The Political Economy of Multilateral Foreign Aid: UNICEF as a Tool of U.S. Foreign Policy

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Abstract

The United Nations Children's Fund (UNICEF) has long been controlled by the United States. I show that countries that are politically closely aligned with the United States receive more foreign aid from UNICEF. In addition, UNICEF provides more aid to U.S.-friendly governments in recipient countries' election years, but only if those elections are competitive. I conclude that the United States uses UNICEF as a tool of its foreign policy. It uses its influence in an international organization to help aligned governments win elections, but does not want to waste aid money on elections whose result is known ahead of time. None of these findings hold for the United Nations Development Programme (UNDP) or the United Nations Population Fund (UNFPA), two U.N. organizations that have not been dominated by the United States.

[Preliminary - Please Do Not Circulate]

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1 Introduction

Even since it was founded in 1946, the United Nations Children's Fund (UNICEF) has been controlled by the United States. Every single Executive Director of this U.N. agency has been an American, and the United States of America remains the most important source of funding for the organization. It should come as no wonder that, given the power it wields over the agency, the United States might use UNICEF as a tool of its foreign policy.

In this article, I demonstrate that this is indeed the case. Using data on multilateral foreign aid commitments from 2000 to 2009, I show that UNICEF gives more aid to countries that are politically aligned with the United States. In addition, I find that the agency provides even more development assistance to foreign governments that are friendly to the United States during recipient countries' election years, but only if the election is competitive. In other words, the United States uses UNICEF to help get friendly foreign governments re-elected, but does not squander money on providing support in elections whose result is known before they even take place. My conclusions receive additional support from the finding that none of the above effects emerge for foreign aid delivered by the United Nations Development Programme (UNDP) or by the United Nations Population Fund (UNFPA), two other U.N. agencies that are not under American control.

This paper proceeds as follows: I begin with a brief discussion of the relevant research literature, and by providing a theoretical mechanism for my argument. I then go on to describe the three United Nations agencies that are the focus of this article. After laying out my research hypotheses, I undertake the empirical analysis. I set up the regression models, and describe my data sources. Then, I move on to estimate and discuss the regression results. By way of conclusion, I propose some potentially fruitful avenues for further research.

2 Background and Theory

2.1 Political Aid Cycles

Faye and Niehaus (2012) examine whether the allocation of foreign aid might be, in part, motivated by donors' desire to help closely aligned incumbent governments to win re-election. They draw an analogy to public choice research on political business cycles. A political business cycle occurs when

an incumbent government engages in fiscal expansion before an election. In this way, the incumbent aims to stimulate the economy as the voters go to the polls in order to obtain an electoral advantage (Nordhaus, 1975; Drazen 2001). Similarly, a donor might provide a recipient country with more foreign aid in an election year, if doing so would help the recipient's closely aligned government win the election. In other cases, an opposition victory might spell a new government that would be friendlier to the donor. Under those circumstances, a donor might decide to reduce its aid flows to the recipient country in order to harm the incumbent's chances for re-election.

Faye and Niehaus (2012) find that donor countries give significantly more development assistance in election years to more closely aligned recipient governments. They follow Alesina and Dollar (2000) in measuring the degree of political alignment by the proximity of the recipient's voting patterns to those of the donor. In addition, they find that political aid cycles are concentrated in competitive elections, in which "the stakes are higher." Equivalently, one might say that donors do not wish to squander aid money on supporting friendly foreign incumbents in elections that they are certain to win in any case.

Faye and Niehaus's analysis (2012), however, only focuses on bilateral donors (i.e., states). In fact, the authors deliberately drop multilateral donors – such as the World Bank, the regional banks, as well as various agencies of the United Nations – from their analysis. They argue that "multilateral donors have multiple stakeholders, making it difficult to define donor-recipient alignment." It is true that determining the decisive stakeholder – as well as finding out whether such a stakeholder even exists[1] – might indeed not be a walk in the park. Yet, as a burgeoning research literature on the manipulation of international organizations makes clear, a great deal of research has connected the behavior and decisions to the preferences of influential stakeholders.

2.2 Political Manipulation of International Organizations

In a widely-cited article, Kuziemko and Werker (2006) find that countries elected to one of the ten rotating, temporary seats on the United Nations Security Council (UNSC) can expect to receive more development assistance from the United States, as well as from the United Nations. They attribute the increased foreign aid from U.N. agencies primarily to the United States' long-standing

[1] It might not be outlandish to consider the possibility that, rather than behaving as a truly independent institution or primarily as an agent of a dominant stakeholder – a multilateral donor might behave so as to pursue some weighted 'average' of its stakeholders' preferences.

control of UNICEF, a point which I will discuss at more length later in the paper.

