THE BUDDING RIPPLE EFFECT FEATURING FOREIGN AID AND HUMAN TRAFFICKING

by

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ABSTRACT

ADRIENNE HUA. The Budding Ripple Effect featuring Foreign Aid and Human Trafficking.
(Under the direction of DR. JEAN-CLAUDE THILL)

Foreign aid is one of the most powerful tools at a single state's disposal. Economically, it can provide much needed support to the poorest of countries or those facing catastrophic conditions. Politically, it can strengthen the current government's position and provide them with what they deem necessary to keeping their rule of law, whether they be democracies or autocracies. In addition to these effects, a donor state must also balance their own interests, which can sometimes conflict with a recipient. An alternative route that can potentially help a donor avoid such dilemmas is to divert funds through a multilateral organization instead, which can help donors avoid the need to go through another state government. Regardless of the method of disbursement, the use of financial foreign aid has a tendency to produce effects that go far beyond its initial goal. This tendency is what this study seeks to examine.

Within this context, this study seeks to empirically investigate the unintended impact that foreign aid may have on one of the world's biggest human rights abuse: human trafficking. Human trafficking is a generations-old problem still in search of a solution. In two parts, I use an ordinal logistic regression to examine historical data in a post-Cold War era to determine the extent of foreign aid's unintended impact on a crime yet undefined. In the first part, total financial foreign aid is examined for general impact. In the second part, financial foreign aid is split into its most common forms, bilateral aid and multilateral aid, to examine specific individualized impacts.

Overall, my study reveals that there is indeed an impact on human trafficking between states, even though it had yet to be clearly defined at the time. In addition to that, bilateral aid experienced more statistical significance as compared to multilateral aid, suggesting that bilateral aid may have had a bigger part to play in the realm of human trafficking. The magnitude and type of relationship that foreign aid has with human trafficking appears to change over time. However, this study does have its limitations, which make the interpretation of the results a cautious act. With these facts in mind, policymakers are faced with a multi-faceted dilemma in need of fine-tuning.

DEDICATION

I dedicate this to you, who has searched through every dissertation ever submitted to ProQuest and have somehow determined that mine was a worthy addition to your ‘to be read’ pile.

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LIST OF ABBREVIATIONS

Acronym	Official Name
OECD	Organization for Economic Cooperation and Development
ODA	Official development assistance
DAC	Development assistance committee
GNI	Gross national income
GDP	Gross domestic product
LDC	Least developed countries
UN	United Nations
IMF	International Monetary Fund
G8	Group of Eight
EU	European Union
IOM	International Organization for Migration
MDB	Multilateral development bank
UNODC	United Nations Office on Drugs and Crime
LDC	Less developed countries
NGO	Non-governmental organizations
OR	Odds ratio
SAR	Spatial autoregressive model
TWP	‘Thinking and working politically’—part of the political theory of dilemmas
CPI	Corruption Perceptions Index
UNDP	United Nations Development Programme
HDI	Human Development Index

INTRODUCTION

The 10th of December serves as the anniversary of the Universal Declaration of Human Rights (Amnesty International 2018; United Nations 2018). This Declaration set out to create universal values that proclaimed inalienable rights to every human being, regardless of statuses such as race, religion, sex, and language. However, time has shown that this promise has yet to be fully realized. Amnesty International (2018) has reported that millions of people all over the world are still being denied their fundamental rights, resulting in increasing numbers of human rights abuse. One of the more common methods, and most pertinent to this study, of human rights abuse is that of human trafficking. Definitional problems have plagued this area of research but, in much simpler terms, the United Nations (UN) has defined it as the exploitation of an individual through various means of coercion. Throughout the literature on international relations, public policy, and development, experts have often connected aspects of globalization to human rights. Specific to this study is the postulated relationship that human rights and human trafficking may have with foreign aid. Of particular interest is public financial foreign aid.

In the post-Cold War era, the perspectives on foreign aid have changed significantly. In the past, foreign aid was often used by governments to buy influence over the least developed countries (LDCs) of the world. Thoughts and concerns about a state's development or the impact foreign aid could have on the global community were secondary, if they were a concern at all. This method of political strategy still exists today but it is very clear that it is not without its consequences. Alongside the usage of foreign aid comes unexpected spillover effects—of particular interest is the impact on developmental goals such as the reduction of human rights abuses. This study focuses specifically on cross-national human trafficking, with a specific focus on countries of origin. The impact of foreign aid can vary depending on its method of distribution. Pertinent to this study is bilateral aid, which is made of direct government-to-government transactions, and multilateral aid, aid provided through multilateral organizations where a group of governments have pooled together financial assets.

Many developed states are in agreement that investing in LDCs can potentially benefit the global community, and research has shown that this involvement can lead to positive spillovers such as improving overall human rights. For example, developed states have seen a need to cooperate closely with governments of developing states in order to fight persistent poverty. Factors such as persistent poverty have been known to indirectly affect developing states by making them more vulnerable to other threats such as an increase in human rights abuse, which can lead to an increase in human trafficking, the focus of this study. At first glance, some evidence suggests very little in the ways of making a direct connection between aspects such as poverty or education and human trafficking. However, there is other evidence that suggests that such aspects can indirectly affect human trafficking through the apparent connection between

socio-economic conditions, globalization, and human rights. For example, foreign aid may be distributed to a recipient with the intention of improving production capabilities. However, it may indirectly impact the odds of human trafficking by providing more employment opportunities for citizens to take advantage of and by reducing the overall victim pool. By improving aspects such as educational opportunities, life expectancy, poverty reduction, increasing investments, and bettering governance quality, foreign aid can be expected to be indirectly useful in the fight against human trafficking.

Although foreign aid seems to open up more routes to improve the prospects for a better future for many developing states, it does have its challenges. There is evidence that foreign aid can bring about undesired results, that have proven to be less than beneficial. In some cases, it has been noted that many authoritarian regimes have received an impressive amount of foreign aid from highly democratic donors. And within these authoritarian regimes are high numbers of human rights abuses. It has been speculated that, through the process of aid capture, the amount of foreign aid 'lost' has allowed for a state to continue its streak of corruption, possibly committing more human rights abuses. Foreign aid has also been thought to create a sense of dependency, where developing states lose their ability to grow independently. This can potentially lead to a process of stifling local growth. Furthermore, some experts argue that foreign aid plays no role in promoting developmental goals—in fact, the impact of foreign aid is more likely to be short-lived or non-existent.

Though current research has shed some light on the relationship between these aspects, it is still not enough. There is a logical relationship that can be drawn between foreign aid and human trafficking, as one can indirectly affect the other. However, what exactly is the link that connects the two? There has been much research surrounding the general impact of aid and what determines the receipt of aid, but very little has actually focused on the specific characteristics of foreign aid itself (Bearce & Tirone, 2010; Cingranelli & Pasquarello, 1985; Collier, Guillaumont, Guillaumont, & Gunning, 1997; Dudley, 1979; Sandler, 1997; Svensson, 2000; Trumbull & Wall, 1994; Yuichi Kono & Montinola, 2009). In 2003, the last year of interest in this study, many countries who were perceived to be human trafficking problem spots were often the recipients of high amounts of foreign aid (OECD 2021). For example, Belarus, China, and Nigeria scored a 5 for experiencing high levels of human trafficking and together, they received over 1 billion USD. As this example helps to illustrate, large amounts of money are often at play when it comes to foreign aid allocations and these amounts may play a part in impacts that go beyond the deliverables requested by donors.

The arguments advanced in this literature are still largely conceptual and theoretical. Evidence is largely anecdotal and research still lacks the rigor that one would expect to inform and formulate policy recommendation in this area. However, by using historical data provided primarily by the UN, the Organization for Economic Cooperation and Development (OECD), and the World Bank, this study will

be one of the few in the literature to probe the unintended impact of foreign aid amount on human rights via human trafficking, in a time where human trafficking had yet to be defined. Through this examination, this dissertation aims to add to the literature by 1) creating models that will explain aid impact in an empirical manner, 2) providing an analytical synopsis of select theories and frameworks that can potentially explain the relationship between foreign aid and human trafficking, and 3) developing policy recommendations to improve the positive impact of foreign aid on international human trafficking, based on empirical evidence.

RESEARCH QUESTIONS

Human rights is a broad term that can encompass several distinct aspects. As defined by the UN, human rights are rights that are innate to all humans, regardless of one's race, sex, nationality, ethnicity, language, or any other sort of status marker. Under the Universal Declaration of Human Rights, human rights has not only been protected but expanded to encompass a variety of standards for women, children, minorities, and other vulnerable groups. However, even with an international standard in place, the level of human rights protection can often differ from country to country. The protection of human rights has been noted to be affected by a variety of factors, such as political regimes and economic factors. Depending on the condition of these factors and the relationship it shares with human rights, the protection of human rights can quickly morph to an affiliation of abuse. One of the most researched abuses is that of human trafficking. Within the confines of human rights, human trafficking is a dimension that could possibly be affected in similar ways as that of human rights. However, there is little research to ascertain this.

Figure 1: Human trafficking within the realm of human rights

One of the most disputed relationships that human rights has is with foreign aid. Of particular interest in this study is financial foreign aid, in the form of official development assistance (ODA) as noted by the OECD. Foreign aid has been commonly noted to have an impact on human rights, such as the creation of growth measures and policy which can indirectly impact human trafficking. Early literature on the relationship suggested a non-existent, or a weak at best, association (Cingranelli & Pasquarello, 1985; Lebovic, 1988; Petras, 1997). But more recent research has found the relationship to be quite robust (Carnegie & Marinov, 2017; Gomez, 2007; Lai, 2003; Richards, Gelleny, & Sacko, 2001). Through the distribution of ODA, recipients can potentially be in a better position to combat human trafficking. However, this linkage is filled with uncertainty. Furthermore, whether foreign aid truly benefits the fight against human rights, and therefore human trafficking, remains to be answered.

This research seeks to examine the relationship between foreign aid and human rights, via the dimension of human trafficking. More specifically, this research seeks to examine ODA disbursements and address the potential unintended consequences resulting from the link between foreign aid and human

trafficking. The study will be guided by one primary research question, followed by two distinct sub-questions; therefore, it will follow a top-down approach to examining foreign aid. ODA is defined as the flows to countries and territories via bilateral and multilateral means. Hence, the primary research question will first examine total ODA disbursements and then individually examine the impact of bilateral and multilateral aid, the primary components of ODA (OECD, 2021). This study will examine the relationship as it flows from foreign aid to human trafficking. Guided by previous research, the effects of foreign aid on human rights are assumed to be similar to the effects of foreign aid on human trafficking, a dimension of human rights.

The primary research question will seek to identify the relationship between foreign aid, specifically total ODA disbursements, and human trafficking. Specifically, it asks:

1. What is the relationship between the amount of foreign aid received and the level of human trafficking in a country of origin for cross-national human trafficking?

Following this question, the total ODA disbursements will be individually split up into the two categories that make up ODA: bilateral aid and multilateral aid. The purpose of this split is to examine the impact of types of financial foreign aid. Specifically, it asks:

2. What is the relationship between the amount of bilateral aid received and the level of human trafficking in a country of origin for cross-national human trafficking?
3. What is the relationship between the amount of multilateral aid received and the level of human trafficking in a country of origin for cross-national human trafficking?

The circuitous impact of foreign aid on human rights abuses is heavily debated in a globalizing world. Early research often suggested a weak, if any, relationship, while later research suggested a more vigorous, albeit vague, relationship (Bueno De Mesquita & Smith, 2009; Cingranelli & Pasquarello, 1985; Gomez, 2007; Lai, 2003; Lebovic, 1988; Petras, 1997; Zanger, 2000). As it specifically relates to human rights, some studies have suggested that foreign aid can be beneficial in protecting human rights (Carnegie & Marinov, 2017; Cingranelli & Pasquarello, 1985; Dietrich, 2013; W. Meyer, 1998; Nwogu, 2014). On the other hand, other research suggests a more adverse relationship, and that the reality of the situation is that the consequences outweigh the benefits (Choi & James, 2017; Finkel, Perez-Linan, & Seligson, 2007; Lee, 2011; Reinikka & Svensson, 2004; Sikkink, 2004). Furthermore, the relationship is known to be complicated when involving different types of foreign aid. Bilateral aid has often been noted to be a weapon in the protection of national security, while multilateral aid is more often used for ideological and humanitarian needs. In recent literature, most studies have often found a harmful relationship between foreign aid and a recipient state's human rights history. This suggests that, even though human rights can often be considered in the distribution decision, it is not the primary concern. In fact, it can lead to negative impacts for the recipient through a variety of spillover effects. Based on historical records noted in previous

research, many donors have often championed the use of foreign aid in advancing human rights protection. Therefore, many countries have often increased the amount of foreign aid that is distributed to certain countries in the hope of increasing economic development and increasing the defense of human rights. However, research has shown that when it comes to the different types of aid, the impact of each can dramatically differ. Bilateral aid is often used in matters concerning national security and the impact of its allocation is negligible on human rights. Multilateral aid is more often related to more altruistic and humanitarian needs and hence, can more unswervingly address the needs of human rights advocates. In addition to this, research examining the gatekeeping (if foreign aid should be distributed to a state) and the level (how much foreign aid should be distributed to a state) stages of foreign aid distribution have shown contradictory results. The impact of the amount of aid has rarely been touched in research, in spite of it being an important part of foreign aid allocation. What little research that does exist touches only on specific donors and has not been updated to reflect more modern information. Even though the literature shows a strong debate exists about the impact of foreign aid, it is clear that certain sides are more heavily backed by empirical research. Hence:

Hypothesis 1: There is a negative relationship between the amount of foreign aid and countries of origin of cross-national human trafficking, leading to positive benefits.

Hypothesis 2: There is a positive relationship between the amount of bilateral aid and countries of origin of cross-national human trafficking, leading to negative consequences.

Hypothesis 3: There is a negative relationship between the amount of multilateral aid and countries of origin of cross-national human trafficking, leading to positive benefits.

Overall, I hypothesize that there is a negative relationship between cross-national human trafficking and the amount of overall ODA disbursements, where if foreign aid is increased, then the level of human trafficking will decrease. When the ODA disbursements are individually separated into its compartments (bilateral aid vs. multilateral aid), I hypothesize that bilateral aid will have a positive relationship with foreign aid, while multilateral aid will experience a negative relationship.

LITERATURE REVIEW

What is human trafficking?

Human trafficking is officially defined by the United Nations within the Palermo Protocol (2000) as such:

a) "Trafficking in persons" shall mean the recruitment, transportation, transfer, harboring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labor or services, slavery or practices similar to slavery, servitude or the removal of organs.

b) The consent of a victim of trafficking in persons to the intended exploitation set forth in subparagraph (a) of this article shall be irrelevant where any of the means set forth in subparagraph (a) have been used.

c) The recruitment, transportation, transfer, harboring or receipt of a child for the purpose of exploitation shall be considered "trafficking in persons" even if this does not involve any of the means set forth in subparagraph (a) of this article;

d) "Child" shall mean any person under 18 years of age (Article 3).

However, regardless of the conciseness of this definition, it has been shown not to be enough to clearly define the parameters of what human trafficking is. For example, in many cases, human trafficking has often been intertwined with another, debatably similar, crime: smuggling. In certain states, sex trafficking cases can also often be confused with prostitution-related cases. Human trafficking, at its simplest form, is a form of exploitation that can occur within national borders or across international borders. Both types of human trafficking are characterized with similar basic characteristics, except for the fact that cross-national trafficking is primarily defined by the fact that it includes crossing a state's international boundary lines. For the purposes of this study, the focus will be on human trafficking cases that have crossed international borders.

There are many different definitions of smuggling and trafficking, but some commonly consider both to be forms of irregular migration. This particular issue is large enough that there are some organizations that concern themselves with addressing the difference (International Organization for Migration, 2000; Kelly & Regan, 2000). Fundamentally, these two concepts do differ; however, they also share some commonalities. In some cases, both smuggled and trafficked individuals leave a country of origin willingly (Aronowitz, 2001). For smuggled individuals, the willingness to leave is more common than individuals being trafficked. In addition to that, smuggled and trafficked individuals are considered

illegal aliens once they arrive in the country of destination because they entered the country illegally and are undocumented (Aronowitz, 2001). This puts them both at risk of being exploited.

According to Bajrektarevic (2000), there are four main elements that differentiate an individual from being smuggled to being trafficked. First, those being smuggled always travel voluntarily while trafficked persons can either begin their trip willingly or be coerced or kidnapped. Second, those being trafficked are used and exploited over a long period of time. Third, there is an interdependent relationship between those being trafficked and organized crime groups. And fourth, those being trafficked are eligible for further recruitment into other criminal purposes. Though these elements seem straightforward, there is room for interpretation based upon how one defines deception and coercion. In addition to this, situations may vary amongst those being smuggled or trafficked. Some victims are promised jobs in restaurants, but find themselves forced into prostitution. Situations can become even more obscure when an individual willingly accepts a position as a housekeeper, but is paid less than a national who must pay taxes. There are also instances where individuals choose to work in prostitution because they are aware that their wages will be higher in their destination state than in their home states. However, they are forced to 'repay' their traffickers as part of a transportation fee. These situations are only examples of what has and what can occur. What can be highlighted is the aspect of exploitation that makes these individuals victims.

