

Peacekeeping for Profit? The Scope and Limits of “Mercenary” UN Peacekeeping

Developing states furnish the vast majority of UN peacekeeping troops, and academics and policy makers frequently argue that this dominance is driven by developing states’ ability to profit from UN peacekeeping reimbursements. In this article we argue that the ‘Peacekeeping for Profit’ claim has been overstated and that the conditions for significantly profiting from UN peacekeeping are in fact highly restrictive, even for developing states.

We begin by highlighting three potent reasons for re-examining the Peacekeeping for Profit narrative: a growing empirical literature chronicling the diversity of developing states’ motivations for participating in UN peacekeeping; the profit-making narrative’s profound lack of historical perspective; and the fact that the quantitative evidence scholars have presented as supporting this narrative is deeply flawed. We then identify two conditions under which Peacekeeping for Profit provides a plausible explanation for a developing state’s UN troop contributions. First, the deployment and its attendant reimbursements must be significant not only in absolute and per-soldier terms but also in relation to the state’s total armed forces and military expenditure. Second, the state must have an exceptional ability – in comparison to other troop contributors – to benefit from UN reimbursements. The scope for generalized profit-making is strictly limited in both the contingent-owned equipment and the personnel costs reimbursement system, not least because major UN financial contributors typically oppose rate increases. Individual states can still make a profit if they 1) invest in inexpensive and old but functional equipment and/or 2) limit the deployment allowances (rather than salaries) they pay their UN peacekeepers. Critically, meeting these requirements reflects national policy decisions, not simply per capita GDP. Overall, we argue that only a limited subset of developing states meets the plausibility conditions for the Peacekeeping for Profit narrative – and many top UN troop contributors do not.

Katharina Coleman
University of British Columbia
katharina.coleman@ubc.ca

Benjamin Nyblade
University of California, Los Angeles
nyblade@law.ucla.edu

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Introduction

One of the most widely known facts about UN peacekeeping is that developing states contribute the vast majority of its military personnel. In December 2015, they furnished 93.5% of UN military peacekeepers, and the twenty top troop contributors, which jointly accounted for almost 75% of UN military personnel, were all developing states (UN DPKO 2015).¹ The received wisdom is that developing states contribute so heavily to UN peacekeeping because they make a profit from doing so: standardized UN reimbursements rates exceed developing states' costs, allowing them to pocket the difference. Within the academic literature, this explanation has long been suggested (Bobrow & Boyer 1997: 727; Berman & Sams, 2000: 253-254) and more recently several studies have reported systematic evidence in its support (Victor 2010; Bove & Elia 2011; Gailbulloev et al. 2015).

This article argues that the 'Peacekeeping for Profit' explanation for state contributions to UN operations has been vastly – and unhelpfully – overstated. It does contain an element of truth: for some states, UN reimbursements exceed deployment costs and the resulting opportunity for profit constitutes a significant motivation for contributing UN peacekeepers. However, it does not follow that UN peacekeeping has become 'mercenarized' (Bove & Elia 2011: 703). The conditions for profiting from UN peacekeeping are highly restrictive, and financial benefits are not sufficiently common and substantial to adequately explain the prominence of developing states among UN peacekeepers.

¹ Developing states are here defined as states that receive a discount on their assessed contributions to the UN peacekeeping budget because they claim developing state status, plus China, which claims developing state status but as a permanent Security Council member does not qualify for a UN peacekeeping budget discount.

The purpose of this article is to trace the limits within which profit-making provides a plausible explanation for a state's contributions to UN peacekeeping. In other words, it investigates the scope conditions of the Peacekeeping for Profit argument. There are three major reasons for doing so, which we preview here and explore further in the first part of this article. First, the Peacekeeping for Profit narrative sits uneasily alongside other studies highlighting a range of other political, normative, institutional and economic reasons for states to contribute UN peacekeepers. Given the UN's heavy dependence on developing states to furnish the record numbers of UN peacekeepers currently deployed, it is imperative to distinguish the (limited) conditions under which profit can provide a major explanation for troop contributions from the (more common) circumstances where other considerations are likely to be more prominent. Second, as a general explanation for UN peacekeeping contributions by developing states the Peacekeeping for Profit narrative suffers from a striking lack of historical perspective: developing states emerged as the most prominent UN peacekeepers at a time when UN peacekeeping was becoming *less* financially attractive. Third, the empirical evidence thus far provided in support of the generalized Peacekeeping for Profit narrative is flawed: closer investigation reveals that wealth is not in fact a reliable predictor of a state's UN peacekeeping contributions.

If there is merit to the Peacekeeping for Profit narrative, therefore, it must be in a far more restrictive set of circumstances – and thus for a smaller set of states – than is often assumed. In the second part of this article, we identify the conditions under which it is plausible to assume that profit-making calculations significantly shape a state's UN peacekeeping contributions. We argue that peacekeeping-related payments must be situated in the receiving states' wider military and financial context, and we investigate

UN equipment and personnel cost reimbursement policies to identify both the potential for profit-making and its limits. Profit motivations are most plausible for states with relatively small armed forces and modest military expenditures, for those that possess large stocks of old but functional equipment with low maintenance requirements and/or those that pay unusually low deployment benefits – as opposed to salaries – to their military personnel. Crucially, many developing states – and in particular many of the UN’s top troop contributors – do not meet these conditions. The Peacekeeping for Profit argument thus explains a much smaller proportion of UN troop contributions than is commonly assumed, and the attention given to this explanation by pundits, policy makers and academics is out of proportion with its empirical significance.

Three problems with Peacekeeping for Profit as a general explanation for developing states’ UN contributions

The Peacekeeping for Profit argument makes two assertions: that profit is a major motivation for individual troop contributing states and that enough states – and in particular enough major troop contributors – share this motivation to make it significant for UN peacekeeping as a whole. Thus Victor notes the importance of African contributions to peacekeeping in Africa before arguing that ‘a major incentive for developing countries to participate in UN peacekeeping is that they receive a monthly stipend per soldier...’ (2010: 221). Similarly, Bove and Elia find that the availability of inexpensive military personnel in developing states is ‘among the main drivers of [UN] peacekeeping... Poorer troop contributing countries, which send the lowest paid forces,

are reimbursed more than their actual costs... The strategy for developing countries is to dispatch large contingents' (2011: 710). Gaibulloev et al. concur: 'UN compensation means that some countries with inexpensive personnel can actually earn money by sending their peacekeepers to UN peacekeeping deployments... Thus, it is not surprising that some countries... contribute a large number of peacekeepers to UN PKOs' (2015: 3).

There remains some ambiguity over whether the profit motivation applies roughly equally to all lower-income troop contributors (Gaibulloev et al. 2015:13) or whether the negative relationship between wealth and peacekeeping contributions is more continuous (Bove and Elia 2011). The key distinction drawn, however, is typically between developing and developed states: 'Providing military personnel to UN peacekeeping constitutes a benefit for developing countries but is considered a cost for developed countries' (Sheehan 2011: 144). The Peacekeeping for Profit motivation is thus assumed to apply to some significant extent to many or most developing states, and especially to 'many major UN personnel contributors' (Gaibulloev et al. 2015: 7) or 'countries deploying large [UN] peacekeeping forces' (Bove & Elia 2011:704).

