NOT FOR PUBLICATION

Supplementary Online Appendices

Is Bigger Always Better? How Targeting Aid Windfalls Affects Capture and Social Cohesion

Appendices

A The Model

Here we solve the game theoretical model in the paper step by step. We start by formally presenting our assumption in the main text that the windfall is large enough to make contestation by the excluded group credible:

Assumption A.1. $S > \max\left\{\frac{c_{XL}-c_{TX}+c_{TL}}{p_{XT}}, \frac{c_{XL}+c_{XT}}{p_X}, \frac{c_{XT}+c_{TX}-c_{TL}}{p_{XT}-p_X}\right\}$

When Assumption A.1 fails, we are in the first equilibrium outcome described in the paper, where the Elite gets the whole windfall. This happens because the windfall is too low for the excluded group to find contestation worthwhile, and this allows the elite to keep the whole windfall for themselves.

Next, we state the equilibrium offers from the elite that ensure both groups accept the elite's offer, in the intermediate equilibrium outcome. Let $\beta_X^* \equiv \frac{\beta_T - p_X}{1-p_X}$.

Proposition 1. *There are two cases:*

($\mathcal{A}$) When $\beta_X \geq \beta_X^*$, L offers $\alpha_X^{\mathcal{A}} = p_{XT} - \frac{c_{XL}}{S} + \frac{\max\{c_{TX}-c_{TL},0\}}{S}$ and $\alpha_T^{\mathcal{A}} = 0$, X accepts, windfall is divided accordingly.

($\mathcal{I}$) When $\beta_X < \beta_X^*$, L offers $\alpha_X^{\mathcal{I}} = p_X - \frac{c_{XL}+c_{XT}}{S}$ and $\alpha_T^{\mathcal{I}} = \frac{p_{XT}-p_X}{1-p_X} + \frac{c_{TX}+c_{XT}-c_{TL}}{(1-p_X)S}$, X accepts, windfall is divided accordingly.

Proof. Start by noting that when $\alpha_T^{\mathcal{I}} = \frac{p_{XT}-p_X}{1-p_X} + \frac{c_{TX}+c_{XT}-c_{TL}}{(1-p_X)S}$, for X to entice T, they would need to make an offer that would make T indifferent between siding with L and siding with X:

$$p_{XT}\hat{\alpha}_T S - c_{TL} = (1-p_X)\left(\frac{p_{XT}-p_X}{1-p_X} + \frac{c_{TX}+c_{XT}-c_{TL}}{(1-p_X)S}\right)S - c_{TX}$$
$$\Rightarrow \hat{\alpha}_T = \frac{p_{XT}-p_X}{p_{XT}} + \frac{c_{XT}}{p_{XT}S}$$

In this case, their own payoff from challenging would be:

$$p_X S - c_{XT} - c_{XL}$$

which is the same payoff as they would get if they let T side with L instead. Furthermore, note that X's expected payoff from accepting L's offer of $\alpha_X^{\mathcal{I}} = p_X - \frac{c_{XL}+c_{XT}}{S}$ leads to the same payoff as well. So, the excluded group is indifferent between accepting the elite's offer, rejecting and recruiting T, and rejecting and letting T side with L. Thus, the excluded group accepts the elite's offer of $\alpha^{\mathcal{I}}$.

Now consider elite's offer of $\alpha_X^{\mathcal{A}} = p_{XT} - \frac{c_{XL}}{S} + \frac{\max\{c_{TX}-c_{TL},0\}}{S}$ and $\alpha_T^{\mathcal{A}} = 0$. For the excluded group to recruit the target group, they would need to offer them $\hat{\alpha}_T = \max\{(c_{TL}-c_{TX})/(p_{XT}S), 0\}$. This would leave them with an expected payoff that is exactly equal to accepting the elite's offer. If they reject and don't recruit T, their expected payoff is $p_X S - c_{XL} - c_{XT}$, strictly less than that of accepting. Thus, they accept the elite's offer of $\alpha_X^{\mathcal{A}}$.

To see why the elite prefers $\alpha^{\mathcal{A}}$ in some conditions and $\alpha^{\mathcal{I}}$ in others, start by noting that since the elite has the first mover advantage, they can choose the equilibrium allocation. The elite prefers the $\mathcal{A}$ppropriation equilibrium to the $\mathcal{I}$nclusive equilibrium whenever:

$$(1-\alpha_X^{\mathcal{A}}(1-\beta_X))S \geq (1-\alpha_X^{\mathcal{I}}(1-\beta_X)-\alpha_T^{\mathcal{I}}(1-\beta_T))S \tag{1}$$

$$\Leftrightarrow \beta_X \geq \frac{\beta_T - p_X}{1-p_X} \tag{2}$$

□

We now proceed by stating the range of conditions under which we would be in the second case, where there is systematic contestation:

Lemma A.1. *Define*

$$c^*(\beta,S) \equiv \min\Bigg\{\frac{p_X}{1-p_X}(1-\beta_T)(S(p_{XT}-p_X)+c_{TX}-c_{TL}+c_{XT})-\beta_X(Sp_X-c_X),$$
$$\beta_T(S(p_{XT}-p_X)+c_{TX}-c_{TL}+c_{XT})-\beta_X(Sp_{XT}+c_{TX}-c_{TL}-c_{XL})\Bigg\}$$

There is contestation in equilibrium when $c_{XL}+c_{LX}+c_{XT} < c^*(\beta,S)$ *where the elite offers* $\alpha = \left(1-\alpha_T^{\mathcal{I}}, 0, \alpha_T^{\mathcal{I}}\right)$*, excluded group rejects the elite's offer, makes a counter-offer* $\hat{\alpha}$ *such that* $\hat{\alpha}_T < ((p_{XT}-p_X)S+c_{XT})/(p_{XT}S)$*, and the target group sides with the elite.*

Proof. Suppose first $\beta_X \leq \frac{\beta_T-p_X}{1-p_X}$. In that case, we know that the elite prefers $\alpha^{\mathcal{I}}$ to $\alpha^{\mathcal{A}}$. Furthermore, the reader can verify that:

$$c^*(\beta,S) = \frac{p_X}{1-p_X}(1-\beta_T)(S(p_{XT}-p_X)+c_{TX}-c_{TL}+c_{XT})-\beta_X(Sp_X-c_X)$$

Since it is the elite who decides the equilibrium with their initial offer, we only need to compare their payoffs of contestation and inclusive equilibrium, $\alpha^{\mathcal{I}}$. The elite will choose contestation if and only if:

$$(1-p_X)(1-\alpha_T^{\mathcal{I}}(1-\beta_T))S - c_{LX} \geq (1-\alpha_X^{\mathcal{I}}(1-\beta_X)-\alpha_T^{\mathcal{I}}(1-\beta_T))S$$
$$\Leftrightarrow \frac{p_X}{1-p_X}(1-\beta_T)(S(p_{XT}-p_X)+c_{TX}-c_{TL}+c_{XT})-\beta_X(Sp_X-c_X) > c_{XL}+c_{LX}+c_{XT}$$

Conversely, suppose $\beta_X > \frac{\beta_T-p_X}{1-p_X}$ instead. Then, $\alpha^{\mathcal{A}}$ is preferred to $\alpha^{\mathcal{I}}$ by the elite, and:

$$c^*(\beta,S) = \beta_T(S(p_{XT}-p_X)+c_{TX}-c_{TL}+c_{XT})-\beta_X(Sp_{XT}+c_{TX}-c_{TL}-c_{XL})$$

In this case, the elite will choose contestation if and only if:

$$(1-p_X)(1-\alpha_T^{\mathcal{I}}(1-\beta_T))S - c_{LX} \geq (1-\alpha_X^{\mathcal{A}}(1-\beta_X))S$$
$$\Leftrightarrow \beta_T(S(p_{XT}-p_X)+c_{TX}-c_{TL}+c_{XT})-\beta_X(Sp_{XT}+c_{TX}-c_{TL}-c_{XL}) > c_{XL}+c_{LX}+c_{XT}$$

□

Now we state formally Hypothesis 3, and prove it.

Corollary A.1. *Contestation becomes more likely as windfall size increases.*

Proof. Suppose first that $\beta_X \leq \frac{\beta_T - p_X}{1-p_X}$. Then, from A.1 we know that $c^*(\beta,S) = \frac{p_X}{1-p_X}(1-\beta_T)(S(p_{XT}-p_X)+c_{TX}-c_{TL}+c_{XT}) - \beta_X(Sp_X - c_X)$. Taking the derivative of $c^*(\beta,S)$, we get that

$$\frac{\partial c^*(\beta,S)}{\partial S} = \frac{p_X}{1-p_X}(1-\beta_T)(p_{XT}-p_X) - \beta_X p_X. \tag{3}$$

Similarly, when $\beta_X > \frac{\beta_T - p_X}{1-p_X}$ we have that $c^*(\beta,S) = \beta_T(S(p_{XT}-p_X)+c_{TX}-c_{TL}+c_{XT}) - \beta_X(Sp_{XT}+c_{TX}-c_{TL}-c_{XL})$, with the derivative:

$$\frac{\partial c^*(\beta,S)}{\partial S} = \beta_T(p_{XT}-p_X) - \beta_X p_{XT}. \tag{4}$$

Notice that our assumption of $\beta_T \geq 0 \geq \beta_X$ implies that both of these derivatives in Equations (3) and (4) are positive, and therefore $c^*(\beta,S)$ is increasing in S. Since contestation occurs when $c_{XL}+c_{LX}+c_{XT} < c^*(\beta,S)$, this means that as S increases, the set of parameters in which the equilibrium outcome is contestation expands. □

Next we present a more general form of the model presented in the main text and show the assumptions under which the two models are equivalent. As in the simpler model, the excluded group responds first to the elite's initial proposal. However, we lift some restrictions on the target's strategies: following X's offer, T can side with either group, or reject both offers, resulting in a three-way contestation. Similarly, in the history where X accepts the elite's initial proposal, we allow T to reject and make a counter-offer $\bar{\alpha}$ to sway X to their side. The extensive form of this general game can be found on Figure A, where $c_i \equiv \sum_{j \in N \setminus \{i\}} c_{ij}$.