Kuziemko and Werker's use of a country's election to UNSC temporary membership as the source of exogenous variation in their analysis has spawned a great deal of new research literature on the manipulation of international organizations, as well as of multilateral aid donors or loan providers. Countries that are more closely aligned with the United States receive loans with fewer conditions attached, and are given lower inflation forecasts from the International Monetary Fund (Dreher and Jensen, 2007; Dreher, Marchesi and Vreeland, 2008). The major shareholders at the International Monetary Fund and the World Bank use their influence to ensure favorable treatment of temporary UNSC members by both institutions. In particular, temporary members of the Security Council find it easier to enter into IMF programs, and are likely to see a lower number of conditions included in these (Dreher, Sturm, and Vreeland, 2009a). Similarly, UNSC temporary members receive, even after accounting for economic and political factors, more projects from the World Bank (Dreher, Sturm and Vreeland, 2009a). Finally, Lim and Vreeland (2013) examine the lending patterns by the Asian Development Bank (ADB). They find that Japan uses its privileged position in this regional bank to facilitate project loans for UNSC temporary members in exchange for their favorable votes on the Council.

In this paper, I apply an approach similar to that used in Faye and Niehaus (2012) to analyze whether the United States uses its control of the United Nations Children's Fund (UNICEF) to channel multilateral foreign aid to countries that are more politically aligned with it. I also examine whether there is a multilateral political aid cycle, in which UNICEF gives more aid to U.S.-friendly recipient governments when those are faced with a competitive election.

Using its influence on a multilateral donor to increase the re-election chances of friendly foreign governments might appeal to the United States, since going through UNICEF would 'launder' a transaction that may otherwise seem unseemly. Abbott and Snidal (1998) define the 'laundering' function of international organizations as the phenomenon through which "activities that might be unacceptable in their original state-to-state form become acceptable when run through an independent, or seemingly independent, [international organization.]"

I use the foreign aid commitment of two other United Nations agencies – the United Nations Development Programme (UNDP) and the United Nations Population Fund (UNFPA) as my 'con-

trol groups.' Since these two organizations are not beholden to the United States, I do not expect their allocation of development assistance to be driven by American political motives.

3 Selection of Multilateral Donors and Research Hypotheses

My analysis focuses on three United Nations organizations that allocate foreign aid to recipient countries: the United Nations Children's Fund (UNICEF), the United Nations Development Programme (UNDP), and the United Nations Population Fund (UNFPA). These three agencies were selected in part thanks to the availability of data of their development assistance commitments, but also because each has had a different relationship with the United States government.

The United States government has always had a great deal of authority over UNICEF, but its influence did not extend to UNDP. The third organization, UNFPA, has not been controlled by the United States either, and has in fact had rocky relations with several U.S. administrations. Unlike UNICEF, the UNDP and the UNFPA do not have a predominant stakeholder. Their aid allocation decisions are therefore less likely to conform to the preferences of any particular donor state.

3.1 United Nations Children's Fund (UNICEF)

The United Nations International Children's Emergency Fund (UNICEF) was created in December 1946 to provide food, clothing and health care to children in Europe who faced famine and disease after the end of the Second World War. In 1953, the United Nations General Assembly (UNGA) extended the organization's mandate indefinitely, and UNICEF thus became a permanent part of the United Nations. Although its name was shortened to the United Nations Children's Fund, it retained its well-known original acronym. In 1965, UNICEF was awarded the Nobel Peace Prize "for the promotion of brotherhood among nations."

Even since its founding, UNICEF has been controlled by the United States of America. Every single one of its six Executive Directors was an American citizen with strong ties to the U.S. government. The first one, Maurice Pate, had been a member of U.S. President's Herbert Hoover's tour to evaluate global food shortages. His successor, Henry R. Labouisse, had been head of the U.S. International Co-operation Administration, an aid agency, and had also served as the U.S. Ambassador to Greece. The third Executive Director was James P. Grant, who had served as

Deputy Director of the U.S. International Co-operation Administration, and had also been head of the Overseas Development Council, a Washington, D.C.-based think tank. He was followed by Carol Bellamy, who had been Director of the United States Peace Corps. The fifth Executive Director was Ann M. Veneman, who had served as Secretary of the United States Department of Agriculture (USDA). The current Executive Director of UNICEF is Anthony Lake, who had served as National Security Advisor under U.S. President Bill Clinton.[2]

The United States is, furthermore, UNICEF's most important donor. According to the Annual Report for 2010, the U.S. government contributed approximately 341 million U.S. dollars to the organization in 2011. The United Kingdom came in second, with a contribution of a little over 258 million dollars, while Norway was third with 205 million dollars. In 2011, the U.S. government accounted for 16.9 percent of UNICEF's funding from donor governments (UNICEF, 2010).

3.2 United Nations Development Programme (UNDP)

The United Nations Development Programme (UNDP) was formally established in 1965 by the United Nations General Assembly, through a merger of two pre-existing U.N. organizations: the United Nations Expanded Programme of Technical Assistance, and the United Nations Special Fund. UNDP describes itself as "the UN's global development network, advocating for change and connecting countries to knowledge, experience and resources to help people build a better life."[3] It does so by collaborating with governments on development programs and projects. Its focus lies in four main areas: poverty reduction and the achievement of the Millennium Development Goals (MDGs), democratic governance, crisis prevention and recovery, and environment and energy for sustainable development.

Unlike UNICEF, the United Nations Development Programme is not clearly dominated by the United States. Its Administrators have hailed from countries other than the U.S., and while the United States is an important donor to the organization, it is not the decisive one.