Another major difference pointed out by Aronowitz (2001) is the amount of money that the two groups pay prior to their departure from the country of origin. Those being smuggled often pay the amount up front and upon entering their destination country, their journey has come to an end. Those being trafficked pay a percentage and incur a debt for the remainder of the trip, creating a debt bondage situation which further allows them to be easily exploited.

The types of human trafficking

Human trafficking comes in many forms. When broken down into its simplest forms, it includes sex trafficking, labor trafficking, organ trafficking, and child trafficking (Zhidkova, 2015).

Table 1: Types of human trafficking

TYPE	PRACTICES
Sex Trafficking	Trafficking for prostitution (forced/coerced), pornography, sex tourism, and mail-order brides
Labor Trafficking	Trafficking for domestic, agricultural, factory, restaurant, and sweatshop work, debt bondage, and forced begging
Organ Trafficking	Trafficking for forced removal of organs/tissues to sell on the black market
Child Trafficking	Use of persons under 18 years of age in any of the above

Though these are the main types of human trafficking, Bertone (2008) has noted that the term 'human trafficking' tends to be used as an umbrella term for many criminal enterprises, including but not limited to sex tourism, child sex tourism, debt bondage, exploitation in domestic work, mail order brides, and forced begging. Based on research, most researchers focus on sex and labor trafficking. According to Gallagher (2002), human trafficking's main profit stems from the sale of a trafficked individual's sexual or labor services.

Both types of exploitation involve serious human rights abuses. However, some argue that sex trafficking is worse than labor trafficking and can be more difficult to deal with (Aronowitz, 2001). There is often a social stigma and prejudice that comes with being trafficked for sex, and combined with its common illegality status in many states, gaining the cooperation of victims and re-integrating them into society can be quite difficult (Ateneo Human Rights Center, 1999; Ould, 1999). The social stigma and prejudice is often related to a cultural aspect, the idea that any association with the sex industry is shameful, even if the association was coerced (Cody, 2018). It is important to note that sex trafficking is illegal throughout the world—prostitution is not though. It is believed that the primary differences between the two is 1) that trafficking involves a third-party beneficiary outside of the person receiving the sexual act and 2) trafficking is achieved through force, fraud, or coercion (Grewal Law, 2019). However, such differences can be hard to apply or take note of in real world cases; hence, the idea that sex trafficking cases can get muddled with prostitution cases. The illegality of both sex trafficking and prostitution can make all participants prudently watchful and suspicious. This can manifest in many actions including being worried about incriminating themselves or being wary of interacting with law enforcement. This can all contribute to the difficulty of resolving cases related to sex trafficking.

The survival rate of both types of exploitation are quite different as well. For those who are exploited sexually, the increased contact with clients is linked with an increased likelihood that victims will seek help or escape. In order to prevent this, many criminal groups will rotate their victims between locations (Kendall, 1999; Richard, 1999). On the other hand, victims of labor trafficking are often isolated with a lack of contact with clients. Hence, it is thought they can survive for longer periods of time (Richard, 1999).

Most of the individuals that fall victim to trafficking are often the vulnerable populations. A vulnerable population is not necessarily one 'type' of individual that is at risk of being exploited. They are typically a population that faces a disadvantage in their home countries. Such disadvantages include having poor or non-existent job skills or little chance of success at home (Aronowitz, 2001). It also includes those fleeing war zones, natural disasters, or political persecution. In addition to that, there are certain populations that are typically more vulnerable to situations related to trafficking such as women and children,

individuals with disabilities, or those who have suffered other types of abuse or exploitation (Demir & Finckenauer, 2010; "Human Trafficking 101: Who are the Victims?," 2018). What makes vulnerable populations more susceptible to trafficking will be touched on in the next section.

Human trafficking is an overwhelmingly invisible problem with small official numbers. Due to the clandestine nature of human trafficking, the UN officially has thousands of human trafficking cases on record, but estimates that there are 20 to 40 million people being trafficked globally (UNODC 2018). In East Asia, 97% of victims were being trafficked within that same region. In North Africa and the Middle East, 51% of victims were found to be trafficked in the same region, while 38% were found to be trafficked across regions. In Central and South Eastern Europe, 56% of victims were found to be trafficked within the region while 39% was trafficked across regions. In 2016, the UN noted that out of the 26,750 victims that were reported, 49% of trafficking victims were women, 21% were men, 23% were girls, and 7% were boys. For women, the UN (2018) reports that 83% are trafficked for sexual exploitation. For men, the UN (2018) reports that 82% of men are trafficked for labor exploitation. For children, 72% of girls are trafficked for sexual exploitation as compared to the 27% of boys that are exploited sexually. The statistics speak for themselves—it is clear that human trafficking is a problem that needs to be addressed. From these numbers alone, it can be inferred that human trafficking is largely driven by the sexual exploitation of females.

Trafficking is not a simple problem that can be solved overnight. The number of victims is expected to continue to grow, being facilitated by a variety of conditions. One of the most pervasive problems is the lack of legislation in defining the offense, or even punishing the offense. Also, corruptions in state governments often go hand in hand with trafficking. Corrupt officials can often profit from the practices involving human trafficking, contributing to the lack of political will in putting forth anti-trafficking legislation. Domestically within many states, there are a variety of agencies and organizations that are committed to protecting human rights. However, cooperation between agencies does not always exist. With all these facilitating conditions, it can be understandable as to why human trafficking continues to persist. However, fixing these issues still do not address the real causes that allow the industry of human trafficking to thrive. These causes include, but are not limited to, increasing poverty, insufficient educational and training opportunities, and the high demand for cheap labor and sex (UNICEF, 2000).

What drives human trafficking?

The effect of push and pull factors

Cross-national human trafficking is driven by the idea of push and pull factors, similar to migration (Aronowitz, 2001; Nwogu, 2014). Traditionally, countries of origin for victims of trafficking are developing countries or countries in a state of transition. Hence, most trafficked victims are often moved from poorer states to wealthier, more stable states. This serves as a 'pull' factor as individuals are drawn by the promises

of greener pastures. Inequalities in the standards of living can vary drastically between the more developed and the least developed countries, giving room for better expectations that drive individuals to search for better opportunities (Gunatilleke, 1994). The 'push' factors behind trafficking are often the same as the 'push' factors for traditional migration (Aronowitz, 2001). Regional conflicts are a common push factor and have been a contributing factor in several parts of the world such as ethnic-related conflict in certain African nations. Economic crises have been known to push individuals into leaving their home nations as well, as seen in the immigration waves from Central and Eastern Europe and Asia. In addition, political and religious persecutions have also been known to drive exoduses from less developed nations.

These push and pull factors have the potential to lead to a rise in immigration rates. In addition to that, they can be further tied to a series of other unintended consequences, such as increases in human trafficking (Bales, 1999a). By creating situations that leave few options for survival, people can be forced to venture outside their state borders, which places them in more vulnerable positions, allowing themselves to be taken advantage of. Furthermore, the advances in technology combined with an increase in open borders can facilitate the flow of people, along with the flow of goods (Aronowitz, 2001; International Labor Organization, 2005). Traditionally, this is a good sign for economic development and globalization. However, this level of openness and transparency can also increase the odds of trafficking as it can potentially make it easier for traffickers to cross borders with their victims.

The push and pull factors behind trafficking are diverse, and multitudes of studies have supported such suppositions. Ultimately, the root causes of human trafficking lay in the social, economic, and political conditions in the countries of origin, which suggest that push factors are more impactful in driving human trafficking (Gunatilleke, 1994). Human trafficking is part of the broader human development framework because it is a part of the cause and effect links to other aspects of human development (Nwogu, 2014). The actual issues surrounding it are often closely related to other issues such as efforts to secure borders, controlling migratory flows, globalization, prostitution, terrorism, and safeguarding domestic and foreign policies (Risley, 2015). Combining these factors with the increasing population, persistent poverty, high unemployment, tyrannical regimes, and internal conflicts, the end result is an increase in violence and civil disorder, which contributes to the disorderly environment surrounding the abuse of individuals.

Bales (1999) explored the subject of global trafficking and compiled a variety of factors together to empirically test, through multiple regression, which variables were significant in predicting the push and pull factors of trafficking. Through an examination of every state that were not dependencies of other states, Bales found that, out of the push factors, a state's infant mortality rate, the proportion of the population below age 14, the state's food production index, population density, conflict and social unrest were significant predictors. For the pull factors, Bales found that the permeability of a state's borders, the male population proportion over age 60, government corruption, food production, energy consumption and infant

mortality to be significant. However, these results were far less conclusive than the push factors. Chong (2014) examined primarily push factors such as racism and sexism and its impact on women in the sex industry. Chong found that push factors radically victimized women, making them more likely to be trafficked. This is due to the surrounding environment that pushed ideals of obedience and submissiveness. Henson (2015) followed Chong's study, examining the impact of gender on sex trafficking through qualitative methods. Henson found that masculine power structures were often used to control victims of trafficking. In addition, Henson also noted an unexpected consequence: the same masculine power structures were also employed in the anti-trafficking movement. This suggests that good intentions, through anti-trafficking efforts, can potentially lead to negative spillover effects.

The effect of globalization

Globalization has played a large part in developing the modern world as we know it. It has contributed greatly to the legal economy, such as lowered manufacturing costs and greater connectivity; however, it has also contributed just as much to the illegal economy (De Soysa & Vadlamannati, 2011; Dreher, Gassebner, & Siemers, 2012; Heller, Lawson, Murphy, & Williamson, 2018; Williamson, 2017). Lake (2008) argues that globalization was created by the nations of this world through the course of economic liberalization. However, the process itself has primarily been carried out through the activity of non-state actors such as individuals, firms, and sectors.

What is globalization? Vertovec (2009, 54) describes it as "the world-spanning intensification of interconnectedness." It is the flow of interactions between citizens of different states that take place without the sanctions of national governments. Keohane and Nye (1971), seminal authors in the study of globalization, identified four types of global interaction: 1) communication, the movement of information, 2) transportation, the movement of physical objects, 3) finance, the movement of money, and 4) travel, the movement of people.

In this study, the focus lies on the movement of money and the movement of people. The forces of globalization have frequently been connected to one of the most abusive and irregular forms of migration: human trafficking (Takamatsu, 2004). The United Nations Office on Drugs and Crime (2018) has estimated that the number of trafficking cases being detected and reported per country has been steadily increasing year after year. Such increases in numbers may be due to strengthened efforts in a nation's ability to detect, record, and report data. It may also be due to the negative consequences of a globalizing world.

In a globalized world, states can no longer exercise full control over their internal environment (Duffield, 2001; Zhidkova, 2015). Adamson (2005) notes that globalization has created incentives for new actors to rise up and engage in transnational activity—this includes both legal and illegal activities. The smuggling and trafficking of individuals is a large market, being supported by powerful market forces. This

particular industry exploits individuals via the lure of business opportunities, and is heavily dominated by supply organizations (Aronowitz, 2001). This has also spurred the growth of other criminal markets, such as the need for fraudulent travel documents, transportation, and guided border crossings (Escaler, 1998).

Transnational criminal organizations, seeking to profit from such needs, have become major actors in the global market of trafficking. In the receiving states, there are constant demands for cheap labor and sex (the two most common types of human trafficking). In the origin states, there are always factors that may push individuals to seek better opportunities, creating room for vulnerability. What occurs between these two points of supply and demand in the marketplace intertwines the two. Victims of human trafficking often come from developing countries, with developed countries being the most common final destination (Aronowitz, 2001). It goes without saying that this abusive and dangerous form of migration is a serious human rights violation. And yet, it is not a problem that is often addressed with respect to international assistance when compared with other assistance goals such as education (Takamatsu, 2004). Human trafficking is a heinous crime, with increasing numbers every year, that puts a person's basic human rights at risk. And in a world where all United Nations' members have ratified some part of the international human rights treaties, such a status makes it worth questioning whether there is enough support from the international society.

What is foreign aid?

Foreign aid is defined as such by Perkins, Radelet, and Lindauer (2006): "Foreign aid consists of financial flows, technical assistance, and commodities given by the residents of one country to the residents of another country, either as grants or subsidized loans." In this study, foreign aid will refer to financial flows from the public sector. In particular, this study will utilize ODA disbursements as provided by the OECD. It has been noted by Zhidkova (2015) that globalization has ultimately led to the demise of state authority. The traditional hierarchy-based forms of organization are gradually becoming replaced by networks, as seen in the case of human trafficking (Asal, Nussbaum, & Harrington, 2007; Lindelauf & Borm, 2009; Sageman, 2008). Therefore, to combat such struggles, it is necessary to utilize the network structures of cooperation between states across borders (Zhidkova, 2015). In other words, the new world order is being shaped by alliances across numerous state actors who must work harder to create and enforce international rules (Slaughter, 2004). One such effort is through the use of foreign aid, a type of global interaction through the movement of money.

Foreign aid has often been considered to be an instrument of statecraft. It is used most often to promote a donor country's foreign policy goals (Bapat, 2011; Bueno De Mesquita & Smith, 2009; Dietrich & Wright, 2015; Vreeland & Dreher, 2014). Based on previous research, it has been noted that foreign aid allocation occurs in two distinct stages: gatekeeping and level (Cingranelli & Pasquarello, 1985; Neumayer,

2003; Poe & Sirirangsi, 1994). The gatekeeping stage is where foreign aid allocation decisions begin. At this point, donor states will consider a variety of factors in their distribution decisions. It has been noted that human rights can sometimes be considered at this point, which suggests that based on a state's human rights track record, they could be excluded from receiving aid. If it is deemed appropriate to provide a recipient state with funds, then the 'level' stage is next. This is where the gross amount that aid recipients receive is decided.

Since the end of the Cold War, a global trend in foreign aid emerged: donors began to link the political condition in recipient states to the allocation of aid. Furuoka (2005) notes three distinct reasons for this change in decision making. First, many Western states were set on creating a new world order based on 'universal values' such as education and democracy. Second, Western donors often disregarded human rights abuses by repressive regimes in recipient states during the Cold War. And last, there was a growing awareness that foreign aid was less likely to achieve its goals in states with repressive regimes. Hence forth, many states decided to show a renewed commitment to serving and protecting 'universal values.' By making 'universal values' an important decision-making factor, it can lead to positive externalities.

Foreign aid has also been noted to be a mechanism through which donor states can create donor-specific benefits and transnational public goods (Baccini & Urpelainen, 2014; Battig & Bernauer, 2009; Sandler, 1997, 2004). Donor-specific concessions typically refer to benefits that are meant just to benefit donor states (Ohtsuki, 2016). Transnational public goods (TPGs) differ from donor-specific concessions because it involves donors persuading recipients to make concessions that can also help overcome a collective action problem, such as creating more educational opportunities in LDCs (Ohtsuki, 2016). In this sense, TPGs are global goods that can benefit more than one individual party. TPGs can include items such as peacekeeping operations, curbing organized crime, reducing human trafficking, etc. If foreign aid can successfully facilitate collective actions that produce TPGs or even regional public goods (RPGs), then it can lead to other positive externalities to both donors and recipients such as a decrease in global human trafficking.

The types of foreign aid

Foreign aid can be distributed in a multitude of ways. The focus of this study is that of public aid. The most common forms of public aid include military aid, project aid, tied aid, multilateral aid, and bilateral aid (Agarwal, 2011). Military aid more commonly requires the recipient to buy arms or defense contracts from the donor. Project aid is typically used to finance a particular project, such as building schools or roads. Tied aid requires that the foreign aid be spent in the donor state or in a group of selected states. Of particular interest to this study is that of bilateral and multilateral aid, which makes up the OECD's ODA (the primary independent variable of this study). Bilateral aid is assistance given by a government

directly to a recipient government. Multilateral aid is assistance provided by multilateral institutions, whose funding is provided by its members governments pooling their funds together.

In many cases, the type of aid that donors choose will be based on which delivery tactic is most likely to increase the odds of foreign aid achieving its intended outcome. Furthermore, donor decisions are typically endogenous to the quality of the recipient state's institutions (Dietrich, 2013). In poorly governed recipient states, donors will normally bypass the state actor and deliver aid through non-state methods. Bad governance is equated often with high odds of aid misuse, which often encourages donors to seek out alternative recipient partners so that the aid can be protected from aid capture (Dietrich, 2013). Recipient states with higher governance quality will normally see a higher rate of government engagement or bilateral aid. Strong institutions typically signal a greater capacity for the recipient to effectively use and disburse aid, encouraging a high level of donor trust (Dietrich, 2013). This thinking stands for many donors, but the literature has shown that donors often provide high volumes of per capita aid to states with poor governance, which suggests governance is not the only qualifying factor. There is also empirical evidence which suggests that many OECD donors channel aid through non-state actors such as non-governmental organizations (NGOs), public-private partnerships, and private contractors.

When it comes to multilateral aid, foreign aid is distributed through multilateral organizations or multilateral funding agencies. Multilateral funding agencies like the World Bank or the International Monetary Fund (IMF) are common routes. They have three general functions: 1) provide finance for large-scale investment projects, 2) loans for policy reforms, and 3) conduct and disseminate research on development. Though these are the primary functions, foreign aid delivered through multilateral institutions can be used to pursue other core interests such as national security or economic interests. These institutions are not controlled by a single nation—their main supervisory bodies consist of the Boards of Governors and/or the Boards of Executive Directors which serve to represent member states. These supervisory bodies are where the majority of decision making occurs, such as lending and policy proposals. Hence, member states may choose to use their votes strategically to further their own personal agendas (Braaten, 2014). Also, because these decisions are group decisions, member states do lose some sovereignty. However, by channeling aid through a multilateral institution, it allows for burden-sharing and cost control (Lake, 1999; Milner & Tingley, 2010). In short, multilateral institutions help individual states achieve common goals that they would not be capable of achieving on their own or goals they cannot afford financially.