Since our main focus is when the target group is weak and vulnerable, we assume that their probability of winning a contestation on their own is always less than their costs of contesting both strong groups at once:

Assumption A.2.

$$c_{TL}+c_{TX} > \max\{p_T S, 2(p_{XT}-p_X)S\}$$

This greatly simplifies the exposition by ruling out the following histories: $(\alpha, \text{Accept}, \text{Reject}, \bar{\alpha}, \text{Join L})$ and $(\alpha, \text{Reject}, \hat{\alpha}, \text{Reject})$. Next, we establish that the history $(\alpha, \text{Accept}, \text{Reject}, \bar{\alpha}, \text{Join T})$ cannot be reached in equilibrium either. These are summarized in the following lemma:

Lemma A.2. *There cannot be three-way contestation in equilibrium. Furthermore, in any equilibrium where the excluded group and the target group form a coalition against the elite, it is always the excluded group who starts the contestation and the target group who joins. In other words, the target group never contests the allocation of the elite if the excluded group does not contest it first.*

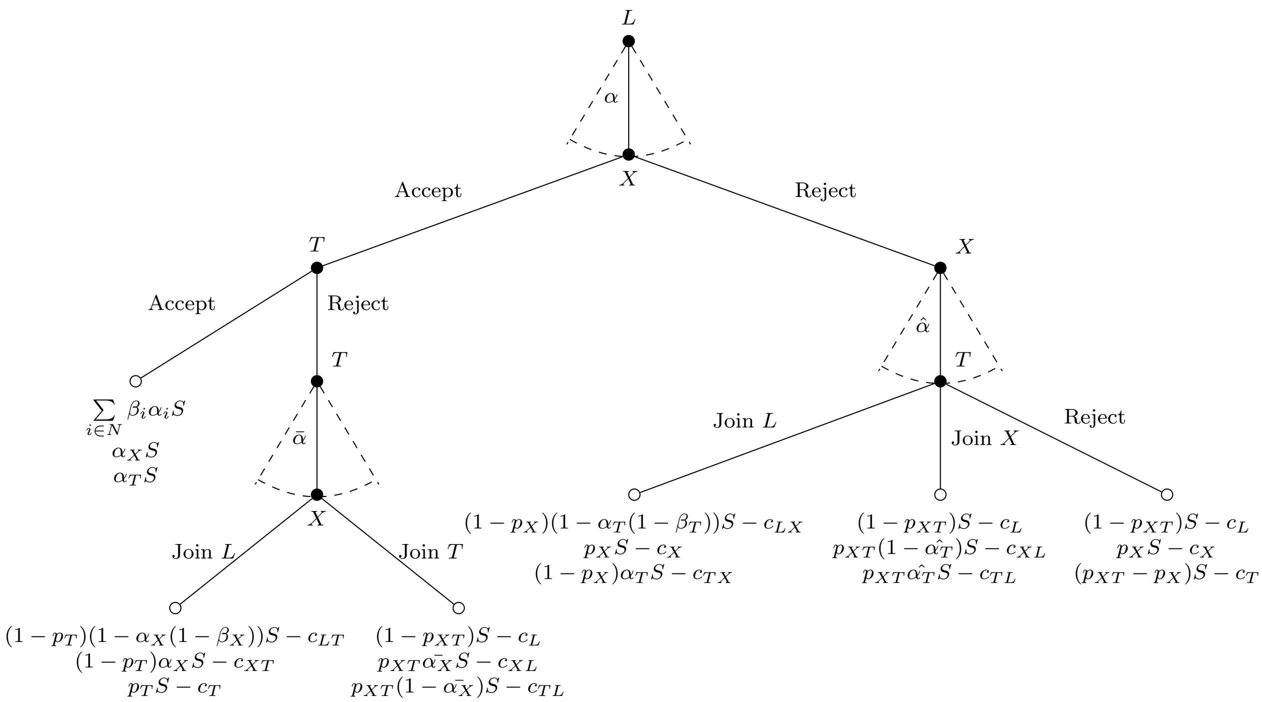

Figure 1: Extensive form of the general game.

Proof. For the first part, notice that for the target group to reject both the elite's and the excluded group's offers, it must be that:

$$(p_{XT}-p_X)S-c_{TL}-c_{TX}>(1-p_X)\alpha_T S-c_{TX} \quad \text{and}$$
$$(p_{XT}-p_X)S-c_{TL}-c_{TX}>p_{XT}\hat{\alpha}_T S-c_{TL}$$

This implies that

$$2(p_{XT}-p_X)S-c_{TL}-c_{TX}>(1-p_X)\alpha_T S+p_{XT}\hat{\alpha}_T S$$

which is a contradiction since the left hand side is negative by Assumption A.2 and the right hand side is non-negative. Thus, in every history where the excluded group rejects the elite's offer and makes a counter-offer, the target group prefers siding with at least one of the powerful groups to rejecting both.

For the second part, suppose the excluded group accepts the offer α, and so it is the target's turn to accept or reject α. Suppose further that the target group rejects the offer, and make a counter offer $\bar{\alpha}$. If the excluded group sides with the elite, then the expected payoff of the target is:

$$p_T S-c_{TL}-c_{TX}<0$$

whereas their expected payoff of accepting α is $\alpha_T S\geq 0$. So the target will never challenge the elite's proposal and make a counter-offer that won't be accepted by the excluded group.

Suppose now that the target group can entice the excluded group by a counter-offer $\bar{\alpha}$ such that the excluded group prefers to side with the target group against the elite. By our assumptions that each player when indifferent accepts the most recent offer, it must be that whoever makes an offer that leads to the formation of the $\{X, T\}$ coalition can leave the responder indifferent between accepting and rejecting, allowing the proposer to extract the whole surplus. Thus, if X makes the offer, they will offer $\hat{\alpha}_T = \frac{(1-p_X)\alpha_T S - c_{TX} + c_{TL}}{p_{XT} S}$, and keep the rest for themselves, ensuring an expected payoff of $p_{XT}S - (1-p_X)\alpha_T S + c_{TX} - c_{TL} - c_{XL}$. For X to accept the elite's offer and allow T to contest instead, their expected payoff from T's counter-offer $\bar{\alpha}_X$ must be greater:

$$p_{XT}\bar{\alpha}_X S - c_{XL} \geq p_{XT}S - (1-p_X)\alpha_T S + c_{TX} - c_{TL} - c_{XL} \tag{5}$$

On the other hand, for T to reject the elite's offer and make a counter-offer, their payoff from doing so must be strictly greater than that of accepting the elite's offer:

$$p_{XT}(1-\bar{\alpha}_X)S - c_{TL} > \alpha_T S \tag{6}$$

Combining Equations (5) and (6) yields:

$$0 > p_X \alpha_T S + c_{TX}$$

a contradiction. Therefore, there can be no equilibrium in which the target group leads the $\{X, T\}$ coalition. □

Thus, Lemma A.2 and our assumption that in any equilibrium with contestation L will recruit T establish that the solution of the general game in Figure A is equivalent to the solution of the reduced game in Figure 2 of the paper.

	$\beta_X \geq \beta_X^*$ ($\mathcal{A}$)	$\beta_X < \beta_X^*$ ($\mathcal{I}$)
$c_{XT} + c_{TX} > c_{TL}$	$\frac{\partial \alpha_L}{\partial S} \lesseqgtr 0$ $\frac{\partial \alpha_X}{\partial S} \lesseqgtr 0$ $\frac{\partial \alpha_T}{\partial S} = 0$	$\frac{\partial \alpha_L}{\partial S} \lesseqgtr 0$ $\frac{\partial \alpha_X}{\partial S} > 0$ $\frac{\partial \alpha_T}{\partial S} < 0$
$c_{XT} + c_{TX} < c_{TL}$	$\frac{\partial \alpha_L}{\partial S} < 0$ $\frac{\partial \alpha_X}{\partial S} > 0$ $\frac{\partial \alpha_T}{\partial S} = 0$	$\frac{\partial \alpha_L}{\partial S} < 0$ $\frac{\partial \alpha_X}{\partial S} > 0$ $\frac{\partial \alpha_T}{\partial S} > 0$

Figure 2: Change in the shares of groups as windfall size increases for different parameter regions. (High threat communities in red)

B Survey Methodology

This appendix summarizes in brief the sampling methodology for survey data collection. For more detailed information on the survey methodology, see the research design memo for the Aceh Reintegration and Livelihoods Survey, available at [AUTHOR'S WEBSITE].

Strata were first formed by sub-district and sub-district population. Villages within sub-districts were the primary sampling units and were selected with a fixed probability. Five households were randomly sampled within each selected village. Households were sampled from a complete and updated list of all households in the village when such a list was available. If such a list was not available and the village population was smaller than 300, a complete list of all households in the village was created in consultation with village leaders. If such a list was not available and the village population was larger than 300, households were sampled using a random walk method. Within households, respondents were randomly sampled using a randomly generated number tables, where any male or female member of the household between the ages of 18-65 was eligible for selection.

In order to randomly sample ex-combatants, a complete list of all ex-combatants living in the village was enumerated in consultation with village and former-GAM leaders. Ex-combatants were then sampled from the list with a fixed probability.

The surveys were implemented by the Jakarta-based research firm A.C. Nielson from July-September 2008. All surveys were conducted in Indonesian and/or Acehnese, depending on the respondent's preference.

C Survey Question Wordings

The table below provides detailed information on each survey question used as a dependent variable in the analysis. VH refers to village head survey.

Survey Q	Wording	Coding used in analysis	How used in analysis
Q58	Did you or your household directly receive any money or goods from BRA-KDP	0 No, 1 Yes	Used in per capita share of aid amount (Table 2, main text)
Q60	What quantity of these goods did you receive	Quantity and units recorded	Used in per capita share of aid amount (Table 2, main text)
Q101	When the community has to make a decision about how to allocate resources in the village, sometimes some groups benefit more than others. Generally do you think the following people do especially well or especially badly relative to other people in this situation?		
	Ex-GAM combatants	1 Much/somewhat better	Table 3 (main text)
	Friends and family of the village leader	0 The same	Used in index of elite benefits (Table 4, main text)
	People that are well connected with local government	-1 Much/somewhat worse	Used in index of elite benefits (Table 4, main text)
Q108	In your opinion, are problems in this village normally resolved satisfactorily or do they tend to endure?	0 Tend to endure	Table 5 (main text)
		1 Resolved satisfactorily	Table 5 (main text)
Q76	Should ex-combatants be fully welcomed in this village?	0 No, 1 Yes	Used in index of ex-combatant acceptance (Table 5, main text)
Q76	Should ex-combatants be allowed membership in community associations	0 No, 1 Yes	Used in index of ex-combatant acceptance (Table 5, main text)
Q76	Should ex-combatants be allowed to be among the leaders of the village	0 No, 1 Yes	Used in index of ex-combatant acceptance (Table 5, main text)
Q76	Chould ex-combatants be among your close friends	0 No, 1 Yes	Used in index of ex-combatant acceptance (Table 5, main text)
Q76	Would you welcome ex-combatants into your family through marriage?	0 No, 1 Yes	Used in index of ex-combatant acceptance (Table 5, main text)
Q126 (VH)	Was this village considered a 'basis GAM' by the government during this period	0 No, 1 Yes	Used in measure of village threat (all tables)
Q136 (VH)	In your judgment, during this period (2001-2005), do you think the majority (at least half) of the members of the village	1 Did not support GAM-TNA	Used in measure of village threat (all tables)
		0 Supported GAM-TNA†	

†*We obtained the binary coding for this variable by recoding the original variable with three levels: 1 (supported GAM-TNA), 2 (supported TNI), and 3 (supported neither). We recoded 1 as 0 and 2 and 3 both as 1.*

D Assignment in BRA-KDP

This appendix describes the BRA-KDP assignment process, which is detailed in Barron et al. (2009) and Morel, Watanabe and Wrobel (2009). BRA-KDP aimed to reach 1,724 villages in 67 sub-districts and 17 districts, which is about one-third of all villages in Aceh. BRA-KDP determined the amount of aid that each village would receive on the basis of two measures: *subdistrict* conflict-intensity and village population.[1] First, BRA used a continuous measure of subdistrict conflict intensity to assign sub-districts. The World Bank produced this measure through a factor analysis of several indicators, including: number of conflict victims (over three years), military intensity, GAM returnee estimates, political prisoners, incidents of conflict between GAM and GoI forces, pre-MOU perceptions of safety, and perceptions of conflict.[2] BRA-KDP then used arbitrary cutoffs in the continuous measure to classify sub-districts as low, medium, and high conflict intensity. See Figure 3 for a map of the location of conflict-affected sub-districts. Second, BRA divided villages within sub-districts into 'small' (fewer than 299 people), 'medium' (300-699 people), and 'large' (700 or more people).

