards and Punishments**

Most of the large-n studies on foreign aid and human rights have not developed theoretical reasons why states would reward or punish others for their human rights policies and practices (Neumayer 2003d; Svensson 1999). The broader literature on human rights suggests two reasons why donors might link rewards and punishments to rights performance (Nielson 2009). First, some scholars argue that some states have principled commitments to improving human rights abroad (Sikkink 1993; Lumsdaine 1993). This argument fits well within a

constructivist perspective to international relations in which state interests are shaped by shared values and understandings (Finnemore 1996).

Second, some scholars focus on domestic politics in donor countries to argue that interest groups that value human rights abroad influence the foreign policies of important democratic states. This argument can be complementary to the argument about principled commitments because it can help explain why state elites would develop such principled commitments. Schoultz (1981) has used careful process-tracing to show how human rights groups in the United States in the 1970s first convinced Congress to tie foreign aid to human rights through legislative acts. Such groups utilize advocacy network tactics of information, shame and persuasion to promote their principled ideas (Keck and Sikkink 1998). It is also possible that voters, as the ultimate principals of those who allocate foreign aid, prefer that aid be tied to human rights because publics generally prefer that aid be used to actually improve people's lives (Milner 2006, 110). Legislators seeking reelection respond to those preferences, suggesting that principled ideas might be adopted for more self-interested motives.

These arguments are helpful but they understate the variety of motives that exist for states to reward (punish) others for their human rights policies and behaviors. While principled beliefs can motivate some to support human rights, other principled beliefs can motivate others to oppose human rights. Few states openly support measures like torture, but many state elites are skeptical of free speech or free assembly, sometimes for principled reasons related to ideology or religion. Just like those who support human rights, those who hold principled views that are skeptical of rights are likely to believe their principles should be held by others and so reward (punish) others accordingly. Those who study norms have long recognized that principled beliefs inconsistent with dominant norms exist and are likely to motivate state behavior (Finnemore and

Sikkink 1998, 892). Yet we still have few studies of principled beliefs that are inconsistent with liberal Western norms. Nor should scholars assume that perfect consistency of principle exists among those who hold views that are generally favorable to human rights. Many differences exist among elites in Western states with respect to human rights principles. It is not enough to assert that states are motivated by human rights principles. Scholars should specify which principles.

Moving beyond principle, states also have strategic reasons for others to adopt their human rights views. Realist-oriented scholars have long remarked that powerful states desire others to be like them. As Moravcsik (2000, 221) points out, Waltz (1979, 200) suggests that exporting one's own ideology is routine: "Like some earlier great powers, we [the United States] can identify the presumed duty of the rich and powerful to help others with our own beliefs ... England claimed to bear the white man's burden; France had its *mission civilisatrice* . ... For countries at the top, this is predictable." For others, state strategic interests include reshaping the domestic institutions and behavior of others and not just exporting ideas. Ikenberry (2000, 14) suggests that powerful states desire others to adopt their practices in order to provide greater predictability about the behavior of others by facilitating cooperation and altering the ways in which they pursue their interests. Shared ideologies and practices could also prevent the diffusion of unwanted ideas from neighboring societies, a real concern in a world where diffusion is frequent (Simmons, Dobbin and Garrett 2006). Another strategic advantage to similarity of practice is that such similarities can enable states to hide behind each other when they are accused of unsavory practices. It is easier to justify one's behavior when it is widespread, or at least practiced by some others.

Finally, social and scientific knowledge can motivate states and their agents to spread their particular human rights beliefs and practices. The World Bank and the United States government have cited scholarly studies about the beneficial effects of good governance on economic performance and aid effectiveness as they have implemented programs designed to improve human rights abroad. Some scholars in Europe and the United States have long suggested that peace and prosperity result from the spread of economic and political freedom. The democratic peace theory is perhaps the most well-known argument, but there are many. These arguments both justify and inform decisions by policy makers to adopt policies favoring the spread of human rights. Social scientific knowledge is absolutely not restricted to views supporting human rights. Those skeptical of rights also invoke and are informed by scholars and social knowledge demonstrating the importance of order and discipline in society. Almost all governments point to intellectual and scientific arguments to help justify their rule and the beneficent spread of their ideas to others.