During the time period examined in this study (i.e., 2000-2009), UNDP has been led by three Administrators, none of whom were Americans. From 1999 until 2005, the Administrator was Mark

[2]The preceding two paragraphs are based on information from the history overview and Executive Director biographies on UNICEF's website. Available at: *http://www.unicef.org*

[3]See Frequency Asked Questions about UNDP here:
http://www.undp.org/content/undp/en/home/operations/about_us/frequently_askedquestions/

Malloch Brown of the United Kingdom. He was succeeded by Kemal Dervis, a Turkish economist and politician. In 2009, Dervis was succeeded by the current UNDP Administrator, Helen Clark, a former Prime Minister of New Zealand.[4]

Although the United States is a major donor to the United Nations Development Programme, it does not account for as large a share of the organization funding as it does in the case of UNICEF. According to its Annual Report, UNDP's largest bilateral government donors in 2011 were Japan ($451 million), United States ($383 million), and Norway ($255 million). The Development Programme has quite a few large donors: As many as eight government donors contributed at least $100 million (UNDP, 2012).

3.3 United Nations Population Fund (UNFPA)

The United Nations Population Fund (UNFPA) "delivers a world where every pregnancy is wanted, every birth is safe, [and] every young person's potential is fulfilled." Its goals include the following: achieving universal access to reproductive health, reducing maternal mortality, and accelarating progress towards the Millennium Development Goals (MDGs) and the Programme of Action adopted at the International Conference on Population and Development in 1994. In addition, UNFPA aims to improve the lives of young people and women by advocating for human rights and gender equality, as well as by promoting the understanding of population dynamics (i.e., growth rates, age structure, fertility, mortality and migration).[5]

None of UNFPA's Executive Directors have come from the United States of America. The first one, Rafael Montinola Salas hailed from the Philippines. Between 2000 and 2009, the time period of interest for my analysis, UNFPA had two Executive Directors: Nafis Sadik, an Indian-born national of Pakistan (in office from 1987 through 2000), and Thoraya Ahmed Obaid of Saudi Arabia (2001-2010). The current Executive Director is Babatunde Osotimehin, a former Minister of Health from Nigeria. He took office at the beginning of 2011.[6]

The United States is not among the most important donors to UNFPA. In 2011, the United

[4]The first and the third paragraphs of this subsection (2.2) are based on information obtained from UNDP's website: *http://www.undp.org*

[5]See the 'About UNFPA' section on the organization's website: *http://www.unfpa.org/public/home/about*

[6]Short biographies of the current and previous UNFPA Executive Directors can be found here:
http://www.unfpa.org/public/home/about/ed/bio
http://www.unfpa.org/public/home/about/ed/pid/4743

States was the sixth largest contributor to its regular funding, having given $37 million. The largest contributor was Sweden ($67 million), followed by the Netherlands ($61 million), Norway ($57 million), Finland ($41 million), Denmark ($38 million), and only then by the U.S. In co-financing contributions, the United States is negligibile ($1.4 million) compared to that of the United Kingdom ($135 million), the European Union ($41 million), or the Netherlands ($38 million). (UNFPA, 2012)

The United Nations Population Fund has, moreover, had strained relations with several U.S. administrations, and has seen its funding from the United States decreased or suspended. Most recently, President George W. Bush's administration withheld a total of $244 million over the course of seven years, citing concerns over UNFPA's alleged funding of forced abortion and sterilization programs in China.[7]

3.4 Hypotheses

The brief descriptions of the UNICEF, UNDP and UNFPA have demonstrated that each of these United Nations organizations has a different relationship with the United States. UNICEF appears to be largely under American control, while it is not easy to pinpoint any dominant stakeholder in either UNDP or UNFPA.

In the case of UNICEF, I expect the dominant funding and administrative role of the United States to be reflected in the organization's foreign aid allocation decisions. Such a finding would be consistent with the results of Kuziemko and Werker's (2006) study on the effect of rotating United Nations Security Council membership on foreign aid receipts. They find that countries that were elected as rotating members saw an increase in their development assistance receipts from the United States, as well as from the United Nations. The authors observe that, for aid disbursed by U.N. agencies, "UNICEF – an agency long controlled by the United States – seems to drive the Security Council effect." Their results suggest, therefore, that "the United States attempts to influence rotating members both with direct foreign aid payments and with funds channeled through a U.N. agency it influences."

More specifically, I expect UNICEF to allocate more aid to recipient countries whose foreign policies are closely aligned with those of the United States. In addition, I expect there to be a

[7] See UNFPA's press release on the restoration of funding from the United States government: *http://www.unfpa.org/public/site/global/lang/en/pid/1562*

political aid cycle. The United States will support the re-election of friendly (i.e., closely aligned) incumbent governments by providing them with more money through UNICEF in election years. Such an increase in foreign aid commitments will, however, only happen if the election is competitive. If the election results is not in doubt, the United States will prefer not to waste its aid money on influencing an election whose favorable outcome is already guaranteed.

By contrast, I do not expect the aid allocation decision made by UNDP or UNFPA – organizations in which the United States does not wield a lot of influence – to be driven by either the recipient country's political alignment with the United States, not by the timing of executive elections.