BRA-KDP then created nine assignment strata by over-lapping the sub-district conflict intensity and village population measures, and assigned aid windfalls in the amounts shown in Table 1. Moreover, as shown in Figure 4, over-lapping the assignment variables and arbitrary cutoffs created 12 thresholds which could in theory be used in a regression discontinuity analysis. In this paper we focus our analysis on threshold 1, which is the cutoff between small and medium-sized villages within high conflict intensity sub-districts (where the amount of the aid windfall jumps from 120 to 150 million rupiah). In focusing on threshold 1 our sample includes small to medium-sized villages in high conflict intensity subdistricts that are also relatively high capacity (meaning they also passed the spending capacity criterion).

We focus on threshold 1 because it is the only one for which we have a sufficiently large sample around the threshold and which passes the McCrary density test (McCrary, 2008). This can be seen by looking Figures 6 and 5. As can be seen in Figure 6 (and as shown in Figure 3 in the main text), threshold 1 is the only population threshold for which there a relatively large number of observations for both high and lower threat communities immediately on either side of the threshold. While we also considered threshold 2, upon closer inspection the distribution was not favorable given our need for both high and lower threat observations. Sparsity near the cutpoint is even more problematic for the conflict thresholds, as seen in Figure 6. Here again, most of the conflict thresholds lack sufficient observations near the cutpoint; there are also several thresholds (e.g. thresholds 7, 8, and 9) for which there seems to be a discontinuity in density to the right of the cutpoint (although a sparsity of observations makes the density test not estimable). Pooling observations from different thresholds under these conditions could lead to biased inference. It is for these reasons that we opted to focus on estimating effects around threshold 1, where we are in

[1]Sub-districts were eligible for assignment only if they also exceeded a spending capacity threshold, meaning that they had spent at least 60 percent of their 2005 KDP funds at the time of treatment assignment.

[2]This data did not exist at the village-level.

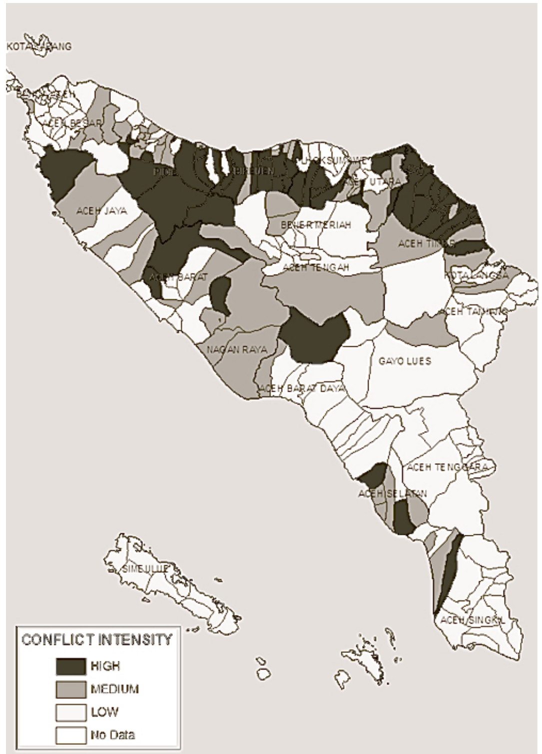

Figure 3: Map of Aceh with sub-district conflict intensity

		Village Population				
		Small (P1) (<299)	Medium (P2) (300-699)	Large (P3) (≥700)	Diff (P2-P1)	Diff (P3-P2)
	High (C1)	120	150	170	30	20
Conflict	Medium (C2)	80	100	120	20	20
Score	Low (C3)	60	70	80	10	10
	Diff (C1-C2)	40	50	50		
	Diff (C2-C3)	20	30	40		

Windfall size expressed in terms of rupiah '000,000

Table 1: Village-level Aid Windfalls. *Table shows absolute windfall sizes for the nine different village-level treatments (upper left cells) and the jumps in windfall size across thresholds. The paper focuses on the jump in windfall size at threshold 1, which is between small and medium-sized villages in high conflict-intensity subdistricts.*

a stronger position to obtain internally valid estimates.

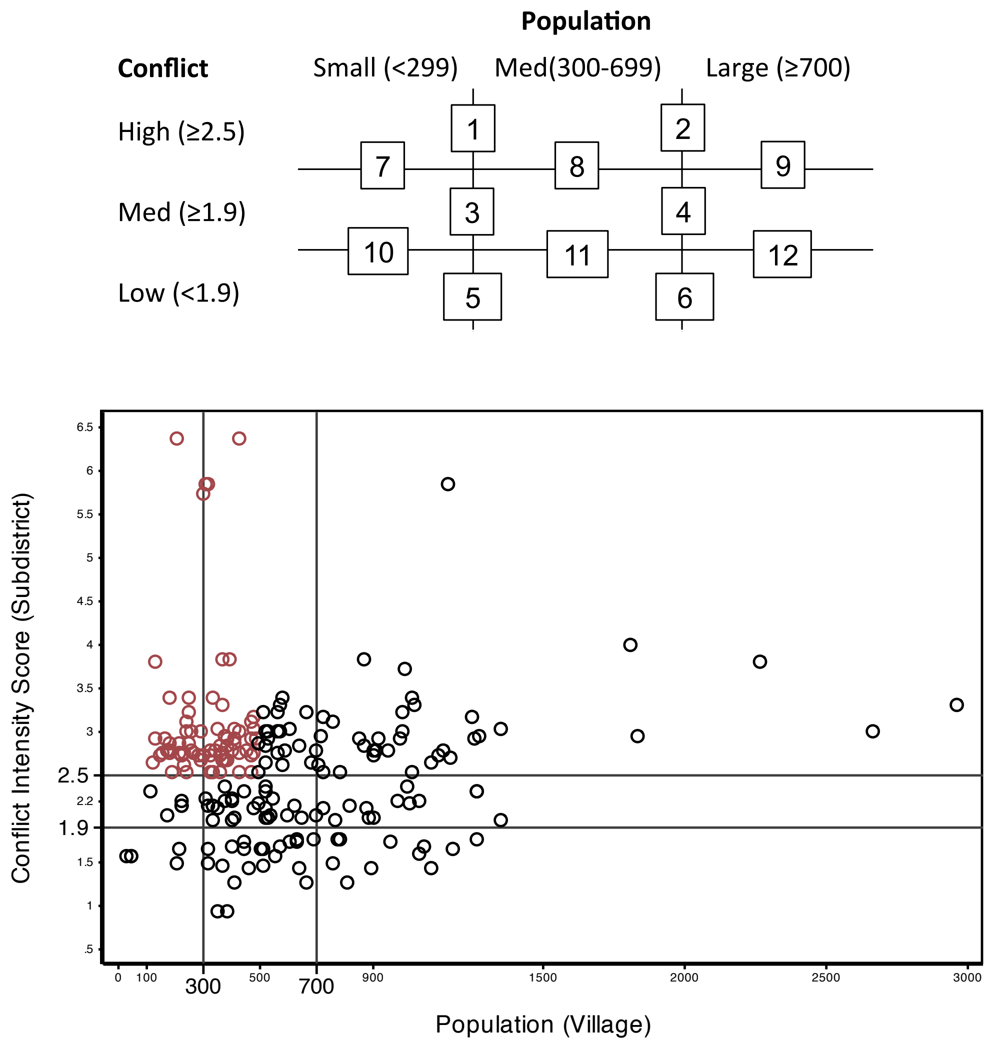

Figure 4: *The top figure shows the 12 thresholds created by over-lapping subdistrict conflict intensity and village population measures. The bottom figure shows the distribution of the sample around thresholds. Analysis in the paper focuses on Threshold 1 (maroon circles) because this is the threshold for which we have a large sample and which passes the McCrary density test.*

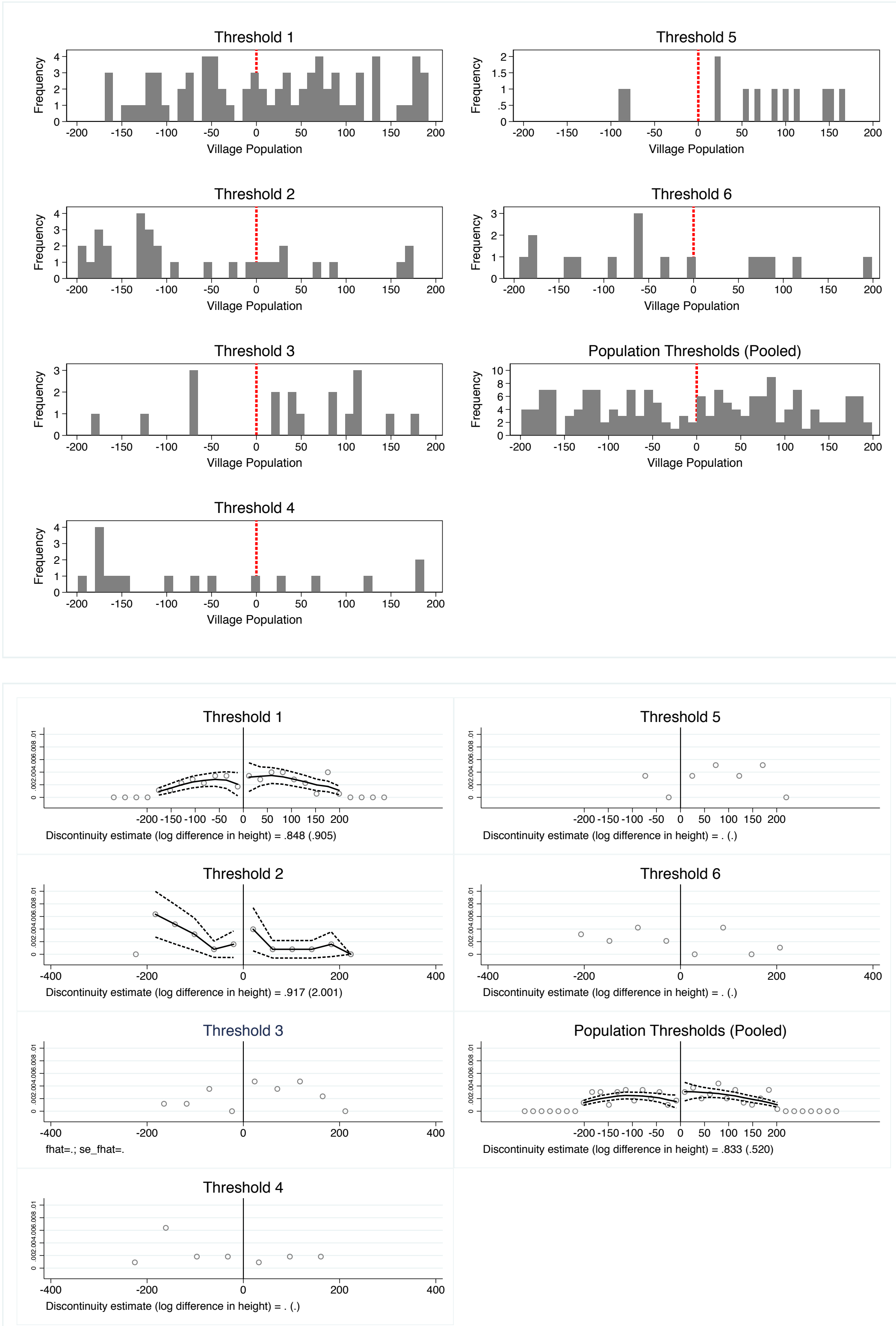

Figure 5: Distribution of observations around population thresholds and corresponding McCrary density tests