These theoretical arguments all point to an important observable implication: *all* states should seek to promote human rights policies and behaviors *similar to their own*. Existing studies have been limited to efforts of the United States and other Western democracies and have failed to illuminate important differences among those states. Some studies have in fact examined differences among donors, but have not done much to explain why such differences exist (Svensson 1999). Moreover, those studies have been restricted to a relatively narrow band of states where similarities are high on some measures of human rights (such as respect for civil rights).

A second key observable implication is that important differences should exist between states that seem at first glance to be relatively homogenous. Previous studies have assumed that

all Western states adopt similar positions on the promotion of human rights. Yet Western states differ with respect to their own human rights commitments and behavior. Because states desire others to act as they do, we expect states to differ in their treatment of others. Each state should seek to reward behavior that is closest to its own and punish those who are most different. The same may be said of non-Western states, who remain largely unstudied.

While previous studies have focused on aid, we also include trade. The theoretical logic we employ does not distinguish between different types of rewards and punishments. States should be willing to use a variety of tools to support their policies in other states. Of course, some tools are likely to be too costly compared to the objectives sought by states and some tools are too difficult to use. We suspect previous studies have focused so much on aid because aid is a relatively easy tool to wield, resting completely in the hands of the government. Trade, on the other hand, depends on many factors beyond a government's control. Still, governments do have tools they can use to divert or increase trade with particular partners and it should not be excluded from examination. One of the most important tools in the past 20 years is preferential trade agreements (PTAs). We examine their use.

Finally, past studies have focused almost exclusively on human rights practices, most often on the level and types of violence employed by the state against its citizens. Yet our theoretical reasoning suggests that states are likely to care about other types of human rights behavior as well. A variety of studies have focused on state ratification of human rights treaties, identifying a variety of costs and benefits to ratification (Goodliffe and Hawkins 2006; Landman 2005; Cole 2005; Hathaway 2003). The possibility that states reward and punish each other for such ratifications remains unexplored.

We wish to make two further theoretical points. First, rewards and punishments do not need to be explicit and in fact are likely to be implicit. While states desire that others behave like them, they have good reasons to avoid giving that impression. They do not wish to be seen as disrespecting sovereignty or meddling in the affairs of others or to give others justifications for doing the same in return. Attempts to influence others through aid and trade are likely to generate the opposite reaction from targeted states as leaders elsewhere rally domestic support to stand up to foreign bullying. The literature on economic sanctions, a form of explicit punishment, is rife with such examples of failed sanctions in the face of such difficulties—though there are also successes in some conditions (Elliott and Hufbauer 1999; Cortwright and Lopez 2002).

Instead, we expect states to practice diffuse reciprocity, a mechanism that is not considered as frequently as specific reciprocity (Keohane 1986, 8; Leggold and Shambaugh 2002), though it may be much more common. Specific reciprocity involves exchanges where the contingent nature of that exchange is explicit and specific and where the equivalency of the exchange is high (each side gains equally). The classic example involves reciprocal tariff structures. In diffuse reciprocity, contingency is looser and equivalency is rougher, as when states have granted most-favored-nation trading status without any conditions on other states reciprocating but with a general belief that others will reciprocate in some fashion. One exchange partner engages in a behavior for which she expects to be rewarded, but when and how the reward occurs and the magnitude of that reward is left undefined.

