

TABLES

Table 1: Incidence of Civil War in Muslim and Non-Muslim Non-Oil Producers, by Periods of Low and High Oil Prices

	Non-Muslim	Muslim	Difference	Std Error	Difference-in-difference	Std Error
Before: 1960-1972	0.02	0.06	0.04	(0.054)		
During: 1973-1985	0.05	0.03	-0.02	(0.022)	-0.06	(0.045)
After: 1986-1999	0.04	0.14	0.10	(0.065)	0.11	(0.058)
Post: 2000-2008	0.02	0.03	0.01	(0.027)	-0.08	(0.051)

Notes: Standard errors are clustered by country reported in parentheses.

Table 2: Effect of oil price-induced aid on civil war

Dependent variable: Foreign aid (% GDP)			Incidence of civil war (at least 1000 battle deaths)								
Method of estimation:	(1) OLS	(2) OLS	(3) OLS	(4) 2SLS	(5) 2SLS	(6) 2SLS	(7) 2SLS	(8) 2SLS	(9) 2SLS	(10) 2SLS	(11) 2SLS
	<u>Muslim</u>	<u>Non-Muslim</u>									
Oil price (2009 US\$)	0.07 (0.019)	0.005 (0.010)									
Muslim * Oil price			0.089 (0.018)								
Foreign aid (% GDP)				-0.022 (0.008)	-0.032 (0.011)	-0.022 (0.008)	-0.023 (0.008)	-0.013 (0.006)			
Foreign aid per capita									-0.001 (0.0005)		
Foreign aid										-0.0002 (0.00007)	
Log foreign aid											-0.287 (0.099)
Remittances (% GDP)					0.006 (0.003)						
Assassinations						0.011 (0.006)					
Terrorist fatalities							0.0003 (0.0001)				
Recipient characteristics			Y	Y	Y	Y	Y	Y	Y	Y	Y
Country fixed effects	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

Year fixed effects			Y	Y	Y	Y	Y	Y	Y	Y		
<i>F-statistic on instrument</i>			25.28		22.58	25.25	26.07	12.85	10.97	29.81	11.45	
Number of observations		701	2395	2277	2277	1279	2277	1933	2914	2178	2178	2172

Notes: Newey-West corrected robust standard errors with upto 1 lag autocorrelation reported in parentheses. Recipient characteristics include: log GDP per capita, GDP per capita growth (% annual), log population, POLITY in 1972 x p(oil), and Percent rural x p(oil). These coefficients plus country and year fixed effects and a constant are not reported. Specification (8) estimated over full sample period (upto 2008) and instrument is adjusted for post-2000 period. In specification (9), foreign aid per capita is measured in 2008 US\$. In specification (10), foreign aid is measured in millions of 2008 US\$, and specification (11) is equal to log(1+foreign aid).

Table 3: Effect of oil price-induced aid on civil war, Alternate specifications

Dependent variable:		Incidence of civil war (at least 1000 battle deaths)								
Method of estimation:	IV Probit	2SLS	2SLS	2SLS	2SLS	2SLS	2SLS	2SLS	2SLS	2SLS
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Foreign aid	-0.117 (0.014)	-0.025 (0.009)	-0.021 (0.008)	-0.027 (0.011)						
Foreign aid in $t-1$					-0.021 (0.007)					
Foreign aid in $t-2$						-0.019 (0.007)				
Foreign aid in $t-4$							-0.011 (0.006)			
Foreign aid, 2 year moving average								-0.021 (0.007)		
Foreign aid, 4 year moving average									-0.018 (0.007)	
<i>Additional controls</i>										
Muslim	0.241 (0.187)	0.070 (0.028)		0.074 (0.031)						
Oil price (2009US\$)	0.007 (0.010)		0.001 (0.001)	0.002 (0.001)						
Recipient characteristics	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Country fixed effects	N	N	Y	N	Y	Y	Y	Y	Y	Y
Year fixed effects	N	Y	N	N	Y	Y	Y	Y	Y	Y
<i>F-statistic on instrument</i>	25.28	14.68	24.21	11.14	28.05	29.65	34.77	29.65		36.59
Number of observations	2277	2277	2277	2277	2242	2164	2006	2163		2005