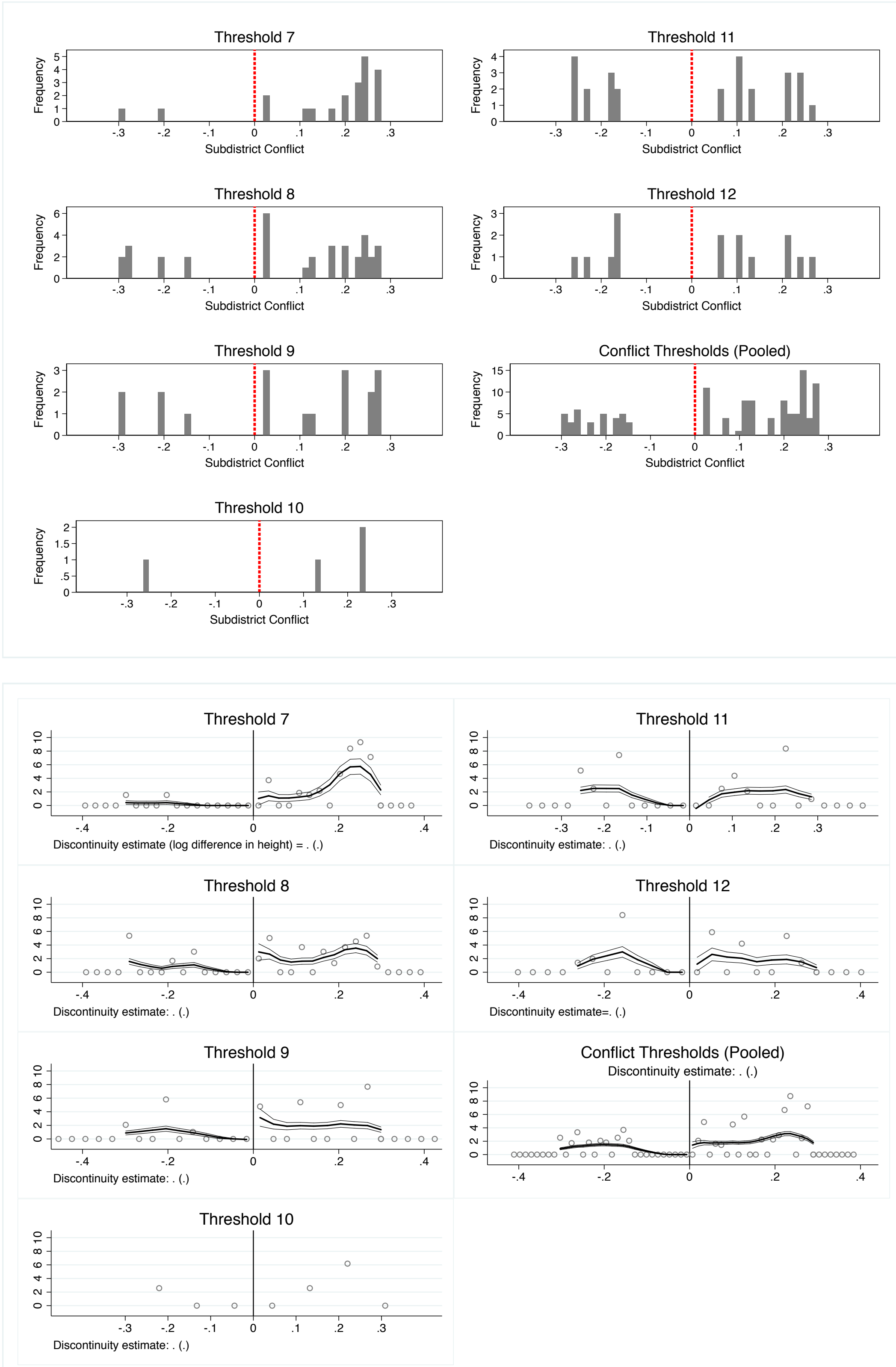

Figure 6: Distribution of observations around conflict thresholds and corresponding McCrary density tests

E Descriptive Statistics

In the full sample around threshold 1 (± 200 persons) we have 378 civilians and 126 former combatants in 75 villages. Table 2 presents summary statistics for our main outcomes at the individual level as well as village-level context and control variables (there is a small amount of item-level missingness). For ease of analysis, we aggregate some control variables into indices using inverse covariance weighting, as in Anderson (2008). The table shows summary statistics for both the indices and the index components.

	mean	sd	min	max	count
Panel A: Outcome variables (civilians)					
Received aid	0.69	0.46	0	1	377
Amount of aid received (in million rupiah)	0.63	0.68	0	3.50	377
Share of aid received (0-100)	0.46	0.53	0	2.92	377
Excombatants benefit	0.08	0.53	-1	1	371
Elites benefit (index, z-score)	-0.10	0.99	-2	2	368
Those connected to local leader benefit	0.02	0.56	-1	1	370
Those connected to local govt. benefit	-0.04	0.53	-1	1	368
Index of ex-combatant acceptance (index, z-score)	0.02	0.77	-7	0	377
Ex-com are welcome in village	1.00	0.03	0	1	377
Ex-com should be allowed in vil associations	1.00	0.00	1	1	377
Ex-com should be allowed to be among leaders in vil	0.97	0.18	0	1	377
Ex-com could be among close friends	0.98	0.14	0	1	377
Ex-com welcomed through marriage	0.97	0.16	0	1	377
Conflicts resolved vs. tend to endure	0.85	0.36	0	1	373
Panel B: Outcome variables (ex-combatants)					
Received aid	0.58	0.49	0	1	126
Amount of aid received (in million rupiah)	0.63	0.76	0	3.50	126
Share of aid received (0-100)	0.47	0.60	0	2.92	126
Panel C: Context variables (village-level)					
High versus lower threat villages	0.29	0.46	0	1	75
Village was GAM base	0.53	0.50	0	1	75
Majority of village did not support GAM	0.61	0.49	0	1	75
Panel D: Control variables (village-level)					
Village population (unstandardized)	420	265	120	1247	74
Number of households	85	53	29	245	74
Village economic condition	2.80	0.62	1	4	74
Main road lighting	0.68	0.47	0	1	74
Fuel for cooking	0.88	0.33	0	1	74
Hilly	0.30	0.46	0	1	74
Terrain (ARLS)	0.46	0.67	0	2	74
Located near forest	0.27	0.45	0	1	74
Distance to regional capital (unstandardized)	113.16	66.09	0	234	74
Length of time village head in office (standardized)	0.20	1.09	-1	4	74
Wages index	0.04	0.86	-2	3	74
Male wages in 1998	24182	8003	7500	50000	74
Female wages in 1998	15791	7081	5000	40000	74
Distance to services index	0.07	0.56	-1	2	74
Distance to secondary school	6.42	6.88	0	35	74
Distance to hospital	59.10	28.56	4	147	74
Distance to puskesmas	8.04	6.29	0	26	74
Distance to posyandu	0.99	2.98	0	22	74
Distance to market	8.12	7.15	0	32	74
Village capacity index	-0.16	1.09	-2	3	74
Village has updated population registry	2.08	0.74	1	3	74
Village head education	3.80	1.30	2	7	74
Village associations index	-0.03	0.93	-2	3	74
Religious association	1.42	0.50	1	2	74
Youth association	1.31	0.47	1	2	74
Social association	1.72	0.45	1	2	74
Selfhelp association	1.14	0.34	1	2	74
Tithing association	1.20	0.40	1	2	74
Village crime index	-0.10	1.08	-4	1	74
Cases of stealing	1.70	0.46	1	2	74
Cases of killing	1.96	0.20	1	2	74
Cases of mistreatment	1.84	0.37	1	2	74
Village security index	0.24	1.09	-1	3	74
Safety post	1.43	0.50	1	2	74
Safety guard	3.45	0.50	3	4	74
Distance to nearest safety post	18.39	29.08	0	98	74
Distance to nearest police post	9.04	6.67	0	26	74

Notes: *Summary statistics employ sampling weights for population-level inferences.*

Table 2: Descriptive statistics

F Correlates of Threat of Excluded Group Contestation

Whether villages have a high or lower threat of excluded group contestation is not exogenous in this study and is plausibly determined by a number of conflict-era (and geographic) factors. In Section 3 in the main text, we provide a discussion of why villages varied both in their support for GAM during the conflict (which we argue is a good a proxy for the quality of relations between GAM and civilians after the conflict) and whether GAM used the village as a base of operations (which we argue is a reasonable proxy for GAM strength and influence in a village after the conflict).

The main goal of the paper is to examine the *effects* of excluded group threat on the economic and social outcomes of targeted aid programs. It is also possible to use available data to consider the *correlates* of excluded group threat, although we are in a weaker position to do so given the available data. Specifically, in our main analysis we employ data from PODES 2000 to control for omitted variable bias in our measure of excluded group threat. We can also look for associations between our measure of excluded group threat and these PODES variables to try to gain a better understanding of the correlates of excluded group threat. In doing this, we note that this provides only a rough cut at understanding the correlates as many of the measures available from PODES are only coarse proxies for variables of theoretical interest (e.g. military strategy, the extent to which GAM soldiers used coercion to obtain assistance from local communities, or local leader strength and political positions during the conflict) and/or are difficult to know how to interpret.

Table 3 presents results from a regression of our binary measure of threat of excluded group contestation as well as the component measures (majority village support for GAM and whether a village was a GAM base) on the PODES 2000 variables. We note the following outcomes:

- ***Village population.*** More populous villages are associated with excluded group threat. This is primarily driven by the negative correlation between village population and a lack of majority support. In other words, this implies that GAM had greater support in smaller (and likely more rural) villages.

- ***Location near a foreset.*** Being located near a forest is positively associated with excluded group threat. Interestingly, being near a forest is positively correlated with both a lack of majority support for GAM during the conflict and the likelihood of being a GAM base. While it is hard to know for sure why this might be, this could reflect more coercive control in these areas.

- ***Village head duration in office.*** There is also a positive association between length of time that the village head (VH) was in office and excluded group threat of contestation. Specifically, the longer the VH was in office, the less support there was for GAM. This could indicate the local leaders in these villages were stronger and more willing to stand up to GAM or that there was higher leadership turnover in villages that supported GAM. While it is possible to speculate on the positive association between length of time a VH was in office and likelihood of being a GAM base, it is hard to know for sure why this might be the case.

Ultimately, the PODES variables are rough proxies for the correlates of excluded group contestation threat that might be most theoretically interesting. Nevertheless, even this cursory analysis sheds some light on why villages might have different in the extent to which GAM was willing or able to challenge elite authority in the post-conflict period.