Second, we expect rewards to be more frequent than punishments; in fact, most punishments are likely to take the form of an absence of a reward. States have a variety of reasons why they provide aid and PTAs for others. Many of those reasons revolve around

important strategic goals such as achieving regional stability, supporting military allies, and pleasing powerful domestic interest groups. Human rights concerns are forced to compete in this cacophony of interests, values, and pressure groups. It seems unlikely that a state would punish another state for its human rights record when so many other interests and actors are pushing in the other direction. Few states wish to be seen as punishing other states because it opens the door to reciprocal punishments and provides targeted states with a rallying cry within its own population and in the international arena.

At the same time, states have only finite aid and trade resources. Given scarce resources, they must make difficult decisions about who gets the most. By choosing one state rather than another for a PTA, they are rewarding that state but engaging in de facto punishments of all other states. By increasing aid for one state relative to the total aid budget, a de facto punishment is imposed on all the other states. Human rights policies and practices in targeted countries that are similar to the sending country increase the probability of trade and aid to that country. Those with dissimilar policies and practices are thereby punished without any intent to punish ever needing to exist.

## **Dependent Variables**

We have two dependent variables: dyadic aid from 1982-2000 and dyadic PTAs from 1982-2000. We have not found other multi-country human rights studies that treat dyadic aid as the dependent variable. Most use aggregate aid flows from all OECD donor countries and a few multilateral organizations to state recipients (Lebovic and Voeten 2009). While this measure is useful and appropriate for the theoretical questions those scholars are asking, it still provides a limited view of aid patterns. By aggregating aid, these studies ignore differences among donor



states. Dyadic aid allows us to engage in a more fine-grained analysis of the decisions of individual states and their particular relations with others. We operationalize aid by taking the natural logarithm of the aid per capita. In the trade literature, in contrast, dyadic PTA is the most common dependent variable. By dyadic PTA we refer to any PTA to which both those countries belong, whether bilateral (exclusive to those two countries) or multilateral (including others as well). It is a “dummy” variable, coded one for every year in which any PTA is shared by those two countries.

## **Independent Variables**

We have two main independent variables. The first counts the number of human rights treaties in any given year that both states have ratified or not ratified. We examine seven such treaties and thus measure the similarity of international human rights commitments among the two states.<sup>1</sup> As an example, if both states have ratified the same four human rights treaties, the two states would receive *Human Rights Commitment Similarity* score of 7 out of 7. If both states have ratified three treaties, but only two of those are the same, they would receive a *Commitment Similarity* score of 5, with 1 point for each of the two treaties they have jointly ratified and 1 point for each of the three treaties they have jointly failed to ratify.

The second is a measure of the similarity in human rights practices or democracy practices using data provided by Cingrinelli and Richards (CIRI), labeled *Human Rights Practice Similarity* and using Polity data, labeled *Democracy Similarity*. For each dyad, we calculate the absolute difference in a human rights score or in a Polity score. To make it a similarity score, we take the negative of this absolute difference, so that an increase in the score, means that the

---

<sup>1</sup> The treaties are CESC, CCPR, CERD, CEDAW, CAT, CRC, and CMW.

countries in the dyad are less different (or more similar). We do this for both the Physical Integrity Index and the Empowerment Rights Index in the CIRI data.

Because we are worried about reverse causality, and because government decision-making concerning aid and PTAs is usually not immediate, we lag the similarity scores by 1 year.

## **Control Variables**

We control for several variables that prior studies have shown to be significant and that are backed up by solid theoretical reasoning. When *Dyadic Aid* is a dependent variable, we include measures of the recipient's human rights practices using CIRI's indexes of physical integrity rights and empowerment rights (lagged one year). We thus test the common presumption that OECD donor states and related international organizations respond to absolute levels of human rights abuse rather than to similarities to recipient states. Most aid studies have shown that three recipient characteristics consistently affect aid flows: recipient need (measured by GDP/capita), population (natural log), and geographic region (using regional fixed effects). Donor characteristics also matter, in particular the amount of aid given the previous year, often taken to represent bureaucratic inertia in the donor country, though it could also measure that country's strategic importance. Another important and often-significant measure of strategic importance is total trade between the donor and recipient. A dummy variable for the Cold War captures whether states behaved differently during the 1980s when international human rights norms were new and strategic concerns more easily trumped the promotion of rights. Although we expect it to affect PTAs more, we include shared political characteristics in the dyad, where *Democracy Similarity* is the negative absolute difference in the Polity scores of the two countries

in the dyad (similar to the human rights practice similarity scores), as well as the *Democracy* of the recipient (Polity score). We also lag these two democracy scores by one year.