4 Empirical Analysis

4.1 Model Specification

My empirical approach is loosely based on that taken by Faye and Niehaus (2012) in their analysis of bilateral political aid cycles. For each of the examined multilateral donors (UNICEF, UNDP and UNFPA), I estimate three Ordinary Least Squares (OLS) multiple regression models with recipient- and year- fixed effects.

4.1.1 Model (1): The Role of Political Alignment with the U.S.

Model (1) provides a simple test of the relationship between recipient countries' alignment with the United States and their foreign aid receipts. The specification is as follows:

$$\ln\left(Aid_{it}\right) = \gamma Alignment_{it} + \mathbf{X_{it}}\beta + \mathbf{r_i}\delta + \mathbf{y_t}\theta + \varepsilon_{it},$$

where i and t index recipient countries and years, respectively. The coefficient of interest is γ, which represents the effect of bilateral political alignment with the United States on the amount of development assistance that a country receives. $\mathbf{X_{ij}}$ is a vector of country- and time-varying control variables. In all model specifications, I control for the natural logarithms of the recipient country's gross domestic product (GDP), lagged by one year, and of its population size. The model includes recipient country-fixed effects – represented by $\mathbf{r_i}$, a full set of country dummies – to allow for the influence of time-invariant recipient characteristics, such as culture, history or geography.

In addition, I include year-fixed effects (through the dummies in $\mathbf{y_t}$) to account for changes in multilateral foreign aid commitments that happen in a given year, but that happen irrespective of recipient country characteristics. One example would be an exogenous increase in the donor agencies' funding (which would enable it to raise its aid commitments to all recipient countries). Finally, ε_{it} is the stochastic error term.

4.1.2 Model (2): Introducing the Impact of Executive Elections

Model (2) examines the role of executive elections in the timing of foreign aid commitments, but does not take account of electoral competitiveness. It does so by including a dummy variable, as well as its interaction with political alignment, that indicates whether an executive election took place in the recipient country in any given year:

$$\ln(Aid_{it}) = \gamma_1 Alignment_{it} + \gamma_2 Election_{it} + \gamma_3 Election_{it} \times Alignment_{it} + \mathbf{X_{it}}\beta + \mathbf{r_i}\delta + \mathbf{y_t}\theta + \varepsilon_{it}$$

The coefficient γ_1 represents the effect of political alignment with the United States on a recipient country that is not holding an executive election, and γ_3 is the additional aid that the same recipient gets in election years. The remaining coefficient of interest, γ_2, is the effect of holding an executive election in a country with zero political alignment with the United States.

4.1.3 Model (3): The Role of Electoral Competitiveness

Finally, Model (3) introduces the distinction between competitive and non-competitive elections. Instead of including a single dummy that marks whether an executive election took place, this specification uses two dummy variables – one for competitive, and one for non-competitive elections – and their interactions with alignment:

$$\begin{aligned}\ln(Aid_{it}) = {} & \gamma_1 Alignment_{it} + \gamma_2 Competitive\,Election_{it} + \gamma_3 Competitive\,Election_{it} \times Alignment_{it} + \\ & + \gamma_4 NonCompetitive\,Election_{it} + \gamma_5 NonCompetitive\,Election_{it} \times Alignment_{it} + \\ & + \mathbf{X_{it}}\beta + \mathbf{r_i}\delta + \mathbf{y_t}\theta + \varepsilon_{it}\end{aligned}$$

All the γ coefficients have much the same interpretation as in Model (2), except they now differentiate between the effects of competitive and non-competitive executive elections.

4.2 Data Sources

4.2.1 Foreign Aid Commitments

Data on multilateral foreign aid commitments comes from AidData, a partnership between Brigham Young University, the College of William and Mary, and a non-profit development organization, Development Gateway. The partnership describes itself as "an initiative that aims to (a) increase the impact of development assistance by making aid information more transparent and accessible to a wide range of stakeholders, and (b) improve the quality of research on aid allocation and aid effectiveness."[8]

In particular, I use the AidData Research Release 2.0, which provides a "snapshot of the [...] entire project-level database from November 2011." (Tierney et al., 2011) The full data set includes more than a million aid activities undertaken between the 1940s and the present, and funded by more than eighty aid donors. In my analysis, however, I restrict the data set to activities funded by the three United Nations organizations that are the focus of this paper: the United Nations Children's Fund (UNICEF), the United Nations Development Programme (UNDP), and the United Nations Population Fund (UNFPA). These three agencies were chosen based on the differences in the intensity of the United States' involvement in their operations, but also partly based on data availability. While the AidData Research Release contains some information on the aid activities of several other United Nations organizations, it only contains enough observations for UNICEF, UNDP and UNFPA. Data availability also dictates that I restrict my analysis to the 2000-2009 time period for UNICEF, 2005-2009 for UNDP, and 2001-2009 for UNFPA. All foreign aid commitment amounts are denominated in 2009 U.S. dollars.