Yet there are at least three reasons to doubt the Peacekeeping for Profit narrative as a general explanation for developing states' UN peacekeeping contributions: 1) it discounts a host of other possible motivations suggested by the scholarly literature; 2) it struggles to account for the historical timing of developing states' emergence as the UN's dominant source of peacekeepers; and 3) the primary empirical evidence thus far presented for a systematic pattern of UN Peacekeeping for Profit is flawed: there is no robust relationship between a state's per capita GDP and its peacekeeping contributions.

Individually and especially in combination, these three factors suggest a need to reconsider the scope conditions of the Peacekeeping for Profit argument.

Problem 1: Discounting other motivations

The emphasis on Peacekeeping for Profit as a major explanation for developing states' contributions to UN peacekeeping sits uneasily alongside a growing literature on the many other motivations potentially shaping states' participation decisions. These include commitment to peacekeeping principles, especially among democracies (Lebovic 2004); protecting national political, security or trade interests and/or regional stability (Bobrow & Boyer 1997: 727; Tardy 2016; Victor 2010); seeking international prestige (Neack 1995: 194; GfK Roper 2010; Victor 2010); a desire to deploy troublesome military contingents abroad, enhance the national military's training and professionalism, and/or secure financial benefits for individual peacekeepers (Coleman 2014; Bellamy & Williams: 19; Beswick & Jowell 2014; Bobrow & Boyer 1997: 727; Sotomayor 2014); and an interest in deploying alongside allies (Ward & Dorussen 2016).

The multiplicity of possible motivations for contributing to UN peacekeeping is not inherently problematic. Indeed, a combination of public (international) and private (country-specific) benefits is arguably essential to the adequate provision of personnel for UN peacekeeping (Bobrow & Boyer 1997). The Peacekeeping for Profit narrative, however, casts profit-making as the primary and dominant motivation of developing states – and one that substitutes for any (even self-interested) commitment to conflict resolution. Thus Gaibulloev et al. (2015: 14) argue that poorer 'UN contributors are more motivated by money-making personnel deployments than by other contributor-

specific gains, such as regional stability.’ Bove and Elia (2011: 701-702) similarly contrast Security Council members (whose ‘utility from peace strictly dominates the utility from continued conflict’) and ‘Third World states,’ for which ‘donating troops and receiving some benefits in return is more valuable than a self-settlement [of the conflict] without their involvement, because the country-specific benefits of intervention (i.e. UN compensation) are higher than the global public characteristics (e.g. countering global instability).’

Since the Peacekeeping for Profit argument is thus cast as an alternative rather than a complement to other motivations for UN peacekeeping contributions, it is critical to establish which states (if any) the argument can plausibly be applied to. There is no theoretical reason to assume that all developing states perceive their national interest in participating in UN peacekeeping operations solely or predominantly in terms of financial benefits. Indeed, most UN troop contributors – including developing ones – appear to have a variety of political, security, institutional, economic and/or normative rationales for participation (Bellamy & Williams 2013).

Problem 2: Lack of historical perspective

The Peacekeeping for Profit narrative struggles to account for two historical facts about developing states’ contributions to UN peacekeeping.

First, the financial incentives that supposedly motivate developing states’ dominance in UN peacekeeping existed for decades before developing states emerged as the main providers of UN peacekeepers. The UN introduced a standardized reimbursement rate for peacekeeping troop contributions in 1974, fully realizing that this favored some countries

more than others: ‘from the outset, it was recognized that there were wide variations in troop costs among troop-contributing countries’ (UNGA 2012: §3). The basic troop reimbursement rate was increased in 1977, 1980, and 1991, and smaller additional reimbursements for specialist personnel and troops’ personal clothing, equipment and weapons were introduced in the same timeframe (UNGA 2012: §§4-5). The late 1980s were thus a high point for the profitability of contributing UN peacekeepers: the average ‘absorption factor’ (the proportion of UN troop contributors’ costs not covered by reimbursements) was at a historic low in 1988, and increased sharply in the early and mid-1990s (UNSG 2000: Annex IV). Standardized reimbursement rates for military equipment, meanwhile, were mooted in 1993 and replaced a cumbersome system of individually negotiated rates in 1996 (UNSG 1998).

Nevertheless, developed states furnished the bulk of UN peacekeepers through the significant increase in UN peacekeeping in 1992-1996 and into late 1990s. In 1995, Neack argued that Western states – a minority among the UN’s then 185 members – ‘dominated peace-keeping and probably will continue to do so,’ joined by ‘a few non-Western states that lay claim to some prestige in international affairs through their UN activities’ (1995: 194). Only in the early 2000s did first Asian and then African troop contributions surpass European ones (Perry & Smith 2013: 3). The Peacekeeping for Profit narrative struggles to explain why these states did not respond to the purported financial incentives earlier – or, for those already active in the 1990s, why their motivations might have changed from prestige to profit.

Second, the emergence of developing states as the main providers of UN peacekeepers coincided with a period in which peacekeeping was becoming *less* financially attractive

for many of these states. Several developing states – including major UN troop contributors – experienced substantial economic growth in the early 2000s, and expanded their foreign exchange earnings significantly in comparison to the 1990s. Thus by 2013 they were ‘less in need of hard currency reimbursement, which used to be... an interesting dimension for the troop-contributing countries from the South. Now Brazil, India, they... don’t depend on the dollar income they get from the troops being deployed.’² Moreover, from 2002 through 2013 UN peacekeeping itself became steadily less financially attractive as UN member states failed to agree on any troop reimbursement rate increases, not even to keep pace with US dollar inflation. The 2002 total reimbursement of \$1,140 per deployed personnel remained unchanged until 2011 and rose to \$1,210 in 2012 and 2013 only thanks to temporary supplementary payments approved as ad hoc measures by the General Assembly (UNSG 2014: §§4-5). Given inflation, this represented a contraction of 18% in US dollar terms: \$1,210 in 2013 had the buying power of \$934.43 in 2002.³ For countries with higher national inflation rates not fully offset by changing US dollar exchange rates, the impact was even worse: ‘In terms of local purchasing power... for India the UN’s uniformed personnel reimbursement rate shrank by 45.8 percent between 2002 and 2012. Bangladesh, Ethiopia, Jordan, Nepal, Nigeria and Pakistan experienced contractions of 30.6 percent, 59 percent, 37.3 percent, 48.4 percent, 56.1 percent and 44.1 percent, respectively’ (Coleman 2014: 15).