The motivation behind foreign aid

The motives behind giving foreign aid differ amongst nations and time periods. For example, foreign aid from the United States was non-existent before World War I. It was not until World War II when the United States began to provide aid as part of wartime aid and reconstruction efforts. In addition

to this, the United States also hoped to reduce poverty and shrink the threat of communism (United States Agency for International Development, 2019). These dual goals of humanitarianism and strategic need are echoed amongst many nations today. Overall, the literature notes three broad factors that govern the distribution of foreign aid (Meernik, Krueger, & Poe, 1998). The first concerns national security. The second concerns societal factors such as free market policies. And the third concerns itself with ideology such as the promotion of democracy, human rights, and development.

When foreign aid is given, some nations do so for altruistic reasons. By helping a state help their own native residents enjoy a better standard of living, it contributes to their growth and development (Alesina & Dollar, 2000; Dudley & Montmarquette, 1976; Harsmar, 2010). Dudley and Montmarquette (1976) found that the lower the per capita income was for recipients, the higher the per capita aid by donors was. Trumbull and Wall (1994) extended their work by allowing donors to assign weights to the impact of foreign aid for different recipients. They found that the per capital income of the recipient country played a smaller role in determining per capita aid inflows. Instead, infant mortality rate and civil rights played a bigger role in determining aid inflow. Research has shown that the poorer a nation is, the higher the likelihood they will receive aid from an altruistic donor (Spence, 2014). However, that is not canon. There are instances where a donor may punish recipient nations and their governments for the political oppression (Derouen, Jr & Heo, 2004; Furuoka, 2005). When given for altruistic or humane reasons, foreign aid is thought to work and be beneficial if the aid is accompanied by 'good policies' (Burnside & Dollar, 2000).

Altruistic reasons such as those stated above are not necessarily the norm though. In return for foreign aid in certain situations, donor-specific concessions may be expected. Many donors expect gratitude to be given in the form of support for donor interests (Dasandi & Erez, 2019; Dudley & Montmarquette, 1976; Hoeffler & Outram, 2011; Ohtsuki, 2016). This can come in the form of supporting donor interests abroad such as votes within the United Nations General Assembly or within the World Bank. Ohtsuki (2016) found that this act of 'selling votes', with the United States as the donor, in the United Nations General Assembly typically occurred with more autocratic recipients. This diverges from the greater bulk of literature that suggests most of the foreign aid by the United States is generally associated with buying votes in both the United Nations General Assembly and Security Council, suggesting that a recipient's regime type mattered very little (Alesina & Dollar, 2000; Dreher, Nunnnenkamp, & Thiele, 2008; Kuziemko & Werker, 2006; Wang, 1999). When it came to more democratic recipients, foreign aid was found to encourage multilateral coalitions. Foreign aid from the United States was particularly thought to encourage democratic recipients of foreign aid to take part in costly collective action that was led by the United States (Ohtsuki, 2016). Critics of foreign aid policy have argued that this sort of influence from donors can reduce democratic accountability as it may make governments less dependent on their citizens for tax revenue, which could then lead to lower accountability to citizens (Dijkstra & White, 2002). Donors

may also expect an increase in trade with the recipients of foreign aid, leading to mutual economic gain (Dudley & Montmarquette, 1976; Younas, 2008). This 'tit for tat' method of foreign aid has proven to be a popular method for many donor states. Non-democratic states are unlikely to implement any policy if their regime is put at risk. Therefore, these aid for concession deals often target non-democratic recipients (Alesina & Dollar, 2000; Bueno De Mesquita & Smith, 2009; Easterly, 2003).

In addition to furthering their own interests in global politics, donors may use their influence to accomplish more development-oriented goals through aid provisions. Donors may also use foreign aid as a reward for 'good behavior', such as when states pursue more democratization (Alesina & Dollar, 2000; Braaten, 2014; Ohtsuki, 2016). Furthermore, by continuing to provide aid in return for 'good behavior,' foreign aid is turned into positive reinforcement. It is important to note though that aid may be given to nations that liberalize, but greater economic liberalization is not necessarily associated with more aid inflow. If a state that previously received aid failed to display 'good behavior,' then aid can often be withheld (Braaten, 2014).

Foreign aid can also be distributed as a result of political economy factors. Ethnic groups within donor nations may provide political contributions to donor governments as a way to lobby for foreign aid to the ethnic group's respective source nations. Lahiri and Raimondos-Moller (2000) suggested in their research that greater lobbying by ethnic groups can often lead to a greater proportion of aid being given. Some research also found that the United Nations Security Council membership had a large positive effect on aid for recipients (Dreher, Sturm, & Vreeland, 2009; Kuziemko & Werker, 2006). It appears that foreign aid amounts increased when the United Nations received high levels of media coverage, suggesting a period of unbridled foreign affairs.

Government ideology is also thought to be part of donor behavior. Milner and Tingly (2010) and Tingly's (2010) study, with panel data, found that leftwing governments had increased aid to lower income states, but not to middle income states. Dreher et al. (2013) found, in Germany, that leftwing governments committed less aid then rightwing governments. Round and Odeodokun (2004) and Lundsgaarde et al. (2007) found no such effects in their research. In addition to this, Fuchs et al. (2012) showed that government ideology in donor states did not influence any type of public aid.

Foreign aid is also thought to have a relationship with conflict. A donor's perception of conflict in a recipient nation can determine if foreign aid should be granted and how useful it may be at achieving its end goals and interests. As a result of World War II, the United States was very invested in reducing the threat of communism. Hence, the United States focused on using their foreign aid to strategically limit the spread of communism (Bandyopadhyay & Vermann, 2013).

Donor motivation has been noted to be highly important when evaluating the effectiveness of aid (Bearce & Tirone, 2010). However, teasing out true intention behind foreign aid distribution has been noted

to be tricky as aid may not necessarily be given directly to the cause (Brech & Potrafke, 2014). Instead, it is possible that aid may be reduced in certain areas in favor of other areas. One may infer that a reduction in aid could signify a drop in priority. However, it is also possible that the increase in aid in other areas may simply be another mechanism to pursue similar or other priorities (Brech & Potrafke, 2014). If foreign aid is allocated for non-developmental purposes though, such as boosting national security, it has been thought to be inefficient at promoting economic growth.

Connecting foreign aid, human rights, and human trafficking

As the literature states, there are many reasons as to why states may provide foreign aid to a foreign state. The most pertinent to this study is the use of foreign aid as it relates to human rights policy, with a particular focus on human trafficking. It is important to reiterate that this study focuses on the impact that foreign aid can unintentionally have on human rights via human trafficking. The relationship between foreign aid and human rights is still highly uncertain, as few studies have been able to provide evidence of a clear link between the two. There are instances where foreign aid has been directly given to fight human rights abuses; however, it is few and far. Furthermore, it is inherently difficult to measure and prove intent behind donor distribution behavior. Aid flows to different sectors are unlikely to be independent of one another, as complex relationships may exist in between (Brech & Potrafke, 2014). To the best of my knowledge, it appears that foreign aid is rarely used to directly benefit the realm of human trafficking. Hence, I can infer that existing, if any, impacts within the realm fall within the category of spillover effects due to the complex relationships that exist between sectors.

The relationship between foreign aid and human rights can be perplexing. Foreign aid can impact the realm of human rights, via direct or indirect effects. Donors could potentially provide a recipient with foreign aid which can be used directly to fund human rights projects. Or it can be used to fund programs that can potentially impact human rights through spillover effects. Whatever the method, research has pointed out that there is potential for impact (Alesina & Dollar, 2000; Bermeo, 2016; Burnside & Dollar, 2000; Cingranelli & Pasquarello, 1985; Dunning, 2004; Fearon, Humphreys, & Weinstein, 2009; W. Meyer, 1998; Richards et al., 2001; Schraeder, Hook, & Taylor, 1998). This specific direction, examining the impact that foreign aid may have on human rights via human trafficking, is the focus of this study. However, it is also important to take note that the relationship could go the other way. A state's human rights record could serve as an informative predictor to examine foreign aid as the outcome. Previous research has shown that human rights can sometimes be considered in the decision making behind foreign aid distribution (Apodaca & Stohl, 1999; Demirel-Pegg & Moskowitz, 2009; Gomez, 2007; Meernik et al., 1998; Trumbull & Wall, 1994). This sort of cycle suggests that the two concepts can inform the other in estimating the potential impact they may have on one another. This is further touched on in a latter section.

At this point, it is important to keep in mind that human rights can impact foreign aid allocation, but the focus of this study is in examining the impact foreign aid may potentially have on human rights, via human trafficking.

Does human rights matter in the allocation of aid?

Human rights on an international scale are largely protected by several human rights treaties. Human trafficking is specifically targeted by the Palermo Protocol, which supplements the United Nations Convention Against Transnational Organized crime, a multilateral treated against organized crime. Many state governments have signed and ratified them, only to routinely violate them over and over (Hathaway, 2002). This suggests that the social stigma of violating human rights norms is insufficient when it comes to preventing abuse. Instead, the allocation of foreign aid is thought to be more likely in bringing about better human rights records.

Trumbull and Wall (1994), using panel data, found a positive relationship between human rights conditions and total foreign aid allocations to recipient states. In particular, they found that political and civil rights, both forms of human rights, were significant factors in determining foreign aid allocation. Other studies, focusing on the aid program of the United States, supported such positive findings (Apodaca & Stohl, 1999; Poe, 1992; Poe & Sirirangsi, 1994). However, throughout history, the United States' stance on its human rights policy has varied. This suggests that human rights protections were possibly a requirement for some and not required for others. This inconsistency suggests to many experts that the United States' human rights policy was in fact a cover for pursuing its real interests of national security or economic concerns. If this inconsistency was found in United States' policy, then it could be found with other state policies, further strengthening the difficulty in discerning true intentions behind foreign aid distribution (Braaten, 2014; Spence, 2014). This is demonstrated in other studies that showcased a less then clear relationship. Apodaca and Stohl (1999) found that a state's human rights record mattered; if the state had a bad human rights record, they were more likely to receive less aid. However, national security interests appeared to still be the most significant factor with specific countries, regardless of their human rights record (Demirel-Pegg & Moskowitz, 2009; Gomez, 2007; Poe & Meernik, 1995). Furuoka (2005) has also noted that in the case of Japan, the Ministry of Foreign Affairs has often given aid to states with unfavorable human rights record; as long as the recipients exhibited traits that were favorable to Japan, foreign aid was sustained. Though Orr (1993) and Furuoka (2005) have noted that when grave human rights abuses were taking place, Japan had a history of cutting aid, typically as a last resort. Gomez (2007) focused on examining the impact of the cold war system on the relationship between a recipient's human rights practice and foreign aid disbursements from eight major donors. He found that recipient human rights practices were a significant factor in the gatekeeping stage, where it is decided if a recipient will receive aid or not.

However, it ultimately was not a significant factor in deciding how much aid a recipient received. This suggests that human rights history assisted donors in their decision making on whether a state could be a potential recipient of aid. However, when it came to the actual distribution amount, human rights mattered very little, if at all. This contrasts with previous studies that found that a state's human rights record was more pertinent to deciding the amount of aid a state received (Apodaca & Stohl, 1999; Lai, 2003).

Furthermore, when it comes to bilateral aid, recent research suggests that the influence of human rights is dependent on a state's regime type and its level of economic development. In particular, Demirel-Pegg and Moskowitz (2009) found that human rights was an important determinant for when the recipient of foreign aid was an autocracy, but not for recipients transitioning to democracy or established democracies. Other research suggests that the relationship between a donor and recipient, along with the economic needs of the recipient or the economic benefits for the donor, account for the flow of aid (Alesina & Dollar, 2000; Alesina & Weder, 2002; Furuoka, 2005; Lebovic, 1988, 2005; Neumayer, 2003). These studies suggest that human rights abuses were a modest and negative predictor when it came to bilateral aid for some donors. Other studies suggest that human rights protection is even less important as certain state governments continue to provide economic assistance to recipients that exhibit high levels of state repression and corruption (Bueno de Mesquita & Smith, 2007; Bueno de Mesquita & Smith, 2009; Cingranelli & Pasquarello, 1985; Gomez, 2007; Lai, 2003; Lebovic, 1988; Neumayer, 2003; Petras, 1997; Zanger, 2000).

Foreign aid allocations via multilateral institutions may often be a more viable option for certain donors, depending on their intended purpose. The domestic public of a donor state may have fewer doubts about the non-political nature of aid coming from a multilateral institution (Milner, 2006). Multilateral institutions may also be more credible when demanding policy concessions from certain recipients (Rodrik, 1996). And last, it allows donors to overcome the issue of being competitive with their strategic-based aid or following the social norm (Lebovic & Voeten, 2009). When it comes to looking at human rights related projects and investments, the research on whether human rights is paramount to foreign aid decisions largely suggests that human rights is not considered alone, a similar finding when examining research surrounding bilateral aid. Sandford (1982) examined the United States' votes in multilateral institutions and found that negative votes from the United States served as a signaling mechanism to other states. However, these negative votes often seem to be based on a recipient country's ideological orientation as opposed to its actual human rights record (Mower, 1987; Schoultz, 1982). Braaten (2014) focused on examining political rights and personal integrity rights, a subcategory of human rights. Political rights appeared to be significant when it came to the United States' abstaining votes while personal integrity rights were not significant at all (Braaten, 2014). Furthermore, the distribution of foreign aid appeared to be about performance records. If a state met certain policy requirements, then foreign aid was the reward as opposed

to being a preventative measure. Based on other studies, it appears that the receipt of aid is most sensitive to political and civil rights as opposed to personal integrity rights (Abrams & Lewis, 1993; Carleton & Stohl, 1987; Meernik et al., 1998; Poe, 1992). Lebovic and Voeten (2009) examined the effect of shaming through the resolutions by the United Nations Commission on Human Rights (UNCHR), which was later replaced with the Human Rights Council. They found that these resolutions condemning a state's human rights record led to reductions in the amount of multilateral aid. However, it had no effect on the state's total bilateral aid receipts. So in theory, multilateral aid could have been reduced, but a donor could still uphold the same amount of bilateral aid that was promised before a recipient was condemned for its human rights practice. Furthermore, punishment for violating human rights appeared to be selective.

Throughout the literature, it appears that bilateral foreign aid is heavily dependent on strategic relationships. For many donor states, the calculated relationship along with economical needs dominate the reasoning behind why donor A may deliver aid to recipient B. However, allowing violators to persist can potentially lead to other consequences such as bad press for donors, changing strategic relationships, worsening social conditions, etc. Therefore, states may choose to punish violators by passing the task of punishment, and hence funding, to certain multilateral organizations (Lebovic & Voeten, 2009). These organizations are often under less pressure to maintain strategic relationships with foreign aid recipients. However, these multilateral institutions are run as a group and not spearheaded by a single nation. They do not act on a single donor's whims or need to 'keep up appearances.' Multilateral aid institutions may choose to selectively reduce aid if they receive certain signals that suggest certain human rights violators are politically acceptable targets (Lebovic & Voeten, 2009). These signals can be public votes within the international institution or shaming campaigns by non-profit organizations. This reliance may be subject to backfire though since some institutions cannot legally consider factors such as human rights abuse.

Though important to understanding the logic behind decision making behavior of donors, these studies did not shed light on the events that followed after decision making. It is important to investigate the whole process behind the decision making. As this section shows, the results of this research are highly mixed. Many studies in this field typically focus on big name donors, like the United States, and they make examinations during different time periods. As this study will show in its discussion of the results, the time period studied can be incredibly informative of the results found in the research. For example, it can indicate what the driving motives behind foreign aid allocation and distribution were at the time. In addition to that, because the topic of foreign aid and human rights is quite broad, there are a variety of lenses and disciplines that researchers can examine through, impacting the interpretation of the study's findings. This can further cause differences in understanding the implications of such decisions and result in ineffective policymaking. Furthermore, there are implications for the research process itself. The research suggests that the protection of human rights may impact foreign aid-related decisions and vice versa, which brings up

the issue of endogeneity. However, because the results are highly mixed, the case of endogeneity is still up for debate.

Where does the money go?

Human rights may have been pertinent in the decision-making process of foreign aid distribution, but did it remain pertinent afterwards? For instance, was protecting human rights important enough to allocate foreign aid directly for human rights protection? Such a question can be difficult to answer as donor objective and motivation can often be difficult to discern (Brech & Potrafke, 2014; Keely, 2012). Also, over the course of time, the focus can often shift from strengthening infrastructure to economic restructuring. Critics often point out the inconsistency; however, it is important to note that the issues facing developing and developed states in the 1950s are not necessarily the same as the issues they face in the 2000s. It is important to take note that these different goals will lead to different actions being taken, such as reducing or increasing foreign aid in certain areas. This can have implications for future policymaking and for future research in examining trends and the impact of such policies. Broadly speaking though, research compiled by the OECD (Keely, 2012) over time suggests that the majority of foreign aid is directed toward four primary purposes: stimulation of economic growth, support for health, education, and political systems, provision of emergency relief, and economic recovery efforts after an economic shock. This suggests that human rights, let alone human trafficking, is hardly ever a direct beneficiary of foreign aid distribution. However, due to the complex relationships that exist between many socio-economic factors and human rights, the realm of human rights can potentially be impacted through spillover effects.