4.2.2 Bilateral Alignment with the United States

To measure the degree of political alignment with the United States, I use the proportion of a country's yes or no votes in the U.N. General Assembly that is in agreement with the vote cast by the United States. I code this proportion as a variable named *UN Voting*, and will refer to it as such throughout the paper. This measure, also known as 'Affinity of Nations' scores, comes from Strezhnev and Voeten (2012). As a robustness check, I re-estimate my results with a three-category

[8] See the AidData website at: *http://www.aiddata.org/content/index/about*

affinity measure from the same data set that also includes abstentions.

During the time period covered by my analysis (2000-2009), the five UNICEF, UNDP or UNFPA recipient countries that had the closest political alignment to the United States were Albania, Poland, and the Czech Republic. They voted in accordance with the United States in 49.3, 46.1 and 45.9 percent of the U.N. General Assembly votes. Conversely, the three least closely aligned countries were Cuba, Syria and Vietnam, with a little less than 7 percent of votes in which they agreed with the United States.

4.2.3 Executive Elections and Electoral Competitiveness

Data on executive elections, and on their competitiveness, come from the Database of Political Institutions (DPI), published by the World Bank (Beck et al., 2001). For the executive elections indicator, I use EXELEC from the DPI. This variable attains a value of 1 if an executive election was held in a given year, and a value of 0 otherwise.

My coding of whether an election was competitive is based on the EIEC (Executive Index of Electoral Competitiveness) variable in the DPI. The EIEC is reported on a seven-point scale, with higher values indicating greater competitiveness. I consider an election 'competitive' if the EIEC reaches a score of at least six, and regard it as 'non-competitive' otherwise. Every executive election is thus classified either as 'competitive' or 'non-competitive,' with no intermediate category. Prime ministers who emerge from multi-party elections in which multiple parties win seats in the parliament will thus have been elected in a 'competitive' election. By contrast, chief government executives elected by appointed juntas or electoral colleges, or those selected by the Party Congress in communist countries, are treated as having come from a 'non-competitive' election.

Faye and Niehaus (2012) point out an important advantage of using a measure of electoral competitiveness that is based on political institutions, such as the EIEC. They note that such measures, unlike those based on actual election results, do not suffer from endogeneity with respect to development assistance receipts. Foreign aid might itself influence the result of an executive election, for instance by increasing an incumbent's chances of re-election.

The EIEC should, nevertheless, be seen as a rather conservative measure of electoral competitiveness. In all elections classified as 'non-competitive,' the winner will have been known ahead of time. The converse, however, is not necessarily true. In some elections classified as 'competitive,'

the likely winner will be known before the election, even though there is legal competition amongst multiple political parties and candidates. An example of such a 'competitive-but-not-really' election would be a scenario where, in a well-functioning democracy, the opposition is expected to win by a landslide after the incumbent is discredited by a major scandal.

4.2.4 Controls: Gross Domestic Product and Population Size

In all model specifications, I control for the size of the recipient country's economy – its gross domestic product (GDP) – and for its population size. Since both the dependent variable, and the GDP and population size controls are introduced as logarithms, their regression coefficients can be interepreted as elasticities.

I justify the inclusion of these control variables thusly: The level of economic development can be correlated with the independent variables of interest (for instance, with the competitive executive election indicator) as well as with the dependent variable (e.g., foreign aid commitments). Omitting GDP from the regression would thus raise the specter of omitted variable bias (Wooldridge, 2009). In addition, there can be a reverse causal relationship between foreign aid receipt and the amount of economic production in a country. On the one hand, the level of a recipient country's economic development can influence the amount of foreign aid that multilateral donors commit (e.g., Burnside and Dollar, 2000). On the other hand, the presumed objectives of development aid, as well as the vigorous debate about its effectiveness, suggest that economic development might be affected, positively or negatively, by the amount of foreign aid a country receives (e.g., Boone, 1996; Easterly, 2003). To alleviate such concerns about endogeneity, I use a one-year lag of the GDP variable in all specifications.

My inclusion of population size ensures that the coefficient on $ln(GDP)$ can be interpreted as the elasticity of foreign aid commitments with respect to rising living standards, rather than with respect to the absolute level of economic activity. An alternative approach – one that would rely on using per capita GDP on the right-hand side, and per capita foreign aid commitments on the left-hand side – is less appropriate, as it would mechanically induce an endogenous relationship between the dependent variable and per capita GDP.

My data for both GDP and population size come from the World Development Indicators (WDI), a data base published by the World Bank. I used the WDI package for R to download the

data (Arel-Bundock, 2012). The WDI total population size series is compiled from several sources. These include the World Population Prospects by the United Nations Population Division, the Population and Vital Statistics Report of the United Nations Statistical Division, as well as census reports and other publications from national and international statistical offices. The GDP series comes from World Bank national accounts data, and from OECD National Accounts data files. Each country's gross domestic product is reported in constant 2000 U.S. dollars. These dollar figures are converted from domestic currencies using the official exchange rates for the year 2000 (World Bank, 2013).