² Interview with a UN official, April 2013

³ Calculated using US Department of Labor CPI Inflation Calculator, available at www.bls.gov/data/inflation_calculator.htm

Yet while the profitability of UN peacekeeping declined, total military personnel contributions to UN peacekeeping increased from less than 40,000 in 2002 to over 80,000 in 2012 (UN DPKO 2016) – and the bulk of these troops were deployed by developing states. As a general explanation for developing states’ UN contributions, the Peacekeeping for Profit argument struggles to account for the increased provision of UN peacekeepers at a time of falling profits. Some developing states might still have been able to derive a profit from UN peacekeeping in 2012, but the ‘profit margin’ shrank for virtually all of them and is likely to have disappeared for at least some troop contributors. This again suggests the need for a closer investigation of *which* developing states could still plausibly be seen as primarily or at least substantially motivated by profit considerations by the mid-2010s. For other developing states contributing to UN peacekeeping, the wider range of potential motivations highlighted above has arguably become more relevant than ever.

Problem 3: Lack of support in the empirical data

Despite the substantive reasons identified above to doubt the Peacekeeping for Profit narrative as a dominant explanation for developing countries’ UN peacekeeping contributions, several scholars have recently published quantitative analyses that they suggest provide systematic evidence in favor of this argument. Most frequently, scholars present models that report a negative association between GDP per capita and UN peacekeeping contributions, and suggest that this is association results from developing countries’ desires to profit from their contributions (e.g. Bove and Elia 2011, Gaibuelloev et al. 2015, Ward and Dorussen 2016). At best, of course, such an association is merely consistent with a Peacekeeping for Profit logic, rather than strong evidence for it, given

the other motives for peacekeeping contributions discussed previously. Upon closer examination, however, the quantitative evidence turns out to be even weaker than that: the negative association between GDP per capita and peacekeeping contributions reported is extremely sensitive to model specification and functional form choice, and is often driven by the presence of outliers.

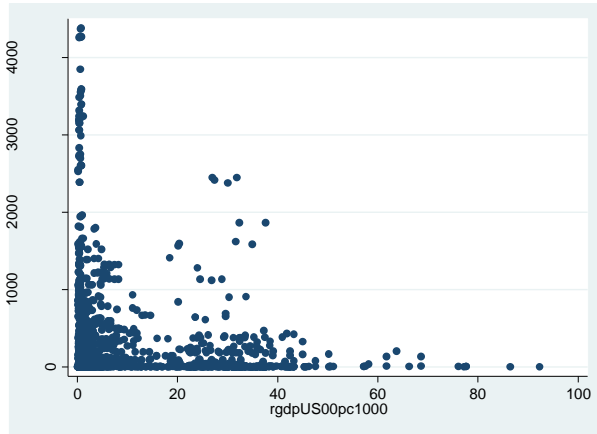
We illustrate this first by re-examining the data and statistical analyses in Bove and Elia (2011), which includes profit-making among its key hypotheses about UN peacekeeping contributions: “Hypothesis 2: The mercenarization of UN forces: the higher the comparative advantage in manpower – measured by the number of personnel in the armed forces and their remuneration – the higher the likelihood and size of intervention will be.” (Bove and Elia 2011, p. 703) Bove and Elia rely on a direct measure of the number of personnel in the armed forces and use GDP per capita as a proxy for the remuneration of military personnel. As the results for military personnel are both less robust and theoretically a weaker test of the Peacekeeping for Profit argument⁴, we focus on the analyses that relate the size of UN peacekeeping personnel contributions to GDP per capita.

We argue below that per capita GDP actually only imperfectly predicts military salaries and offers an even less reliable proxy for deployment costs. Setting this aside for the moment, there remains a methodological challenge in examining the relationship between personnel contributions and GDP per capita, which is that both variables are skewed. This can be readily seen in Figure X1 Panel A, a scatterplot of GDP per capita

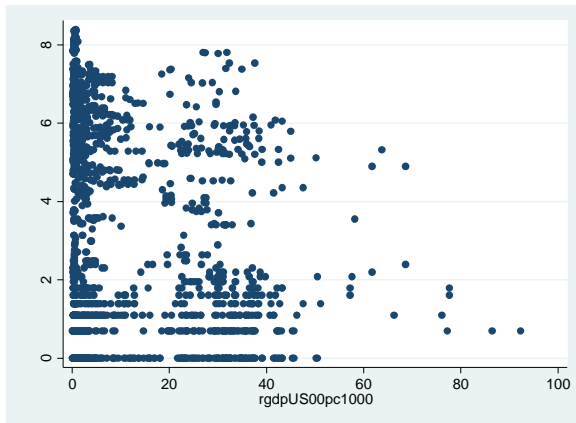
⁴ The number of military personnel in national armed forces directly affects the availability of potential peacekeepers, but not the profitability of deploying them.

Fig X1. UN PKO Troop Contributions and GDP Per Capita (Bove and Elia 2011)

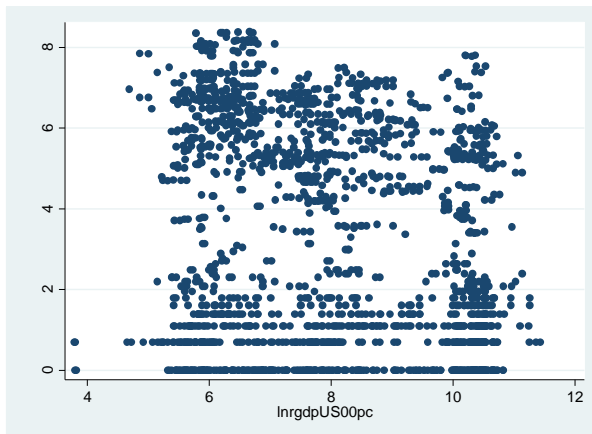
A. Troops vs. GDP Per Capita



B. Troops (ln) vs. GDP Per Capita



C. Troops (ln) vs. GDP Per Capita (ln)



and UN PKO personnel contributions in Bove and Elia's replication data. The vast majority of UN PKO personnel contributions are small: half comprise fewer than 30 personnel, while only a handful of countries contribute large troop contingents.⁵ GDP per capita is also skewed, with small states such as Qatar, Luxembourg, Iceland, and Norway as outliers featuring real GDP per capita in the year 2000 above \$50,000 – by comparison, the US value is \$38,000.

To help account for the skewed distribution of UN peacekeeping contributions, Bove and Elia (2011) use the natural log of personnel contributions as their dependent variable: the relationship in their analyses is thus actually the one shown in Panel B of Figure X1. Using logs is a common approach to handling skewed distributions. However, it does come at a cost, which in this case is to diminish the relative impact of large contributors on the analysis. The gap between 0 and 0.7 at the bottom of the scatterplot X1 is the difference between contributing 1 and 2 troops—a difference that the analysis treats as equivalent to the difference between 2,000 and 4,000 troops (7.6 and 8.3, when logged). The overall results thus become more likely to be driven by small variations in small contributions. To the extent that this is the case, they may be less representative of what drives the relatively small number of countries making the large troop contributions that constitute the bulk of UN peacekeeping forces.