Table 3: Correlates of Threat of Excluded Group Contestation

	(1) High threat of excluded group contest.		(2) Majority of village did not support GAM		(3) Village was a GAM base	
Village population (standardized)	-0.80	0.008	-1.15	0.000	-0.29	0.420
Number of households	0.01	0.013	0.01	0.000	0.00	0.082
Village economic condition	-0.07	0.327	-0.10	0.159	0.00	0.972
Main road lighting	0.08	0.469	0.06	0.656	0.16	0.256
Fuel for cooking	-0.06	0.667	-0.11	0.516	0.23	0.092
Hilly	-0.20	0.114	-0.31	0.040	-0.07	0.631
Terrain (ARLS)	0.22	0.014	-0.00	0.977	0.27	0.002
Located near forest	0.50	0.000	0.40	0.003	0.37	0.017
Distance to regional capital	0.08	0.148	0.08	0.239	0.06	0.393
Length of time VH in office	0.15	0.004	0.12	0.050	0.12	0.014
Wages index	0.03	0.556	0.11	0.089	-0.01	0.948
Distance to services index	-0.13	0.137	-0.06	0.509	-0.12	0.194
Village capacity index	0.05	0.290	0.15	0.014	-0.02	0.767
Village associations index	0.02	0.751	-0.03	0.669	0.09	0.086
Village crime index	-0.00	0.982	-0.01	0.782	0.01	0.893
Village security index	-0.02	0.753	0.07	0.159	-0.06	0.232
Constant	-0.52	0.173	-0.23	0.522	-0.49	0.258
Observations	74		74		74	

p-values in second column

G Checks of RD Assumptions

The continuity assumption is the key assumption for identification in a regression discontinuity design. This assumption requires continuity in potential outcomes at the threshold; the only discontinuous change at the threshold is the treatment assignment itself (Hahn, Todd and Van der Klaauw, 2001; de la Cuesta and Imai, 2016). A standard way of investigating this assumption is to test for a discontinuity in pre-treatment covariates at the threshold (Lee and Lemieux, 2010). We do this using our measures of village threat and control variables (including the indices and their components) obtained from the PODES 2000 survey. We implement the same estimation procedure discussed in Section 4, replacing Y_{ij} with Y_j, which now refers to a pre-treatment control variable. As in the main text, we estimate linear and quadratic regressions separately on either side of the threshold (these regressions do not include other control variables or district fixed effects). The results presented in Table 4 show little evidence of discontinuities in pre-treatment variables. There is a discontinuity at the threshold for one variable (religious association), which in turn affects the significance of its index, but this is well within what we would expect to observe by chance.

Unbiased estimation in an RDD aslo requires that there is no discontinuity in the density of observations around the threshold, which might be an indication of selective sorting. Following common practice, we test for a discontinuity in the density of observations in the immediate vicinity of the threshold, which would be taken as evidence for sorting around the threshold (McCrary, 2008). As can be seen there is no evidence of a discontinuity in the density of observations around the threshold.

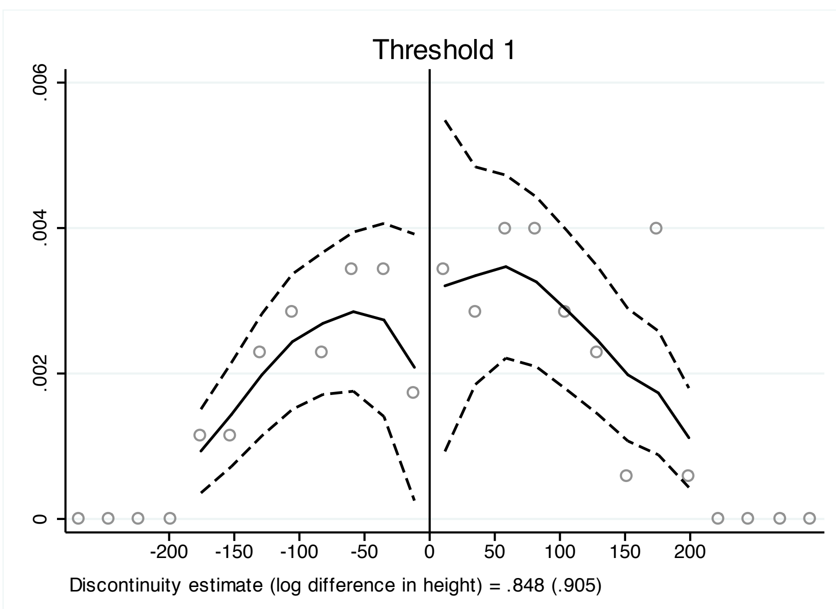

Figure 7: McCrary density test for a discontinuity in the distribution around the centered population threshold.

	Linear		Quadratic		
	b	p-value	b	p-value	N
Panel A: Village 'threat'					
Threat of excluded group contestation	-0.28	0.224	-0.36	0.292	63
Components					
Majority of village did not support GAM (2001-05)	-0.04	0.863	-0.15	0.701	63
Village was a GAM base (2001-2005)	-0.16	0.536	-0.09	0.795	63
Panel B: Control Variables					
Village population (standardized)	0.15	0.538	0.32	0.297	63
Number of households	36.01	0.202	75.42	0.031	63
Village economic condition	0.04	0.878	0.40	0.153	63
Main road lighting	-0.36	0.139	-0.22	0.525	63
Fuel for cooking	0.09	0.552	-0.27	0.153	63
Terrain (ARLS)	-0.31	0.250	-0.42	0.233	63
Hilly (PODES)	-0.04	0.860	-0.34	0.281	63
Located near forest	-0.24	0.308	-0.45	0.184	63
Distance to regional capital (standardized)	0.00	0.992	0.17	0.763	63
Length of time village head in office	-0.12	0.812	0.35	0.547	63
Wages index (z-score, from ARLS VH survey)	-0.13	0.816	-0.29	0.760	63
Male wages	-801	0.881	-4170	0.659	63
Female wages	-1194	0.762	-736	0.905	63
Distance to services index (z-score)	-0.03	0.925	0.23	0.307	63
Distance to secondary school	-2.89	0.406	3.46	0.171	63
Distance to hospital	8.06	0.486	0.04	0.997	63
Distance to puskesmas	-0.73	0.798	5.68	0.047	63
Distance to posyandu	-0.53	0.758	0.43	0.528	63
Distance to market	-1.70	0.664	1.14	0.794	63
Village associations index (z-score)	-1.05	0.006	-1.11	0.010	63
Religious association	-0.46	0.053	-0.67	0.035	63
Youth association	-0.35	0.181	-0.09	0.813	63
Social association	-0.10	0.655	-0.28	0.266	63
Selfhelp association	-0.26	0.168	-0.17	0.360	63
Tithing association	-0.02	0.903	0.10	0.656	63
Village capacity index (z-score)	0.22	0.728	-0.08	0.918	63
Village head education	0.12	0.880	-0.15	0.874	63
Village has updated population registry	0.15	0.691	0.00	0.999	63
Village crime index (z-score)	0.59	0.374	0.50	0.673	63
Cases of sealing	0.36	0.149	0.19	0.631	63
Cases of killing	0.06	0.686	0.19	0.450	63
Cases of mistreatment	-0.03	0.862	-0.22	0.472	63
Village security index (z-score)	0.19	0.689	0.49	0.313	63
Safety post	0.05	0.844	-0.16	0.639	63
Safety guard	0.27	0.223	0.32	0.201	63
Distance to nearest safety post	0.82	0.953	10.83	0.328	63
Distance to nearest police post	-2.41	0.372	1.94	0.535	63

Notes: **** p<.01, ** p<.05, * p<.10 based on a two-tailed test. All results are from survey weighted least squares linear and quadratic regressions fitted separately on either side of the threshold. Standard errors are clustered at the village level.*

Table 4: Placebo Test of Discontinuity in Village-Level Pre-Treatment Covariates at the Threshold

H Additional Results

This appendix presents supplementary analysis for the main results. Specifically, we provide:

- Appendix Table 5: The amount of aid received by civilians.
- Appendix Table 6: Re-estimation of Table 2 in the main text using a subsample of victims more narrowly defined.

H.1 Amounts Received (Civilian Subsample)

The main results in the paper present the share of the aid windfall per capita received by the target group, which is the amount that sampled households reported receiving divided by the known size of the windfall (per BRA-KDP assignment). Table 5 shows the effect of targeting a bigger aid windfall on the actual amount received by the target group. As can be seen in the last row, the point estimates suggest that the amount in high threat villages ranges from about 830,000 rupiah to about 1.54 million rupiah (USD $83-154). Conversely, the coefficients on *Bigger windfall* suggest that targeting a bigger aid windfall in lower threat villages results in a reduction of benefits. While these results are less precisely estimated, the coefficients suggest that the magnitude could be somewhere between 200,000 and 1.08 million rupiah ($20-108). Moreover, the difference in what the target group receives in high threat versus lower threat villages is significant: as windfall size increases, members of the target group in high threat villages receive anywhere from about 1.28 to 2.51 million rupiah ($128-251) more than those in lower threat villages.

	Linear spline			Quadratic spline		
	(1) no controls	(2) controls	(3) controls + district f.e.	(4) no controls	(5) controls	(6) controls + district f.e.
Bigger windfall * High threat	1.28***	1.70***	1.34***	2.12***	2.51***	1.86***
	(0.44)	(0.54)	(0.51)	(0.67)	(0.72)	(0.68)
	0.004	0.002	0.009	0.002	0.001	0.007
Bigger windfall	-0.45	-0.46	-0.20	-0.97*	-1.08*	-0.32
	(0.33)	(0.32)	(0.21)	(0.58)	(0.59)	(0.42)
	0.171	0.155	0.341	0.097	0.073	0.445
High threat	-0.68*	-1.14**	-0.46	-1.00*	-1.41**	-0.97*
	(0.35)	(0.45)	(0.39)	(0.60)	(0.61)	(0.54)
	0.056	0.014	0.248	0.099	0.022	0.079
Marginal effect of a bigger aid windfall in high threat villages	0.83***	1.25***	1.14***	1.15***	1.43***	1.54***
	(0.29)	(0.41)	(0.40)	(0.34)	(0.51)	(0.52)
	0.005	0.003	0.005	0.001	0.006	0.004
N	317	312	312	317	312	312

Notes: **** p<.01, ** p<.05, * p<.10 based on a two-tailed test. All results are from survey weighted least squares linear and quadratic regressions fitted separately on either side of the threshold. Standard errors are clustered at the village level.*

Table 5: Effect of Targeting a Bigger Aid Windfall on the Amount Received by the Target Group (in million rupiah)

H.2 Results for Victim Subsamples

In Table 2 in the main text we present evidence for the effect of targeting a bigger aid windfall on what the target group receives using the full civilian subsample. We do this because many villages defined victim-hood broadly. We nevertheless examine the robustness of our results to defining the target group more narrowly using data from the household survey. The household survey inquired into whether respondents felt that they should be considered a conflict victim and on what basis, where the options were:

- Family member death due to conflict
- Family member disappeared/kidnapped/detained due to conflict
- Missing body parts or permanent physical disability due to conflict
- House damaged or destroyed
- Primarily livelihood damaged or destroyed
- Was internally displaced
- Personally suffering (or family member suffering) from a mental illness due to conflict
- Personally suffering (or family member suffering) from a physical illness due to conflict

We used this information to construct an objective and subjective measure of victim-hood. Our objective measure of victim-hood draws upon the preferred definition employed by BRA-KDP, which defined conflict victims as (civilian) individuals who had experienced the death or disappearance of family members due to conflict, house or property destruction, displacement, physical disability, psychological trauma, or loss of economic livelihood.[3] For our subjective measure, we simply code as a victim anyone who stated on the survey that they considered themselves to be one.

Table 6 presents results using both the objective measure of victim-hood (Panel A) and the more subjective measure (Panel B). While the results in Panel A are less precisely estimated due to the small sample size, we observe the same pattern reported in Table 2 in the main text. We observe a similar pattern in Panel B and these results are also estimated with less noise. Overall, this provides additional support for the claim that, as the aid amount increases, the target group receives more in high threat communities and (weakly) less in lower threat ones.