4.3 Summary Statistics

Table 1 shows the summary statistics for the final, fully merged, data set that I use in my analysis. Each observation represents a recipient country-year pair (hencefort, recipient-year pair). The mean amount of foreign aid commitment by either UNICEF, UNDP or UNFPA was almost 3.5 million dollars, while the maximum is almost $57 million. An executive election was held in 13.7 percent of recipient-year pairs. About 85 percent of these were classified as competitive, while the remaining 15 percent are treated as non-competitive. The mean Executive Index of Electoral Competitiveness (EIEC) is 5.8 on the seven-point scale, a value that falls just below my threshold for classifying an election as competitive. Across all recipient-year pairs, the mean value of *UN Voting* is 0.16 for the binary yes-no measure (used in the main analysis), and 0.23 for the three-category measure that also accounts for abstentions.

Table 1: Summary Statistics

	N	Mean	St. Dev.	Min	Max
Aid Commitment	3,061	$ 3,412,751	$ 5,154,334	$ 0	$ 56,900,000
Election	3,039	0.137	0.344	0	1
- Competitive	3,033	0.116	0.320	0	1
- Non-competitive	3,033	0.020	0.140	0	1
EIEC	3,033	5.756	1.913	1	7
Population	3,061	42,967,494	157,092,661	101,522	1,330,000,000
GDP	2,973	$ 71,674,955,600	$ 231,392,396,560	$ 199,000,000	$ 2,940,000,000,000
UN Voting	3,061	0.160	0.111	0.000	0.840
UN Voting (3 cat.)	3,061	0.230	0.102	0.000	0.764

5 Estimation Results and Discussion

In this section, I describe the estimation results for my regression models. I also provide a brief discussion of my findings, and relate them to the hypotheses outlined earlier. The explanatory power of the model is quite good. The adjusted R^2, a measure of the goodness of fit, ranges from 0.88 (in the case of the United Nations Population Fund) to 0.97 (for models involving the United Nations Development Program).

5.1 United Nations Children's Fund (UNICEF)

Table 2 contains the estimation results for the United Nations Children's Fund (UNICEF). Model (1) suggests that, consistent with the United States' dominant role in the organization, UNICEF commits more foreign aid to countries that are more closely aligned with the United States in the General Assembly. Holding everything else constant, a country that goes from never voting in agreement with the United States (i.e., *UN Voting* = 0) can expect to receive, on average, 140 percent more in aid commitments.

Model (2) introduces the effect of holding an election, and its interaction with *UN Voting*. The results are interesting: Unless a country holds an executive election in a given year, its alignment with the United States does not appear to affect how much aid it receives. If an election takes place, political alignment can make the difference between receiving more or less aid from UNICEF. In particular, the estimation results suggest that, in an election year, going from being completely unaligned to being in perfect political alignment leads to a very large, 290 percent, increase in aid commitments. By contrast, a country that never votes with the United States in the UNGA sees, on average, a 37 percent *decrease* in the amount of foreign aid in an election year. The coefficients on *UN Voting*, the election indicator, and their interactions are jointly statistically significant ($F = 6.73$, $p = 0.0002$).

Finally, Model (3) tests whether the effect of elections on foreign aid commitments depends on how competitive the elections are. The results suggest that, even in years when they do not hold executive elections, countries will receive more foreign aid from UNICEF if they are more closely aligned with the United States. Specifically, a recipient country that always votes in agreeement with the U.S. in the U.N. General Assembly receives 145 percent more aid than a country that

never does.

Politically aligned countries receive more aid from UNICEF in election years, but only if the elections are competitive. For a perfectly aligned recipient, a competitive election year means a very substantial increase of foreign aid commitments from the United Nations Children's Fund. A recipient that never votes with the United States, however, will receive 50 percent less aid during the year of a competitive election. The coefficients on the non-competitive election indicator and on its interaction with *UN Voting* are not statistically significantly different from zero, either individually (as the table shows) or jointly ($F = 0.133$, $p = 0.875$). This fact suggests that recipients' elections do not affect UNICEF's aid commitment decisions, if the results of those elections are pre-ordained.

The United States, in other words, uses UNICEF to support closely aligned foreign governments, and especially when they are facing a competitive election. At the same time, it does not waste development assistance funds to aid friendly governments whose electoral victory is certain.

5.2 United Nations Development Programme (UNDP)

Table 3 summarizes the regression results for the United Nations Development Programme (UNDP). Since the UNDP has not been strongly controlled by the United States, I do not expect its foreign aid commitments to reflect the degree of a country's alignment with the United States. As it is funded and influenced by a multitude of stakeholders with potentially divergent interests, it is also unlikely to increase or decrease its support during election years.

The estimation results suggest that this is indeed the case. In all the reported models, the coefficients on *UN Voting*, the executive election indicators (including those for competitive and non-competitive elections), as well as their interactions, are not statistically significantly different from zero at conventional levels. In none of the models, furthermore, are these coefficient even jointly statistically significant – for Model (2), $F = 0.264$, $p = 0.851$; while for Model (3), $F = 0.274$, $p = 0.928$.