Put differently, Bove and Elia's models rest on untested assumptions about additivity, monotonicity and unit homogeneity. While typical for quantitative analyses, these assumptions are problematic in this particular setting because large troop contributions may well be driven by different factors than much smaller contributions of personnel

⁵ For a discussion of this phenomenon, see Coleman 2013.

deployed as military observers or integrated into a larger contingent from another state (Coleman 2013).

Even more crucial, from the point of view of assessing the Peacekeeping for Profit argument, is that in testing the relationship between countries' incomes and peacekeeping contributions Bove and Elia do nothing to account for the skewed distribution of GDP per capita. If one were to consider using the natural log of GDP per capita, the relationship looks different – or indeed non-existent – as we plot in Figure 1 Panel C. We do not necessarily advocate using this log in all analyses, but we do suggest that when per capita GDP data is included in models, scholars must at a minimum test for outliers driving their results and whether the relationship between GDP per capita and their outcome of interest is non-monotonic.

We report more systematic robustness analyses focused on the relationship between GDP per capita and UN peacekeeping personnel contributions in Table X1. Our Model 1 is identical to Bove and Elia's Model 1 from their Table II.⁶ In Model 2 we simply replace GDP per capita with the natural log of GDP per capita and the coefficient becomes statistically insignificant, and in fact the sign switches.

This switch in signs suggests a potential non-monotonic relationship, which we test in Model 3 by including both GDP per capita and its squared term in the same model. Model 4 does the same with logged GDP per capita. We report the results of Model 3 and Model 4 graphically in Figure X2. Both models suggest a weak inverted U shape relationship: very poor countries (GDP per capita less than roughly \$10,000) contribute

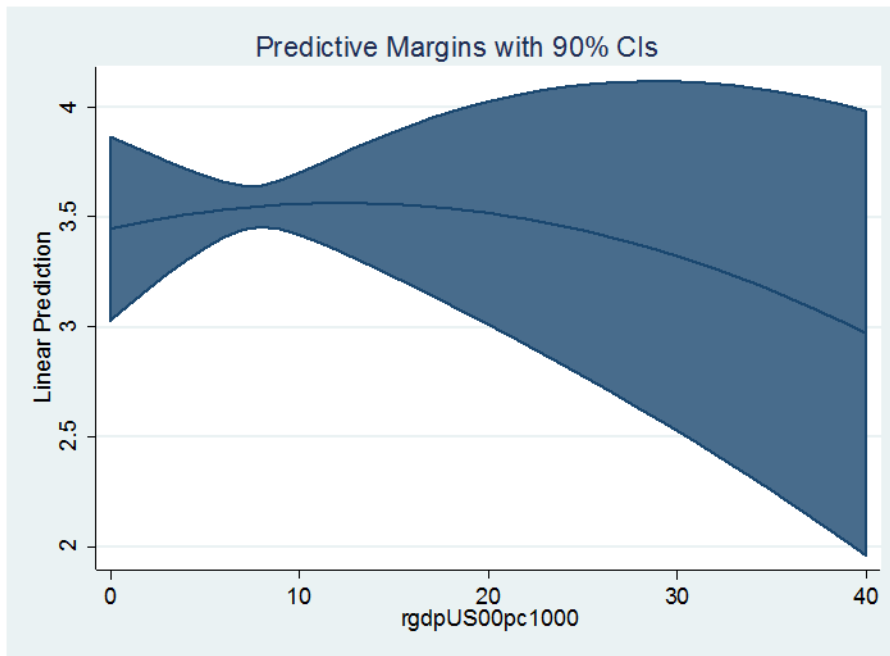
⁶ We were able to successfully replicate Bove and Elia's results exactly using the data and code they provided for the *Journal of Peace Research* website. Table X1 reports replications and extensions of Bove and Elia's Table 2 Model 1, but equivalent results hold when replicating all six models of their Table II in a similar fashion.

Table XI. Replication and Extension of Bove and Elia (2011) Table II Model 1. (Panel Estimation of troop contribution to UN Missions)

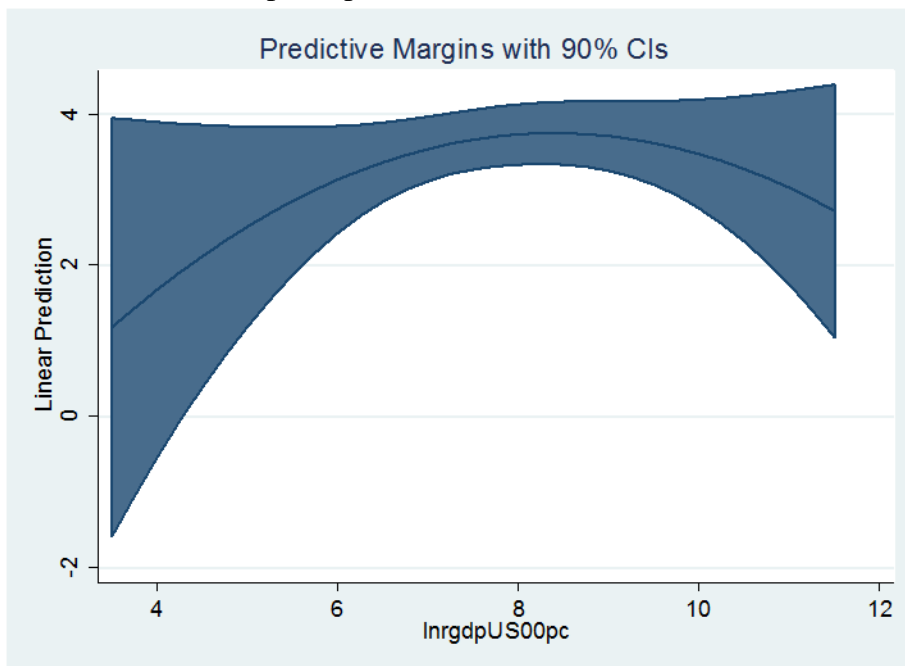
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
Real per capita GDP/1000	-0.034* (0.017)		0.019 (0.035)		-0.024 (0.018)		-0.024 (0.018)	
Real per capita GDP/1000 (ln)		0.136 (0.216)		1.798 (1.279)		0.178 (0.215)		0.197 (0.229)
Real per capita GDP/1000 ^2			-0.001 (0.000)					
Real per capita GDP/1000 (ln) ^2				-0.107 (0.078)				
Deaths Per Year	0.004** (0.001)	0.005** (0.002)	0.005** (0.001)	0.005** (0.001)	0.004** (0.001)	0.005** (0.002)	0.004** (0.002)	0.005** (0.002)
Conflict Intensity	0.204** (0.070)	0.193** (0.069)	0.203** (0.070)	0.204** (0.071)	0.180** (0.068)	0.174* (0.068)	0.139* (0.068)	0.127 (0.067)
Displaced people/1 x 10^6	-0.443** (0.157)	-0.378* (0.147)	-0.436** (0.157)	-0.371** (0.142)	-0.443** (0.157)	-0.389** (0.147)	-0.403** (0.138)	-0.335** (0.128)
No. of Concurrent PKOs	-0.035 (0.048)	-0.042 (0.047)	-0.041 (0.047)	-0.049 (0.046)	-0.050 (0.046)	-0.059 (0.044)	-0.054 (0.042)	-0.060 (0.039)
Military Expenditure/GDP	-0.006 (0.041)	0.029 (0.045)	0.016 (0.043)	0.009 (0.044)	0.000 (0.041)	0.031 (0.045)	-0.007 (0.036)	0.027 (0.042)
No. in armed forces /1000	0.531 (0.287)	0.540 (0.285)	0.535 (0.285)	0.528 (0.284)	0.530 (0.289)	0.536 (0.285)	0.101 (0.231)	0.113 (0.228)
UNSC Candidate	0.069 (0.162)	0.069 (0.165)	0.069 (0.161)	0.067 (0.165)	0.070 (0.163)	0.069 (0.165)	-0.028 (0.148)	-0.025 (0.150)
Constant	3.643*** (0.378)	2.091 (1.831)	3.296*** (0.459)	-4.014 (5.151)	3.642*** (0.386)	1.893 (1.829)	4.426*** (0.359)	2.498 (1.973)
N	1748	1748	1748	1748	1727	1727	1476	1476

