Human Rights Conditions on
Foreign Aid Can Backfire[*]

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Abstract:

A domestic power faces an enemy and commits terrorist atrocities to increase its likelihood of victory. A foreign patron can grant aid to the power but prefers fewer or no atrocities. To avoid the need to compromise with the foreign patron, the domestic power may create (or stop suppressing) independent paramilitaries that commit even more atrocities. Once the paramilitaries are set up, aid flows and the atrocity level is high. After this stage of "atrocity overshooting" is reached, the domestic power shifts gears and tries to restrict the atrocity level the paramilitaries are committing. Case studies of Colombia and Northern Ireland illustrate the model.

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1. Introduction

Parties to a military conflict are often aligned with outlaw paramilitaries that use terror to increase the likelihood of victory. A government might fight a rebellion with conventional military tactics while paramilitaries simultaneously terrorize rebel sympathizers. In other cases it is the rebels who are aligned with the paramilitaries, with paramilitary atrocities serving to demoralize the established government's supporters. A foreign patron may want to aid one side of a conflict but also want to minimize the atrocities committed on behalf of its side. A typical example is the longstanding attempt of the Colombian government to defeat its guerrilla opponents; the government is assisted by seemingly independent paramilitaries and by funding from the United States, but the US also tries to minimize human rights violations (section 5a). This four-party layout is characteristic: a primary domestic power, along with paramilitary allies, fights an enemy, while a foreign patron supplies the domestic power with aid but demands better behavior in return. We investigate whether there is a link between foreign aid and the use of paramilitaries and whether aid designed to discourage acts of terror works. Can aid backfire and instead increase atrocities?

In our model a domestic power must judge the tradeoff between the increased likelihood of victory that stems from committing atrocities and its intrinsic distaste for those tactics, or, put differently, its desire to respect human rights. A foreign patron wants the domestic power to prevail and considers granting aid, but it is even more averse to human rights abuses than the domestic power – perhaps the foreign patron is pressured by a human rights lobby. The foreign patron therefore conditions its aid on an agreement to lower atrocity levels. The status quo of the model will be for the domestic power and the foreign patron to come to a Nash compromise that splits the difference between their objectives. But the domestic power may be able to do better by creating (or not preventing the creation of) independent paramilitaries that are even less atrocity averse than it is. Once the paramilitaries are established and beyond the control of the domestic power, there is nothing for the domestic power and the foreign patron to bargain over: the domestic power now cannot lower the atrocity level but since aid still raises the probability of victory the foreign power will grant it. The

paramilitary option can appeal to the domestic power because it can thereby receive aid without the human rights attachments that it may see as crippling. The paramilitaries will fight a more vicious war than is first-best for the domestic power, but the domestic power may well prefer this to the Nash compromise. Thus, the mere existence of a foreign backer with human rights concerns can lead to greater terrorist violence. In an equilibrium where paramilitaries are set up, the outcome can leave the foreign patron worse off than if it had never considered the possibility of aid; but once the paramilitaries exist, the foreign patron will go forward with aid. We illustrate the model with case studies of the Colombian civil war and the conflict in the Northern Ireland in the 1960's-1970's.

One implication of this model is that atrocities will "overshoot": after the domestic power creates (or allows the creation of) independent paramilitaries it then reverses course and seeks to reduce paramilitary abuses. This result can resolve some characteristic disagreements about paramilitaries in which one camp hostile to the domestic power sees the paramilitaries as mere pawns of the domestic power and another camp supportive of the domestic power sees the paramilitaries as independent. Our model, which implicates the domestic power at the paramilitaries' formative stage but separates the two thereafter, suggests that each side is recognizing half the truth.

Campbell (2000) employs a concept of "death squad" very similar to our notion of an illegal paramilitary group. He reviews numerous cases ranging from Weimar Germany to El Salvador, the Philippines, India and Bosnia, and formulates a nonformal theory that resembles ours. Campbell argues that states resort to death squads to evade the pressure of foreign governments, the media and human rights organizations. Furthermore it is "quite likely that the increased concern for human rights has itself inadvertently been a contributing factor in the use of covert violence by governments." Campbell also argues that death squads are inherently difficult to control: the government's need to limit involvement reduces its ability to finance and oversee death squads, thereby leading to private control. As outside scrutiny gathers strength, "the likely result will unfortunately be a greater degree of

private involvement and thus even less control and discipline of the killers than ever before."[1] Our approach differs from Campbell mainly in formality, our emphasis on the independence of the paramilitaries as a strategy for evading foreign pressure, and the atrocity overshooting that results.

We assume in this paper that the domestic power can set up paramilitaries that subsequently become independent of its control. In some cases, of course, considerable uncertainty swirls around the question of paramilitary independence. We argue in Mandler and Spagat (2005) that this uncertainty can further exacerbate the atrocity problem: pooling equilibria can arise in which a domestic power commits more atrocities than it would commit in isolation to demonstrate to its foreign patron that the paramilitaries are beyond its control.

A substantial literature now applies rational choice models to civil conflict. Important early contributions include Tullock (1971), Roemer (1985), Grossman (1991 & 1994), Hirshleifer (1991), Skaperdas (1992) and Horowitz (1993).[2] These papers view conflict as a struggle over resources and focus on two-sided conflicts – the rebels versus the government – and do not consider paramilitaries. Our paper departs from the literature by shifting the focus from the content of what warring parties are fighting for (e.g., control over resources) to the tool of terrorist violence and who commits it. Foreign aid has been peripheral to the existing literature but has been considered in, e.g., Grossman (1999) and Arcand and Chauvet (2001), which analyze the effect of foreign aid on the likelihood of civil war as well as the probability of government victory in the event of war. We consider how foreign aid simultaneously affects the probability of victory and the perpetration of atrocities. The essays collected in Breton, Galeotti, Salmon and Wintrobe (2002) study political extremism from a public choice point of view, although not from the four-party perspective that we use; most relevant is Ferrero (2002).

2. The technology and preferences of conflict

A domestic power faces an enemy, perhaps a rebel insurgency or an established government

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[1] Campbell does not blame human rights workers for this outcome and calls for more vigorous human rights pressure.
[2] Garfinkel and Skaperdas (1996) and Sandler (2000) both collect essays on rational conflict theory.

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that it wishes to overthrow. Terrorist atrocities that target the domestic power's opponent will raise the probability of victory, either by their direct military consequences or by demoralizing the enemy. But political powers rarely aim monomaniacally for victory; there are limits on the tactics they will adopt. Rather the domestic power has preferences that weigh the tradeoff between terrorist tactics and the probability of victory. A foreign patron may also want the domestic power to be victorious and therefore seek to strengthen the domestic power's military efforts through a contribution of military, political, or diplomatic aid. But the foreign patron's preferences on the terrorism vs. probability of victory tradeoff are likely to differ; its distance from the scene, its other geopolitical concerns, or its views on the ethics of terrorism can lead the foreign patron to prefer a lower atrocity level than the domestic power would choose on its own. This conflict of aims leads to a strategic conflict between the domestic power and the foreign patron.

We model the technology that connects atrocities and foreign funds to the probability of victory over the enemy with a production possibilities set $X(F) \subseteq R_+ \times [0, 1]$ that depends on the level of foreign aid F: $(a, p) \in X(F)$ means that the atrocity level a is consistent with the probability of victory p when the foreign patron provides aid level F. In some applications, it is natural to interpret p as the extent of victory, e.g., the amount of territory won, not as a probability of total victory. Although our model looks at a single decision about aid and atrocity levels, one may interpret the model as ongoing since in every period the same parties face the same decision problem. Formally, think of the conflict as lasting n periods with the probability that the conflict is resolved in any given period equaling $1 / n$ (this ignores the complication that a higher p in one period would likely lower the chance that the conflict persists into the next period).

Although we measure the extent of atrocities by a single-dimensional variable, there are multiple features of atrocities that may matter to the agents in the model. Atrocities are more disliked the more numerous they are but they are also more disliked if they are more heinous or vicious. Indeed media attention (which is one reason agents dislike atrocities) is often driven by viciousness not quantity. For many questions, this distinction is irrelevant and so a single-dimensional gauge serves our

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purposes. But, as we will see, the difference is important to the issue of whether a domestic power can create paramilitaries that deliver exactly its desired level of atrocities.

