



UNIVERSITY OF MINNESOTA

Department of
**APPLIED
ECONOMICS**

Agricultural and Applied Economics Seminar

Revisiting the Effect of Food Aid on Conflict

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10:30am – 12:00pm*

(*note time change)

119 Ruttan Hall

Nunn and Qian (2014) claim to identify a causal effect of food aid shipments on conflict in recipient countries. Their instrumental variables (IV) strategy is, however, susceptible to violations of the exclusion restriction arising from heterogeneous non-linear trends, analogous to violations of the parallel trends assumption in differences-in-differences (DID) estimation. These heterogeneous trends cast doubt on the causal interpretation of the observed relationship. Indeed, we show that their reported results suffer upward bias and are equally consistent with a data generating process in which US food does not influence or even prevents conflict. These findings serve not only to correct an erroneous, and widely publicized, policy implication but, more generally, as a caution for authors using similar identification strategies based on DID-type IV estimators in panel data. (with Paul Christian)