Fig X2. Marginal Effect of GDP Per Capita, Model 3 (Panel A) and Model 4 (Panel B)

A. Model 3. GDP per capita/1000



B. Model 4. $\ln(\text{GDP per capita}/1000)$



somewhat fewer troops to UN peacekeeping operations, as do very rich countries (GDP per capita roughly over \$30,000), but the relationship is nowhere near statistically significant. Ultimately, the significant negative coefficient on GDP per capita in Bove and Elia's Model 1 is being driven by the greater weight placed on the contributions by outlier high income observations such as Qatar, Iceland and Luxembourg. By contrast, when GDP per capita is logged, greater weight is placed on the low income countries' contributions and the slight increase in contributions as income increases up through roughly \$10,000 per capita.

We confirm that the Bove and Elia results for GDP per capita are indeed driven by these outliers by truncating the sample. Models 5 and 6 exclude the 21 out of 1,748 (<1%) observations in which GDP per capita is greater than \$50,000. In Model 5, dropping even this small number of observations cuts the coefficient on GDP per capita nearly in half and makes it insignificant. In Model 6, it moderately strengthens the insignificant positive coefficient. Models 7 and 8 also truncate the sample, excluding observations in which the number of troops contributed is only 1 (272 observations, 15% of the total). In neither model is GDP per capita statistically significant, and it is worth noting that dropping the cases of contributions of a single troop makes the (insignificant, but consistently positive) coefficient on total armed forces lose roughly 80% of its effect. While we here report these results merely to highlight the sensitivity of the Bove and Elia analysis, these results are consistent with the general idea that the determinants of "token" contributions may be different from more substantial contributions to peacekeeping operations (Coleman 2013). This has not been explored in the quantitative

literature on peacekeeping personnel contributions, and may be masked by the typical modeling approaches taken in these analyses.

In short, while Bove and Elia (2011) report consistently strong support for the ‘mercenarization’ hypothesis across the various models they present, the robustness tests reported here suggest that GDP per capita is not a significant predictor of UN peacekeeping contributions. This does not necessarily disprove the Peacekeeping for Profit logic—as noted earlier the relationship between the variables tested and the argument is somewhat weak— but the evidence Bove and Elia (2011) provide for their second hypothesis is not compelling.

Critically, other quantitative analyses reported as supporting the Peacekeeping for Profit argument have similar weaknesses. While Ward and Dorussen (2016) focus on the role of international networks in explaining peacekeeping contributions, they also include GDP per capita as a control variable. In the models they report, the relationship between GDP per capita and contribution size is consistently negative, but typically falls just short of conventional levels of statistical significance. Yet when it does (barely) reach the threshold of significance in their Model 2, they write: “the coefficient of `rgdp_pc` is negative and marginally significant, suggesting that poorer countries have financial incentives to provide peacekeepers” (Ward and Dorussen 2016, p. 402). Just as in the Bove and Elia analyses, however, the coefficient on GDP per capita becomes positive and statistically insignificant when replacing GDP per capita with logged GDP per capita, suggesting again that the results are not particularly robust.

Gaibullov et al. (2015), meanwhile, use logged GDP per capita in their specifications but still ignore the problems of sensitivity of their analyses to outliers, ultimately

overstating the relationship between income and peacekeeping contributions as well. While their primary focus is testing differences in personnel spillovers between UN and non-UN peacekeeping operations, they do also examine the relationship between GDP per capita and peacekeeping contributions. Consistent with what we report above, they find no significant negative association between logged GDP per capita and peacekeeping contributions in their full sample models of the supply of UN peacekeepers – in fact in two of four models the coefficient is positive and significant. However, Gaibuelloev et al. then split their sample into two subsamples by income (at \$10,000 per capita GDP), and report a significant negative coefficient on logged GDP per capita for the medium/high income subsample. This is the primary evidence they point to in their conclusion in support of the idea that developing countries are motivated by profit from UN peacekeeping.

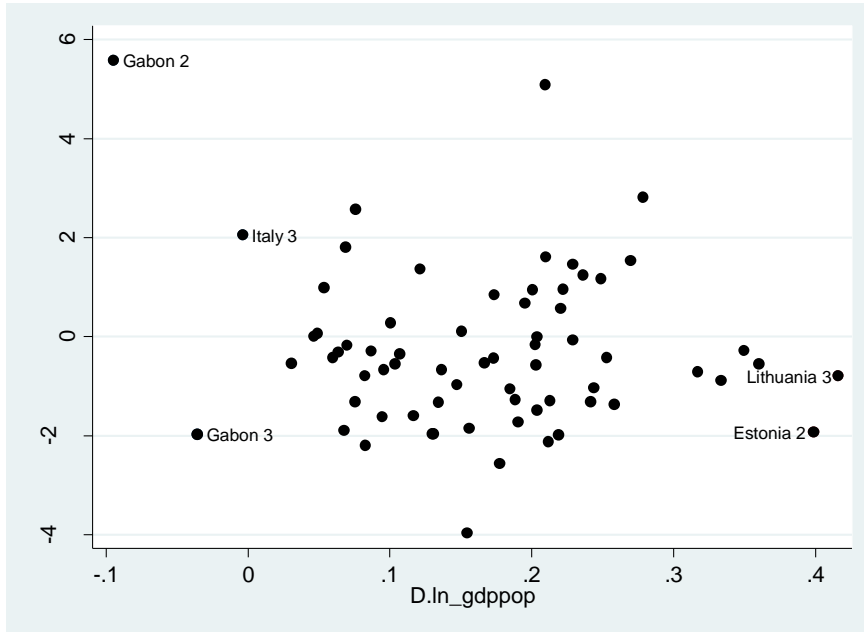
However, Gaibullov et al. (2015)'s statistical analyses are spatial regressions with the contributions of 92 countries averaged across year for three time periods (1990-97, 1998-2005, 2006-12), leading to a sample size of 276 for all countries, 102 for their high income split sample, and 174 for their low income split sample. With fixed effects in a three-period panel, the already small sample size is effectively further reduced by one-third. These small sample sizes make the analysis especially sensitive to outliers – and examining the data in a scatter plot confirms that such outliers do in fact exist. Thus Figure X3 Panel A shows the relationship between change in GDP per capita and change in contributions to UN peacekeeping forces for the Gaibullov et al. (2015) medium/high income sample used for Model 5 of their Table V. Two types of outliers are labelled: countries with negative growth, and those with extremely high levels of growth (greater