Notes: Newey-West corrected robust standard errors with up to 1 lag autocorrelation reported in parentheses. Foreign aid measured as a share (%) of GDP. Recipient characteristics include: log GDP per capita, GDP per capita growth (% annual), log population, POLITY in 1972 x p(oil), and Percent rural x p(oil). These coefficients are not reported. Depending on the specification, country and year fixed effects and a constant are not reported. In columns 5-7, aid in t-j is instrumented with MUSLIM x Oil price in t-j, where j=1, 2, 4. In columns 8 and 9, 2 and 4 year moving average aid are instrumented with 2 and 4 year moving averages of MUSLIM x Oil price.

Table 4: Effect of oil price-induced aid on civil war, Accounting for unobserved heterogeneity and alternate classifications

Dependent variable:		Incidence of civil war (at least 1000 battle deaths)							Onset of civil war	
		Unobserved heterogeneity			All conflict	Alternate definition of Muslim				
		(1)	(2)	(3)	(4)	(5)	MUSLIM60	MUSLIM80	% MUSLIM	(8)
Foreign aid (% GDP)		-0.021 (0.009)	-0.022 (0.008)	-0.017 (0.008)	-0.023 (0.008)	-0.023 (0.008)	-0.022 (0.007)	-0.009 (0.005)	-0.017 (0.006)	-0.003 (0.003)
<i>Additional controls</i>										
Muslim x Cold War		-0.013 (0.050)								
Muslim x Year			0.001 (0.002)							
Region FE x Cold War				Y						
Region FE x Year					Y					
Recipient characteristics	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Country fixed effects	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Year fixed effects	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
<i>F-statistic on instrument</i>		17.73	26.82	24.79	27.37	25.28	29.7	20.88	24.66	25.28
Number of observations		2277	2277	2277	2266	2277	2277	2277	2277	1151

Notes: Estimation via 2SLS. Newey-West corrected robust standard errors with up to 1 lag autocorrelation reported in parentheses. Recipient characteristics include: log GDP per capita, GDP per capita growth (% annual), log population, POLITY in 1972 x p(oil), and Percent rural x p(oil). These coefficients plus country and year fixed effects and a constant are not reported. In columns 3 and 4, the region fixed effects are Africa, Asia, Middle East, Europe, North America, and South America (the reference category is Australia). In columns 1 and 3, Cold War is an indicator variable equal to 1 for any observation during the Cold War (before 1990) and 0 for any observation thereafter. In column 5, the dependent variable (for all conflict) measures the incidence of either a internationalized or non-internationalized internal conflict exceeding at least 1,000 battle deaths. Columns 6 and 7 instrument for aid interaction of oil prices with a dummy equal to 1 if the percentage of Muslims in the population exceeds 60 and 80 percent

respectively. In column 8, aid is instrumented with the interaction of oil prices and each country's percentage of Muslims in the population. In columns 9 and 10, the dependent variable is the *onset* of civil war (at least 1000 battle deaths). In column 10, the sample is restricted to years of a negative aid shock.

Table 5: Difference-in-difference estimates, accounting for alternate explanations

Dependent variable:		Incidence of civil war (at least 1,000 battle deaths)					
		(1)	(2)	(3)	(4)	(5)	(6)
During: 1973-1985		-0.054 (0.038)	-0.067 (0.047)	-0.062 (0.048)	-0.070 (0.051)	-0.059 (0.045)	-0.075 (0.059)
After: 1986-1999		0.111 (0.059)	0.125 (0.057)	0.120 (0.058)	0.132 (0.060)	0.114 (0.055)	0.104 (0.053)
Post: 2000-2008		-0.042 (0.048)	-0.092 (0.053)	-0.092 (0.053)	-0.099 (0.056)	-0.088 (0.051)	-0.113 (0.055)
Additional controls	Remittances					Assassinations	Terrorist fatalities
Excluded countries			Lebanon	Morocco	Morocco Lebanon		

Notes: Standard errors are clustered by country reported in parentheses.