We assume that each $X(F)$ is compact and convex. If we reverse the measurement of atrocities, so that smaller atrocity levels are to the right of larger atrocity levels on the horizontal axis, then a $X(F)$ has the traditional shape of a production possibilities set (see Figure 1). The model permits increases in a eventually to diminish p along the PPF – that is, on the frontier of $X(F)$. We will however impose assumptions on preferences such that no agent would choose such a high a. For any F and a, let $\phi(a, F)$ denote the maximum p in $X(F)$ consistent with a (i.e., $\phi(a, F) = \max_p p$ s.t. $(a, p) \in X(F)$).

The aid level can be any nonnegative F up to the foreign patron's income level, which we denote by I. For concreteness only, we take the status quo aid level to be $F = 0$, but it could be any aid level that the foreign patron is compelled to supply. We say that (a, p, F) is *feasible* if $(a, p) \in X(F)$ and $0 \leq F \leq I$, and assume that the set of feasible (a, p, F) is convex. We assume that greater aid expands the production possibilities set: if $(a, p) \in X(0)$, then for any $F > 0$ there exists a $p' > p$ such that $(a, p') \in X(F)$.

The domestic power has preferences over atrocity levels and victory probabilities, represented by a utility function $u_d(a, p)$ that we assume is concave, strictly increasing in p, and strictly decreasing in a. Prior to the introduction (or expansion) of foreign aid, the domestic power maximizes u_d subject to the constraint $(a, p) \in X(0)$. Under our assumptions, this problem has a solution, say $\bar{x} = (\bar{a}, \bar{p})$, which we consider the status quo. The foreign patron has preferences over atrocity levels, victory probabilities, and the income that remains after its expenditure on foreign aid. These preferences are represented as a utility $u_f(a, p, I - F)$ which we assume to be concave, strictly decreasing in a, and strictly increasing in the other two arguments. We also assume that there is a $F > 0$ such that $u_f(x, I - F) > u_f(\bar{x}, I)$ for some $x \in X(F)$: there is a way by which aid can in principle make the foreign patron better off.

The conflict between the domestic power and the foreign patron lies in the difference between

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their preferences. Given some $F \geq 0$, let $x_d(F) = (a_d(F), p_d(F))$ denote one of the domestic

power's most preferred points in $X(F)$ and let $x_f(F) = (a_f(F), p_f(F))$ denote one of the foreign

patron's most preferred points in $X(F)$ given that we constrain consumption to equal $I - F$. We then

express the foreign patron's greater atrocity aversion by assuming that for each $F \geq 0$ the domestic

power prefers a higher atrocity level and higher probability of victory than the foreign patron: $a_d(F) >$

$a_f(F)$ and $p_d(F) > p_f(F)$ for any pair of preferred points $(a_d(F), p_d(F))$ and $(a_f(F), p_f(F))$ (see

Figure 1). This difference may be due to the foreign patron, farther away from the conflict, having a

greater distaste for atrocities. But, although some slight alterations to the model would be needed to

put this formally, it could be that the domestic power and the foreign patron both want to maximize the

probability of victory but disagree about the shape of the PPF: maybe the foreign patron but not the

domestic power believes that increases in a are eventually counterproductive and decrease p or

believes that this backward-bending stretch of the PPF begins at a smaller a than does the domestic

power.

It can in principle occur that the greater foreign aid can lead either the domestic power to

prefer an increase in atrocities: $a_d(F) > a_d(F')$ and $F > F'$ might hold simultaneously. Given that the

domestic power's utility is strictly increasing in p, a sufficiently large increase in p can always

compensate for a small enough increase in a. So, if the expansion of X caused by greater foreign aid

allows a substantial increase in p but only when a increases, then conceivably the domestic power's

most preferred atrocity level $a_d(F)$ with the higher level of foreign aid F will rise relative to $a_d(F')$

that occurs with the lower aid level F'.[3] But we regard this case as the less likely possibility. For

instance, suppose that the PPF is linear with a slope that does not change when foreign aid is granted.

Then any condition that implies that p and $-a$ are both normal (positive income effect) goods, e.g., that

utility is additively separable in p and a, also implies $a_d(F) < a_d(F')$ when $F > F'$. Substantive

considerations back up this argument. The domestic powers of interest are those who at the status quo

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[3] No condition on utility functions alone can exclude this possibility: for any utility u_d meeting our assumptions,
there exist compact and convex X and X' with $X \in X'$ such that argmax $u_d(x)$ s.t. $x \in X$ has a larger a coordinate
than argmax $u_d(x)$ s.t. $x \in X'$.

resort to significant atrocities, presumably because they have few alternatives or on the verge of defeat. In such cases, greater foreign aid is likely to lower at least somewhat their ideal a. If, for whatever reason, $F > F\mathbb{N}$ implies $a_d(F) < a_d(F\mathbb{N})$, then we say the *normal case* obtains. Given our assumption that the foreign patron is more averse to atrocities than the domestic power, then in the normal case the foreign patron prefers a lower atrocity level if $F > 0$ than the domestic power prefers at the status quo $F = 0$.

3. Paramilitaries as a negotiating tactic

Foreign aid, by enlarging the production possibilities set, can in principle benefit both the domestic power and the foreign patron in their effort to defeat their enemy. But the domestic power can resort to various ploys to capture the lion's share of the gains. It is here that the fourth party of the model enters the picture: the domestic power can set up (or stop suppressing) independent paramilitaries that are even less averse to committing atrocities than it is. So now three groups – in order of increasing atrocity aversion: the foreign patron, the domestic power, and the paramilitaries – are arrayed against a common enemy. From the vantage point of the domestic power and the foreign patron, the paramilitaries' atrocities will be strategically precommitted, leading the interests of the domestic power and the foreign patron now to align. Thus, by setting up paramilitaries over which it has no control, the domestic power can evade the need to forge a compromise with the foreign patron.

Before turning to the paramilitaries, consider first the benchmark where the domestic power and the foreign patron must negotiate an agreement on atrocity levels. If aid level F is granted, suppose the gains that flow from F are divided according to Nash bargaining. The threat or disagreement point occurs at the utilities $u_f(\bar{x}, I)$ and $u_d(\bar{x})$. Given F, Nash bargaining then leads to a $x = (a, p)\, \mathbb{O}\, X(F)$ that maximizes

$$(u_f(x, I\,!\,F)\,!\,u_f(\bar{x}, I))(u_d(x)\,!\,u_d(\bar{x}))$$

subject to $u_f(x, I\,!\,F)\,\$\,u_f(\bar{x}, I)$ and $u_d(x)\,\$\,u_d(\bar{x})$. Let $x_N(F) = (a_N(F)\, p_N(F))$ denote such a

maximizing point (see Figure 1).

The foreign patron foresees that F leads to $x_N(F)$ and hence chooses a F that maximizes $u_f(x_N(F), I\,!\,F)$, which we denote by F_N. Our assumption that there is some way by which aid can make the foreign patron better off implies that $F_N > 0$.[4]

For any F and in particular F_N, $x_N(F)$ lies on the frontier of $X(F)$ and a simple convexity argument shows that $x_N(F)$ lies between $x_d(F)$ and $x_f(F)$ (possibly equal to either $x_d(F)$ or $x_f(F)$). In the normal case defined in the previous section, $a_d(F) < \bar{a}$ and a fortiori $a_f(F) < \bar{a}$. Hence in the normal case $a_N(F_N) < \bar{a}$: Nash bargaining leads to both a reduction in atrocities and an increase in the likelihood of victory. By using foreign aid as a bargaining chip, the foreign patron can achieve one of its main goals, a diminished atrocity rate.