Cingranelli and Pasquarello (1985) found a positive correlation between economic aid from the United States to Latin America and human rights. Meyer's (1998) study on foreign aid, earmarked for economic purposes, to LDCs supported such findings and argued that it improved human rights conditions. Richards, Gelleny, and Sacko (2001) echoed similar findings. Other studies also supported the idea of positive spillovers coming from foreign aid and the resulting political liberalization stemming from the aid (Bermeo, 2016; Dunning, 2004; Fearon et al., 2009). Carnegie and Marinov (2017) also examined the impact that general foreign aid had on human rights and found, through instrument variables estimation, that there were positive spillovers in LDCs. Furthermore, there was evidence that an increased aid commitment would be beneficial in leading to the positive effects. However, these effects were short-lived and based on whether the former colonizer of a recipient held the presidency position of the Council of the European Union. This could stem from the consistent fact that former colonizers often give disproportionate amounts of aid to former colonies (Alesina & Dollar, 2000; Holland, 2002). Foreign aid, though earmarked for other purposes, appears to have led to beneficial results for human rights. This contrasts with other

studies, which found evidence that foreign aid often led to negative spillovers for human rights, along with democracy (Alesina & Dollar, 2000; Burnside & Dollar, 2000; Dreher et al., 2013; Schraeder et al., 1998).

The research behind foreign aid and its relationship with human rights can be quite contested. Bueno de Mesquita and Smith (2009) suggests that, should foreign aid contribute to recipient development in any way, it would be nothing more than coincidence. Furthermore, some studies suggest that foreign aid has no impact on human rights at all, intended or unintended. Schoultz (1981) found, through a cross-country econometric model, that there was no connection between the amount of aid between the United States and the human rights conditions in aid recipient states. Stohl, Carleton, and Johnson (1984) supported this finding that there was no obvious relationship. Knack (2004) also supported this finding and argued that foreign aid did not appear to affect human rights.

Deducing the relationship

The position of human rights in the world of foreign aid can be perplexing, which suggests that the relationship with human trafficking can potentially reflect a similar position. The fight against human trafficking has several parts to it. They include, but are not limited to, prevention, prosecution, return of migrants, and victim re-integration. However, not all these parts are funded equally. Certain areas, such as prevention, prosecution, and voluntary return of migrants, are more favored compared to others (Nwogu, 2014). Many government agencies often finance programs that are designed to prevent trafficking by distributing information about the hazards of exploitation (Risley, 2015). Educational and economic opportunities are also being created for vulnerable populations to increase the odds of preventing trafficking. However, in the process that comes after being trafficked, the policies are primarily focused on repatriation and re-integration (Risley, 2015). Though many organizations are primarily interested in promoting safe migration and effective victim re-integration, they argue that legal, psychological, and medical services are also required in order to make other efforts effective.

Human rights and human trafficking treaties sought to impose a sort of international guideline on the relationship between a state and its citizens. And through the individual ratification from each state, it signaled an agreement and consensus within the global community. However, these treaties can lead to high sovereignty costs for individual states such as the loss of autonomy in areas that are related to the upkeep of human rights or the reduction of human trafficking (Spence, 2014). Furthermore, studies have shown that the states that ratify these treaties have a low rate of compliance and are more likely to commit abuses (Hathaway, 2002; Powell & Staton, 2009). Instead of upholding the treaties and their premise, many states expect that their ratifications will lead to positive effects on foreign aid, trade, and investments (Hathaway, 2007). This line of thought stems from the idea that recipients of aid will be rewarded with increases by wealthy donors (Finnemore & Sikkink, 1998). Furthermore, Spence (2014) argues that recipients of foreign

aid ratify such treaties because they fear a poor reputation will put them at risk of being targeted for aid sanctions. Ratifying these treaties does not only benefit recipients; they also make it easier for donors to justify the aid flows that are given to states that have a known abuse record.

The relationship can also be greatly mediated by context. This study will focus specifically on the time period between 1985 to 2003, which is generally characterized as the end of the Cold War. With its end, a "global trend toward democratization proceeds, [where] governments are giving more attention to human rights" (Bauer, 1994). Mansbach (1999) suggested that the event of the Cold War sacrificed the idea of human rights for ideology. To be more specific, human rights appeared to simply be another battleground for the superpowers to struggle in (Mansbach, 1999). However, this hindrance to the progress of human rights is lessened with time. Due to the democratic resurgence characterizing the post-Cold War era, human rights were given invaluable opportunities for growth. This context of the Cold War becomes increasingly important for this study, as it guides examination of its results.

In order to understand this puzzling relationship, many researchers have explored certain theories and frameworks that may contribute to its understanding. Below, we go into the ones most pertinent to this study.

The hegemonic intervention hypothesis

Some studies have noted positive impacts between foreign aid and human rights. Cingranelli and Pasquarello (1985) found a positive correlation between economic aid from the United States to Latin America and human rights, where economic aid was found to have a beneficial impact. Meyer's (1998) study on economic aid to LDCs supported such findings, and argued that it indirectly improved human rights conditions. Richards, Gelleny, and Sacko (2001) echoed similar findings.

On the other hand, as the literature review has noted before, not all impacts are positive. Regan (1995) noted that there was evidence from the Carter and Reagan administration that suggested that foreign aid programs led to more harm than help. Furthermore, Callaway and Matthews (2008) found that the United States was far less successful in improving human rights because of its national security agenda. Ahmed (2013) used a sample of 150 states from 1972 to 2008 and found that aid from the United States was positively associated with increased repression as it empowered governments to be less accountable to their citizens. Finkel, Perez-Linan, and Seligson (2007) found that the effect of assistance, when it was targeted towards the promotion of human rights, was modest at best.

Under the guise of human rights promotion, researchers have found that donors often have ill-conceived interventions. In the case of the United States, Choi and James (2017) noted in their review of foreign aid types that action by the United States was often associated with neutral or negative effects with regard to human rights protection. This inconsistency in findings could be due to a variety of factors. Data

quality has, and still is, a point of concern when it comes to research in this area. Gomez (2007) suggested that reliable human rights data did not begin until the 1980s. Additionally, it is important to note that the priorities of donors can shift over time. The different sectors of a functioning society, such as social or production sectors, can potentially have differing relationships with human rights. This suggests that impact may also differ.

An increased level of repression associated with foreign aid could be the result of Lasswell's (1941) 'garrison state.' In a garrison state, power would be concentrated into the hands of the military arm as a result of the public's need for higher levels of national security. Foreign aid has been noted to potentially increase the levels of repression and human rights abuse for certain states. By stating a threat to national security or sovereignty, abusive leaders can hence justify the need for higher levels of repression. Furthermore, the resources from foreign aid can find their way, through aid capture, to more coercive purposes that sustain a repressive state—another dimension of the garrison state (Choi & James, 2017; Yuichi Kono & Montinola, 2009).

Taking from previous research, the hegemonic intervention hypothesis states that a leading state's intervention on human rights, whether that foreign policy tool is economic or military, is anticipated to be neutral if not harmful (Choi & James, 2017). Choi and James (2017) do note that positive effects are still possible and can be transmitted to the recipient society. Also, this hypothesis does not suggest that leading states, such as the United States, act with ill intent—only that the results abroad are anticipated to be disappointing.

Choi and James (2017) found support for their hypothesis through an analysis of the United States' foreign policy tools. Economic forms of intervention were likely to negatively affect human rights. And regardless of where US action was positive or negative, the results were found to be indifferent or negative.

The principal-agent theory

Foreign aid, an important instrument of statecraft, is fungible in nature. This makes it susceptible to aid capture, where recipient states use the resources for unintended ventures. This can occur due to the inefficiencies and agency problems in poorly governed states (Bräutigam & Knack, 2004; Djankov, Montalvo, & Reynal-Querol, 2008; Gibson, Andersson, Ostrom, & Vakumar, 2005; Reinikka & Svensson, 2004; Svensson, 2000). To avoid this problem, donor states can choose to give aid to non-state actors via multilateral aid. This type of aid allows donors to work around the difficulties of enforcing aid contracts in situations where the probability of aid capture is high (Dietrich, 2013). This situation brings about a principal-agent relationship where the principal, or donor in this case, passes the job onto the agent, the third party or non-state actor. The agents do the work that donors deem important; however, organizations will differ from one another in terms of needs, preferences, and missions. Some partnerships may show a

level of incompatibility where what the donors want done is not a good match for the organization. This can lead to negligible outcomes. Easterly (2007) argues the principal should not be the donor but the vulnerable population that the aid serves since the aid is meant to serve the vulnerable population. It is a top-down approach, when it should be bottom-up. Because the development through these investments are not always driven by actual knowledge or the realities of the vulnerable, the effect of the investment can become insignificant and leave the true problem unaddressed (Nwogu, 2014).

The world society theory

This theory finds its home in the distinct literature of political and global sociology. The core claim of the world society theory is that states act and appear alike because they have adopted similar norms and policies to regulate and legitimize the everyday aspects of life in their society (J. W. Meyer, Boli, Thomas, & Ramirez, 1997). These circulating norms and policies have typically grown from the work done by a variety of groups such as NGOs, inter-governmental organizations like the UN and the OECD. Through the influence of these actors, certain policy models have been created and adopted as the methods for other states and organizations to attain legitimacy on the global stage (Swiss, 2016). Understanding this diffusion is integral to understanding globalization. However, it is important to note that these norms do not penetrate states equally, even within the same network. This can often be seen with developing states being marginalized as they are less able to implement the norms and/or policies properly (Beckfield, 2010; Clark, 2010; Cole & Ramirez, 2013). Understanding this deviance can help researchers understand why some states seem more connected than others and why some are more able to implement certain policies (Beckfield, 2008, 2010; Kovács & Hannanb, 2015). With respect to this study, understanding this difference in impact and practice could help explain the differences in trafficking elements for certain states. Through the use of foreign aid, many global actors have hoped to see the spread of their developmental norms. From one perspective, these norms have been thought to bring about beneficial change. However, research has shown that foreign aid can be more disruptive than anticipated.

Official foreign aid is seen within this theory as a way to promote ties between states and organizations in World Society (Peterson, 2014). Under this theory, aid can also be seen as a way of examining the relationships between states, NGOs, and inter-governmental organizations. By understanding this dimension, a better understanding of how connected states are to one another can be derived to further understand the power complexes and inequality that exist within it.

The partisan hypothesis

Government ideology is thought to be part of donor behavior. The basic prediction is that leftwing governments are more likely to commit and disburse more foreign aid then rightwing governments (Brech

& Potrafke, 2014). This hypothesis is based on the relationship between foreign aid and domestic social welfare spending. The idea behind committing public resources to help alleviate poverty and reduce inequality is vital to 'leftist' politics. And the more money that is committed, the more impact there will be.

Milner and Tingley's (2010) and Tingley's (2010) study, with panel data, found that leftwing governments had increased aid to lower income states, but not to middle income states. Dreher et al. (2013) found, in Germany, that leftwing governments committed less aid then rightwing governments. Round and Odeodokun (2004) and Lundsgaarde et al. (2007) found no such effects in their research. In addition to this, Fuchs et al. (2012) showed that government ideology in donor states did not influence any type of public aid.

The political theory of dilemmas

This framework, brought forth by Dasandi and Erez (2019), is based in normative political theory and identifies three models: complicity, double effect, and dirty hands. This framework was developed in the context of development aid to states that have been accused of human rights violations, and works to help donors identify the different types of dilemmas and how to respond accordingly (Dasandi & Erez, 2019). This framework is based on two assumptions. First, foreign aid has some positive effect on the socio-economic outcomes within a recipient state. Second, foreign aid is most effective when it is delivered through national governments and institutions in developing countries. These assumptions are based on the emphasis that is placed upon national ownership and the idea of using state institutions to provide aid, which are core components of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action (OECD, 2005, 2008).

One of the effects of foreign aid is that it can potentially strengthen the government's position, relative to other actors. Through the allocation of aid, national governments can have more resources that bolster the legitimacy of a regime (Robinson, 1993). This strengthening of legitimacy may be a positive outcome in democratic states, but in more autocratic regimes, critics argue that it will impede democratization and erode the protection of human rights. This effect has led to a 'political turn' which the donor community called 'thinking and working politically' (TWP) (Green, 2013). This viewpoint emphasizes the need for donors to accept the political realities, that there will be tensions and trade-offs over time between the goals of development (Leftwich, 1993). Proponents of TWP often have a favorable view of developmental regimes, even if they are involved with human rights abuses. Even so, many critics of foreign aid argue that the top-down approach of TWP has too many dangers surrounding the issues of power and rights (Green, 2014). Hence, the rise of the donor dilemma—as termed by Dasandi and Erez (2019).

The framework that Dasandi and Erez put forth to help analyze political dilemmas should allow one to retain a normative viewpoint, while being attune to the political reality. There are three models of political dilemmas that become relevant to the donor's dilemma: complicity, double effect, and dirty hands. In these models, the political agent undermines an important end, or result, to which they were committed; however, the relationships between action and effect suggest different short and long term judgments for each model (Dasandi & Erez, 2019).

In the complicity model, the actions essential to accomplishing a desired effect leads the agent to become complicit in the wrongdoing of others. To avoid the complicity, the agent would be required to sacrifice the positive effect of their intended actions. Due to the normative context of others, the intended positive effect would lead to negative impacts. This dilemma arises from the link between an agent's actions and the actions of the wrongdoer. In the double effect model, the agent's actions will directly produce a positive effect and unwillingly, but directly, bring about a negative effect. The dilemma is forced on the agent, through the structure of constraints, but it is still their actions that directly generate the wrong. The dirty hands dilemma involves an agent acting in a way that would generate a negative effect as a means of achieving the positive effect. The negative effect is seen as a means of achieving the desired positive effect.

The unintended consequences of foreign aid

Foreign aid can do much good in many situations. But in some circumstances, it can bring about unforeseen consequences. The detrimental effects of foreign aid may be attributed to its fungible nature. Recipient leaders could easily use the external resources that they are given for unintended goals such as violent repression of political dissent (P. T. Bauer, 1986; Dasandi & Erez, 2019; Easterly, 2007; Nwogu, 2014; Qian, 2015; Robinson, 1993; Wright, 2009). This suggests that aid transfers between donor and recipient can be at great risk of aid capture through bureaucratic inefficiencies and agency problems in poorly governed states (Bräutigam & Knack, 2004; Djankov et al., 2008; Gibson et al., 2005; Reinikka & Svensson, 2004; Svensson, 2000). Institutions that are susceptible to aid capture are often characterized by minimal levels of corruption control, rule of law, government effectiveness, and regulatory quality (Dietrich, 2013). States with better governance have lower odds of aid capture because they have more effective institutions. Furthermore, donors lack the ability to enforce aid contracts credibly (Collier et al., 1997; Mosley, 1987; Svensson, 2000). Without the necessary 'bite,' there is no method for donors to ensure that the assistance reaches the intended beneficiaries. This gap highlights the importance of multilateral aid as it allows donors to work around the difficulties of aid capture.

Sikkink (2004) argues that bilateral aid coming from the United States can undermine human rights. Through the examination of the Nixon, Ford, and Reagan administrations, Sikkink (2004) noted executive opposition to pursuing and carrying out human rights policy. Through the Carter administration, human

rights policy was strengthened temporarily, but the Reagan administration actively worked to dismantle it. In addition to dismantling the policy, President Reagan worked towards moving the human rights policy from a public forum to a private forum. Critics took this as a signal that human rights was being deserted (Sikkink, 2004). Meanwhile, Carnegie and Marinov (2017) suggest that bilateral aid from the European Union can strengthen human rights protection.

Multilateral aid has been found to provide immediate relief for intended beneficiaries. However, it can undermine the long-term efforts to build a state that is capable of managing its own development (Dietrich, 2013; Nwogu, 2014). This can also serve to stifle local growth, which can limit the ability of organizations to fundraise locally (Nwogu, 2014). Foreign aid can be ineffective and inefficient at promoting economic growth if it is allocated for non-developmental purposes (Bearce & Tirone, 2010). Lee's (2011) empirical analysis of foreign aid coming from the United States suggests that foreign aid, regardless of type, had a detrimental impact on human rights. In particular, the effect was seen clearly on citizens' physical integrity rights during the period from 1990 to 2009. In short, foreign aid from the United States can be associated with poor human rights conditions.

Through the use of foreign aid, many global actors have hoped to see the spread of their developmental norms. From one perspective, these norms have been thought to bring about beneficial change. However, research has shown that foreign aid can be more disruptive than anticipated. There are many gaps in the research that need to be filled—this study hopes to fill at least one of them. By examining the relationship between foreign aid and human trafficking, I hope to bring more clarity to the impact of foreign aid on human trafficking.