than 30%). Italy, Lithuania, Estonia and Gabon are thus identified, and there is one especially prominent outlier: Gabon, the only African country in this sample, the country with the greatest one-period increase in UN troop contributions, and the only country with negative GDP growth across both periods. If Gabon were excluded, there would be no visible relationship between income growth and change in peacekeeping contributions in this scatterplot. Similarly, if we consider the relationship between income level and change in peacekeeping contribution (Panel B), three outliers exist: two medium-income state that increased peacekeeping contributions substantially in a single period (Croatia and Gabon) and one high-income state that decreased peacekeeping substantially in one period (Belgium). Re-running Gaibulleov et al. (2015)'s Table V Model 5 without any single one of the countries noted as outliers on these figures results in the coefficient on GDP per capita becoming insignificant (Table X2).

In short, the quantitative evidence that has been reported as supporting the Peacekeeping for Profit argument is much weaker than it initially appears: there is no robust overall relationship between countries' income level and their peacekeeping contributions in the data. This finding complements and confirms the more qualitative reasons for doubting the Peacekeeping for Profit narrative as a general explanation of developing states' UN troop contributions. Profit-making may still be a key motivation for some UN troop contributors – but we need a far more nuanced understanding of which states it is most likely to be relevant for. This is the task we now turn to.

Figure X3. Income Per Capita and UN Peacekeeping Contributions (High Income Countries, Gaibulloev et al. 2015 data)

Panel A. Changes in Income vs. Changes in Contributions



Panel B. Income Levels vs. Changes in Contributions

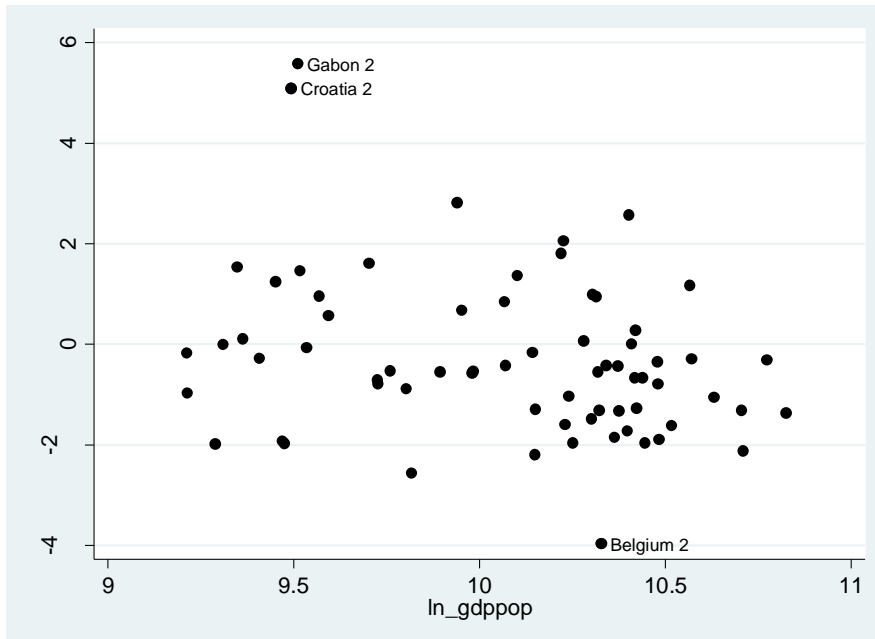


Table X2. Replication and Extension of Gaibulleov et al. (2015) Table V Model 5. Supply of UN Peacekeepers (GDP Per Capita >\$10K)

Variable	Model 5	No Gabon	No Croatia	No Belgium	No Italy	No Estonia	No Lithuania
Spillover	-1.00 (1.43)	0.19 (0.60)	-0.16 (0.54)	-0.25 (0.64)	-0.18 (0.52)	-0.31 (0.96)	-0.16 (0.36)
ln(GDP/POP)	-3.19 (2.66)	-0.16 (0.53)	-0.22 (0.69)	-0.14 (0.36)	-0.24 (0.77)	-0.49 (1.32)	-0.08 (0.23)
ln(POP)	1.55 (0.72)	0.77 (2.54)	0.50 (1.74)	0.88 (2.75)	1.01 (3.57)	0.87 (2.71)	1.09 (3.48)
ln(OPEN)	-2.69 (2.64)	0.41 (1.30)	0.28 (0.95)	0.21 (0.61)	0.67 (1.94)	0.44 (1.31)	0.41 (1.14)
ln(Military Personl)	-0.45 (1.12)	-0.26 (1.10)	0.05 (0.22)	-0.17 (0.64)	-0.34 (1.56)	-0.33 (1.28)	-0.38 (1.51)
PKO	0.03 (2.68)	0.05 (8.32)	0.05 (8.12)	0.04 (6.04)	0.05 (8.08)	0.05 (8.46)	0.04 (6.83)
Share of missions	-4.42 (1.81)	0.37 (0.29)	0.03 (0.03)	0.48 (0.34)	-0.05 (0.04)	0.30 (0.22)	-0.78 (0.58)
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sample Size	102	99	99	99	99	99	99

Under what conditions is Peacekeeping for Profit a plausible explanation for a state's UN troop contributions?

If Peacekeeping for Profit cannot be assumed to capture the motivations of all developing countries furnishing UN peacekeepers, which states is it most likely to apply to? Two conditions are critical to the plausibility of profit-making as an explanation of a particular state's UN peacekeeping contributions. First, the state's deployment and attendant reimbursements must be significant not only in absolute terms but also in the national context. A reimbursement payment of a given size has greater political significance in developing states with modest national and military budgets than in more affluent ones, and the national significance of a per-soldier payment depends not only on how many troops are deployed but also on what proportion of the state's armed forces is affected. Second, the state must have an exceptional ability to exploit profit-making opportunities in the UN equipment and personnel cost reimbursement systems, since intense political pressure to limit reimbursement rate increases militates against more generalized profit-making. Specifically, a state's ability to make a profit from UN peacekeeping contributions depends on its military equipment stocks and the deployment benefits (rather than salaries) it pays to personnel deployed in UN operations. Only a limited subset of developing states meets these conditions – and many top UN troop contributors do not.