Now suppose that prior to the cooperative bargaining game, the domestic power can set up or fund independent paramilitaries whose actions it will not be able subsequently to control. This set-up might just consist of ceasing to enforce laws that in the past prevented paramilitaries from forming. To keep the model pared down, we assume that if there are paramilitaries they simply commit some fixed atrocity level a_p that is larger than $a_d(F)$ for any $F\,\$\,0$ (see Figure 1). As long as this restriction is satisfied, we may let a_p vary with F and more importantly with the shifts in the PPF caused by changes in the enemy threat. One may explain the paramilitaries' greater tolerance for atrocities compared to the domestic power as a consequence of their members' roots in communities directly threatened by the enemy. But it could be that neither the domestic power nor the paramilitaries experience disutility from atrocities. Just as in the case of the domestic power and the foreign patron, the domestic power and paramilitaries might disagree about which atrocity level leads to the highest probability of victory: the domestic power might believe that at a relatively small value of a further increases in a are

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[4]   Nash bargaining serves only as a specific way to divide up the joint gain. Several other bargaining solutions, e.g., via alternating offers, would do just as well. Another possibility would be for the foreign patron and the domestic power to Nash bargain over both F and the $x\,0\,X(F)$. The difficulty here is that, as we will see presently, the foreign patron and domestic power might be in complete agreement on the choice of x in $X(F)$ if independent paramilitaries are choosing a high a. It would then be artificial to let the domestic power and the foreign patron bargain over F: the foreign patron selects F unilaterally and domestic power can offer nothing in return for a larger F.

counterproductive and lead to a decrease in p.

The presence of independent paramilitaries truncates the set of feasible $(a, p) \in X(F)$: only points with $a \geq a_p$ are now achievable. Notice that we have assumed implicitly that paramilitary atrocities have the same causal effect on p as domestic power atrocities. We could refine the model by letting the identity of those committing atrocities alter the set $X(F)$. These effects are likely to be ambiguous however. Perhaps paramilitaries are more ruthless and therefore make for more effective terrorists, or perhaps, due to loose discipline or poor coordination with the traditional military, paramilitaries introduce inefficiency.

Given F and given that paramilitaries are present, the preferences of the domestic power and the foreign patron coincide. With a lower bound on atrocities already set at a_p, both the domestic power and the foreign patron – due to the monotonicity of their preferences and since $a_p > a_d(F) > a_f(F)$ – prefer p to equal the largest value in $X(F)$ consistent with a_p, labeled $p_p(F)$ in Figure 1. That is, given the presence of the paramilitary atrocities, the only other atrocity levels on the PPF besides a_p that are still possible would increase atrocities even further beyond the domestic power and foreign patron's most preferred points. Since each party separately prefers a_p to any higher level, Nash bargaining leads to $x_p(F) = (a_p, p_p(F))$. At the prior stage of deciding on foreign aid, the foreign patron chooses a F that maximizes $u_f((x_p(F)), I - F)$, which we denote as F_p.

When deciding whether to set up (or turn a blind eye to the emergence of) paramilitaries, the domestic power will anticipate that the existence of the paramilitaries will lead to the outcome $x_p(F_p)$. Hence if the domestic power prefers $x_p(F_p)$ to $x_N(F_N)$, it will let the paramilitaries come into existence. Since we have assumed that $a_p > \bar{a}$, the atrocity level will then rise relative to the original status quo. Although the foreign patron may well prefer the status quo point $\bar{x}$ to the new equilibrium point $x_p(F_p)$, the foreign patron has no credible threat that can prevent the inferior allocation from occurring. The logic of backward induction will undercut any attempt to deny aid; the domestic power, relying on the monotonicity of the foreign patron's preferences, knows that aid will be forthcoming once the paramilitaries are a *fait accompli*.

Proposition 1. If the domestic power prefers $x_p(F_p)$ to the Nash bargaining solution $x_N(F_N)$, it will set up independent paramilitaries. Relative to the status quo, atrocities will increase and the foreign patron's welfare can fall.

Remember that we may interpret the model as describing an ongoing conflict. In each period the foreign power would decide on an aid level and so the decision to set up paramilitaries would involve a judgment of a per-period increase in a and p.

It is the very existence of a foreign patron that might aid the domestic power that can potentially lead to the increase in atrocities. If the domestic power did not consider foreign aid a possibility, it would settle on the lower atrocity level $\bar{a}$. But once the foreign patron enters the picture as a possible donor, the higher atrocity level a_p can arise – despite the fact that the foreign patron is the most atrocity averse of all the concerned parties. A glance at the indifference curve in Figure 2 shows that if the domestic power does not display great atrocity aversion and the F chosen by the foreign patron does not markedly decrease when paramilitaries are present then the domestic power will prefer $x_p(F_p)$ over $x_N(F_N)$.

4. Atrocity overshooting

One interesting consequence of the delegation of atrocities to paramilitaries is a reversal through time in the domestic power's attitude to a marginal increase in atrocities. Prior to the set-up of the paramilitaries, the atrocities that do occur may be conducted by a group (e.g., a secret police force) that keeps its distance from the official government. Since the domestic power is achieving its target atrocity level, the government will not crack down on this quasi-independent party – indeed the domestic power may channel resources to it. But once truly independent paramilitaries have come into being, the atrocity level overshoots to a_p and the domestic power will now prefer a decrease. With marginal decreases in atrocities having positive value, the domestic power will devote resources to limiting paramilitary activities. In both our case studies, we see this pattern: initial support for atrocity-committing groups followed by systematic attempts to suppress them.

Our view of independent paramilitaries is that setting them up is an entirely different activity from policing or suppressing them. Set-up may involve funneling funds and military advice to potential paramilitaries, or more simply just suspending programs that block the training of recruits, smuggling arms, etc. But once set-up has been undertaken, the paramilitaries are independent operators and a considerable and costly counterinsurgency can be necessary to contain them. Set-up moreover has a 0-1 aspect that suggests that a domestic power may not be able to create paramilitaries of exactly the desired size. A smaller provision of funds and increased counterintelligence efforts would lead to the set-up of fewer paramilitary groups, and so domestic powers can at least partially determine the number of atrocities that independent paramilitaries commit. But the heinousness dimension of atrocities is likely to be beyond the domestic power's control. Often, the only people who might form illegal paramilitaries lack even a minimal regard for human rights compared to the attitudes of the trained officer corps of a professional military. Thus even a small paramilitary outfit might necessarily commit the horrendous acts that in our model would correspond to a large a. Also, the creation of illegal organizations is inherently uncertain and domestic powers may find, after turning a blind eye to paramilitary formation, that they got more than they bargained for. For both these reasons, exact targeting of the scale of independent paramilitary atrocities may not be possible.

We model the policing of paramilitaries by making explicit the constraint that the military resources devoted to paramilitary restraint cannot then be used to fight the enemy and so is subtracted from F. This cost is by itself enough to limit the extent of antiparamilitary policing. We could also let the domestic power adjust its tradeoff between the overall size of its military (whether directed against the enemy or the paramilitaries) and the consumption of nonmilitary goods. In any scenario, increases in antiparamilitary policing come at a cost.

Atrocity overshooting occurs whether or not the domestic power's motive for paramilitary set-up is to outfox the foreign patron. So let us simplify for a moment by ignoring the bargaining dimension of the domestic power's problem. Instead suppose a domestic power receives aid F and faces paramilitaries that commit a_p atrocities. Let y indicate the level of expenditure on antiparamilitary

policing and let $g(y)$ indicate the number of paramilitary atrocities thereby eliminated. We assume that g is concave, differentiable, increasing, and that $g(0) = 0$. Concavity reflects the fact that paramilitaries vary in their skills at self-preservation, leading to diminishing marginal returns to hunting them down; the less skilled are easily arrested while the more skilled require an extensive and bloody pursuit. The production possibilities set is then $X(F \, ! \, y)$ and atrocities equal $a_p \, ! \, g(y)$; the domestic power's utility is still given by the same function u_d. An expenditure of y on policing directly diminishes the atrocity level. The probability p then falls for two reasons: the production possibilities set contracts to $X(F \, ! \, y)$ and within this smaller set a lower p is selected. But suppose the domestic power's policing is *sufficiently productive* which means formally that the Inada condition that $g\mathbb{N}(0)$ is sufficiently large holds. Then the domestic power's preference for a smaller atrocity level implies that the domestic power will choose $y > 0$. Furthermore the envelope theorem implies that the marginal gain to the domestic power of an increase in y equals 0 when y is just large enough to eliminate all atrocities beyond the level $a_d(F \, ! \, y)$ it views as ideal when aid is $F \, ! \, y$, that is, when y satisfies $g(y) = a_p \, !$ $a_d(F \, ! \, y)$. Since therefore it cannot be optimal to set y so high, some additional paramilitary atrocities beyond $a_d(F \, ! \, y)$ will remain and, in the normal case, beyond $a_d(F)$ as well. If g is subject to strongly diminishing marginal returns, then the atrocity will not fall much below a_p.