DATA

I will explain the impact of foreign aid on human trafficking across ODA recipients from 1985 to 2003. Please refer to Appendix A: Variables for a more in-depth description of all the variables used in this study. ODA recipients include all states and territories that are eligible to receive ODA. This list consists of all low and middle income states based on the gross national income (GNI) per capita, as published by the World Bank. The list also includes all of the least developed countries (LDCs) as defined by the UN. Exceptions from the list of recipients include G8 members, EU members, and states with a firm date of entry into the EU. The list is periodically updated and currently contains over 150 recipient states and territories. Please refer to Appendix B: Donors and Recipients for a complete list.

The Dependent Variable: Human Trafficking

The outcome variable will represent human trafficking. Due to the underground nature of human trafficking, accurate statistics on the magnitude of the problem are elusive. This difficulty has been stressed by several different research opportunities. The International Organization for Migration (IOM) received EU 'STOP' funds for a project that would supposedly help provide accurate estimates for the trafficking of women across Europe—they concluded that such estimates "was not possible with any level of accuracy" (Kelly & Regan, 2000). Kelly and Regan (2000) attempted to examine the magnitude of trafficking in the United Kingdom. They argued that the number of cases annually was, based on seventy-one known cases, between one hundred and forty-two and one thousand four hundred and twenty.

In addition to this, many NGOs estimate the number of women and children being trafficked internationally were between seven hundred thousand and two million annually. In addition to the lack of data, measuring the problem is exacerbated by the recognition, or lack of recognition, of the signs of trafficking, the definitions used, and the available resources provided to researchers and law enforcement alike. The only aspect that researchers can agree on is the fact that, in spite of the difficulty in collecting data, trafficking is a growing problem with a constantly expanding market. But without solid numbers, how can so much of the research community be so sure? First, the number of targets, driven by poverty and a lack of opportunity, are willing to take chances with those who would exploit them, for a chance to improve their lives. Second, entry and exit regulations for states have grown less restrictive. Third, the globalization of the world market and economy, combined with advanced communication and technology, have made it easier for criminals to go about their business. And last, the involvement of organized crime has led to the creation of a specialized branch.

To measure human trafficking, the United Nations Office on Drugs and Crime (UNODC) has devised an ordinal ranking scale, using official government reports and media news, that covers 161 countries total (UNODC, 2006b). A map showing the ratings by country is located in Appendix A: The

Variables. The list of countries included, as pertinent to this study, is provided in Appendix B: Donors and Recipients. There are three different types of ranking: origin states, transit states, and destination states. The difference between the three types of ranking reflects the stage of human trafficking that is occurring at the recorded time ("Trafficking Routes," 2019). An origin country is a country where traffickers find and recruit their 'to be' victims. A transit country is a country that a trafficked individual is traveling through, en route to their end destination. And a destination country is where the trafficked individual ends their journey and is the last stop in the human trafficking chain. It is important to note that this data covers only cross-national human trafficking and many of these countries can fall under each of these categories at any point in time (UNODC, 2016). The journey from origin to destination can vary from case to case. Furthermore, it is important to note that trafficking flows are typically less dominated by geographic boundaries and more often by economic disparity, with many victims moving from poorer to richer areas within countries, regions, or across the world (UNODC, 2018). This data specifically focuses on cases of individuals crossing national borders. The rating for each type is divided into five categories: very low, low, medium, high, and very high. Below, I list how the ranks were coded for modeling and how many states fell into each category.

Table 2: Coding of the Rating for Country of Origin for Human Trafficking Index

RANK	CODE	NUMBER OF STATES
Very low	1	9
Low	2	16
Medium	3	29
High	4	17
Very high	5	9

A state is scored and categorized based on the number of incidences of human trafficking that has been reported for that state. The number of incidences that are reported come from sources including the government, international organizations, research/academic, NGOs, and media (UNODC, 2006a). Each score is an aggregated value between 1996 and 2003. For this study, the ranking for origin states is most pertinent. The most common recipients of bilateral and multilateral aid are low and middle income states. They are also the most common states for victims of human trafficking to originate from.

Aggregate level data such as the human trafficking reporting index have limitations. In general, there is some level of information loss, which occurs in substituting macro-level data for micro-level data. This compaction of data cannot be reversed and therefore, cannot be double checked for accuracy.

Furthermore, because the information is aggregated, trends cannot be detected within the data itself (i.e. examining if states have received improving or worsening scores over time). This suggests some level of skepticism when interpreting results within this study. Even so, this data set remains the best option for use. As mentioned, the information gathered in the data set is based on several sources that the UN has gathered on their own. Which has, in turn, provided an informative big picture overview.

The Independent Variables: Foreign Aid

The primary predictor will be a representation of foreign aid. More specifically, it will be ODA disbursements that is provided by the Organization for Economic Cooperation and Development (OECD). The OECD is an international organization that works to shape policies to foster prosperity and opportunity. Their range of coverage includes working on social, economic, and environmental policies. The OCED donors have been known to spend millions of dollars each year on policies and programs that target multiple development aims, such as increasing the protection of human rights and reducing human trafficking (Ucnikova, 2014). However, the bulk of foreign aid money is spent typically on four main categories: stimulation of economic growth, support for health, education, and political systems, provision of emergency relief, and economic recovery efforts after an economic shock (Keely, 2012). A list of all donors and recipients are included in Appendix B.

ODA is made up of both bilateral and multilateral aid flows. This study starts off with estimating the models with total ODA disbursements and then splits the ODA disbursements into bilateral disbursements and multilateral disbursements, making a total of three primary independent variables. In order to account for the size of the disbursement in respect to the size of the recipient country's economy, a ratio is created and used for all modeling purposes. To create the ratio, the disbursement given to each recipient was divided by its respective GDP, which was provided by the World Bank. These variables need a level of standardization because it accounted for a more accurate interpretation. For example, a large loan for a small state could be considered quite small for a large state; hence, the need for standardization. All disbursement information can be found through the OECD statistics database. Also, because the impacts of the disbursements are not immediate, the aid variables are separated into three distinct time periods (1985-1990, 1990-1995, 1996-2003) in order to catch the time lag effect. For each time period, the disbursement for each state, along with its GDP, was averaged individually and then was divided to create the ratio. Below, I list the descriptives of the foreign aid variables.

Table 3: Descriptive Statistics of Foreign Aid Variables

Variable	Mean	Median	SD	Min	Max	N
ODA total 1	0.0288	0.0064	0.0447	0.0000	0.1998	80
ODA total 2	0.0361	0.0072	0.0585	0.0000	0.2553	80
ODA total 3	0.0305	0.0051	0.0519	0.0000	0.2435	80
Bilateral 1	0.0214	0.0046	0.0310	0.0000	0.1295	80
Bilateral 2	0.0238	0.0067	0.0362	0.0000	0.1807	80
Bilateral 3	0.0183	0.0047	0.0284	0.0000	0.1243	80
Multilateral 1	0.0078	0.0008	0.0166	0.0000	0.1037	80
Multilateral 2	0.0127	0.0011	0.0258	0.0000	0.1338	80
Multilateral 3	0.0126	0.0007	0.0243	0.0000	0.1192	80

1: 1985 to 1990, 2: 1990 to 1995, 3: 1996 to 2003

As shown by the descriptive statistics, the amount of foreign aid states received over time decreased. The average of total ODA disbursements decreased by 22% between time periods 1 and 2 and 10% between time periods 2 and 3. Bilateral aid averages decreased by 34% between time periods 1 and 2 and 18% between time periods 2 and 3. Overall, the variance dropped for total ODA and bilateral disbursements. Multilateral aid averages saw a less dramatic change as they remained roughly constant through the time periods. It is also important to note that when comparing both bilateral and multilateral aid, it appears that states received far more bilateral aid than multilateral aid. The literature around foreign aid often argues that bilateral aid is used for more strategic purposes while multilateral aid is more for humanitarian needs, so these changes could be reflective of changes in policy and strategic needs of donor states. Furthermore, it may also suggest that states put more importance on bilateral aid than multilateral aid.

ODA flows are provided by official agencies, including state and local governments. It consists of both grants and concessionary loans that are administered with the objective of promoting economic development and welfare of developing states. Grants carry no repayment obligations, while loans have accrued interests on top of the principal amount, which needs to be repaid. In order to count as ODA under OECD official guidelines, loans must be extended on favorable terms which should amount to a grant equivalent of at least twenty-five percent (Dietrich & Murdie, 2017). A grant equivalent refers to the difference between the principal and the present discounted value of repayment obligations. What is not considered ODA is military aid and promotions of a donor's security interests and transactions that have primarily commercial objectives. The OECD provided no mention of how these aspects were confirmed.

For all variables, ODA will be measured by gross flow disbursements. Disbursements record the actual flow of aid received by the recipients, making it an appropriate choice to analyze aid effectiveness.

Gross flows are used as opposed to net flows of aid because net flows of aid are more difficult to interpret. The net flow disbursements often include negative components that involve the decisions made in preceding years (Brech & Potrafke, 2014). For example, loan amounts include the interest payments of previously extended loans, causing overall flow amount to be negative.

In addition, the disbursements will be totaled in the model, as opposed to being separated into sectors. For accounting reasons, payments to different sectors are noted by the OECD, but the notion of having 'discrete major purposes' for the disbursement of aid can serve to diminish the effect of donor goals and motivations. Also, it is possible priorities may be pursued through a variety of mechanisms. Consider, for example, a donor government may reduce payments to human rights, while increasing payments to education. One may infer that the commitment to protecting human rights may have diminished, but the donor government may be seeking to protect and promote human rights by furthering educational reform. In general, aid flows to different sectors and purposes are unlikely to be independent from one another, as complex links may exist between sectors.

This data set is quite informative, but it does suffer from certain limitations. The early years of collection display more missing data as compared to later years. This could be due to the introduction of new data collection procedures from donor governments (Dietrich & Murdie, 2017). When examining the overall share of loans in total ODA for donors, it appears that there has been a significant drop. The decrease in loans has overlapped with current debates about the effectiveness of foreign aid. Also, all OECD aid data are self-reported by sovereign donor governments. This brings up concerns with the complexity of internal government accounting systems and issues with secrecy within national governments. This suggests that some degree of skepticism with interpreting results is required.

Control Variables

The following variables are common in this field of research. They are used often to explain the relationship between foreign aid, human rights, and human trafficking; hence, will be included in this study. Specific variables to be included in the model are listed in Appendix A: Variables. Below is a table of the descriptive statistics for all control variables, minus the regional markers.

Table 4: Descriptive Statistics of Control Variables

VARIABLE	MEAN	MEDIAN	SD	MIN	MAX	N
Corruption	3.362	3.000	1.626	1.298	9.102	80
Globalization	47.61	45.22	12.01	26.42	86.26	80
HDI	0.578	0.615	0.145	0.275	0.875	80
Respect for human rights	-0.630	-0.6731	1.083	-2.821	3.459	80
GDP per capita 1	4052	2077	7205	339	43051	80
GDP per capita Rate of Change 2	-0.022	-0.127	0.345	-0.567	0.837	80
GDP per capita Rate of Change 3	0.053	0.015	0.315	-0.559	1.047	80
Total population	57.69 million	13.86 million	170 million	30,950	1.184 billion	80

Corruption data is drawn from the Corruption Perceptions Index (CPI) by Transparency International (Transparency International, 2021). The CPI scores states and territories based on how corrupt its public sector is perceived to be by experts and business executives. It is a composite index collected by a variety of reputable institutions such as the Bertelsmann Stiftung and the Economist. The higher the score, the less corrupt a state is perceived to be. Corruption plays an important part in the human trafficking trade for it allows the crime to be 'invisible' and facilitates the execution of the crime (Bajrektarevic, 2000; Enos & Roberts, 2019; Lloyd, Simmons, & Stewart, 2013). For this study, the corruption score is averaged over the entire time period (1985 to 2003) into one variable.

Globalization data will be drawn from the KOF Globalization Index (Dreher, 2006; Gygli, Haelg, Potrafke, & Sturm, 2019). The index measures economic, social, and political dimensions of globalization. A score is given to each state, where the higher the number, the more globalized the state is considered to be. Globalization is condensing the world, making the transfer of people, whether it be voluntary or coerced, more prevalent (Anderson et al., 2017; Bales, 1999b; Brewer, 2010). Brewer (2010) argues that human trafficking is not just a simple result of globalization. It is part of the globalization process itself that involves the integration of a variety of economic activities. For this study, the globalization score is averaged over the entire time period (1985 to 2003) into one variable.

Human development aspects are captured in the Human Development Index (HDI) by the United Nations Development Programme (UNDP, 2021). The HDI was created to ultimately assess the development of a country as a whole, and not just economic growth alone. In particular, it summarizes life

expectancy, education, and standards of living. Each dimension is scored individually and then aggregated into a composite index using a geometric mean. The aspects covered in this index have been known to be individual factors that can influence the chances of being trafficked (Bales, 1999b; Choi & James, 2017). For this study, the scores are averaged over the whole time period (1985 to 2003) into one variable.

Respect for human rights is measured by the human rights protection scores (Fariss, 2019; Schnakenberg & Fariss, 2014). It specifically measures how protected the physical integrity rights of a state's citizens are by the government. The higher the score, the better protected human rights are in that specific state. The metric is based on studies that examined torture, government killings, political imprisonment, extrajudicial executions, mass killings, and disappearances. If a state has a high level of respect for human rights, then there are likely to be policies in place to prevent abuses such as human trafficking. For this study, this score is averaged over the whole time period (1985 to 2003) into one variable.

The World Bank, in addition to supplying GDP information for the primary independent variables, will also supply the information for GDP per capita, total population, and regional markers (World Bank, 2021b). GDP per capita was included to measure income, a factor that can influence the levels of possible trafficking in a state. GDP per capita is also a method to describe how much a state's citizens may benefit from their state's economy. States with the highest economic production per person would suggest a thriving economy. The more prosperous a state is, the odds of human trafficking are expected to decrease as there are fewer push factors at play. GDP per capita was averaged over the time period between 1985 and 1990. For the other two time periods (1990-1995, 1996-2003), a rate of change was created as the individual variables, averaged for each time period, was strongly correlated to one another.

Total population was included to mark the size of the state as a means of standardization, given that the dependent variable does not control for the sheer population size of a state. Indeed, all other factors being held equal, more populous states can be expected to be more affected by human trafficking. Total population was averaged over the entire time period (1985 to 2003) into one variable.

Regions were included to demarcate certain regional factors that may be present. States can often differ in ways that are not fully captured by the explanatory variables such as differences in culture (Bearce & Tirone, 2010; Cho, 2013; Greene, 2012; Lundsgaarde et al., 2007; Morrisson & Jütting, 2005; Woo & Murdie, 2017). States within the same region may share similar cultural aspects, such as traditional gender roles, that can impact the odds of human trafficking. Based on the World Bank's classification of each individual state's geographic region, eleven regions were created. Below is a table showing which regions were chosen and how many states fell into each region.

Table 5: Number of States in each Region

REGIONS	NUMBER OF STATES
North Africa And West Asia	12
North America	2
Central Asia	4
North Europe and West Europe	1
Sub-Saharan Africa	19
Latin America and Caribbean	20
East Asia	2
South Asia	5
East Europe	8
Southeast Asia and Oceania	6
South Europe	1

METHODS

The primary characteristic of the dependent variable is that it is measured on an ordinal scale. The UN has assigned the categories of very low, low, medium, high, and very high to categorize the various states covered by the index. For the purposes of this study, these categories have been changed to numerical values (i.e. 1=very low and 5=very high and so on) to ease the analysis process. These numbers assigned to the successive categories represent the differences in magnitude, as in a 'greater than' or 'less than' aspect. It is also important to note that the numbers attributed to the categories represent increasing levels, in the sense that 'medium' is higher than 'low' and 'very high' is higher than 'medium.' Due to the nature of the dependent variable, the primary method of analysis is ordered logistic regression, or ordinal logit. Ordinal human trafficking reporting scores can reveal how far along states are on the path to reducing the issue of human trafficking in one time period. By analyzing these scores, as opposed to continuous values that represent the number of human trafficking cases reported, researchers and decision makers are allowed to identify states that need further assistance, such as more intervention programs. In this way, ordinal outcomes have more pragmatic use.

Ordered logistic regressions have been used often by researchers in public policy and in the study of human rights, in particular. Apodaca and Stohl (1999) utilized binary logistic regression to analyze the importance of human rights to the various administrations in the United States in the gatekeeping stage of foreign aid allocation decisions. Carlson and Listhaug (2007) used an ordered logistic regression model when examining the macro and micro-level factors that affect human rights perceptions. They found links between measures of human rights conditions and the perceptions of human rights-related situations, along with the aspect of torture. Tokdemir (2017) used ordered logistic methodology, complemented by a random effects model, to examine the impact of foreign aid coming from the United States on the public attitudes toward the United States in recipient states. Choi and James (2017) used ordered logistic regression in examining the hegemonic intervention hypothesis and found that the United States' foreign aid intervention was at best, neutral, or linked to increases in levels of state repression. Based on the literature, the use of ordered logistic regression in this field is not new and is used enough to warrant support for further use.