Some analysts include a control for the total level of aid by all donors in any given year in an effort to capture global changes associated with economic downturns or social and political fashion. Our fixed effects pick up this factor.

## Findings

Table 1 contains the results for Level of Dyadic Aid. Because the dependent variable is left-censored at zero, we use a tobit model. To control for dyad heterogeneity, we include random effects, with a different random effect for each dyad. In addition to the regional fixed effects (World Bank regions), we include fixed effects for each year. The most important result is that a donor country is more likely to send aid to a recipient country if the recipient country has ratified the same human rights treaties. Having a similar human rights *record* has mixed results: it depends on the type of rights. Similar physical integrity rights appear to discourage aid; similar empowerment rights appear to encourage aid. And similarities in democracy discourage aid. However, if the recipient has a better human rights record (physical integrity and empowerment rights, though the latter is statistically insignificant), the recipient is more likely to receive aid. Democracies are more likely to receive aid. Our control variables also matter: Higher trade (last year) leads to higher aid (this year). Richer countries (GDP/capita) get less aid. Larger populations get more aid. (The Cold War appears to make no difference.) And there appears to be a lot of inertia to aid: the coefficient on lagged aid is 0.62.

Table 2 contains the results for PTAs. Since the dependent variable measures time until a PTA is signed, and our data come to us annually, we use a discrete-time duration model. Thus,

we do not have fixed or random effects by dyad (or country), but we still include fixed effects for region and year (the latter are a standard part of the duration model). As in the results for aid, the most important result is that country pairs that sign the same human rights treaties are more likely to sign a PTA. In addition, human rights practices also matter: similar physical integrity scores mean the dyad is more likely to sign a PTA. However, similar empowerment rights scores mean the dyad is less likely to sign a PTA. Similar democracy scores also make the dyad more likely to sign a PTA. The recipient's scores are the reverse: More respect for empowerment rights in a recipient government means it is more likely to sign a PTA with another country. But more respect for physical integrity rights and more democracy means the recipient is less likely to sign a PTA with others. As expected, more dyadic trade makes that dyad more likely to sign a PTA. Rich countries are less likely to sign (marginally), but population and Cold War times make countries more likely to sign.

## **Conclusions**

Unlike previous research, we find that human rights commitment similarity encourage foreign aid. At the same time, donor-recipient similarities in physical integrity and democracy scores actually discourage aid. We need to explore these contradictory results further. The evidence is more uniform with respect to PTAs: human rights commitment similarity and human rights practice similarity (for physical integrity rights) encourage the signing of a PTA. So does democracy similarity. This is true even when we control for variables such as regional fixed effects, trade, and country wealth and population, as well as global trends. Similarity in empowerment rights, however, has the effect of decreasing the probability of a PTA. Again, these results need further testing and exploration. For example, rewards and punishments should

follow changes in the recipient country rather than just levels, and we need to examine how changes in human rights policies and practices affects aid and PTAs.

