

AIPS Travel Grant Final Report

Project Title: Moral Hazard and Military Assistance: Evidence from Pakistan

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1. Significance to Pakistan Studies

The paper considers the effect of U.S. Military Assistance on political violence in Pakistan. It finds that even though violence declines in the short run, there is an overall increase in violence which is geographically concentrated in the north-west of the country. I interpret this as the co-existence of moral hazard with increased military capacity: the military is able to contain the violence away from its strongholds, but continues to engage in violence so as to receive future tranches of foreign aid. The paper contributes to the study of U.S. military assistance to Pakistan, an important fiscal resource for a key Pakistani institution (the army) since 2001. It has implications for negotiating future inflows of military assistance, and what the political ramifications of such fiscal inflows might be.

2. Key Outcomes and Deliverables

The paper will be submitted as part of a special issue to *World Development*. In addition, I developed an important network with attendees at PEIO that will help me navigate next year's job market. Specifically, Saliha Metinsoy in Netherlands and Simone Dietrich at the Geneva Institute agreed to guide me specifically regarding jobs in Europe which are often not widely advertised.