The most appropriate modeling approach for this study is the cumulative odds model. In this model, the outcome variable is put through successive dichotomizations which form cumulative splits to the data (Agresti, 1996; Long, 1997; McCullagh, 1980). The goal of this model is to simultaneously consider the effects of a set of explanatory variables across possible consecutive cumulative splits to the data (O'Connell, 2011). With this model, there is normally an assumption of proportional odds. It implies that the explanatory variables have the same effect on the odds, regardless of the different consecutive splits

that occurs to the data, for each category. In this study, this assumption is kept in place[1]. Hence, this study will utilize the following model (Agresti, 2010).

$$\ln(\ Y'_j\ ) = \ln\left(\frac{\pi_j(x)}{1-\pi_j(x)}\right) = \alpha_j + \beta\, x,\ j = 1,\ldots,\ c-1$$

y is the ordinal outcome with c categories, x are the explanatory variables

For the primary research question:

$$\ln(\ Y'_j\ ) = \ln\left(\frac{\pi_j(x)}{1-\pi_j(x)}\right) = \alpha_j + \beta\,(\text{total ODA}) + \beta\,(\text{controls})$$

For the sub-questions:

$$\ln(\ Y'_j\ ) = \ln\left(\frac{\pi_j(x)}{1-\pi_j(x)}\right) = \alpha_j + \beta\,(\text{bilateral}) + \beta\,(\text{controls})$$

$$\ln(\ Y'_j\ ) = \ln\left(\frac{\pi_j(x)}{1-\pi_j(x)}\right) = \alpha_j + \beta\,(\text{multilateral}) + \beta\,(\text{controls})$$

As noted above, three separate statistical tests are conducted on the relationship between human trafficking and ODA disbursements—one for the primary research question and one for each sub-question. For the first research question, I conducted an ordered logistic regression that estimates the relationship of total ODA disbursements received by a state, in relation to the size of the economy, on the log odds of its human trafficking rating. For the sub-questions, I conducted two more ordered logistic regressions that estimated the relationship of the amount of both bilateral and multilateral aid received by a state, in relation to the size of the economy, on the log odds of its human trafficking rating.

Because this analysis involves an ordered logistic regression, the models will be estimated through maximum likelihood. Results will be examined via log odds, focusing primarily on the significance and direction of the relationship. This study's models will also include fixed effects to control for regional-specific tendencies.

[1] The proportional odds assumption was tested using the Brant test.

RESULTS AND DISCUSSION

The primary focus of this study is to examine the impact that foreign aid may have on the magnitude of human trafficking for any one country. Through an ordinal logistic regression, an empirical model was estimated to examine the effects of total foreign aid, along with foreign aid by type, and common factors that have been known to impact human rights. Table 6, which is shown below, displays the results from the three models that were estimated to answer the research questions in this study. For each variable, the top value is the estimate and the bottom values represent the standard error and the p-value. For this study, I examine the level of significance, the direction of the relationship, and the magnitude. However, my focus is specifically on the level of significance and on the direction of the relationship. Magnitude is of secondary concern in this study for two main reasons. First, this study seeks to examine previous hypotheses from existing literature in human rights and apply it to human trafficking. Second, data during this time period is imperfect, particularly in terms of quantity—this will be touched on in the Research Limitations section. Because the data is imperfect, examining magnitude and determining effect sizes would be ineffective at providing a clearer image of the impact of foreign aid on human trafficking as it may not reflect the true effect size. Significant variables are starred appropriately—please refer to the bottom of the table for significance levels. The results for this study are based off a two-tailed test.

Table 6: Results from total ODA disbursements, bilateral aid, and multilateral aid models

	Model 1	**Model 2**	**Model 3**
(Intercept) × 1	-1.3608	-1.8434	-1.3482
	2.6235(0.6080)	2.6075(0.4845)	2.7217(0.6239)
(Intercept) × 2	0.4734	-0.0783	0.4021
	2.6172(0.8573)	2.5912(0.9760)	2.7107(0.8827)
(Intercept) × 3	3.1763	2.6236	3.0015
	2.6351(0.2309)	2.6045(0.3168)	2.7321(0.2745)
(Intercept) × 4	6.0796*	5.5207*	5.8766*
	2.7265(0.0294)	2.7002(0.0459)	2.8227(0.0416)
ODA Total 1	-6.3964		
	12.0353(0.5951)		
ODA Total 2	30.0869*		
	14.6432(0.0399)		
ODA Total 3	-35.4794**		
	13.6562(0.0094)		
Bilateral 1		-5.4176	
		15.1000(0.7198)	
Bilateral 2		37.3946*	
		18.8235(0.0470)	
Bilateral 3		-52.9432*	
		21.5529(0.0140)	
Multilateral 1			-8.9710
			30.0558(0.7653)
Multilateral 2			37.7579
			34.0003(0.2668)
Multilateral 3			-53.5867+

			29.4252(0.0686)
Corruption	0.4790+	0.5480+	0.4904+
	0.1279(0.0906)	0.1284(0.0633)	0.1284(0.0885)
Globalization	-0.0166	-0.0039	0.0030
	0.1279(0.7281)	0.1283(0.9378)	0.1284(0.9509)
HDI	-2.5239	-2.8073	-3.5197
	4.4917(0.5745)	4.5032(0.5333)	4.4010(0.4242)
Respect for Human Rights	0.6334+	0.5691	0.6607+
	0.2291(0.0785)	0.2095(0.1129)	0.2412(0.0802)
GDP per capita 1	0.0001	0.0001	0.0001
	0.1279(0.4041)	0.1283(0.5858)	0.1284(0.6588)
GDP per capita Rate of Change 2	-0.0046	-0.3682	-0.5938
	0.4678(0.9955)	0.7263(0.7261)	0.6483(0.5525)
GDP per capita Rate of Change 3	-0.6511	-0.4990	-0.2661
	0.6340(0.5175)	0.6095(0.6225)	0.5620(0.7875)
Total Population	0.0000*	0.0000*	0.0000*
	0.1279(0.0262)	0.1283(0.0203)	0.1284(0.0158)
North Africa/ West Asia	6.3830**	5.9954**	5.7470**
	2.0677(0.0030)	2.0281(0.0047)	2.0662(0.0076)
North America	0.9136	1.3525	1.7437
	3.4744(0.7926)	3.6687(0.7125)	3.6171(0.6298)
Central Asia	3.1924	3.2092	2.9571
	2.0954(0.1550)	2.0884(0.1516)	2.1080(0.1899)
North Europe/ West Europe	15.9574	16.1951	16.3272

	1279.4867(0.9900)	1283.2605(0.9899)	1284.4922(0.9899)
Sub-Saharan Africa	5.4194*	5.3908*	4.9854*
	2.1576(0.0143)	2.1443(0.0143)	2.1421(0.0233)
Latin America/ Caribbean	5.5016**	5.2808**	5.4587**
	1.9185(0.0059)	1.8937(0.0074)	1.9720(0.0077)
East Asia	5.7142*	5.7844*	5.7854*
	2.5109(0.0253)	2.5247(0.0248)	2.5555(0.0264)
South Asia	5.4456*	-5.3551*	-5.1987*
	2.1187(0.0166)	2.0827(0.0170)	2.1231(0.0225)
East Europe	-0.4754	-0.7083	-0.9143
	1.7503(0.8121)	1.7325(0.7211)	1.7697(0.6507)
Southeast Asia/ Oceania	2.6542	2.4673	2.3150
	1.8999(0.2012)	1.8645(0.2281)	1.9387(0.2733)
Num.Obs.	80	80	80
AIC	221.0	219.2	221.3
BIC	280.9	278.7	280.9
RMSE	3.77	4.09	3.80

+p<0.10 *p<0.05 **p<0.01 ***p<0.001

As a brief overview, the research questions for this study asks:

1. What is the relationship between the amount of foreign aid received and the level of human trafficking for a country of origin in cross-national human trafficking?

Model 1 represents the estimation for this question. At a glance, it appears that overall foreign aid, or total ODA disbursements, in time periods two and three has a statistically significant impact on human trafficking. However, it is important to understand what aspect of foreign aid is effective. ODA, as noted before, is made up of specific types of financial flows: bilateral aid and multilateral aid (OECD, 2021). This

question, though important, only answers the bare minimum of what is needed: does foreign aid have an impact on human trafficking? The answer is yes. The next step is to ask which part of public financial foreign aid, or which part of ODA disbursements, has an impact on human trafficking? Bearing in mind that ODA disbursements are made up of bilateral and multilateral aid, it brings us to the next part of the study:

2. What is the relationship between the amount of bilateral aid received and the level of human trafficking for a country of origin in cross-national human trafficking?
3. What is the relationship between the amount of multilateral aid received and the level of human trafficking for a country of origin in cross-national human trafficking?

Model 2 represents the estimation for bilateral aid and model 3 represents the estimation for multilateral aid. For bilateral aid, we can see there is a statistically significant impact during time periods two and three. For multilateral aid, there appears to be a significant impact only during time period three, and this is at a rather low level of significance.

It is important to keep in mind that the impacts of these variables are through a complex network of relationships and they reflect the unintended consequences of foreign aid. Under the guide of human rights literature, I examine these relations more in-depth below.

The Impact of Foreign Aid

To understand the general impact of foreign aid on cross-national human trafficking, total ODA disbursements were examined. This is represented by Model 1 in Table 6 and Table 7 (shown below). Based on the model, foreign aid had a significant impact on human trafficking levels for a state during time period two (1990 to 1995) and time period three (1996 to 2003). Foreign aid during time period one did not appear to have a significant impact on human trafficking. During time period two, it is a positive impact suggesting that states that received more foreign aid, in relation to the size of their economy, also saw a higher level of human trafficking. Alternatively, it appears that a one unit increase in a state's total ODA disbursements in relation to the size of the economy is associated with a 30.09 increase in the log-odds of having a higher human trafficking score, while holding all other variables constant. During time period three, it is a negative impact, suggesting that states who saw more foreign aid, in relation to the size of the economy, also saw a lower level of human trafficking. Alternatively, while holding other variables constant, it appears that a one unit increase in a state's total ODA disbursements, in relation to the size of the economy, is associated with a 35.48 decrease in the log-odds of having a higher human trafficking score.

Table 7: Model 1, Total ODA Disbursements

Variable	Estimate	Standard Error(p-value)
Intercept 1	-1.3608	2.6235(0.6080)
Intercept 2	0.4734	2.6172(0.8573)
Intercept 3	3.1763	2.6351(0.2309)
Intercept 4	6.0796*	2.7265(0.0294)
ODA Total 1	-6.3964	12.0353(0.5951)
ODA Total 2	30.0869*	14.6432(0.0399)
ODA Total 3	-35.4794**	13.6562(0.0094)
Corruption	0.4790+	0.1279(0.0906)
Globalization	-0.0166	0.1279(0.7281)
HDI	-2.5239	4.4917(0.5745)
Respect for Human Rights	0.6334+	0.2291(0.0785)
GDP per capita 1	0.0001	0.1279(0.4041)
GDP per capita Rate of Change 2	-0.0046	0.4678(0.9955)
GPD per capita Rate of Change 3	-0.6511	0.6340(0.5175)
Total Population	0.0000*	0.1279(0.0262)

+p<0.10 *p<0.05 **p<0.01 ***p<0.001

Model 2 in Table 6 and Table 8 (below) represents the estimation for bilateral foreign aid. Based on the model, it appears that the impact of bilateral aid echoes the impact of overall total foreign aid for time periods two and three with a statistically significant impact on cross-national human trafficking. For time period two, it appeared to be a positive impact. As a state received more bilateral aid in relation to the size of its economy, states also saw a higher level of human trafficking. Alternatively, a one unit increase in the bilateral aid received by a state translates into this state's ordered log-odds of having a higher human trafficking score being increased by 37.39, while holding other variables constant. For time period three, it appears that there was a negative impact. As a state received more bilateral aid in relation to the size of its economy, states also saw a lower level of human trafficking. In other words, a one unit increase in a state's bilateral aid translates into a 52.94 decrease in its ordered log-odds of having a higher human trafficking rating, while holding other variables constant.

Table 8: Model 2, Bilateral Aid

Variable	Estimate	Standard Error(p-value)
Intercept 1	-1.8434	2.6075(0.4845)
Intercept 2	-0.0783	2.5912(0.9760)
Intercept 3	2.6236	2.6045(0.3168)
Intercept 4	5.5207*	2.7002(0.0459)
Bilateral 1	-5.4176	15.1000(0.7198)
Bilateral 2	37.3946*	18.8235(0.0470)
Bilateral 3	-52.9432*	21.5529(0.0140)
Corruption	0.5480+	0.1284(0.0633)
Globalization	-0.0039	0.1283(0.9378)
HDI	-2.8073	4.5032(0.5333)
Respect for Human Rights	0.5691	0.2095(0.1129)
GDP per capita 1	0.0001	0.1283(0.5858)
GDP per capita Rate of Change 2	-0.3682	0.7263(0.7261)
GPD per capita Rate of Change 3	-0.4990	0.6095(0.6225)
Total Population	0.0000*	0.1283(0.0203)

+p<0.10 *p<0.05 **p<0.01 ***p<0.001

Model 3 in Table 6 and Table 9 (below) represents the estimation for multilateral aid. Based on the model, it appears that the impact of multilateral aid is marginally significant only for time period three. It appears to be a negative impact. When a state receives more multilateral aid in relation to the size of its economy, it also saw less human trafficking. In other words, if a state were to see its multilateral aid increase by one unit in relation the size of its economy, the state's ordered log-odds of having a higher human trafficking score would decrease by 53.59, while holding other variables constant.

Table 9: Model 3, Multilateral Aid

Variable	Estimate	Standard Error(p-value)
Intercept 1	-1.3482	2.7217(0.6239)
Intercept 2	0.4021	2.7107(0.8827)
Intercept 3	3.0015	2.7321(0.2745)
Intercept 4	5.8766*	2.8227(0.0416)
Multilateral 1	-8.9710	30.0558(0.7653)
Multilateral 2	37.7579	34.0003(0.2668)
Multilateral 3	-53.5867+	29.4252(0.0686)
Corruption	0.4904+	0.1284(0.0885)
Globalization	0.0030	0.1284(0.9509)
HDI	-3.5197	4.4010(0.4242)
Respect for Human Rights	0.6607+	0.2412(0.0802)
GDP per capita 1	0.0001	0.1284(0.6588)
GDP per capita Rate of Change 2	-0.5938	0.6483(0.5525)
GPD per capita Rate of Change 3	-0.2661	0.5620(0.7875)
Total Population	0.0000*	0.1284(0.0158)

+p<0.10 *p<0.05 **p<0.01 ***p<0.001

Taken as a whole, it appears that the overall impact of foreign aid is heavily carried by bilateral aid, as opposed to being equally impactful with multilateral aid. This can be explained by the fact that recipient states typically receive far more bilateral aid, in relation to the size of their economy, than multilateral aid during this time period.

At first glance, the relationship between foreign aid and human trafficking seems puzzling: during the time periods where the effect was significant, it goes from having a positive relationship to a negative relationship. When taking a closer look, it appears that the impact of bilateral aid echoes similar effects as overall aid, while multilateral aid has a nearly negligible effect on human trafficking. In order to properly examine this, it is important to note that this study examines a time period that covers the end of the Cold War. It is through this lens that I will examine the results.

Bilateral Aid

The Cold War was a period of geopolitical tension between primarily the United States and the Soviet Union, along with their allies. History marks the official start date in 1947, with an official end in 1991, when the Soviet Union had officially fallen apart. During the Cold War, both superpowers, along

with their allies, had a primary national security and ideological goal to uphold and defend. For the United States, the goal was to contain communism. And in pursuit of that goal, the superpower, more often than not, chose to support tyrants and dictators. This suggests that the only criteria for direct government aid, or bilateral aid in this case, was a steadfast opposition to communism. Hence, in certain areas such as Africa, American policies were determined by questions resembling "what benefits will country A bring to Washington?" A similar case can be argued for the Soviet Union, whose goal was to spread communism.

This increased funding could potentially benefit a 'garrison state', particularly in states governed by tyrants or dictators (Lasswell, 1941). In the interest of national security, abusive leaders may justify the need for higher levels of repression. This 'garrison state' may answer the question of why the odds of human trafficking increased during time period two. Furthermore, the hegemonic intervention hypothesis argues that foreign policy tools such as foreign aid can negatively impact human rights (Choi & James, 2017). In this case, human trafficking is negatively impacted by the addition of bilateral aid into a recipient state's economy during time period two.

Time period three, when there is a negative relationship between foreign aid and human trafficking levels, occurs when the Cold War has already ended. Historically, this time period is experiencing the time lag of the waning influence of the Soviet Union. Nearly every communist state in the region previously 'governed' by the Soviet Union has replaced its own government with a non-communist one. Some scholars described this process as democratic consolidation (Aka & Browne, 1999). Democratic consolidation is a process where "democracy becomes so broadly and profoundly legitimate and so habitually practiced and observed that it is very unlikely to break down" (Aka & Browne, 1999, 42). This period and process of change can also be described as a transitional phase, where the states who were enduring this change could be referred to as transitional economies or countries in transition. This process involves certain key aspects that may have a beneficial impact on economic factors for a state, which can decrease the odds of human trafficking, explaining the negative relationship between foreign aid and human trafficking. One aspect is the reduction in tariff and trade barriers. This reduction allows for a state's economy to become more open, and reap the benefits of globalization mentioned early on in the literature review. As a reminder, these benefits include increasing income, increased flow of capital, and lower prices for goods and services. Transitional economies are also accompanied by legal reforms, such as protecting private property rights. In this case, it can also include the protection of basic human rights. Overall, this process can create more positive experiences that allow a state to better care for its citizens in the long-run, reducing the odds of being trafficked

This resurgence in democracy is bound to benefit the growth of human rights as some of these rights are thought to be intrinsic to the very character and definition of democracy (Aka & Browne, 1999). Research points out that there is merit in this idea as democracies do typically provide an environment that

is more conducive to providing for and enjoying basic human rights. However, this 'resurgence' seen in transitional economies can be accompanied with some short-term negativities, which will be touched on when I examine the impact of controls.