## Works Cited

- Alesina, Alberto and David Dollar. 2000. Who Gives Foreign Aid to Whom and Why? *Journal of Economic Growth* 5:33-63.
- Apodaca, Claire and Michael Stohl. 1999. United States Rights Policy and Foreign Assistance. *International Studies Quarterly* 43(1):185-198.
- Barratt, Bethany. 2008. *Human Rights and Foreign Aid: For Love or Money?* New York: Routledge.
- Carey, Sabine C. 2007. European Aid: Human Rights Versus Bureaucratic Inertia? *Journal of Peace Research* 44(4):447-464.
- Carleton, David and Michael Stohl. 1987. The Role of Human Rights in U.S. Foreign Assistance Policy: A Critique and Reappraisal. *American Journal of Political Science* 31(4):1002-1018.
- Cingranelli, David L. and Thomas E. Pasquarello. 1985. Human Rights Practices and the Distribution of US Foreign Aid to Latin American Countries. *American Journal of Political Science* 29:539-563.
- Cole, Wade. 2005. "Sovereignty Relinquished? Explaining Commitment to the International Human Rights Covenants, 1966-1999." *American Sociological Review* 70 (3):472-95.
- Cortright, David, and George A. Lopez. 2002. "Assessing smart sanctions: Lessons from the 1990s." In *Smart Sanctions: Targeting Economic Statecraft*, ed. D. Cortright and G. A. Lopez. Lanham, Maryland: Rowman and Littlefield.
- Dunning, Thad. 2004. Conditioning the Effects of Aid: Cold War Politics, Donor Credibility, and Democracy in Africa. *International Organization* 58(2):409-423.
- Elliott, Kimberly Ann, and Gary Clyde Hufbauer. 1999. "Ineffectiveness of economic sanctions: Same song, same refrain? Economic sanctions in the 1990s." *American Economic Review* 89 (2):403-8.
- Finnemore, Martha. 1996. "Norms, culture, and world politics: Insights from sociology's institutionalism." *International Organization* 50 (2):325-47.
- Finnemore, Martha, and Kathryn Sikkink. 1998. "International norm dynamics and political change." *International Organization* 52 (4):887-917.
- Goodliffe, Jay and Darren Hawkins. 2006. "Explaining commitment: States and the Convention Against Torture." *Journal of Politics* 68 (2): 358-371.
- Hathaway, Oona. 2003. "The cost of commitment." *Stanford Law Review* 55 (5):1821-62.

- Ikenberry, G. John. 2000. *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order After Major Wars*. Princeton: Princeton University Press.
- Keck, Margaret, and Kathryn Sikkink. 1998. *Activists Beyond Borders: Advocacy Networks in International Politics*. Ithaca: Cornell University Press.
- Kim, Moonhawk. Reducing Incentives and Limiting Opportunities: The Network Externalities of the GATT/WTO on the Formation of Preferential Trade Arrangements. Working paper, 9 June 2009.
- Lai, Brian. 2003. Examining the Goals of US Foreign Assistance in the Post-Cold War Period, 1991-96. *Journal of Peace Research* 40(1):103-128.
- Landman, Todd. 2005. *Protecting Human Rights: A Comparative Study*. Washington: Georgetown University Press.
- Lebovic, James H., and Erik Voeten. 2009. The Cost of Shame: International Organizations, Foreign Aid, and Human Rights Norms Enforcement. *Journal of Peace Research* 46:79-97.
- Lumsdaine, David. 1993. *Moral Vision in International Politics: The Foreign Aid Regime, 1949-1989*. Princeton: Princeton University Press.
- McCormick, James M. and Neil Mitchell. 1988. Is U.S. Aid Really Linked to Human Rights in Latin America? *American Journal of Political Science* 32(1):231-239.
- Milner, Helen V. 2006. "Why multilateralism? Foreign aid and domestic principal-agent problems." In *Delegation and Agency in International Organizations*, ed. D. G. Hawkins, D. A. Lake, D. L. Nielson and M. J. Tierney. Cambridge: Cambridge University Press.
- Neumayer, Eric. 2003a. Do human rights matter in bilateral aid allocation? A quantitative analysis of 21 donor countries. *Social Science Quarterly* 84(3):650-666.
- Neumayer, Eric. 2003b. Is respect for human rights rewarded? An analysis of total bilateral and multilateral aid flows. *Human Rights Quarterly* 25(2):510-527.
- Neumayer, Eric. 2003c. "The determinants of aid allocation by regional multilateral development banks and United Nations agencies." *International Studies Quarterly* 47 (1):101-22.
- Neumayer, Eric. 2003d. *The Pattern of Aid Giving*. London: Routledge.
- Nielsen, Rich. 2009. Why Do States Choose "Moral" Foreign Policies? The Case of Foreign Aid and Human Rights. Working paper, 5 April 2009.