We now assume that $?$ is concave and that u_f, u_d, and $?$ are differentiable.

Proposition 2. If policing is sufficiently productive, then the domestic power will eliminate some paramilitary atrocities by setting $y > 0$ but atrocities will remain above the level it views as ideal when aid is $F \, ! \, y$. If the normal case obtains, then atrocities remain above the level it views as ideal when aid is F.

Proof. Since u_d is concave and strictly increasing in p and $?$ is concave, the function $\hat{u}_d : R_+ \div R$ defined by $\hat{u}_d(a) = u_d(a, ?\,(a, F))$ is concave. If the domestic power can set a freely without any policing cost y, then its utility is given by $\hat{u}_d(a)$ and so a_d must satisfy the first order condition

$$\frac{d\hat{u}_d(a)}{da} = \frac{\partial u_d(a, ?(a,F))}{\partial a} + \frac{\partial u_d(a, ?(a,F))}{\partial p}\frac{\partial ?(a,F)}{\partial a} = 0.$$

In addition, $\dfrac{d\hat{u}_d(a_p)}{da} < 0$ since $a_p > a_d$, $\hat{u}_d(a_p) < \hat{u}_d(a_d)$, and $\hat{u}_d$ is concave. For the function $\tilde{u}_d:$

$R_+ \div R$ defined by $\tilde{u}_d(y) = u_d(a_p \,!\, g(y), ?(a_p \,!\, g(y), F \,!\, y))$, we have

$$\frac{d\tilde{u}_d(0)}{dy} = \&\frac{\partial u_d(a_p, ?(a_p,F))}{\partial a}g'(0) + \frac{\partial u_d(a_p, ?(a_p,F))}{\partial p}\left[\&\frac{\partial ?(a_p,F)}{\partial a}g'(0) \,\& \frac{\partial ?(a_p,F)}{\partial F}\right].$$

Since $\dfrac{d\hat{u}_d(a_p)}{da} < 0$, we conclude that $\dfrac{d\tilde{u}_d(0)}{dy} > 0$ if $g'(0)$ is sufficiently large and so $\tilde{u}_d(y) > \tilde{u}_d(0)$

for some $y > 0$. To see that the optimal y cannot equal a $\bar{y}$ such that $g(\bar{y}) = a_p \,!\, a_d(F \,!\, \bar{y})$,

observe that if we were to define $\hat{u}_d$ and $\tilde{u}_d$ with foreign aid fixed at $F \,!\, \bar{y}$ rather than F, then

$\dfrac{d\hat{u}_d(a_d(F\&\bar{y}))}{da} = 0.$ Hence

$$\frac{d\tilde{u}_d(\bar{y})}{dy} = \,!\, \frac{\partial u_d(a_d(F\&\bar{y}), ?(a_d(F\&\bar{y}), F\&\bar{y}))}{\partial p}\frac{\partial ?(a_d(F\&\bar{y}), F\&\bar{y})}{\partial F} < 0.$$

Thus $\tilde{u}_d(\tilde{y}) > \tilde{u}_d(\bar{y})$ for some $\tilde{y} < \bar{y}$. Furthermore $\tilde{u}_d(y) < \tilde{u}_d(\tilde{y})$ for any $y > \bar{y}$ since

$u_d(x_d(F \,!\, \bar{y})) \,\$\, u_d(x)$ for any $x\,0\,X(F \,!\, \bar{y})$ and hence any $x\,0\,X(F \,!\, y)$ where $y > \bar{y}$. Thus for

the optimal y, the resulting a lies between $a_d(F \,!\, y)$ and a_p. If normality obtains, then $a_d(F) <$

$a_d(F \,!\, y)$ and so a lies between $a_d(F)$ and a_p. ∎

The same logic applies if y and a are jointly subject to Nash bargaining with the foreign patron

once F has been granted. If $g'(0)$ is large, some atrocities will be eliminated. But the marginal effect

on the Nash product of utilities $((u_f(x, I \,!\, F) \,!\, u_f(\bar{x}, I))(u_d(x) \,!\, u_d(\bar{x})))$ of any increase in y

beyond what is needed to achieve $a_N(F \,!\, y)$ equals 0.

5. Case studies

Case studies of Colombia and Northern Ireland will illustrate our model. In both cases we

argue that outside human rights pressure has led to the growth of illegal paramilitaries. The main

alternative to our theory is that paramilitary expansion has simply been a response to a more powerful

enemy that threatens the domestic power's ability to achieve victory. The two accounts are

compatible. An increase in the enemy's resources or its commitment to the fight is functionally

equivalent to a decrease in foreign aid: it contracts the domestic power's production possibilities set.

Assuming the normal case obtains, a tougher or more active enemy will increase the atrocity level the domestic power chooses to commit. If we were to allow the paramilitary atrocity level a_p to vary with the enemy threat (see section 3), then paramilitary atrocities would also increase whenever the enemy fights harder.

But an increase in the attractiveness of atrocities as a military tactic does not explain why a domestic power would turn to independent paramilitaries to commit them: the domestic power after all could always commit the atrocities itself or at least keep them under tight control. Yet, as we will see, the Colombia and Northern Ireland cases reveal states that abet the set-up of paramilitaries. The advantage of autonomous paramilitaries is that the domestic power frees itself from human rights criticism – from its foreign patron, from other countries, and from its own citizens – and no longer has to compromise with these critics. The participants in the case studies we consider grasped this strategic logic.

The citizenry of the domestic power, one of the sources of human rights pressure, gives its own "aid" to the government, namely its political support, and this support is a crucial ingredient to defeating the domestic power's enemy. The citizenry's leverage gives the domestic power another reason to outsource atrocities. Accordingly, we can reinterpret the model of section 2 by letting the domestic power's citizenry play the part of the foreign patron and letting political support play the part of foreign aid. By outsourcing atrocities, the government does not have to compromise with its citizens on tactics. Indeed if it were not for the presence of some human rights pressure it would be difficult to explain why the domestic powers in our case studies help set up paramilitaries: there must be some benefit to counterbalance the government's loss of control. Moreover, the lack of control comes at considerable cost. As we will see, the domestic powers go to some lengths to rein in the paramilitaries they earlier assisted.

(a) The Colombian conflict: 1988-2003

The Colombian government, which plays the role of the domestic power, has long struggled to defeat two principal rebel or guerrilla groups, the FARC (Revolutionary Armed Forces of Colombia)

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and the ELN (National Liberation Army). Various paramilitaries, mostly united under the umbrella organization AUC (United Self-Defense Groups of Colombia), also fight the rebels. The United States serves as the Colombian government's foreign patron.

We will argue that the Colombian government of the late 1990's gave the paramilitaries greater leeway, leading to an upsurge in anti-rebel atrocities. As we will see, and in line with the model, it is plausible that the Colombians took this step to present the United States with a fait accompli; the US then could not compel the Colombian government to curtail anti-rebel atrocities as a precondition for aid.