Through this time period (1985 to 2003), bilateral aid sees a general decrease over time. As the Cold War comes to an end, many nations, particularly the US and its allies, start to reduce their bilateral aid as their goal of stopping communism comes to fruition. The strategic need of 'containing communism' during this time period is ending. Hence, there is a decreased need to continue providing bilateral aid, a type of aid that is driven primarily by donor interests.

Multilateral Aid

Multilateral aid comes from multilateral institutions. The funds are pooled together by members of an organization, and then voted on when disbursed. Also, multilateral aid is thought to be more associated with altruistic reasonings. Hence, it was expected that multilateral aid would have an impact on human trafficking. However, it was thought that foreign aid did not have a good impact on human trafficking as there were often weak policies associated with it. Furthermore, when examining multilateral aid given by multilateral institutions, there were cases where leader donors would send signals about acceptable recipients. This suggests that, even though multilateral aid is typically more of a group decision, there may still be some level of powerplay. Which further suggests that multilateral aid may still be a strategic weapon for some donors.

Based on model 3, multilateral aid has a marginally significant impact, with a negative relationship, on human trafficking and only in time period three. Alternatively, this suggests that as a state receives more multilateral aid, the log-odds of a state having a higher human trafficking rating is lower. It is important to keep in mind that during this time period (1985 to 2003), human trafficking was not a concern for any donor or recipient nation. In fact, the idea of human trafficking had hardly taken shape so there is no aid that is disbursed specifically to fight trafficking.

When donors choose to provide foreign aid through a third party, such as an international organization or non-state actor, it creates a principal-agent relationship. The principal is the donor while the agent is the third party that has been assigned to do the principal's bidding—in this case, it is to disburse the money in a manner deemed fitting for a certain purpose. It was expected that multilateral aid would have more of a significant relationship with human trafficking—but that is hardly the case based on model 3. In fact, multilateral aid is marginally significant; however, there does appear to be a negative relationship. Hence, the question is: why isn't multilateral aid more impactful than what is being shown in the model?

The match between principal and agent has hardly been perfected. In many cases, some partnerships may show a level of incompatibility, which can often lead to negligible results. Furthermore,

there is a chance that whatever aid that is being disbursed by whatever organization is not truly reflective of what the recipient state needs at the time. Nwogu (2014) argues that investments such as these are not always driven by actual knowledge of the realities that the population, particularly the vulnerable population, need. Hence, the true problem could remain unaddressed.

It is important to also note that the multilateral aid in this study consists of aid from all types of multilateral institutions (refer to Appendix B, Table 16 for a complete list of institutions). Multilateral institutions can differ in their projects of interest and may also have different goals. For instance, the World Bank and the IMF drastically differ in their financial support. The World Bank supports a variety of projects and operations in areas like education, health, and infrastructure (World Bank, 2021a). The IMF, on the other hand, does not typically lend for specific projects—they often require policy changes that promote international financial stability and monetary cooperation. As a whole, multilateral aid may not have much impact statistically. However, because specific multilateral institutions can differ quite dramatically in what they support, there is potential for individual institutions to carry an impact with a more concentrated effect. Hence, this model may reflect a statistically weak impact because multilateral institutions, as a whole, have heterogeneous objectives and lending practices. This also points to the need to further study this matter by separating the disbursements from various multilateral institutions, which is touched on in the conclusion.

The Impact of Control Variables

The control variables that are significant remain mostly constant across all three models. Please refer to Table 6 for comparison across all three models. The control variables that appear to have a significant impact on human trafficking include corruption, respect for human rights, and total population. Respect for human rights has a significant impact on human trafficking only for overall total foreign aid and multilateral aid, while the other noted variables have a significant impact in all three models. Specifically, these three control variables have a positive relationship with human trafficking. This suggests that as states become less corrupt[2], respect for human rights increases[3], and as total population is larger, the ordered log-odds of a state experiencing higher levels of human trafficking increase as well.

As the Cold War comes to an end and more states enter a transitional period as a transitional economy, certain symptoms become more apparent. This transition comes with a variety of long-term effects such as less corruption, more respect for human rights, more open borders, more trade, etc. These effects are benefits that are often touted by developed nations. These very same developed nations have gone through similar changes before these less developed nations and have achieved a spot on the global stage. Furthermore, this follows the idea of universal values being spread (as mentioned earlier). This

[2] The higher the score, the less corrupt a state is.
[3] The higher the score, the more respect for human rights a state has.

follows the idea of the world society theory, which argues that states who adopt similar norms and policies will lead to states acting and appearing alike. Hence, if less developed countries follow the ideals set forth by developed countries, such as the US, they too will achieve the same level of 'greatness' that the US has enjoyed. Specifically in this case, the process of transitioning will lead to benefits such as less corruption and more respect for human rights. However, this diffusion of norms does not penetrate states equally. This suggests that certain developing states are less able to implement the norms and policies effectively. Hence, the potential increase in the odds of more human trafficking occurring. This suggests that individualized policies may be needed and that the idea of 'universal values' are not so universal after all.

In addition to that, transitional economies are susceptible to negative effects, something that the literature argues may be short-lived. First, transitional economies typically go through a process of removing subsidies and state-regulated aid which can often lead to a sharp rise in unemployment. Inflation can also dramatically increase as market subsidies and price ceilings are removed. These factors can contribute to a period of recession in the early stages of transition. This can also contribute to the income gap increasing, leading to widespread and increasing levels of inequality. Factors such as these, even though the effects are assumed to be short-lived, can increase the odds of trafficking occurring. Furthermore, the more populous a state is, the odds of human trafficking can increase as a larger victim pool can proportionally expect to be more affected by human trafficking.

In addition to the above, there is no guarantee that these new governments that have sprung up from the breakdown of the Soviet Union will not impede the growth and protection of human rights. The Soviet Union had routinely violated human rights. With its fall, the assumption was that these violations would stop. However, Russia is known to repress human rights and there are cases of democratic failure in Africa. For states in transition and their known history of authoritarianism, negative consequences for human rights would not be unexpected (Aka & Browne, 1999).

The Impact of Region

When adding in the regional effects, it appears that this strengthens the impact of foreign aid by increasing its significance. Furthermore, being located in specific regions appears to have a significant impact on the odds of increased human trafficking. Using South Europe as the base reference, if a state is located in North Africa/West Asia, sub-Saharan Africa, Latin America/Caribbean, East or South Asia, then the log-odds of a state experiencing a higher level of human trafficking are increased. This is in line with the literature as many of the countries of origin for human trafficking are located within those regions. Keeping in mind that this study looks at historical data from the post-Cold War era, a sense of stability can be found when we compare these results to present day. According to the UN (2020), these same regions contain many states that are often common countries of origin for human trafficking today.

Geographical regions go beyond just location. By including the regions, it allows for the generalization about common characteristics that allow for better grouping. For example, many states may share similar cultures and beliefs that guide their way of life. These similarities, with no accurate measure during this time period, may be picked up by delineating regions of the world. By doing this, it may capture the, at the time, uncapturable. Many of the countries that fit into these regions are described as less developed and poorer nations. As such, they are characterized by aspects such as high poverty, low educational rates, and high crime rates. In addition to that, these regions have specific cultural factors that may be responsible for the increased odds of human trafficking. In certain states, women live a life that is highly dependent on a male spouse. For example, in some states, women have the exclusive role of reproduction and childcare which can often leave little room for paid employment. In the case that a male spouse dies, becomes unemployed or disabled, it may leave a woman more susceptible to being trafficked as they may become more desperate to provide a living for their family. There are other instances where women become more marginalized through cultural practices, such as not being allowed education, so they become more vulnerable to exploitation. Overall, certain individuals are more likely to experience the push/pull factors that cause people to become more vulnerable. In this sense, the people who live in these regions are more likely to be trafficked.

RESEARCH LIMITATIONS

The scope of this study is to assess the impact that public financial foreign aid may unintentionally have on human trafficking levels for a nation state. To properly analyze this relationship, I used ordinal logistic regression to evaluate three sets of effects:

1. The impact of total public financial foreign aid reported as ODA disbursements
2. The impact of bilateral aid and
3. The impact of multilateral aid.

Examining the impact of both types of aid within the same time periods is most reflective of reality—recipient nations often receive both bilateral and multilateral aid at the same time as both serve different purposes. Hence, it becomes imperative to break the foreign aid down into types to examine which type of aid has an unintentional impact and how big that impact is. Overall, it appears that foreign aid as a whole has a statistically significant impact on the levels of human trafficking during time period two and three. In time period two, there was a positive relationship while time period three saw a negative relationship. A positive relationship suggests that, in national contexts where foreign aid is higher, the odds of a recipient nation being more likely to experience a higher level of human trafficking are heightened. A negative relationship suggests that as foreign aid saw an increase, the odds of a recipient nation being more likely to experience a higher level of human trafficking are lower. Bilateral aid follows the same pattern as overall aid, while multilateral aid only saw a minor, statistically significant relationship in time period three. For that time period, the analysis revealed a negative relationship. Taking all this into account, are there other aspects to consider when interpreting these results?

The findings of this study are informative of the time period. However, as with many studies within this field of study, the findings should be interpreted with appropriate caution.

Data Compromises

First and foremost, there is the issue of the lack of good data. As touched on before under the Data section, human trafficking is a largely clandestine crime. Due to the underground nature of human trafficking, accurate statistics or statistics closest to reflecting reality are elusive (Kelly & Regan, 2000). Even more so during this time period because human trafficking was weakly defined and not officially addressed. Furthermore, the human trafficking index is an aggregate index so there is a natural level of information loss and this compaction of data cannot be reversed. In addition to what has been touched on before in the Data section, it is important to note that this study does have a small overall sample size. There was a decrease in the number of states that the model was able to use due to the lack of data for other independent variables. Please refer to Table 10 for the differences in number of states per rating between the complete data set for human trafficking and what the models were able to use.

Table 10: Differences in Human Trafficking Data

Rank	Complete Data Set	Used in the Models
Very low	13	9
Low	30	16
Medium	44	29
High	25	17
Very High	11	9

There were originally 123 states that the index provided a rating for and my models, based on the full combination of all variables, were only able to use 80 states in its analysis. Based on the table above, some ratings saw a larger decrease than others. A simple solution would be to get more data; however, this is impractical as data during this time period is already limited. Another solution would be to use more current data and engineer it to create an ordinal rating scale, similar to what the UN has created. Aside from this rating scale, the UN also has a Human Trafficking Database that provides the number of human trafficking cases per state. Comparing the two, the ordinal scale is preferred to the database because the database refers specifically to officially detected human trafficking cases. The number of recorded cases that the UN has on file is in the thousands, while research and global agreement understands that the problem of trafficking is in the millions. Using officially detected human trafficking cases, even though the data is more current, would not be able to capture the 'big picture' of what human trafficking is truly like for a particular state. Furthermore, ordinal measurements are designed to infer conclusions as opposed to describing conclusions. This study focuses on a more 'big picture' idea and its goal is to provide policy recommendations. Hence, the preference is to infer as opposed to describe. Inferential conclusions allow for one to see beyond the actual numbers and draw a more qualitative conclusion—in this case, provide better policymaking recommendations.

In addition to that, due to the lack of reliable data during this particular time period, there is missing data in some of the independent variables that I wanted to test, given the recognition of their influence on human trafficking in the extant body of literature. Impacted variables include the scores for how economically free a state was and how corrupt a state's government is perceived to be. For the corruption variable, there were enough values where keeping them in or removing them from the models made no impact on the N of finalized models. Hence, they were kept in to create a more complete model. On the other hand, economic freedom scores were dropped due to a severe case of missing data. If they were kept in the model, this variable alone would have severely hindered the N and greatly restricted the interpretation of the model.

In other instances, certain variables were dropped based on other factors. The impacted variables include the regime of a state and the percentage of male population within a state. In more recent studies, the regime of a state has been thought to be informative of how a state develops and carries out its foreign aid policy. It has also been thought to be indicative of how a state treats its citizens' human rights. For this study, the states' regime (how democratic or autocratic a government appeared to be) was originally included; however, it was never statistically significant during the examined time period. The percentage of male population has been known to have an impact on human trafficking, particularly as a 'pull' factor for destination countries (Aronowitz, 2001; Bales, 1999b; Tuttle, 2017). For this study, male population was originally included, and it did appear to be statistically significant in some cases. Ultimately, the regime of a state and the states' percentage of male population were dropped. Dropping these variables allowed other variables, that were deemed more pertinent to this study, to become significant.

Endogeneity

Endogeneity occurs when independent variables are correlated with the error term. Error terms are typically residual variables that are created for when the models in question do not fully represent the actual relationship between independent and dependent variables. If endogeneity is not carefully considered in an analysis, then the impact of an independent variable can be underestimated or overestimated (Nayak, 2019). Overall, the current regression estimates may only measure the magnitude of association as opposed to the magnitude and direction of causation.

For this study, the issue of endogeneity arises from simultaneity. Simultaneity is an issue that occurs when X causes Y and Y causes X. This study seeks to examine the impact that foreign aid has on the levels of human trafficking for a country. However, the literature explains that there may be a reverse relationship where the levels of human trafficking for a country may impact foreign aid. Hence, the potential problem of simultaneity. For this study, I argue that the impact is limited in effect as the foreign aid variables are split across three different time periods (1985-1990, 1990-1995, 1996-2003) while the human trafficking index is static and used to cover the whole time period (1985-2003). The foreign aid variables, in this study, cannot impact the rating for any particular state; hence, the impact of endogeneity is limited.

There is also the problem of selection bias within this data, which contributes to the endogeneity issue. This study is not a controlled experiment with randomization. It takes existing, historical data and examines the reality at the time. In this case, the true effect of foreign aid may be difficult to discern because the sampling is biased. The donors of foreign aid are typically going to be richer, Western states, while the recipients are typically going to be poorer states. However, this problem of selection bias is natural when using secondary data, particularly in the social sciences.

A common solution to the problem of endogeneity is the use of instrument variables. An instrument variable is a third variable that is correlated with the explanatory variable and uncorrelated with the error term. This technique assumes that the instrument is excluded from being a regressor in the models for the dependent variable and that there is some association between the instrument variable and the variable that is being instrumented. Though the use of an instrument variable makes sense for this study, it is conceptually difficult and easily misused.

In real life, instrument variables can be difficult to find and may not exist at all. In order to find an instrument variable, a researcher must rely on their own knowledge about the model's structure and the theory behind the experiment. In this case, the relationship between foreign aid and human trafficking is complex and it has still yet to be disentangled by other experts in the field. In addition, the assumptions to a proper instrument variable cannot be tested with the help of data. Alternatively explained, theoretical arguments are the primary way to ensure that instrument variable assumptions are fulfilled, that instrument variables are valid, and they are untestable empirically. If the assumptions are violated, it will lead to misleading results and can potentially falsely attribute certain effects.

In the case that an instrument variable is found to hold up theoretically, the following regressions will only be as good as the instrument. If the instrument is considered 'weak,' then estimates may be highly imprecise and biased (Bound, Jaeger, & Baker, 1995; Pizer, 2016). Weak instruments may also have few compliers, meaning that a small subpopulation may be the only ones that are impacted by the instrument. This suggests that instrument variable estimators may not perform well in small samples. The following results may also worsen from their original point. In addition, even if instrument variables are considered 'strong' and assumptions are met, the following estimates can still be misleading as they typically measure outcome differences which can be attributed to variations caused by the instrument itself (Pizer, 2016).

Due to these reasons, an instrument variable was not pursued for this study. With the application of an instrument variable, a bad instrument may have been chosen which would have resulted in an extra layer of bias. Instrument variables are difficult to interpret. As mentioned, they may not impact the behavior of every observational unit. Hence, it is unreliable because it may not be a proper representative of the population. Overall, it may have hindered this study in ways that could have been avoided so it was not pursued.

Overall, what does this mean for the study?

Based on the literature, there are a variety of variables that can and should be included as they have a part to play in the intricate web of relations that impact human trafficking levels for a country. However, a compromise was made in order to incorporate the most important variables, while also producing the model with the highest N possible. It was important to have models that incorporated a varied enough group

of countries where human trafficking is known to be a problem. In time, more complete and reliable data will be readily available and it will be capable of providing a more complete image of what factors affect the level of human trafficking for a state. Future research attempts can also make use of data analysis techniques that will be less susceptible to the limitations I have mentioned and answer more complex questions about the relationship between foreign aid and human trafficking. Examples include machine learning, complex event analysis, or forms of predictive modeling.

With that said, I am confident in stating that the current sample within this study shows the potential boons and costs of receiving public financial foreign aid. Furthermore, it is important for future historical analyses and future policymaking to examine changes and trends over time in order to contribute to the feedback cycle and pass effective policy. This study, which examines a period where human trafficking had yet to be fully fleshed out, provides a glimpse into where the trend was at the time and can contribute to answering one of the most important questions in policymaking: have we done better over time?

NOW WHAT?