5.3 United Nations Population Fund (UNFPA)

As was the case with the United Nations Development Programme (UNDP), the United States does not have significant influence at the United Nations Population Fund (UNFPA), and is not its primary funder. The UNFPA, furthermore, also has a large number of donors, whose interests

Table 2: United Nations Children's Fund (UNICEF)

	Dependent variable:		
	ln (Aid Commitment)		
	(1)	(2)	(3)
UN Voting	1.393*	0.996	1.445*
	(0.828)	(0.829)	(0.866)
Election		−0.365**	
		(0.178)	
Election × UN Voting		2.917***	
		(0.787)	
Competitive Election			−0.500**
			(0.202)
Competitive Election × UN Voting			3.754***
			(0.882)
Non-competitive Election			0.037
			(0.366)
Non-competitive Election × UN Voting			−0.821
			(1.932)
ln (GDP_{t-1})	−0.034	−0.065	−0.050
	(0.364)	(0.362)	(0.362)
ln (Population)	1.115	0.932	0.905
	(0.695)	(0.692)	(0.694)
Constant	−2.992	0.592	0.383
	(12.121)	(12.073)	(12.092)
Recipient-fixed effects	Yes	Yes	Yes
Year-fixed effects	Yes	Yes	Yes
Observations	1,289	1,289	1,285
R^2	0.962	0.963	0.963
Adjusted R^2	0.957	0.958	0.958
Note:			*p<0.1; **p<0.05; ***p<0.01

may not be well-aligned. I therefore do not expect the UNDP's foreign aid allocation decisions to be driven by the recipient countries' bilateral alignment with the United States, or by the timing of executive elections.

Again, the regression results – presented in *Table 4* – are consistent with these hypotheses. The only coefficient that reaches statistical significance across the estimated models is the one on the interaction between the competitive election and *UN Voting* in Model (3). The competitive election

Table 3: United Nations Development Programme (UNDP)

	Dependent variable:		
	ln (Aid Commitment)		
	(1)	(2)	(3)
UN Voting	−0.833	−0.812	−0.764
	(1.153)	(1.157)	(1.160)
Election		−0.017	
		(0.193)	
Election × UN Voting		−0.222	
		(1.026)	
Competitive Election			−0.002
			(0.212)
Competitive Election × UN Voting			−0.202
			(1.069)
Non-competitive Election			0.215
			(0.614)
Non-competitive Election × UN Voting			−3.588
			(5.367)
ln (GDP_{t-1})	−0.781	−0.768	−0.733
	(0.619)	(0.621)	(0.623)
ln (Population)	0.195	0.207	0.209
	(0.965)	(0.968)	(0.970)
Constant	28.878	28.412	27.572
	(17.871)	(17.921)	(17.978)
Recipient-fixed effects	Yes	Yes	Yes
Year-fixed effects	Yes	Yes	Yes
Observations	817	817	817
R^2	0.974	0.974	0.974
Adjusted R^2	0.969	0.969	0.969
Note:		*p<0.1; **p<0.05; ***p<0.01	

indicator and its interaction, however, are not jointly significant ($F = 2.112$, $p = 0.122$). The full set of coefficients on *UN Voting*, the competitive and non-competitive election dummies, and their interactions are not jointly significant – $F = 1.225$, $p = 0.299$ for Model (2); and $F = 1.161$, $p = 0.326$ for Model (3).

Table 4: United Nations Population Fund (UNFPA)

	Dependent variable:		
	ln (Aid Commitment)		
	(1)	(2)	(3)
UN Voting	1.466	1.338	1.801
	(1.532)	(1.534)	(1.564)
Election		−0.319	
		(0.309)	
Election × UN Voting		2.428	
		(1.545)	
Competitive Election			−0.442
			(0.342)
Competitive Election × UN Voting			3.207*
			(1.655)
Non-competitive Election			0.158
			(1.039)
Non-competitive Election × UN Voting			−1.607
			(8.889)
ln (GDP_{t-1})	−1.317**	−1.310**	−1.302**
	(0.654)	(0.654)	(0.656)
ln (Population)	3.597***	3.444***	3.555***
	(1.149)	(1.153)	(1.153)
Constant	−11.703	−9.535	−11.593
	(20.647)	(20.686)	(20.720)
Recipient-fixed effects	Yes	Yes	Yes
Year-fixed effects	Yes	Yes	Yes
Observations	1,177	1,177	1,175
R^2	0.895	0.895	0.895
Adjusted R^2	0.879	0.879	0.880
Note:			*p<0.1; **p<0.05; ***p<0.01

5.4 Robustness Check

Appendix A contains the results of a simple robustness check. In addition to providing a measure of political alignment based on yes-no votes in the United Nations General Assembly, Strezhnev and Voeten (2012) also provide a three-category measure of the same. This measure additionally takes into account abstentions from voting in the Assembly. I estimate the same model specifications as in *Sections 4.1-4.3*, and find that the results do not change in any substantial way.

6 Conclusion and Future Research

This study provides empirical evidence that United States uses the United Nations Children's Fund (UNICEF) as one of its foreign policy tools. In particular, the United States uses its sway over this international organization to channel aid funds to friendly governments, and to help them win competitive elections. At the same time, it does not squander aid money on non-competitive elections whose result is known ahead of time. The interpretation's plausibility is enhanced by the finding that the United Nations Development Programme (UNDP) or the United Nations Population Fund (UNFPA), two U.N. organizations not dominated by the United States, do not exhibit any of the above aid allocation patterns.