[3] While this was the definition of victim-hood that the BRA used in other aspects of its work, it did not impose this definition on communities involved in the BRA-KDP program.

	Linear spline			Quadratic spline		
	(1) no controls	(2) controls	(3) controls + district f.e.	(4) no controls	(5) controls	(6) controls + district f.e.
Panel A: Victims (objective criteria)						
Bigger windfall * High threat	0.84*	1.28*	0.79	1.39*	1.00	-0.02
	(0.43)	(0.64)	(0.72)	(0.75)	(0.65)	(0.66)
	0.050	0.050	0.272	0.067	0.125	0.980
Bigger windfall	-0.12	-0.10	0.21	-0.46	-0.62	0.21
	(0.35)	(0.38)	(0.29)	(0.64)	(0.50)	(0.46)
	0.727	0.787	0.467	0.472	0.216	0.642
High threat	-0.27	-0.36	0.27	-0.73	-0.62	0.38
	(0.36)	(0.48)	(0.45)	(0.66)	(0.52)	(0.52)
	0.467	0.464	0.547	0.272	0.233	0.471
Marginal effect of a bigger aid windfall in high threat villages	0.72***	1.17**	1.00*	0.93**	0.39	0.20
	(0.25)	(0.49)	(0.60)	(0.39)	(0.59)	(0.51)
	0.005	0.018	0.099	0.019	0.515	0.699
N	129	128	128	129	128	128
Panel B: Victims (subjective definition)						
Bigger windfall * High threat	0.82**	1.66***	1.62***	1.28*	1.58**	0.86
	(0.39)	(0.50)	(0.52)	(0.69)	(0.61)	(0.61)
	0.039	0.001	0.003	0.067	0.011	0.161
Bigger windfall	-0.23	-0.42	-0.30	-0.38	-0.66	-0.07
	(0.32)	(0.27)	(0.23)	(0.60)	(0.45)	(0.35)
	0.466	0.128	0.190	0.528	0.145	0.837
High threat	-0.43	-0.70*	-0.41	-0.66	-0.89*	-0.19
	(0.33)	(0.38)	(0.38)	(0.61)	(0.47)	(0.47)
	0.194	0.071	0.291	0.285	0.060	0.689
Marginal effect of a bigger aid windfall in high threat villages	0.59**	1.24***	1.31***	0.90**	0.92**	0.79*
	(0.23)	(0.36)	(0.39)	(0.35)	(0.46)	(0.44)
	0.012	0.001	0.001	0.011	0.050	0.078
N	174	173	173	174	173	173
Band	150	150	150	150	150	150

Notes: **** p<.01, ** p<.05, * p<.10 based on a two-tailed test. All results are from survey weighted least squares linear and quadratic regressions fitted separately on either side of the threshold. Standard errors are clustered at the village level.*

Table 6: Effect of Targeting a Bigger Aid Windfall on Actual Benefits for Conflict Victims (Parametric Regression Results)

I Results with Component Measures of Excluded Group Threat

This appendix reproduces results using the disaggregated measures of threat of excluded group contestation. As discussed in the main text, the central prediction of interest is that the target group will benefit more in high threat relative to lower threat villages. Thus our main analysis focuses on a comparison of those types of locations. It is, however, possible to also test predictions by looking at the effect of bigger windfalls in each of the four quadrants shown in Figure 2 in the main text. We do that in this appendix by replacing our binary indicator of excluded group threat with its binary components: excluded group influence and the quality of its relations. This analysis, described below, confirms the main predictions from the model.

In this analysis, we run a regression of the outcome variables of interest (the same main variables we use in the main paper) on each component of excluded group strength and its interaction. Specifically, we run a weighted least squares regression of the following form:

$$Y_{ij} = \alpha + \beta_1 Z_j + \beta_2 I_j + \beta_3 R_j + \beta_4 Z_j \times I_j + \beta_5 Z_j \times R_j + \beta_6 I_j \times R_j + \beta_7 Z_j \times R_j \times I_j + f(Z_j, I_j, R_j, \tilde{P}_j) + \omega_m X'_{jm} + \epsilon_{ij}$$

where we replace the V_j term in the original estimation equation with its constituent parts I_j, which is a binary indicator for whether a village was a GAM base, and R_j, which is a binary indicator for whether a village lacked majority support. We note that the term $f(Z_j, I_j, R_j, \tilde{P}_j)$ still refers to variables included in the regression to fit models flexibly on either side of the threshold but now includes an expansion of the terms in footnote 25 of the main text to account for the replacement of V_j with R_j and I_j. (Here we implement a quadratic spline). The rest of the components of the estimation equation remain as discussed in Section 4.

To provide the most interpretable test of our predictions, we then calculate the marginal effects of a bigger windfall in each of the four environments in Figure 2. We note that while Figure 2 in the main text just presents our main prediction, a full set of model predictions can be found in Figure A in the Appendix. These predictions and the empirical results obtained through this analysis are summarized in Figure I below. All in all, the results from this analysis generally confirm the full set of theoretical predictions. While we prefer the estimation approach in the main paper for ease of exposition and because it gets more directly at our immediate comparison of interest (the effects of a bigger windfall in high threat versus lower threat communities), these results reinforce the empirical support for the model.

	$\beta_X \geq \beta_X^*$		$\beta_X < \beta_X^*$	
$c_{XT} + c_{TX} > c_{TL}$	$\frac{\partial \alpha_L}{\partial S} \lesseqgtr 0$	-1.70 (7.04)	$\frac{\partial \alpha_L}{\partial S} \lesseqgtr 0$	0.50 (0.36)
	$\frac{\partial \alpha_X}{\partial S} \lesseqgtr 0$	-12.38*** (3.29)	$\frac{\partial \alpha_X}{\partial S} > 0$	-0.13 (0.11)
	$\frac{\partial \alpha_T}{\partial S} = 0$	6.59 (6.10)	$\frac{\partial \alpha_T}{\partial S} < 0$	-1.14*** (0.18)
$c_{XT} + c_{TX} < c_{TL}$	$\frac{\partial \alpha_L}{\partial S} < 0$	-.76 (1.55)	$\frac{\partial \alpha_L}{\partial S} < 0$	-1.35* (0.81)
	$\frac{\partial \alpha_X}{\partial S} > 0$	2.10*** (0.62)	$\frac{\partial \alpha_X}{\partial S} > 0$	0.99*** (0.24)
	$\frac{\partial \alpha_T}{\partial S} = 0$	0.27 (1.44)	$\frac{\partial \alpha_T}{\partial S} > 0$	1.11*** (0.39)

Figure 8: Change in the shares of groups as windfall size increases for different parameter regions – With Results. This figure shows the main predictions from the model (taken from Appendix Figure 2) and shows them with corresponding empirical results.

J Robustness Checks

A well-known concern with regression discontinuity designs is that results can be sensitive to the choice of specification and bandwidth. Focusing on observations near the threshold can return unbiased estimates at the cost of high variance; using observations far from the threshold improves precision but potentially introduces bias. We therefore conduct a number of robustness checks to investigate the sensitivity of our main results to different analyses. Tables 7-11 reproduce the tables in the main text using different bandwidths. Each table shows results for a bandwidth of ± 100 persons and ± 200 persons. The results in Table 7 in the appendix reproduce our main results, presented in Table 2 in the main text. These results clearly support the finding that, as the amount of the aid windfall increases, the target group receives more benefits in high threat communities and fewer benefits in lower threat communities. The results in the remaining tables—on perceived benefits for ex-combatants, perceived benefits for elites, and social cohesion—are broadly consistent with what we report in the main text.

Additionally, following on current best practices (Lee and Lemieux, 2010; de la Cuesta and Imai, 2016), we implement local linear regression with a triangle kernel and optimal, data-drive bandwidth.[4] We do this using the `rdrobust` command developed by Calonico, Cattaneo and Titiunik (2014) for Stata. The results for our main outcomes of interest are presented in Tables 12-15. The tables present results for the effect of targeting a bigger aid windfall separately for lower threat and high threat communities. Additionally, in Figure 9 we provide a graphical representation of the results using local polynomial regression.

All in all, we note that the local linear regression results are consistent with those already presented. The results for what the target group received (Table 7) are highly significant and in the predicted direction. While the results for perceived benefits for ex-combatants are less precisely estimated (Table 13), the coefficients are in the predicted direction, as are those for perceived benefits for elites (Table 14). Taken together, the data supports the distributional outcomes predicted by the theoretical model.

[4]Bias corrected regressions employ local quadratic regression.

	Band = 100						Band = 200					
	Linear spline			Quadratic spline			Linear spline			Quadratic spline		
	(1) No controls	(2) Controls	(3) Controls + district f.e.	(4) No controls	(5) Controls	(6) Controls + district f.e.	(7) No controls	(8) Controls	(9) Controls + district f.e.	(10) No controls	(11) Controls	(12) Controls + district f.e.
Bigger windfall * High threat	1.42***	1.71***	1.41***	2.07***	1.85***	1.04**	0.92***	1.51***	1.22***	1.46***	2.06***	1.60***
	(0.44)	(0.37)	(0.42)	(0.39)	(0.44)	(0.44)	(0.34)	(0.36)	(0.35)	(0.50)	(0.45)	(0.53)
	0.002	0.000	0.001	0.000	0.000	0.020	0.007	0.000	0.001	0.004	0.000	0.003
Bigger windfall	-0.71*	-0.75***	-0.40*	-1.41***	-1.15***	-0.29	-0.39	-0.42*	-0.34*	-0.86**	-1.00**	-0.55
	(0.37)	(0.27)	(0.22)	(0.29)	(0.34)	(0.31)	(0.25)	(0.23)	(0.19)	(0.43)	(0.39)	(0.37)
	0.059	0.006	0.073	0.000	0.001	0.339	0.124	0.072	0.076	0.046	0.012	0.144
High threat	-0.76*	-1.00***	-0.63*	-1.39***	-1.35***	-0.92**	-0.60*	-1.08***	-0.89***	-0.86*	-1.47***	-1.01**
	(0.40)	(0.34)	(0.34)	(0.36)	(0.38)	(0.44)	(0.31)	(0.31)	(0.30)	(0.46)	(0.41)	(0.43)
	0.060	0.004	0.067	0.000	0.001	0.041	0.055	0.001	0.003	0.062	0.001	0.020
M.E. bigger windfall in high threat vils	0.71***	0.96***	1.01***	0.65**	0.70***	0.75***	0.53**	1.09***	0.88***	0.60**	1.06***	1.05***
	(0.24)	(0.27)	(0.32)	(0.25)	(0.26)	(0.26)	(0.22)	(0.27)	(0.27)	(0.26)	(0.27)	(0.34)
	0.004	0.001	0.003	0.011	0.008	0.005	0.019	0.000	0.001	0.023	0.000	0.003
N	228	223	223	228	223	223	377	372	372	377	372	372

Notes: **** p<.01, ** p<.05, * p<.10 based on a two-tailed test. All results are from survey weighted least squares linear and quadratic regressions fitted separately on either side of the threshold. Standard errors are clustered at the village level.*

Table 7: Effect of Targeting a Bigger Aid Windfall on Actual Benefits for Target Group (Parametric Regression Results)