Condition 1: National Significance of Peacekeeping Reimbursements

The Peacekeeping for Profit argument appears most widely applicable when the financial benefits UN peacekeeping generates are presented as (large⁸) absolute numbers or in comparison to estimated per-peacekeeper costs. Total UN payments of \$1.28 billion to Bangladesh in 2001-2010 lend plausibility to the contention that ‘the financial benefits accrued by Bangladeshi peacekeepers... play an important role in supporting the economy’ (Zaman and Biswas 2015). Contrasting ‘annual costs per military person’ of \$1,892-\$10,199 in Bangladesh, Ghana, India, Nepal, Nigeria, Pakistan and Senegal with the UN ‘compensation per peacekeeper of over \$12,000 per year’ strongly suggests the importance of ‘a donor-specific benefit from peacekeeping for countries contributing the most UN peacekeepers in recent years’ (Gaibullov et al. 2015: 3-4).

However, absolute and per-soldier income figures need to be placed in a wider national perspective to assess their political significance. Consider India and Ghana. Both countries have comparable per capita GDPs,⁹ and for both Gaibullov et al. (2015: 3) report estimated annual per military person costs well below the UN troop cost reimbursement rate: \$9,768 for India and \$5,555 for Ghana. In apparent accordance with the Peacekeeping for Profit logic, both are top UN troop contributors: in December 2015, India was the 4th largest contributor with 6,787 troops and Ghana the 7th largest with 2,885. Sustained for a year, these deployments would generate UN personnel cost reimbursements of approximately \$108.5 million to India and \$46 million to Ghana. However, India counted 1,346,000 personnel in its armed forces in 2015 and its 2014 military expenditure was \$50 billion, while Ghana’s armed forces numbered 16,000 in

⁸ The Peacekeeping for Profit narrative struggles to account for small (‘token’) troop contributions generating very modest reimbursement payments (Ward & Dorussen 2016: 394; Coleman 2013).

⁹ In 2014, India’s per capita GDP was \$1,582 and Ghana’s \$1,442. (World Bank 2016)

2015 and its 2014 military expenditure was \$181 million (IISS 2015: chapter 10. SIPRI 2016). Thus in December 2015 India deployed just 0.5% of its armed forces as UN peacekeepers, Ghana 18%. The extrapolated annual UN reimbursement payments represented less than 0.25% of India's 2014 military expenditure but 25.5% of Ghana's. By these measures, the Peacekeeping for Profit narrative appears far more plausible for Ghana than for India.

Table X3 extends this comparison to the twenty top UN troop contributors in December 2015. The diversity among these states is striking. Not only are there significant differences in their per capita GDPs (confirming again that per capita GDP is a poor predictor of UN peacekeeping contributions), but the significance of these states' UN peacekeeping commitments and attendant reimbursements relative to their armed forces size and total military expenditure varied widely. For Burkina Faso, Ethiopia, Ghana, Nepal and Senegal – and probably also for Niger, Rwanda and Togo, though the relevant data is uncertain or unavailable – estimated UN troop reimbursement payments appear very significant compared to national military expenditure. These countries jointly furnished 28,620 of the UN's total of 93,230 deployed military personnel (30.7%). For an almost equal number of top troop contributors, however, extrapolated UN reimbursements represented less than 1% of national military expenditure – yet Brazil, China, Egypt, India, Indonesia, Morocco and South Africa jointly furnished 20,366 UN troops, or 21.8% of the deployed total. Bove and Elia's claim that 'for countries deploying large [UN] peacekeeping forces the earning is a significant proportion of the defense budget' thus requires nuancing (2011: 704). Similarly, while some of the UN's top troop contributors (e.g. Niger) deployed a large portion of their armed forces in UN

Table X3. Placing UN Peacekeeping Deployments and Payments in National Context

Country	UN troop deployment, Dec. 2015	Extrapolated annual UN troop cost reimbursement	Extrapolated UN reimbursement as % of 2014 military expenditure (SIPRI)	UN troop deployment as % of 2015 armed forces (IISS)
Ethiopia	8,264	132,091,776	33.52	5.99
Bangladesh	7,324	117,066,816	5.82	4.66
Pakistan	7,174	114,669,216	1.34	1.11
India	6,787	108,483,408	0.22	0.5
Rwanda	5,141	82,173,744	95.71	15.58
Nepal	4,371	69,866,064	22.9	4.55
Ghana	2,885	46,113,840	25.49	18.03
China	2,876	45,969,984	0.02	0.12
Indonesia	2,681	42,853,104	0.61	0.68
Nigeria	2,558	40,887,072	1.81	3.2
Burkina Faso	2,536	40,535,424	24.46	23.05
Egypt	2,359	37,706,256	0.76	0.54
Morocco	2,308	36,891,072	0.91	1.18
Tanzania	2,258	36,091,872	7.85	8.36
South Africa	2,131	34,061,904	0.87	3.44
Senegal	2,095	33,486,480	13.96	14.96
Niger	1,893	30,257,712	n/a	37.86
Uruguay	1,441	23,032,944	2.52	5.76
Togo	1,435	22,937,040	n/a	15.94
Brazil	1,224	19,564,416	0.06	0.38

¹ Figure indicated in source to be highly uncertain

missions, for others (such as India, China, Egypt and Brazil) UN deployments affected only a small minority of their armed forces at any one time.¹⁰

In short, there are dramatic differences among developing states, including among the UN's top troop contributors, in terms of how significant their UN troop contributions and the attendant reimbursement payments are in their national context. *Ceteris paribus*, the Peacekeeping for Profit argument is most plausible for the subset of developing states deploying a large proportion of their armed forces as UN peacekeepers and for whom UN reimbursements represent a large proportion of national military expenditure.

Condition 2: Exceptional ability to exploit restricted opportunities to profit from UN reimbursements

The UN has institutionalized two sets of reimbursement payments to compensate states for costs associated with participation in UN peacekeeping. The Peacekeeping for Profit argument is most commonly made with reference to personnel cost reimbursements, but reimbursements for deployed materiel (known as contingent-owned equipment, COE) have also been cited as generating direct material benefits for developing states (Zaman and Biswas 2015; Sule 2013; Chinchilla 2016). Yet neither the COE nor the personnel cost reimbursement system actually offers developing states much systematic scope for profit-making. In both cases, the politics of negotiating reimbursement rates – and in particular major UN financial contributors' resistance to

¹⁰ Over time, troop rotations spread the experience more widely but this does not affect the financial profitability of the peacekeeping contribution.

rate increases – ensures that general ‘profit margins’ are at best narrow: contemporary accounts suggest that rates tend more towards inadequacy than towards generosity. Individual states can nevertheless derive a profit from UN peacekeeping – but only if, in comparison to other troop contributors, they 1) possess and maintain large stocks of cheap or old but functional equipment, and/or 2) limit the deployment allowances – as opposed to regular salaries – they pay to their UN peacekeepers. These characteristics depend on national policy decisions, not wealth levels, and they are thus unevenly spread among developing states, including among top UN troop contributors.