By examining a variety of variables describing socio-economic and development factors, foreign aid characteristics originating from the OECD, political aspects, and regional dimensions, I sought to understand the ripple effect that may potentially connect foreign aid and human trafficking.

In the post-Cold War era, the impact of foreign aid can now go beyond just buying power and influence in LDCs. It can lead to meaningful influences in the realm of development. Despite that potentiality, most foreign aid is directed toward four areas: the stimulation of economic growth, support for health, education, and political systems, provision of emergency relief, and economic recovery efforts after an economic shock. Overall, very little is directly spent in the direct realm of human trafficking. However, due to the complex relationships that exist between different sectors of society, a direct impact of foreign aid in one area can potentially lead to ripple effects extending beyond the intended area. For example, the spending of foreign aid on education systems can lead to ripple effects leading out to the reduction of human trafficking.

In this study, I added to the literature by 1) creating models that explain aid impact in an empirical manner, 2) providing an analytical synopsis using select theories and frameworks that can potentially explain the relationship between foreign aid and human trafficking, and 3) developing a policy analysis which seeks to improve the positive impact of foreign aid on international human trafficking, based on empirical evidence.

Measuring Human Trafficking

Through an analysis of historical data relating to foreign aid and human trafficking, I have shown that human trafficking is a generations-old problem still in need of a solution. Basic questions are still in need of an answer, such as how to measure the scope of the problem. Without proper measurement of the level of human trafficking for a state, effective anti-trafficking policy will be hindered. Many of the factors related to human trafficking, directly and indirectly, are slowly being filled and the issue of ‘missing data’ is becoming a problem of the past. However, proper assessment of the outcome, human trafficking, is still lacking. Currently, there is no objective way to measure the problem without some level of bias. And what data that is available is unreliable, created with different objectives in mind making it non-universal, or is not readily available to the public. Furthermore, the definition of human trafficking is still being debated in some circles. As mentioned before, human trafficking has often been used as an umbrella term. Without a proper definition that is universally accepted, it will be difficult to provide accurate measurement. In order to create effective policy, proper unbiased measurement tools need to be created.

Furthermore, many of the variables in this study can be considered universal causes behind human trafficking. Theoretically, they have been known to interact with one another, impacting human trafficking

in a complicated web of cause and effect. There are no simple solutions to these problems—but a thorough understanding of how these issues relate to human trafficking, and a clear measurement of how human trafficking levels are progressing through time, will aid in future policymaking.

Foreign Aid Policy

Foreign aid policy has often been described as a diplomatic tool for many states, but its impact is what makes it important for recipients. From inferring other information, foreign aid can potentially be disbursed to aid programs and areas that are in most need. However, certain unintended consequences can result from the characteristics of the disbursement, such as amount or type.

Foreign aid has been disbursed to a variety of governments, from strong democracies to strong autocracies. The impact of foreign aid is that it can potentially strengthen the recipient's position, relative to other actors. Bilateral aid can potentially strengthen the position of the government, while multilateral aid can strengthen the position of certain organizations like non-profits. In theory, the outcome could potentially be positive in democracies and negative in autocracies. The effectiveness of foreign aid, whether it be positive or negative, can vary so in order to curb the size of unintended impacts, it is essential that foreign aid policy is built in a way that acknowledges the realities and trade-offs of such relationships.

The political theory of dilemmas, a framework put forth by Dasandi and Erez (2019), is one method that aims to help put such dilemmas into perspective. Once an end goal is determined, donors can apply one of the three models to a situation and based on that, fully gauge the impacts of their foreign aid policy. By doing this, it allows for the donor to be fully aware of not just their intended goals for foreign aid, but also any unintended impacts that may occur in the process.

Connecting Foreign Aid Policy and Human Trafficking Policy

This study has accomplished answering the prime question of: does foreign aid have an impact on human trafficking? The results of this study answered yes, though the exact extent and the specific characteristics of said impact requires further research. This study suggests that there is both a positive and negative impact, with the negative impact not being as overwhelming as other researchers have noted. In fact, it appears that these impacts may be conditional based on certain contexts and factors. Even so, it is safe to say that there is a relationship, which then begs the question: what part should foreign aid policy play in the world of human trafficking?

There is a current ongoing battle about whether foreign aid should be tied to certain human rights related conditions. Historically, foreign aid has often been given to dictatorships and autocracies, boosting their strength, which has allowed them to sustain abusive activity. In addition to that, if a donor were to try and subvert foreign aid into the pockets of non-state organizations to achieve change, it is not guaranteed

to work. Facts such as these suggest that foreign aid should be conditional; hence, in order to reduce the levels of human trafficking, foreign aid should be directly tied to anti-trafficking policy. On the other hand, foreign aid has played a part in transforming certain countries into middle class democracies with private markets, which are the hallmarks of a society that respects human rights and hence, is less likely to create breeding grounds for human trafficking. Furthermore, foreign aid is used in many more areas that can impact human trafficking and human rights indirectly; to withhold such aid from programs that build things like democracy or health initiatives would be blasphemous and damaging to the people. Facts like these suggest foreign aid should not be conditional; hence, in order to reduce human trafficking, foreign aid should continue to be disbursed with no ties to anti-trafficking policy.

I believe there is a middle ground to be won here. Donors are typically richer states, and they need to lead with their principles. Leading with principles also needs to be open-minded and flexible. There is a complex web of relationships that binds the impacts of foreign aid together with human trafficking. By being cognizant of the relationships that are at play, it will allow policymakers to be more transparent with the impacts of foreign aid policy. By taking into practice the political theory of dilemmas and applying it to their foreign aid policy strategy, policymaking will be able to strike the right balance to achieve their end goals and take control of unintentional impacts, which can be harmful. More specifically, I recommend the following:

1. Anti-trafficking policy and foreign aid policy need a multidisciplinary type of guidance. Human trafficking is a crime that can be greatly influenced by a variety of factors. Foreign aid is a state tool that has the ability to impact facets that go beyond its intended target. This study shows that there is a connection and so the dialogue between these areas need to be guided by a multidisciplinary approach that allows for as many impacts to be accounted for.
2. Trafficking victims are far and wide, but they all have at least one common characteristic: they are vulnerable. Foreign aid policy needs to take into consideration strategies and impacts that prevent the currently marginalized into becoming more vulnerable, hereby reducing their chances of being trafficked. Resources need to be used to address the socio-economic dimension of trafficking in key countries of origin in order to reduce the odds of human trafficking.
3. And last, policymakers need to improve conditions to make it easier for human trafficking to be measured. Current data is biased and unreliable and that is the exact data that is being used to make policy. Policy will not be as effective as it should be without proper data to ensure that anti-trafficking measures are working. Foreign aid policy needs to incorporate some level of coordination efforts between states in order to create a central database that collects data from a variety of sources. With this in place, more effective and evidence-based policymaking can take place.

Future Work

This study examined the relationship between foreign aid and human trafficking at a country level, leaving room for much future research. One of the results from this study showed that a state's region appeared to have an impact on its level of human trafficking. To bring more clarity to this effect, future research could delve into the regions that had a significant impact and compare and contrast the effects to see how regions compared to each other. Future research could also delve into a specific region and compare the states within that region to see what differences or similarities may have on human trafficking. In addition to exploring region, future research could also examine the differences among multilateral institutions. As mentioned before, multilateral institutions can differ between each other as they may have different goals and mission statements. This study showed that multilateral aid, as a whole, had a very limited effect on human trafficking. However, that effect may be different if specific institutions were examined. For example, the IMF has been known to require changes in social policies complemented by less regulation and more privatization. This could lead to a stronger impact on human trafficking as a reduction in safety nets through reducing government social programs could negatively impact human trafficking, allowing it to thrive as populations become more vulnerable. In addition to examining specific regions and multilateral institutions, future research could also examine the impact of historical events. For example, the signing of the Palermo Protocol in 2000 was a monumental event in the history of human trafficking. By ratifying this agreement, many states signaled a new agreed commitment for social justice—future research could examine whether that agreement carried over into actual actions and measure the impact of said actions.

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APPENDIX A: THE VARIABLES

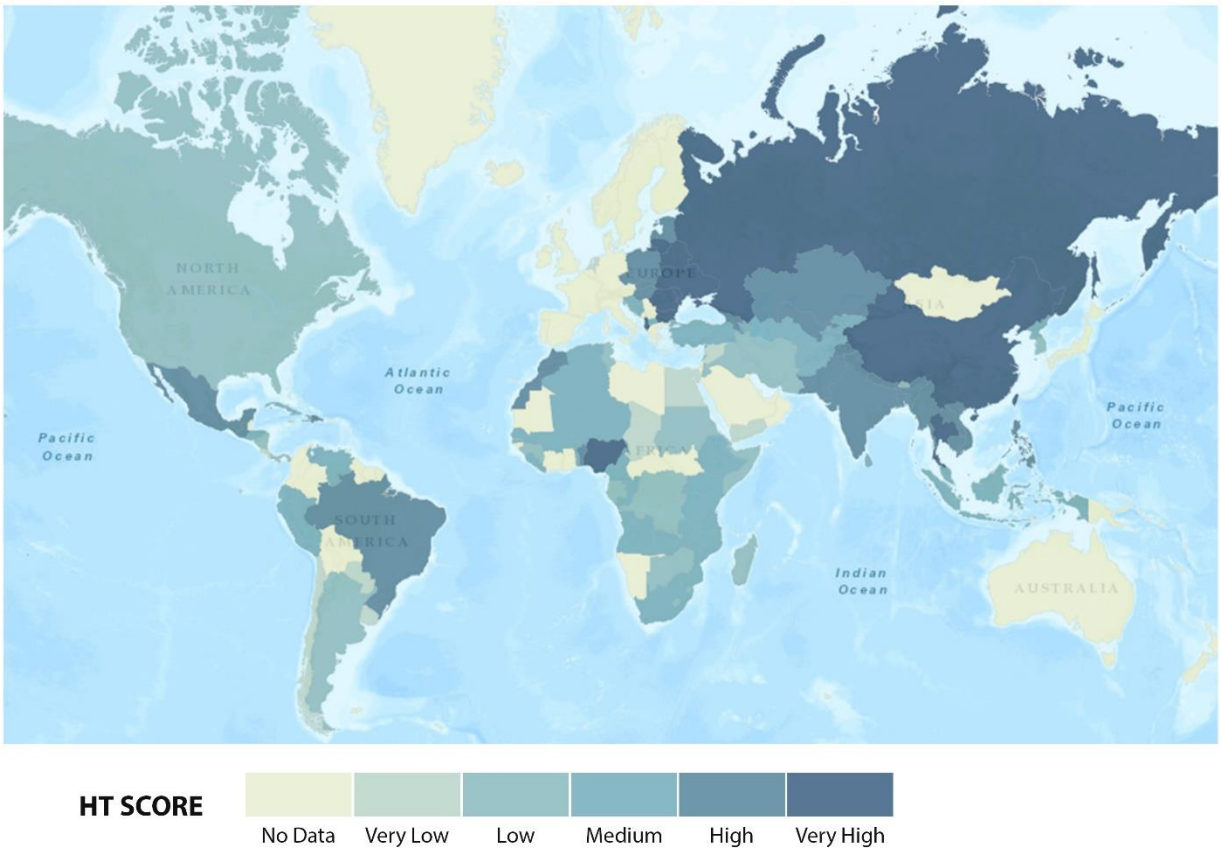
Table 11: All variables included in the models

Name	Original Dataset	Shorthand	Description
Human trafficking	UNODC	Oht1bm	Categorical variable Human trafficking reporting index
ODA disbursement amount	OECD development data	Bmplus	Continuous variable The total amount of disbursements that recipient A received for X year
Bilateral aid amount	OECD development data	bgdp	Continuous variable The amount that recipient A received for X year
Multilateral aid amount	OECD development data	mgdp	Continuous variable The amount that recipient A received for X year
GDP per capita	World Bank	Avggdppc avggdppcr	Measured in constant 2003 USD
Total population	World Bank	avgpopt	Continuous variable The total population for a state
Corruption	CPI	Avgcor	Continuous variable How corrupt a state is perceived to be
Human development	UNDP	Avghdi	Continuous variable Composite index of human development
Respect for human rights	Harvard database	avgres	Continuous variable Measures how protected the people's human rights are in a state by its government
Globalization	KOF	avggi	Combination index that covers all types of globalization

Table 12: Regional Markers

Region	**Shorthand**
North Africa and West Asia	nafwas
North America	nam
Central Asia	cas
North Europe and West Europe	neuweu
Sub-Saharan Africa	subaf
Latin America and Caribbean	lamc
East Asia	eas
South Asia	sas
East Europe	eeu
Southeast Asia and Oceania	seasoc
South Europe	seu

Figure 2: Map of States Based on Human Trafficking Index



APPENDIX B: DONORS AND RECIPIENTS

Table 13: List of countries included in origin human trafficking reporting index

Afghanistan	Albania	Algeria	Angola	Argentina
Armenia	Azerbaijan	Bangladesh	Belarus	Benin
Bhutan	Bosnia and Herzegovina	Botswana	Brazil	Brunei Darussalam
Bulgaria	Burkina Faso	Burundi	Cambodia	Cameroon
Canada	Cape Verde	Chad	Chile	China
Democ. Repub. Congo	Repub. Congo	Costa Rica	Croatia	Cuba
Czech Republic	Democ. Korea	Djibouti	Dominican Republic	Ecuador
Egypt	El Salvador	Equatorial Guinea	Eritrea	Estonia
Ethiopia	Fiji	Gabon	Gambia	Georgia
Guatemala	Guinea	Haiti	Honduras	Hong Kong
Hungary	India	Indonesia	Iran	Iraq
Jamaica	Jordan	Kazakhstan	Kenya	Kosovo
Khyrgyz Republic	Laos	Latvia	Lebanon	Lesotho
Liberia	Lithuania	Macao	Madagascar	Malawi
Malaysia	Maldives	Mali	Mexico	Moldova
Morocco	Mozambique	Myanmar	Nepal	Netherlands
Nicaragua	Niger	Nigeria	Pakistan	Panama
Paraguay	Peru	Philippines	Poland	Repub. Korea
Romania	Russian Federation	Rwanda	Senegal	Serbia and Montenegro
Sierra Leone	Singapore	Slovakia	Slovenia	Somalia
South Africa	Sri Lanka	Sudan	Swaziland	Syrian Arab Repub.
Taiwan	Tajikistan	Thailand	Togo	Tunisia
Turkey	Turkmenistan	Uganda	Ukraine	Tanzania
USA	Uruguay	Uzbekistan	Venezuela	Vietnam
Yemen	North Macedonia	Zambia	Zimbabwe	----------

Table 14: List of possible ODA recipients

Albania	Bosnia and Herzegovina	Croatia	Cyprus	North Macedonia
Gibraltar	Malta	Moldova	Serbia	Slovenia
States Ex-Yugoslavia	Turkey	Algeria	Egypt	Libya
Morocco	Tunisia	Angola	Benin	Botswana
Burkina Faso	Cabo Verde	Cameroon	Central African Republic	Chad
Comoros	Congo	Cote d'Ivoire	Democ. Repub. Congo	Djibouti
Equatorial Guinea	Eritrea	Ethiopia	Gabon	Gambia
Ghana	Guinea-Bissau	Kenya	Lesotho	Liberia
Madagascar	Malawi	Mali	Mauritania	Mauritius
Mayotte	Mozambique	Namibia	Niger	Nigeria
Rwanda	Saint Helena	Sao Torne and Principe	Senegal	Seychelle
Sierra Leone	Somalia	South Africa	Sudan	Eswatini
Tanzania	Togo	Uganda	Zambia	Zimbabwe
Anguilla	Antigua and Barbuda	Aruba	Bahamas	Barbados
Belize	Bermuda	British Virgin Islands	Cayman Islands	Costa Rica
Cuba	Dominica	Dominican Republic	El Salvador	Grenada
Guatemala	Haiti	Honduras	Jamaica	Mexico
Montserrat	Netherlands Antilles	Nicaragua	Panama	Saint Kitts and Nevis
Saint Lucia	Saint Vincent and the Grenadines	Trinidad and Tobago	Turks and Caicos Islands	Argentina
Bolivia	Brazil	Chile	Colombia	Ecuador
Guyana	Paraguay	Peru	Suriname	Uruguay
Venezuela	Brunei Darussalam	Cambodia	China	Democ. Repub. Korea
Hong Kong	Indonesia	Repub. Korea	Laos	Macao
Malaysia	Mongolia	Philippines	Singapore	----------

Table 15: List of all possible state donors via OECD

Australia	Austria	Belgium	Canada	Czech Republic
Denmark	Finland	France	Germany	Greece
Hungary	Iceland	Ireland	Italy	Japan
Repub. Korea	Luxembourg	Netherlands	New Zealand	Norway
Poland	Portugal	Slovak Republic	Spain	Sweden
Switzerland	UK	US	Estonia	Israel
Kuwait	Latvia	Lithuania	Saudi Arabia	Taipei
Turkey	UAE	----------	----------	----------

Table 16: List of possible multilateral donors

IMF	African Development Bank	Caribbean Development Bank	European Bank for Reconstruction and Development	Islamic Development Bank
UN	World Bank	Arab Bank for Economic Development in Africa	Arab Fund	Global Environment Facility
Global Fund	Montreal Protocol	Nordic Development Fund	OPEC	---------- ---------- ----------