	Band = 100						Band = 200					
	Linear spline			Quadratic spline			Linear spline			Quadratic spline		
	(1) No controls	(2) Controls	(3) Controls + district f.e.	(4) No controls	(5) Controls	(6) Controls + district f.e.	(7) No controls	(8) Controls	(9) Controls + district f.e.	(10) No controls	(11) Controls	(12) Controls + district f.e.
Bigger windfall * High threat	0.22	0.91**	0.70***	0.49	0.48	1.17***	0.08	0.30	0.36	-0.16	0.61*	0.65*
	(0.40)	(0.38)	(0.22)	(0.39)	(0.46)	(0.19)	(0.33)	(0.29)	(0.27)	(0.40)	(0.35)	(0.35)
	0.574	0.019	0.002	0.205	0.298	0.000	0.808	0.296	0.186	0.699	0.089	0.069
Bigger windfall	-0.25	0.02	-0.14	-0.04	0.60**	-0.40***	-0.16	-0.13	-0.12	-0.12	-0.05	-0.32*
	(0.28)	(0.18)	(0.13)	(0.29)	(0.25)	(0.11)	(0.23)	(0.19)	(0.14)	(0.28)	(0.24)	(0.19)
	0.373	0.925	0.277	0.886	0.019	0.000	0.493	0.514	0.400	0.667	0.825	0.097
High threat	0.08	-0.21	-0.34*	-0.41	-0.02	-0.41**	0.01	0.03	0.07	0.06	0.03	-0.06
	(0.27)	(0.38)	(0.20)	(0.28)	(0.40)	(0.19)	(0.24)	(0.23)	(0.18)	(0.24)	(0.28)	(0.24)
	0.767	0.570	0.093	0.144	0.965	0.036	0.953	0.907	0.714	0.814	0.902	0.799
Marginal effect of a bigger aid windfall in high threat villages	-0.02	0.93***	0.56***	0.45*	1.08***	0.76***	-0.08	0.17	0.24	-0.28	0.55*	0.33
	(0.28)	(0.33)	(0.18)	(0.26)	(0.34)	(0.14)	(0.24)	(0.23)	(0.21)	(0.29)	(0.28)	(0.26)
	0.933	0.006	0.002	0.088	0.002	0.000	0.737	0.455	0.256	0.351	0.055	0.203
N	226	221	221	226	221	221	371	366	366	371	366	366

Notes: **** p<.01, ** p<.05, * p<.10 based on a two-tailed test. All results are from survey weighted least squares linear and quadratic regressions fitted separately on either side of the threshold. Standard errors are clustered at the village level.*

Table 8: Effect of Targeting a Bigger Aid Windfall on Perceived Benefits for Excom (Parametric Regression Results)

	Band = 100						Band = 200					
	Linear spline			Quadratic spline			Linear spline			Quadratic spline		
	(1) No controls	(2) Controls	(3) Controls + district f.e.	(4) No controls	(5) Controls	(6) Controls + district f.e.	(7) No controls	(8) Controls	(9) Controls + district f.e.	(10) No controls	(11) Controls	(12) Controls + district f.e.
Bigger windfall * High threat	-1.21**	-1.41*	-2.58***	-0.66	-2.06***	-2.26***	-0.58	-0.48	-0.58	-1.08	-1.58**	-2.69***
	(0.56)	(0.83)	(0.89)	(0.54)	(0.78)	(0.70)	(0.50)	(0.65)	(0.66)	(0.68)	(0.69)	(0.74)
	0.035	0.093	0.005	0.225	0.009	0.002	0.251	0.462	0.379	0.117	0.024	0.000
Bigger windfall	0.31	0.40	0.65*	0.22	1.59***	0.99**	0.10	0.33	0.38	0.45	0.90**	0.99***
	(0.33)	(0.39)	(0.36)	(0.35)	(0.40)	(0.39)	(0.28)	(0.29)	(0.24)	(0.33)	(0.40)	(0.33)
	0.348	0.306	0.072	0.520	0.000	0.012	0.712	0.254	0.119	0.176	0.026	0.004
High threat	0.45	0.43	1.15*	-0.79*	-0.68	-0.03	0.41	0.23	0.54	0.33	0.42	1.31**
	(0.32)	(0.67)	(0.68)	(0.46)	(0.74)	(0.76)	(0.29)	(0.40)	(0.39)	(0.30)	(0.50)	(0.51)
	0.160	0.526	0.094	0.086	0.362	0.969	0.161	0.578	0.171	0.267	0.406	0.012
M.E. bigger windfall in high threat vils	-0.89**	-1.01	-1.93**	-0.43	-0.47	-1.27**	-0.48	-0.15	-0.20	-0.63	-0.68	-1.69***
	(0.45)	(0.74)	(0.74)	(0.41)	(0.66)	(0.63)	(0.43)	(0.54)	(0.57)	(0.60)	(0.58)	(0.58)
	0.050	0.179	0.011	0.298	0.479	0.046	0.266	0.780	0.719	0.294	0.246	0.005
N	223	218	218	223	218	218	368	363	363	368	363	363

Notes: **** p<.01, ** p<.05, * p<.10 based on a two-tailed test. All results are from survey weighted least squares linear and quadratic regressions fitted separately on either side of the threshold. Standard errors are clustered at the village level.*

Table 9: Effect of Targeting a Bigger Aid Windfall on Perceived Benefits for Elites (Parametric Regression Results)

	Band = 100						Band = 200					
	Linear spline			Quadratic spline			Linear spline			Quadratic spline		
	(1) No controls	(2) Controls	(3) Controls + district f.e.	(4) No controls	(5) Controls	(6) Controls + district f.e.	(7) No controls	(8) Controls	(9) Controls + district f.e.	(10) No controls	(11) Controls	(12) Controls + district f.e.
Index of ex-combatant acceptance												
Bigger windfall	0.26	-0.36	-0.52**	0.12	-0.07	0.08	-0.07	-0.22	-0.21	0.05	-0.33	-0.33
	(0.25)	(0.22)	(0.20)	(0.41)	(0.36)	(0.21)	(0.17)	(0.18)	(0.16)	(0.29)	(0.30)	(0.27)
	0.302	0.107	0.011	0.774	0.845	0.714	0.668	0.221	0.201	0.866	0.284	0.227
N	228	223	223	228	223	223	377	372	372	377	372	372
Conflict resolved satisfactorily												
Bigger windfall	0.05	0.24**	0.21	0.10	0.13	0.24	0.09	0.11	0.11	0.04	0.05	0.03
	(0.12)	(0.11)	(0.13)	(0.23)	(0.22)	(0.19)	(0.09)	(0.09)	(0.08)	(0.15)	(0.15)	(0.13)
	0.659	0.023	0.105	0.679	0.551	0.22	0.3	0.209	0.203	0.779	0.729	0.825
N	226	221	221	226	221	221	373	368	368	373	368	368

Notes: **** p<.01, ** p<.05, * p<.10 based on a two-tailed test. All results are from survey weighted least squares linear and quadratic regressions fitted separately on either side of the threshold. Standard errors are clustered at the village level.*

Table 10: Effect of Targeting a Bigger Aid Windfall on Social Cohesion—Unconditional on threat (Parametric Regression Results)

	Band = 100						Band = 200					
	Linear spline			Quadratic spline			Linear spline			Quadratic spline		
	(1) No controls	(2) Controls	(3) Controls + district f.e.	(4) No controls	(5) Controls	(6) Controls + district f.e.	(7) No controls	(8) Controls	(9) Controls + district f.e.	(10) No controls	(11) Controls	(12) Controls + district f.e.
Panel A: Index of Ex-combatant acceptance												
Bigger windfall * High threat	0.41	-0.23	0.01	1.09**	0.16	0.16	0.36	0.38	0.35	0.68	0.85	0.88
	(0.43)	(0.76)	(0.60)	(0.44)	(0.54)	(0.32)	(0.33)	(0.43)	(0.38)	(0.48)	(0.74)	(0.77)
	0.346	0.768	0.988	0.015	0.764	0.617	0.281	0.379	0.362	0.157	0.252	0.255
Bigger windfall	0.11	-0.30*	-0.49**	-0.35	0.00	0.20	-0.17	-0.33	-0.31	-0.18	-0.62**	-0.67*
	(0.23)	(0.15)	(0.20)	(0.22)	(0.14)	(0.14)	(0.20)	(0.20)	(0.20)	(0.26)	(0.30)	(0.38)
	0.637	0.051	0.019	0.113	0.993	0.150	0.379	0.104	0.123	0.495	0.037	0.086
High threat	-0.28	0.51	0.58	-0.95**	-0.23	-0.03	-0.17	-0.17	-0.05	-0.50	-0.46	-0.48
	(0.40)	(0.72)	(0.50)	(0.40)	(0.53)	(0.30)	(0.30)	(0.41)	(0.34)	(0.45)	(0.64)	(0.60)
	0.489	0.480	0.247	0.019	0.663	0.917	0.562	0.671	0.873	0.271	0.473	0.428
Marginal effect of a bigger aid windfall in high threat villages	0.51	-0.52	-0.48	0.74*	0.16	0.36	0.19	0.05	0.04	0.51	0.22	0.21
	(0.36)	(0.73)	(0.51)	(0.38)	(0.53)	(0.29)	(0.27)	(0.37)	(0.30)	(0.40)	(0.63)	(0.53)
	0.160	0.474	0.354	0.057	0.756	0.208	0.493	0.890	0.903	0.206	0.721	0.687
N	228	223	223	228	223	223	377	372	372	377	372	372
Panel B: Conflict resolved satisfactorily												
Bigger windfall * High threat	0.32	0.52**	0.64**	0.27	0.55*	0.43	0.47**	0.62**	0.75***	0.47	0.15	0.32
	(0.29)	(0.25)	(0.25)	(0.43)	(0.31)	(0.27)	(0.23)	(0.24)	(0.23)	(0.35)	(0.30)	(0.25)
	0.263	0.041	0.013	0.533	0.081	0.117	0.045	0.010	0.002	0.182	0.610	0.205
Bigger windfall	-0.06	0.09	0.06	-0.12	-0.16	0.00	-0.05	-0.07	-0.12	-0.13	0.01	-0.08
	(0.07)	(0.13)	(0.12)	(0.12)	(0.11)	(0.14)	(0.07)	(0.09)	(0.10)	(0.11)	(0.13)	(0.12)
	0.439	0.474	0.601	0.297	0.165	0.994	0.477	0.434	0.232	0.226	0.952	0.529
High threat	-0.31	-0.66**	-0.64***	-0.29	-0.69**	-0.49*	-0.40*	-0.56***	-0.64***	-0.38	-0.47*	-0.54**
	(0.29)	(0.27)	(0.23)	(0.43)	(0.33)	(0.26)	(0.22)	(0.20)	(0.18)	(0.32)	(0.28)	(0.22)
	0.274	0.016	0.006	0.504	0.042	0.065	0.066	0.006	0.001	0.237	0.095	0.014
Marginal effect of a bigger aid windfall in high threat villages	0.27	0.61***	0.70***	0.15	0.39	0.43**	0.42*	0.55***	0.63***	0.34	0.16	0.25
	(0.28)	(0.21)	(0.19)	(0.42)	(0.29)	(0.21)	(0.22)	(0.20)	(0.18)	(0.33)	(0.27)	(0.19)
	0.342	0.004	0.000	0.720	0.177	0.049	0.060	0.009	0.001	0.310	0.548	0.204

Notes: **** p<.01, ** p<.05, * p<.10 based on a two-tailed test. All results are from survey weighted least squares linear and quadratic regressions fitted separately on either side of the threshold. Standard errors are clustered at the village level.*