While both the Colombian military and the AUC militarily engage the rebels, the AUC has been more willing than the official forces to violate human rights. In fact the core of AUC strategy has been to fight the guerrillas by killing civilians that the AUC believes to be aiding the guerrillas. Table 1 illustrates paramilitary ruthlessness by giving the number of people of various types killed in attacks by each category of armed group.[5] The last column of the table gives the ratio of civilians killed to members of the enemy killed for each of these groups. The abysmal human rights performance of the paramilitaries is evident while the government is the best performer in the table.[6]

Table 1. Number of people killed in attacks by status and group responsible 1988-2003

Status of Killed Group responsible	Government	Guerrillas	Paramilitaries	Civilians	Civilian/ Enemy Ratio[7]
Government Guerrillas Paramilitaries	193	1135	212	414	0.36
	4374	1721	519	2784	1.32
	29	34	62	6716	197.53

Source: CERAC

US troops have not fought directly in Colombia so they are not included in Table 1, but US

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[5] Unless noted otherwise, all figures for Colombia are from the CERAC data set described in Restrepo et al. (2004). These data are compiled primarily from events catalogued by a Colombian Catholic NGO with extensive quality checking and supplementation from newspapers, government reports and reports of other NGOs.

[6] Table 1 incorporates only attacks by one group that are not resisted militarily by another group. In two-sided clashes, it is unclear how to allocate civilian casualties between the fighting groups. Since few civilians are killed in two-sided clashes, this is quantitatively a minor omission.

[7] This column gives, for the government and the paramilitaries, civilians killed divided by guerrillas killed. For the guerrillas it gives civilians killed divided by government forces plus paramilitaries killed.

atrocity aversion is evident in other ways. In 1997 the US began considering a significant anti-narcotics aid package for Colombia that would indirectly combat the guerrillas who profit from drugs. The US ambassador ruled out direct military assistance, saying that it "raises too many human rights concerns and has been a searing experience for us in Central America" (National Security Archive, January 1997). The US Congress signaled its apprehension by passing the "Leahy Amendment," which conditioned US aid on acceptable human rights performance by security units receiving the aid (Kirk, p.246). The Colombians replied that the Leahy Agreement would lead to the persecution of innocent military personnel (National Security Archive, May 1997). After a negotiations deadlock that led to a brief suspension of the minor preexisting US aid, the countries signed a limited agreement incorporating the Leahy Amendment and allaying human rights concerns by restricting American programs to a coca-growing region ("The Box") and by a US program to certify Colombian military personnel (National Security Archive, Aug 1997; National Security Archive, January and August 1998).

Large-scale aid, which began in late 1999 and would become known as "Plan Colombia," averaged about $700 million per year and made Colombia the third largest recipient of US funds (Center for International Policy, 2004). Periodically the US President must issue a certification or grant a waiver to allow continued disbursement of funds. The certification requires that the armed forces are severing their links, tacit or not, with the paramilitaries; that members of the Colombian armed forces "credibly alleged" of links to the paramilitaries or of human rights violations are suspended from service; that the Colombian armed forces are cooperating with civilian prosecutors in those cases in which its members have been accused of rights violation and that any violations in the previous period have not been so widespread as to merit termination of the program; and that the president is satisfied with official Colombian efforts to improve human rights performance (Amnesty International 2001 and Human Rights Watch, 2002). When Plan Colombia was extended in 2002, the US laid down further restrictions to tie the flow of money to an improving human rights record. The US used the aid program to pressure the Colombian government to suppress the AUC, despite the conviction of some military analysts that it is foolhardy to attack a force that is doing battle with the

FARC (Marks 2002, p.24). Some in the Colombian military even favored rejection of Plan Colombia due to the military consequences of the human rights conditions (Marks 2002, p.25). The US on the other hand was willing to sacrifice a quicker, more secure defeat of the rebels to attain a better human rights record.

Although paramilitaries were longstanding in Colombia, they had traditionally been local operations connected with drug lords, landowners, regional politicians and the military (Chernick 1998, p. 3). But with the consolidation of the AUC in 1997, the paramilitaries signaled their ambition to take on the guerillas nationwide, and paramilitary manpower roughly doubled within a few years (Chernick 2001, p. 95). Killings by the paramilitaries exploded in 1998 and continued to ascend rapidly for the next several years (Figure 4 and Restrepo, Spagat and Vargas, 2004, p. 423), an outcome known as "the paramilitarization of the war in Colombia" (Chernick 1998).

Guerrilla attacks also increased sharply in 1998 (Restrepo, Spagat and Vargas, 2004, p. 421), suggesting the possibility that paramilitary growth was simply an autonomous response to guerrilla growth. But paramilitary growth could not have been achieved without government support or at least acquiescence. Figure 3 indicates that the Colombian military refrained from a serious crackdown on the AUC during its critical formative years from 1997 to 2001. And recently declassified US documents show that the State department and the CIA saw the Colombian government as turning a blind eye toward and even supporting the paramilitaries in 1997-98 (National Security archive, June 1997).

There is controversy over whether the paramilitaries have indeed become independent of the government; human rights organizations tend to believe that strong links between the two groups continue (Human Rights Watch, 2001). Although some links between the Colombian military and the AUC persist, the paramilitaries do now operate substantially beyond the control of the official military. The best evidence for paramilitary independence is the effort the Colombian government has devoted to anti-AUC operations. A crackdown on the paramilitaries is also the predicted consequence of atrocity overshooting. Figure 3 shows that the government has been capturing and killing substantial numbers of paramilitaries in recent years. The general prosecutor's office has also brought hundreds of

charges against AUC members during this period (Ministry of Defense 2001). This extent of anti-AUC activity is hardly consistent with the AUC being government puppets. Nunez (2001), Spencer (2001), El Tiempo (2002)and Deas (2002) also argue that the paramilitaries operate substantially outside of government control. One further illustration of the Colombian government's lack of control over the paramilitaries is the 1997 massacre of more than thirty people in Mapiripan in the south of the country. Although several high-ranking Colombian officers were convicted of colluding in this event, it is nevertheless implausible that top Colombian officials could have supported the action: it was committed in precisely the area ("The Box") that was to be the showcase of the then two-week old US-Colombian agreement to conduct a cleaner war.

At the same time that the paramilitaries grew more independent and active, as measured, for example, by civilian killings, massacres and kidnapings (Figure 4), the Colombian government's human rights performance improved (Figure 4, Table 2) – which is the domestic power decision predicted by our model in the face of a higher atrocity rate committed by a third party (here, the paramilitaries). The number of civilians killed per year in government attacks falls very slightly from 30 per year, 1988-1997, to about 29 per year 1998-2003, but this happened simultaneously with a significant intensification of the conflict.[8] More military activity leads, ceteris paribus, to more civilian casualties. So to gauge the dirtiness with which each party is pursuing the conflict we examine the ratio of civilians to enemies killed by the party (cf. the last column in Table 2). The government improved its civilian/enemy ratio in the latter period while that of the paramilitaries deteriorated dramatically.

Table 2. Average of number of people killed per annum in attacks: 1988-1997 and 1998-2003

Status of Killed / Group responsible	Government	Guerrillas	Paramilitaries	Civilians	Civilian/ Enemy Ratio
Government - 1988-1997	15.3	53.2	0.5	30.0	0.56

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[8] For much of the subsequent discussion we divide time into the periods 1988-1997 and 1998-2003. In 1997 the Leahy Amendment was passed, negotiations on significant US aid began and the AUC was formed. Other plausible cut-off years are 1998 or 1999 since major US aid only started to flow at the end of 1999 and the big Plan Colombia program officially started in 2000. The results change very little if we switch to either of these other cut-offs.