My results are consistent with the argument that states may use international organization for 'laundering', and conduct through them activities that would be less acceptable if done directly from state to state (Abbott and Snidal, 1998; Vaubel, 1986). They are also in accordance with Kuziemko and Werker's (2006) conclusion that, when the United States influences rotating members of the U.N. Security Council through an increase in foreign aid, one of the channels it uses is the United Nations Children's Fund, over which it has a great deal of influence. In addition, this paper's findings suggest that the political aid cycles discovered by Faye and Niehaus (2012) can be found not only in bilateral development assistance, but also in the allocation of multilateral foreign aid.

Several avenues for future research suggest themselves. The United Nations is not the only multilateral donor whose foreign aid allocation decisions are dominated by a particular nation state. The Asian Development Bank (ADB), for instance, has been largely under Japanese control. Lim and Vreeland (2013) have shown that the Japanese government uses favorable ADB loans to buy influence at the United Nations Security Council. It might be worth investigating whether ADB loans and development assistance tend to exhibit, with respect to Japan, patterns similar to those I found for UNICEF. Another intriguing possibility concerns the potential use of executive elections as an instrumental variable. As a source of exogenous variation in development assistance receipts, the timing of elections could prove to be a useful tool in establishing causal effects in the aid effectiveness literature.

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Appendix A: Robustness Checks

In *Tables 5, 6,* and *7,* I present the estimation results of a robustness check that replaces a yes-no measure of political alignment with the United States with a three-category measure.

Table 5: United Nations Children's Fund (UNICEF)

	Dependent variable:		
	ln (Aid Commitment)		
	(1)	(2)	(3)
UN Voting (3 cat.)	1.443	1.121	1.421
	(0.928)	(0.925)	(0.948)
Election		-0.660^{***}	
		(0.246)	
Election × UN Voting (3 cat.)		3.307^{***}	
		(0.879)	
Competitive Election			-0.835^{***}
			(0.277)
Competitive Election × UN Voting (3 cat.)			4.054^{***}
			(0.972)
Non-competitive Election			0.095
			(0.550)
Non-competitive Election × UN Voting (3 cat.)			−0.778
			(2.387)
ln (GDP_{t-1})	−0.042	−0.071	−0.060
	(0.364)	(0.362)	(0.362)
ln (Population)	1.102	0.924	0.909
	(0.695)	(0.692)	(0.694)
Constant	−2.654	0.770	0.555
	(12.117)	(12.064)	(12.086)
Recipient-fixed effects	Yes	Yes	Yes
Year-fixed effects	Yes	Yes	Yes
Observations	1,289	1,289	1,285
R^2	0.962	0.963	0.963
Adjusted R^2	0.957	0.958	0.958
Note:			*p<0.1; **p<0.05; ***p<0.01

Table 6: United Nations Development Programme (UNDP)

	Dependent variable:		
	ln (Aid Commitment)		
	(1)	(2)	(3)
UN Voting (3 cat.)	−1.256	−1.235	−1.247
	(1.253)	(1.258)	(1.259)
Election		−0.010	
		(0.272)	
Election × UN Voting (3 cat.)		−0.184	
		(1.112)	
Competitive Election			0.004
			(0.297)
Competitive Election × UN Voting (3 cat.)			−0.162
			(1.164)
Non-competitive Election			0.633
			(1.070)
Non-competitive Election × UN Voting (3 cat.)			−4.700
			(6.148)
ln (GDP_{t-1})	−0.782	−0.769	−0.726
	(0.618)	(0.620)	(0.622)
ln (Population)	0.240	0.248	0.249
	(0.961)	(0.964)	(0.965)
Constant	28.474	28.067	27.093
	(17.841)	(17.887)	(17.943)
Recipient-fixed effects	Yes	Yes	Yes
Year-fixed effects	Yes	Yes	Yes
Observations	817	817	817
R^2	0.974	0.974	0.975
Adjusted R^2	0.969	0.969	0.969
Note:			*p<0.1; **p<0.05; ***p<0.01

Table 7: United Nations Population Fund (UNFPA)

	Dependent variable:		
	ln (Aid Commitment)		
	(1)	(2)	(3)
UN Voting (3 cat.)	1.448	1.314	1.667
	(1.656)	(1.660)	(1.682)
Election		−0.370	
		(0.431)	
Election × UN Voting (3 cat.)		1.924	
		(1.664)	
Competitive Election			−0.533
			(0.476)
Competitive Election × UN Voting (3 cat.)			2.656
			(1.791)
Non-competitive Election			0.288
			(1.455)
Non-competitive Election × UN Voting (3 cat.)			−1.644
			(7.790)
ln (GDP_{t-1})	−1.320**	−1.315**	−1.309**
	(0.654)	(0.654)	(0.656)
ln (Population)	3.569***	3.466***	3.572***
	(1.150)	(1.154)	(1.154)
Constant	−11.253	−9.776	−11.680
	(20.652)	(20.696)	(20.725)
Recipient-fixed effects	Yes	Yes	Yes
Year-fixed effects	Yes	Yes	Yes
Observations	1,177	1,177	1,175
R^2	0.895	0.895	0.895
Adjusted R^2	0.879	0.879	0.879
Note:			*p<0.1; **p<0.05; ***p<0.01