Table 11: Effect of Targeting a Bigger Aid Windfall on Social Cohesion (Parametric Regression Results)

	(1) Conventional	(2) Bias corrected	(3) Robust	(4) Conventional	(5) Bias corrected	(6) Robust
Marginal effect of a bigger aid windfall in lower threat villages	-1.48***	-1.73***	-1.73***			
	(0.11)	(0.11)	(0.26)			
	0.000	0.000	0.000			
Marginal effect of a bigger aid windfall in high threat villages				0.56**	0.58**	0.58**
				(0.25)	(0.25)	(0.23)
				0.024	0.019	0.011
N	268	148	120	109	64	45
Bandwidth	113	69	69	134	103	103

Notes: **** p<.01, ** p<.05, * p<.10 based on a two-tailed test. Local linear regressions employ survey weights and standard errors are clustered at the village level.*

Table 12: Effect of Targeting a Bigger Aid Windfall on Actual Benefits for Target Group (Local Linear Regression Results with Optimal Bandwidth)

	(1) Conventional	(2) Bias corrected	(3) Robust	(4) Conventional	(5) Bias corrected	(6) Robust
Marginal effect of a bigger aid windfall in lower threat villages	-0.26***	-0.12	-0.12			
	(0.09)	(0.09)	(0.32)			
	0.003	0.173	0.718			
Marginal effect of a bigger aid windfall in high threat villages				0.16	0.27**	0.27
				(0.11)	(0.11)	(0.22)
				0.163	0.019	0.217
N	262	143	119	109	64	45
Band	140	70	70	180	126	126

Notes: **** p<.01, ** p<.05, * p<.10 based on a two-tailed test. Local linear regressions employ survey weights and standard errors are clustered at the village level.*

Table 13: Effect of Targeting a Bigger Aid Windfall on Perceived Benefits for Excom (Local Linear Regression Results with Optimal Bandwidth)

	(1) Conventional	(2) Bias corrected	(3) Robust	(4) Conventional	(5) Bias corrected	(6) Robust
Marginal effect of a bigger aid windfall in lower threat villages	0.59**	0.69**	0.69**			
	(0.28)	(0.28)	(0.35)			
	0.035	0.013	0.048			
Marginal effect of a bigger aid windfall in high threat villages				-0.81***	-0.71***	-0.71**
				(0.20)	(0.20)	(0.35)
				0.000	0.000	0.041
N	262	144	118	106	62	44
Band	157	83	83	183	123	123

Notes: **** p<.01, ** p<.05, * p<.10 based on a two-tailed test. Local linear regressions employ survey weights and standard errors are clustered at the village level.*

Table 14: Effect of Targeting a Bigger Aid Windfall on Perceived Benefits for Elites (Local Linear Regression Results with Optimal Bandwidth)

	(1) Conventional	(2) Bias corrected	(3) Robust	(4) Conventional	(5) Bias corrected	(6) Robust
Panel A: Index of Ex-combatant acceptance						
Marginal effect of a bigger aid windfall in lower threat villages	-0.03	-0.06	-0.06			
	(0.04)	(0.04)	(0.18)			
	0.450	0.166	0.730			
Marginal effect of a bigger aid windfall in high threat villages				1.01***	1.43***	1.43***
				(0.38)	(0.38)	(0.00)
				0.007	0.000	0.000
N	268	148	120	109	64	45
Bandwidth	139	68	68	113	94	94
Panel B: Conflict resolved satisfactorily						
Marginal effect of a bigger aid windfall in lower threat villages	-0.06	-0.04	-0.04			
	(0.05)	(0.05)	(0.06)			
	0.277	0.412	0.517			
Marginal effect of a bigger aid windfall in high threat villages				0.89***	0.97***	0.97***
				(0.00)	(0.00)	(0.00)
				0.000	0.000	0.000
N	266	148	118	107	63	44
Bandwidth	111	97	97	111	86	86

Notes: **** p<.01, ** p<.05, * p<.10 based on a two-tailed test. Local linear regressions employ survey weights and standard errors are clustered at the village level.*

Table 15: Effect of Targeting a Bigger Aid Windfall on Social Cohesion (Local Linear Regression Results with Optimal Bandwidth)

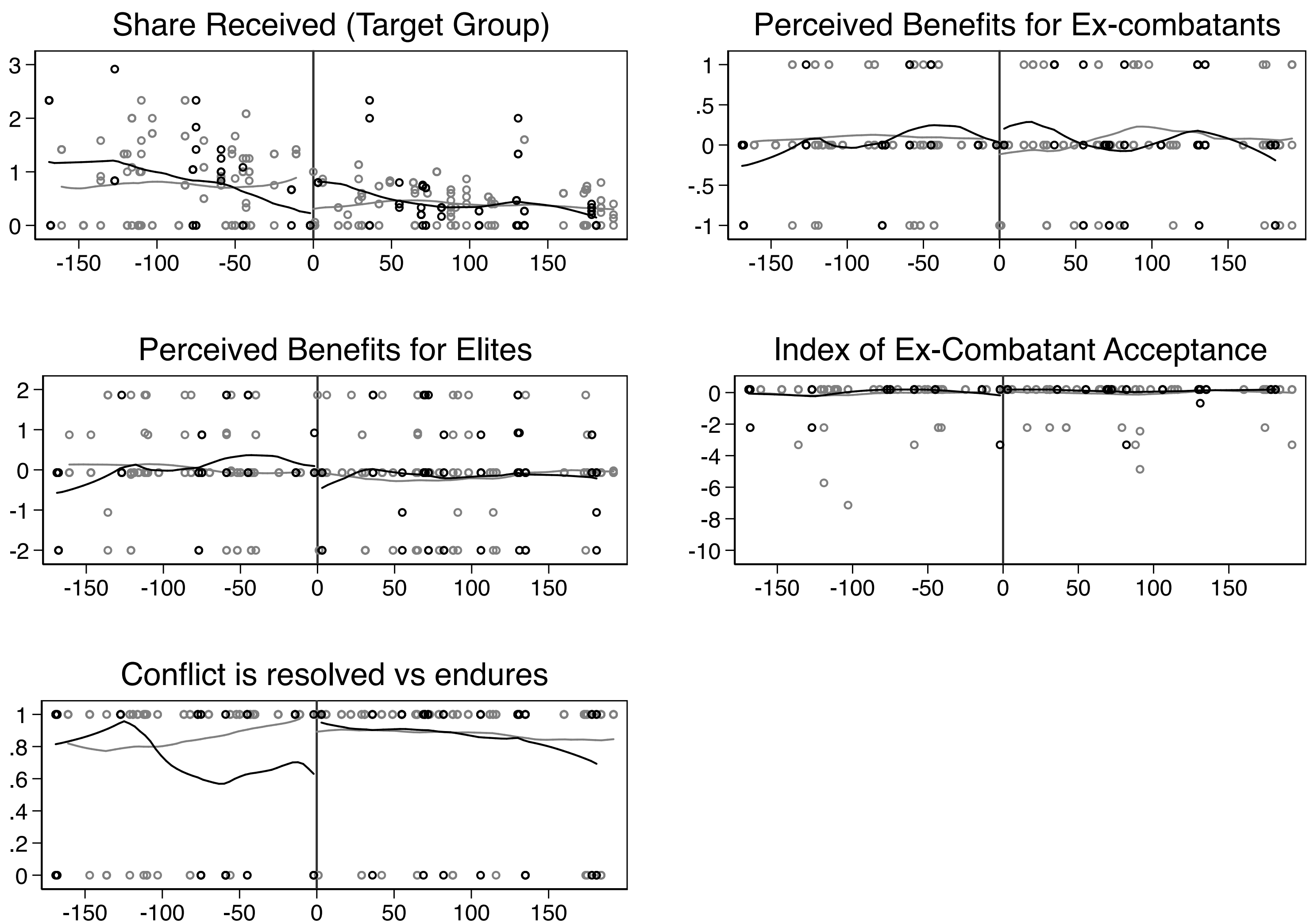

Figure 9: Local polynomial regression. The black line is for high threat villages while the lighter gray line is for lower threat villages

K Results with Controls

This appendix reproduces the results from model 2 presented in Tables 2, 3, 5, and 7 with results for the control variables included.

Table 16:

	Per capita windfall share for target group	Benefits for the excluded group	Benefits for elites	Index of ex-com acceptance	Conflict resolved satisfactorily
Panel A: Main Variables					
Bigger windfall * High threat	1.38***	1.01***	-0.37	0.08	0.63**
	(0.41)	(0.31)	(0.80)	(0.71)	(0.25)
Bigger windfall	-0.50*	-0.30	0.46	-0.41*	-0.09
	(0.25)	(0.20)	(0.32)	(0.22)	(0.10)
High threat	-0.95***	-0.50*	-0.06	0.25	-0.82***
	(0.35)	(0.26)	(0.58)	(0.63)	(0.22)
Panel B: Other RD variables					
Windfall*p1c	0.00	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Threat*p1c	-0.01***	-0.01*	0.00	0.00	-0.01***
	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)
Windfall*Threat*p1c	0.01	0.00	0.00	-0.01	0.01***
	(0.01)	(0.00)	(0.01)	(0.01)	(0.00)
Panel C: Controls					
Village population (standardized)	-0.48	0.87**	0.59	-0.77***	-0.15
	(0.42)	(0.37)	(0.64)	(0.26)	(0.16)
Number of households	0.00	-0.01**	-0.01	0.01**	0.00
	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)
Village economic condition	0.08	-0.04	0.11	0.30***	-0.02
	(0.08)	(0.08)	(0.12)	(0.08)	(0.04)
Main road lighting	-0.13	0.12	0.13	0.07	-0.18***
	(0.14)	(0.12)	(0.20)	(0.13)	(0.06)
Fuel for cooking	-0.02	-0.50***	-0.14	0.42**	0.21**
	(0.21)	(0.17)	(0.22)	(0.20)	(0.09)
Hilly	0.09	0.31***	-0.16	-0.01	-0.04
	(0.11)	(0.11)	(0.24)	(0.11)	(0.05)
Terrain (ARLS)	-0.06	0.14*	0.24	-0.16	0.07
	(0.11)	(0.08)	(0.18)	(0.11)	(0.06)
Located near forest	-0.06	-0.20*	-0.03	-0.13	0.15
	(0.15)	(0.11)	(0.25)	(0.13)	(0.10)
Distance to regional capital	0.01	0.08	0.12	0.06	-0.01
	(0.06)	(0.05)	(0.11)	(0.05)	(0.03)
Time village head in office	0.06	-0.04	0.12	0.05	0.04**
	(0.06)	(0.03)	(0.09)	(0.04)	(0.02)
Wages index	0.12**	0.00	0.00	0.00	0.00
	(0.05)	(0.04)	(0.10)	(0.08)	(0.02)
Distance to services index	-0.11	0.26**	0.24	0.17	-0.04
	(0.12)	(0.10)	(0.16)	(0.12)	(0.05)
Village capacity index	-0.01	0.05	0.10	-0.03	0.02
	(0.06)	(0.04)	(0.09)	(0.04)	(0.02)
Constant	0.24	1.69***	0.12	-2.03***	1.03***
	(0.50)	(0.41)	(0.70)	(0.58)	(0.21)
N	312	310	307	312	308
Model	2 (linear spline)	2 (linear spline)	2 (linear spline)	2 (linear spline)	2 (linear spline)
Fixed effects	No	No	No	No	No

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