Government - 1998-2003	22.3	109.2	34.5	29.2	0.27
Guerrillas - 1988-1997	294.2	104.5	16.4	130.3	0.42
Guerrillas - 1998-2003	313.7	128.3	64.8	290.2	0.77
Paramilitaries - 1988-1997	1.7	1.9	2.7	278.9	146.79
Paramilitaries - 1998-2003	2.2	2.5	6.3	772.8	309.13

Source: CERAC

Robin Kirk of Human Rights Watch writes that the Colombian "strategy allowed the army to get out of the dirty war by subcontracting it to Castaño [the AUC leader]" (Kirk, 2003, p.193). She writes that "...human rights groups like my own noted a drop in the number of allegations that implicated soldiers directly in abuses. The drop was more than offset by the rise in the number of abuses perpetrated by paramilitaries..." (Kirk, 2003, p.193). Kirk also cites a "humanitarian aid worker [who] had once accused human rights groups of indirectly creating Carlos Castaño by pressuring the military on human rights, thus forcing it to subcontract the dirty war" (Kirk, 2003, pp.192-200).[9]

Carlos Castaño's interview in Wilson (2001) is also revealing. Castaño speaks repeatedly of the "guerrillas in civilian clothing" whom the AUC kills because the government is not willing to do so. He refers dismissively to 338 people recently removed from the armed forced for alleged paramilitary ties, an action the government had taken "to satisfy the gringos or Europeans." When asked to comment on the opinion of General Fernando Tapias, who had recently stated that the AUC was becoming the greatest threat to the Colombian state, Castaño retorts that Tapias should thank him for saving the country rather than brandishing his anti-paramilitary credentials for US consumption. In short, Castaño presents himself as filling a dirty-war vacuum created, or at least exacerbated, by American human rights pressure.

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[9] Kirk would presumably not concur with the implicit assumption that some kind of dirty war was inevitable and that the only open question was whether or not the state would control it. Also, Kirk does attribute more ongoing control of the paramilitaries to the government after the launch of Plan Colombia than we do. But even here she notes that "While I agreed that Castaño's forces coordinated closely with the military, as they had in Chengue [a massacre], it was also true that Castaño could move independently" (Kirk, 2003, p.180). Kirk's two views are consistent: it is in the interest of both the paramilitaries and the government to take maximum benefit from the other's activity even if the government cannot dictate paramilitary plans.

The model suggests that the Colombian political elite wanted American aid but knew it would come with human rights strings attached. The solution of permitting the rapid growth of the paramilitaries led to a loss of control over conduct of the war, and as the ferocity of the paramilitaries has been unleashed, the costs of this move have become evident. But paramilitary atrocities have allowed for a simultaneous clean-up of the official military, paving the way for an increased flow of US aid.

Paramilitary growth began in 1998, immediately after the adoption of the Leahy Amendment conditioning US aid on human rights performance. It is certainly possible that this is a coincidence of timing and that paramilitary growth was solely a response to the guerrillas' expansion.[10] But two reasons argue for foreign aid conditionality being an independent cause of paramilitary development. First, the Colombian government itself could have deployed the more violent tactics adopted by the paramilitaries while preventing the paramilitaries from doing so and thereby retained control over the commission of atrocities. The evidence that we presented of atrocity overshooting supports the conclusion that the government actually did lose control over this aspect of the war. The Colombian government's earlier decision to sanction paramilitary growth therefore can be rationalized only as the product of human rights pressure. And the United States indeed applied this pressure. Second, the accounts of Robin Kirk, Carlos Castaño and the humanitarian worker quoted by Kirk all support this interpretation of events. This is no small feat given the ideological distance separating Kirk from Castaño. Campbell (2002), based on the analysis of many case studies, offers a similar theory as a general proposition.

As noted above the path of the government's anti-AUC activity (Figure 3) indicates increasing government unhappiness with the paramilitaries' violence and suggests that the paramilitaries' autonomy led to atrocity overshooting. The improved human rights performance of the government (Table 2) also fits this predicted pattern. Most accounts of the Colombian conflict in contrast either dismiss government efforts to crack down on the paramilitaries as a sham or deny any government

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[10] Table 2 shows increases in activity for both the guerrillas and paramilitaries beginning in 1998 as do the Restrepo, Spagat and Vargas (2004) time series underlying these numbers.

collusion with the AUC. Our account grants credence to both positions by placing the main collusion at the earlier point in time when the government did give the paramilitaries free rein. On this view, the later moves against the AUC are genuine – although necessitated only by the earlier cooperation.

(b) The struggle against the IRA in Northern Ireland: 1968-1976

The domestic power is the political leadership of the predominantly Protestant community in Northern Ireland that supports continued union with Britain ("Unionists"). We emphasize the Ulster Unionist Party (UUP) and in particular Brian Faulkner, who was both the Northern Ireland Prime Minister and UUP leader from March 1971 through March 1972, and William Craig, whom Faulkner defeated to win these posts. Both men were key Unionist politicians and collaborated closely, albeit mixed with rivalry. The IRA (Irish Republican Army), fighting the British presence in Northern Ireland, is the Unionists' enemy. Some Unionists have joined paramilitary units, chiefly the Ulster Volunteer Force (UVF), launched in 1966 in response to the Catholic civil rights movement in Northern Ireland, and the Ulster Defense Association (UDA), a 1971 fusion of vigilante groups. We refer to these groups as Loyalist paramilitaries. Both organizations were from the beginning violently anti-IRA and anti-Catholic, and conducted bombings, assassinations and sectarian murders (Bruce 1992, chs 3 and 5). The Unionists' "foreign patron" in our modeling language is the British government though legally Britain is the sovereign power in Northern Ireland.

We will argue that British human rights pressure was one causal factor that led to the Loyalist paramilitaries. William Craig, prominent in the creation of the paramilitaries, wanted to ensure that Loyalists could pursue a dirty war against the IRA regardless of British restrictions on tactics. An alternative theory is that Loyalist paramilitarism was driven solely by the IRA threat. Bruce (1992, pp.199-200) argues, and we agree, that Loyalist paramilitary growth derives from three factors: increased IRA activity, a response to the IRA by traditional security forces that many Unionists viewed as weak, and a tolerant or encouraging state attitude toward Loyalist paramilitary development. Each factor is in accord with our model: an increase in IRA activity shifted the PPF inwards, which ceteris paribus increases atrocities, but since traditional security forces were constrained by British human rights concerns, Unionists encouraged the Loyalist paramilitary movement. Thus, while part of the

story is the threat Unionists felt from the IRA, we stress in addition that Loyalist paramilitary growth fed off the British effort to tie the hands of the official security forces. These factors shine through in the writing and speeches of Craig during the critical 1971-72 period. Particularly notable is his famous exhortation to his followers that they should "build up dossiers on men and women who are the enemies of this country because one day, if the politicians failed, it would be their job to liquidate the enemy" (Boyd, p.100). Craig here links paramilitary growth with his anticipation of a weak mainstream reaction to the IRA. Craig and his followers believed that British politicians and their Unionist counterparts would fail the Protestant community, and many of his supporters did proceed to join the paramilitaries and attempt to liquidate their enemies. Loyalist paramilitary activity remained high until 1977. A reduced IRA threat was one force that stemmed the Loyalist paramilitaries, but in line with the atrocity overshooting model, a much larger police force had substantially penetrated and weakened the UDA and the UVF.

From 1968 until August of 1969 the RUC (the Royal Ulster Constabulary) was the primary fighter on the Unionist side of the conflict. The RUC in this period tried to suppress the numerous civil rights marches against anti-Catholic discrimination, killing few (Table 3) but injuring many. In August of 1969 the RUC was overwhelmed by rioting that had erupted throughout Northern Ireland. The local government requested and received a large deployment of British troops; the RUC subsequently played a smaller role in the conflict until the British launched the policy of "police primacy" or "Ulsterisation" in March 1976 (Ryder, 2000, chs. 4 & 5). Meanwhile Loyalist paramilitaries began developing seriously in 1971, expanding sharply in 1972, and then receding in 1977. IRA growth followed a pattern similar to the Loyalist paramilitaries, slightly preceding the Loyalists at the beginning and showing only moderate decline in the late 1970's.

"Foreign aid" in this example consists of a substantial British investment in the Protestant effort to defeat the IRA. In particular, the British committed significant funds to the RUC, nearly doubling its size between 1969 and 1976.