Poe, Steven C. 1992. Human Rights and Economic Aid Allocation under Ronald Reagan and Jimmy Carter." *American Journal of Political Science* 36(1):147-167.

Schoultz, Lars. 1981. *Human Rights and United States Policy toward Latin America*. Princeton: Princeton University Press.

Sikkink, Kathryn. 1993. "The Power of Principled Ideas: Human Rights Policies in the United States and Western Europe." In *Ideas and Foreign Policy: Beliefs, Institutions and Political Change*, ed. J. Goldstein and R. Keohane. Ithaca: Cornell University Press.

Simmons, Beth A., Frank Dobbin, and Geoffrey Garrett. 2006. "Introduction: The international diffusion of liberalism." *International Organization* 60 (4):781-810.

Svensson, Jakob. 1999. Aid, Growth and Democracy. *Economics and Politics* 11 (3): 275-97.



Table 1: Level of Dyadic Aid

<b>Independent Variables</b>	Coefficient	z-stat	<i>p</i> -value
Human Rights Commitment Similarity (lagged)	1.749	8.12	0.000
Human Rights Practice Similarity - Physical Integrity (lagged)	-0.129	2.88	0.004
Human Rights Practice Similarity - Empowerment Rights (lagged)	0.080	1.85	0.064
Democracy Similarity (lagged)	-0.140	6.97	0.000
Recipient Physical Integrity (lagged)	0.235	4.98	0.000
Recipient Empowerment Rights (lagged)	0.024	0.52	0.602
Recipient Democracy (lagged)	0.095	4.39	0.000
Proportion of Recipient's Trade With Donor (lagged)	24.582	12.76	0.000
GDP/capita (thousands)	-0.000	8.40	0.000
Population (log)	0.246	2.25	0.024
Cold War	0.346	1.00	0.319
Dyadic Aid (lagged)	0.618	56.30	0.000
Number of Countries	148		
Number of Dyads	18832		
Number of Observations	239329		

Notes: Dependent variable is logged dyadic aid per capita. Regional fixed effects (jointly significant), year fixed effects (jointly significant), and a constant are included, but not reported. Coefficients are tobit estimates, including random effects for each dyad; *p*-values are for two tails.

Table 2: Time Until Signing of Preferential Trade Agreement

<b>Independent Variables</b>	Coefficient	z-stat	<i>p</i> -value
Human Rights Commitment Similarity (lagged)	0.079	2.80	0.005
Human Rights Practice Similarity - Physical Integrity (lagged)	0.096	10.56	0.000
Human Rights Practice Similarity - Empowerment Rights (lagged)	-0.032	4.15	0.000
Democracy Similarity (lagged)	0.024	7.65	0.000
Recipient Physical Integrity (lagged)	-0.046	4.42	0.000
Recipient Empowerment Rights (lagged)	0.046	4.83	0.000
Recipient Democracy (lagged)	-0.003	0.65	0.515
Proportion of Recipient's Trade With Donor (lagged)	2.943	8.27	0.000
GDP/capita (thousands)	-0.009	1.63	0.103
Population (log)	0.159	12.06	0.000
Cold War	0.445	5.04	0.000
Number of Countries	148		
Number of Dyads	18832		
Number of PTAs	3506		
Number of Observations	217394		

Notes: Dependent variable is signing a preferential trade agreement. Regional fixed effects (jointly significant), year fixed effects (which control for duration dependence and are jointly significant), and a constant are included, but not reported. Coefficients are complementary log-log regression estimates; *p*-values are for two tails.