Abstract
How do remittances influence coalition survival in receiving states? Previous research suggests that remittances enhance political survival by allowing winning coalitions to increase expenditures on private benefits for their supporters at the expense of public goods. However, remittances may also fuel protests and violent rebellion that create political instability. We argue that remittances increase the likelihood of rebellion in states with politically discriminated ethnic groups and the likelihood that rebellion results in a change of winning coalition. Accounting for remittances’ impact on conflict onset, remittances may then increase a coalition’s tenure in power. We test our argument using endogenous selection models of war onset and coalition failure data from non-high income OECD countries between 1980 and 2014. Preliminary results support our primary hypotheses.