Table 3. Killing by Year and Group Responsible

	RUC	Loyalist Paramilitaries	British Army	Republican paramilitaries
1968	0	0	0	0
1969	7	3	2	3
1970	0	2	5	17
1971	1	21	44	98
1972	5	112	80	267
1973	2	86	28	132
1974	2	124	16	147
1975	0	121	7	125
1976	2	116	14	154
1977	0	27	8	75
1978	0	10	10	61
1979	0	17	2	102
1980	2	14	7	51

Source: Malcolm Sutton (http://cain.ulst.ac.uk/sutton/)

Table 4 indicates the relative atrocity aversion of the main participants in the conflict. First, it gives the number of killings by various groups classified by the category of people killed, 1969 - 2001, revealing the Loyalist paramilitaries as significantly more violent than either the RUC or the British Army. In fact, the Loyalist paramilitaries barely touched the IRA during their long war on Catholic civilians, although they would claim better targeting than the table indicates since some of their victims were in IRA families. But the numbers fail to capture the exceptionally vicious character of the Loyalist paramilitaries who frequently tortured their victims and even mutilated their corpses (Dillon, p.124, and see Taylor, p.118, for an example). The RUC and the British also committed atrocities, such as the "Bloody Sunday" massacre where the British army killed 13 unarmed protesters, but the RUC and British record overall is much cleaner than that of the paramilitaries. It is interesting to note that the Loyalist paramilitaries have killed more of themselves, during internecine struggles, than they have of the IRA – which is evidence of the erratic violence that paramilitaries are prone to committing.

Table 4. Number of People Killed by Status and Organization: 1969-2001

Status of Killed — Group responsible	RUC	British Army	Republican Paramilitaries	Loyalist Paramilitaries	Civilian	Civilian/ Enemy Ratio[1]
British Army	2	5	125	11	152	1.2
Republican Paramilitaries	288	478	185	45	1078	1.33
Loyalist Paramilitaries	8	1	42	91	873	20.8

Source: Malcolm Sutton (http://cain.ulst.ac.uk/sutton/)

The last column of table 4 bears directly on each group's human rights performance by showing the number of civilians killed per enemy killed. The figures underscore the Loyalist goals of inflicting terror on civilians.

The British government throughout the period was more atrocity averse than the Unionist leadership, perhaps because the British electorate was not on the front lines of the conflict. The last column of Table 4 is consistent with this view. This point also emerges from the memoirs of the first two British Northern Ireland Secretaries, William Whitelaw (March 1972 to March 1974) and Merlyn Rees (March 1974 to September 1976). Both worried how Unionist hardliners, particularly William Craig, might behave if British strictures on the Unionists were relaxed (Whitelaw p.88 & Rees p.12). The differing attitudes were readily apparent during 1968 and 1969 when the RUC, often at the direct orders of Home Secretary Craig, launched frequent violent attacks on civil rights marchers. The ensuing British investigatory commissions blamed the RUC for injuring many in a series of events that culminated in the Derry march of October 1968. One commission agonized over embarrassing television images, seen all over the world, of the RUC violently suppressing Catholic marchers. Many Unionist leaders, including Craig himself, boycotted this commission, signaling a wide rift between the British government and the Unionist leadership. More disturbing from the Unionist perspective was the British move to disband the infamous and heavily armed "B Specials." The B Specials were a legacy

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[11] For the RUC, the Loyalist paramilitaries and the British Army this column gives the ratio of civilians killed to Republican paramilitaries killed. For the Republican paramilitaries it gives the ratio of civilians killed to RUC plus British Army plus Loyalist paramilitaries killed. This last figure is not actually germane to the model but we include it to satisfy the reader's natural curiosity

of the RUC's long colonial history as a quasimilitary force designed to contain Irish grievances (Enloe, 1977), a model that departed dramatically from the unarmed "Bobby" concept employed on the UK mainland. The British also disarmed the RUC, although this measure was later reversed as the conflict gathered steam. The British partially compensated for RUC reforms in Loyalist eyes by introducing "Internment" in August 1971, a policy of detaining suspected IRA members on thin evidence and interrogating them roughly via deprivation and disorientation techniques. But by 1973 this policy had withered in the face of bad publicity and it was abandoned at the end of 1975.

The British thus moved to restrain RUC violence, part of a broader effort to address the grievances of the Catholic population. While this project achieved only limited success, by the beginning of police primacy in 1976 the RUC had at least become a substantially more professional force than it had been in 1968-69 (Ryder, ch. 5. Brewer et. al. ch.3). The decline in RUC killings documented in Table 3 provides one piece of evidence: although the numbers are small, the RUC annual killing rate declines from 3.5 in 1968-69, to 1.7 in 1970-76, to 0.5 for 1977-80, although it rises back to 2.6 for the decade 1981-90. But killing rates understate the decrease in RUC activity during 1970-1976 compared to 1968-69. In the chronology of the Conflict Archive on the Internet (CAIN, 2005) in each of the years 1968 and 1969 the RUC violently broke up four peaceful demonstrations, causing many injuries. Between 1970 and 1980 there were only four cases of RUC misbehavior that were considered sufficiently grave for entry into the chronology (CAIN, 2005). We should emphasize that aggressive behavior toward Catholics continued, e.g., the kidnaping of a Catholic priest and several killings and many injuries inflicted with rubber and plastic bullets; indeed Catholics may have become more critical and suspicious of Unionist behavior as time wore on. But British and Unionist decisions about aid and tactics depend on their own views of the level of violence. From this perspective the avoidance of events that attracted intense media attention (e.g., Bloody Sunday, the RUC suppression of the 1968 Derry march) marked a step down in the violence level.

Even though the Catholic community was hardly won over by the British reforms, the Loyalists viewed the same reforms as a sign of British weakness. In modeling terms we can view the British effort to fight a cleaner war as showing the Unionist leadership the Nash compromise they would end

up with in the absence of separate paramilitaries. Craig in a revealing pamphlet confirms much of our interpretation in his account of the British response to the rioting of 1969 (Craig, 1972). In Craig's view, the British sent in their own troops as part of a "secret understanding" between the British and the Northern Irish government to disarm the police and disband the B Specials, and the aim of this deal was to keep the peace, not to achieve outright victory against the IRA. In our model, this compromise corresponds to a lower atrocity rate and a lower p (here understood as a lower extent of victory).

Craig failed to mention the seminal role he played in the formation of the Loyalist paramilitaries. In September 1971, roughly ten months before the big upswing in paramilitary violence, Craig and Ian Paisley both spoke at a large Belfast rally and called for the creation of a "third force", separate from the RUC and the British Army, to fight the IRA (CAIN, 2005). One month later Brian Faulkner appointed Craig to the UUP job of liaising with the local party organizations, which were known extremist hotbeds (Bruce, p.78). In February 1972 Craig founded the Ulster Vanguard movement, using it to bolster paramilitary recruiting through a series of incendiary speeches at rallies over the next two months. Craig would typically ride up in a motorcycle sidecar flanked by uniformed bodyguards, inspect an armed formation and then rile up the crowds. It was at one such event that Craig made the remark we quoted at the beginning of this section, linking the utility of the paramilitaries and what he regarded as the shortcomings of the British/Unionist status quo. Craig expected that, left to their own devices, the British and the more violence-averse Unionist politicians would betray the Loyalists with their caution on military tactics. But Loyalists could pre-empt this betrayal by developing paramilitaries and building up dossiers on Loyalist enemies, ensuring that they would pursue a dirtier strategy if the British and the officially sanctioned police forces failed to defeat the IRA. Many young men took Craig's words as a mandate from a top Unionist politician to join paramilitary organizations and start killing Catholics (Taylor. p.97). Craig himself later confirmed this interpretation, only with the qualification that recruits should have focused more on IRA members rather than civilians (Taylor. p.97).

Faulkner could not have overlooked the significance of these large and highly visible events and stopping them would have been possible. In January 1972 he extended for one year what appeared to

be a blanket ban against all political marches. But Craig and other Loyalists met with Faulkner who then clarified that the ban applied only to civil rights marches and Craig proceeded undisturbed (Boyd. pp.84-85). It is a common judgment that "Faulkner himself was secretly backing the Ulster Vanguard, if indeed he had not originally connived in its formation" (Boyd. p.98). Meanwhile a minister in the Faulkner government was liberally issuing gun licenses to Protestants (Boyd. p. 47). So although Craig took a leading role in abetting the paramilitaries, the highest levels of the Unionist leadership took complementary steps. A causal line thus runs from British pressure on the Unionist leadership to clean up its fight to the creation and growth of the Loyalist paramilitaries.

In March of 1972, an alarmed British government declared direct rule from London. But Loyalist paramilitary violence had already spiraled out of control. For example, the December 1971 bombing of McGurk's Bar, populated largely by elderly Catholics unconnected to the IRA, killed 15 people and signaled a new Loyalist ferocity. Bruce (ch.8) in his book-length study of Loyalist paramilitaries confirms their out-of-control character.[12] Although the mainstream Unionist leadership took an aggressive stance which led to the deaths of innocent Catholics, there is nothing in the long history of the RUC (Hezlet, 1972) to suggest that, even complete with B Specials, it would have matched the Loyalist paramilitary record in Table 4. Thus the deployment of the Loyalist paramilitaries likely increased the atrocity rate beyond what the RUC would have committed on its own.

British "foreign aid" to the Protestant community in its struggle against the IRA took both military and nonmilitary forms. Britain nearly doubled the size of the RUC between 1970 and 1976 with reserves and spending increasing more then eightfold (Brewer et. al., ch.3). This investment moreover was a quid pro quo for Unionist cooperation on cleaning up the RUC. The British had leverage on this score: the RUC's history of anti-Catholic violence had put its existence into doubt

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[12] We must distinguish between collusion among official security forces and the Loyalist paramilitaries on the one hand and the ability of the security forces to control the actions of the paramilitaries on the other hand. Collusion largely takes the form of security force members passing on names of suspected IRA members to the paramilitary for assassination. Such activity has persisted over many years even though only a small number of cases have been well documented. But the defining property of paramilitary independence in our model is that the domestic power has a limited ability to curb paramilitary atrocities on the margin. Although an RUC officer may have been able to induce the UVF to assassinate an IRA suspect, this does not imply that the RUC could have prevented the UVF from bombing a pub or killing Catholic civilians. In any case, collusion in the killing of IRA members constituted only a small part of Loyalist paramilitary activity. Bruce (1992) and Ryder (2000) concur in this view.

(Ryder 2000, p.127-131), which gave credibility to the alternative British strategy of building a new neutral police force from the ground up. The stick of shutting the RUC down and the carrot of expansion made the effort to reshape the RUC into a more fair and less violent force a partial success; once this transformation was well under way (mid 1974), London guaranteed the RUC its continued existence (Ryder 2000, pp. 130-131). A second dimension of British aid was its support for the Unionist goal that the North should remain within the UK. Britain not only held that the approval of the territory's 69%-Protestant population would be a necessary condition for any change in the political status of Northern Ireland, but also that mere majority support for a change of status might not be sufficient for London to accede to such a change (Rees, 1985, p. 33, O'Malley 1983, p. 240). These policies ensured that Northern Ireland would stay British for a number of decades but not necessarily forever, given the territory's faster growing Catholic population (O'Malley 1983, ch. 6). Britain thereby came near to the Unionist line on status but left room to modulate its policy in response to Unionist behavior. Thirdly, the British increased its subsidies to the huge Harland and Wolf Shipyard, a well-known Loyalist hotbed, again a policy that could be reversed in the event of Unionist misbehavior (Rees 1985, p.23, 96).[13]

Had the UVF and UDA not been substantially independent, the British could have insisted to the mainstream Unionist leadership that the paramilitaries be shut down as a quid pro quo for the above forms of aid. But since the paramilitaries could only be constrained and not eliminated in the short run, they did not jeopardize British patronage.

The high rate of Loyalist paramilitary atrocities – overshooting in our model – did however lead mainstream Unionists to try to reverse the tide. By 1974, the RUC was cracking down vigorously on the UDA and UVF (Ryder 2000.ch. 5), which is further evidence that the paramilitaries were not under RUC control. Early highlights of the RUC campaign include the trial and conviction of 26 UVF members in 1976, the suppression of the UDA-backed strike of 1977, and the capture and conviction

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[13] British expenditures on Northern Ireland took many additional forms, including the expense of its army presence, but for the purposes of our model what matters are those investments that gave it leverage with mainstream Unionists; we therefore exclude expenditures that it likely would have had to make even if its alliance with the Unionists had broken down.

of the "Shankill Butchers." Table 3 shows a sharp drop in paramilitary violence beginning in 1977, one year after the introduction of police primacy. Bruce (1992, pp. 137-138) gives two broad reasons for this decline. First, in line with the reaction to atrocity overshooting that our model predicts, the RUC, larger and better trained than it had been a few years earlier, made substantial inroads against the UDA and UVF. Second, IRA activity had diminished and so the Loyalist paramilitaries had less motive to act than they had before. In addition, as we indicated earlier and as predicted by the atrocity overshooting model, the RUC also reduced its own dirty activities (its murder rate, its rough treatment of demonstrators) once the Loyalist paramilitaries were established. Although the RUC continued to harbor killers and anti-Catholic bigots, it had by 1974 distanced itself from its violence of 1968-69. The RUC even began to pursue British security forces when they employed illegal tactics (Dillon 1991, ch. 8 and Ryder 2000, pp, 203-206).

Our model suggests that the development of independent paramilitaries was useful to the Loyalist side of the conflict; it did not prevent British support while allowing the fight against the IRA to remain unencumbered by the human rights restrictions that the British tried to impose. The end result was a dirtier conflict than would have occurred without the possibility of British support.

The main alternative theory is that paramilitary growth was solely a response to the increasing threat from the IRA. Although the IRA upsurge is obviously key to the story, our account fills an important gap. The evidence for atrocity overshooting shows that the Loyalist paramilitaries had grown beyond mainstream Unionist control. The decision of Unionist politicians to outsource atrocities to substantially independent forces thus must be explained by human rights pressure, and the British – the primary underwriters of the Unionist leadership – formed the largest component of that pressure. Unionist leaders felt the heat and on Craig's account the pressure spawned the Loyalist paramilitaries towards which the Unionist government of the time turned a blind eye.

As in the Colombian case, our account of the Loyalist paramilitaries falls between the well-rehearsed partisan alternatives claiming either that the Loyalist paramilitaries work hand-in-glove with the RUC or that the RUC has always been an honest upholder of law and order. Our interpretation allows a U-turn in atrocity levels that incorporates parts of both stories, with the Unionist leadership

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colluding with fledgling paramilitaries in their early history but then trying to suppress them after their atrocities had reached extreme levels.

5. Conclusion

We have held to a relatively orthodox model in which the foreign patron cares about the level of atrocities, not whether the domestic power uses a dummy group under its control rather than its own soldiers to commit atrocities. This has set the empirical bar high; we have had to show that the paramilitaries became independent of the domestic power that helped create them, and that the domestic power retained or augmented foreign aid by taking this step.

Cases abound in which illegal paramilitaries and a domestic power confront the same enemy. Recent examples include the Janjaweed militias in Darfur, Serb paramilitaries in Bosnia war, and the death squads of the El Salvadoran civil war. The book *Death Squads in Global Perspective* (Campbell and Brenner eds., 2000) provides numerous case studies of the phenomenon, many with great affinity to our approach. Hedman (2000) relates the outbreak of "vigilante" violence in the Philippines in the late 1980's to the transition from the Marcos dictatorship to democratic government. The elected government of Corazon Aquino reined in Marcos's abusive security apparatus and the US increased its support for the professional Philippine military, but at the same time vigilante violence exploded. Grossman (2000) considers the decision of Indian politicians to utilize anti-secessionist death squads in Jammu and Kashmir to be a consequence of India's "sense of place in the international community." In a similar vein, Grossman writes that "ironically, the public demand for greater accountability from the government may have been a factor in the decision by the Punjab police to set up death squad operations." Ron (2000) argues that the Serbian government used paramilitary fighters in Bosnia rather than intervening directly because of international norms against cross-border invasions. This sample indicates that illegal paramilitaries are frequently deployed in connection to human rights pressure. To pursue these further examples using our model, one would need to show that the paramilitaries eventually became independent rather than remaining under government control.

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