Profit-Making and its Limits in the COE reimbursement system

At the core of the COE system is a set of monthly reimbursement rates for some 300 types and classes of major equipment (including trucks, generators, machine guns, and field hospitals) that states may contribute to a UN peace operation.¹¹ These rates are reviewed triennially by the COE Working Group, and published in the *COE Manual* (UNGA 2015). States contributing major equipment to a peacekeeping operation sign a Memorandum of Understanding with the UN that specifies the type and amount of equipment to be provided and confirms the applicable reimbursement rates. Periodic UN inspections in the mission area verify the quantity and condition of the deployed equipment, and reimbursement payments are reduced if items are found to be missing or non-operational.

¹¹ States are also reimbursed for self-sustainment items, but these relatively small per-troop payments are less relevant to the Peacekeeping for Profit narrative.

The most reliable way for states to realise a profit within this system is to deploy functional major equipment at a lower cost than the applicable reimbursement rates. However, two factors limit the potential for generalised profit-making among UN troop contributors.

First, most UN peace operations take place in harsh environments shaped by armed conflict, limited infrastructure, and difficult terrain. Equipment used in such conditions undergoes considerable strain, which limits its durability and therefore the profitability of deploying it: UN reimbursement payments cease for non-functional items, and the costs of repairing or replacing such items overwhelmingly accrue to the contributing state.¹² Similarly, harsh deployment conditions limit states' ability to finance national equipment acquisition through UN deployments. As one UN official commented, 'I would not go as far as saying that this is a way of purchasing equipment: if you remain deployed long enough, your pick-ups, your trucks, your plants, even your generators have eaten so much dust and taken so much abuse... they're virtually good to throw away.'¹³

Second, the COE Working Group closely scrutinizes and limits any proposed reimbursement rate increases. Formally, these rates are based on the Working Group's assessment of a particular equipment type's 'generic fair market value' (what it typically costs) and its 'estimated useful life' (how long it typically lasts): in purchasing the equipment, states are assumed to have 'bought a certain number of usage months' for a certain price, and they are reimbursed 'for making one of those months available for UN peacekeeping' (Coleman 2014, 17). States are also typically paid a set monthly

¹² See below on recent (small) changes in financing equipment rotation.

¹³ Interview with G. Haury, 18 April 2013

maintenance rate to cover the costs of servicing and repairing deployed equipment. To gauge these factors, the Working Group conducts regular surveys of states' equipment costs. Survey responses are politicised, but the scope for manipulation is limited by the availability of cost data from previous surveys and commercial publications such as *Jane's International Defence Review*. In addition, the Working Group methodology for analysing survey responses typically discounts outlier data.

Moreover, the Working Group includes the UN's major financial contributors, which have an incentive to limit rate increases because they bear most of the associated costs. At these states' insistence, the 2011 Working Group capped the average growth of major equipment reimbursement rates at 1.33% (UNGA 2011a: §87). In 2014, major financial contributors refused to endorse any particular rate increases until the overall cost of all proposed adjustments was ascertained (UNGA 2014a: §§79-85). Developing states – particularly troop contributors – typically object that rates should simply increase to reflect rising equipment costs, but since the Working Group takes decisions by consensus they have been unable to block political caps on rate increases. Similarly, top financial contributors long blocked proposals that the UN should provide more financing for equipment rotation (the repatriation of aging equipment and transport of replacement items), only in 2014 approving a limited amount of UN-financed rotation, restricted to four equipment categories and capped at \$12.5 million per year in total (UNGA 2014a: §90).

At best, therefore, changes to the COE system that enhance the financial attractiveness of furnishing equipment are slow, incremental, and tightly controlled. The scope for widespread, significant profit-making is correspondingly circumscribed. Individual states

may nevertheless derive a financial gain from COE contributions, but only if they outperform other UN troop-contributors – including developing states – in terms of their equipment costs. They can do so if 1) they acquire equipment at less than the generic fair market value; 2) their equipment outlasts its estimated average useful life; and/or 3) they incur below-average maintenance costs. Meeting these conditions depends on states making specific policy decisions, rather than on their per capita GDP.

First, there is no simple connection between developing state status and low equipment purchasing costs. Some developing states – including top UN troop contributors India, Egypt, Brazil, and China – have ‘significant financial assets [and] continue to launch new and costly weapons-procurement programs’ (Theohary 2015, 5 and 39). Poorer developing states face more severe budget constraints, but in a competitive global arms market, they are not necessarily able to secure cheaper items *within* the narrow equipment categories specified in the COE manual. Instead, they typically ‘are forced to be especially selective in their military purchases... few major weapons systems purchases are likely to be made’ (Theohary 2015, 5).

Second, advantages with regard to equipment lifespan intersect more with use and maintenance decisions than with per capita GDP. Poorer states may not replace their equipment as frequently and thus have older equipment to deploy, which potentially enables them to profit from the fact that UN reimbursement rates do not distinguish between new and old functional equipment. To remain functional, however, equipment requires regular maintenance and careful stockpile management, which not all developing countries invest in (Howe 2001: 42. Omitoogun 2001: 6-7). Maintenance is also critical to equipment longevity once items are deployed in a UN operation, but maintenance costs

depend significantly on the price and transportation cost of spare parts, and poorer states have no particular advantages in this regard. Problematically, the surest way to both extend the lifespan and reduce maintenance costs of equipment deployed in UN missions is thus to limit the equipment's use (Coleman 2014, 20).

To maximize their ability to profit from the COE system, states should thus 1) invest in stockpiling relatively inexpensive equipment, as opposed to 'prestige' purchases; 2) seek privileged access to low-cost equipment through either domestic production, preferential international purchases, or equipment donations; 3) delay new equipment acquisition but invest in maintenance of existing stocks; and 4) preserve equipment deployed in UN operations through usage restrictions. The Peacekeeping for Profit argument is most plausible for states that pursue such policies. Their adoption reflects national political decisions, however, rather than national income levels.

Profit-Making and its Limits in the Troop Cost Reimbursement system

The scope for generalized profit-making from UN troop cost reimbursements has also been strictly limited by intense political pressure to restrict growth in the reimbursement rate. Unlike for COE, there is no standing UN working group charged with regularly reviewing the personnel cost reimbursement rate. Rate negotiations thus occur on an ad hoc basis and can be very protracted, not least because the UN's major financial contributors often vigorously resist permanent rate increases.

Indeed, the most recent round of rate negotiations arguably began in 2000, when the UN Secretary-General reported that the share of peacekeepers' costs not reimbursed by the UN had increased sharply in the 1990s (UNSG 2000). The General Assembly

approved modest rate increases in 2001 and 2002, but argued that any further adjustments required better data on states' actual deployment costs (UNGA 2001). Subsequently, states repeatedly failed to agree on a cost survey methodology, and a 2009 survey attempt failed due to 'low response rates and incomplete and inconsistent data' (UNGA 2012: §10). In the absence of survey data, developed states refused to accept any rate increase. Total monthly troop cost reimbursements thus stagnated at \$1,141 from 2002 through 2011, rising to \$1,210 in 2012 and 2013 only because the General Assembly authorized temporary supplemental payments (UNSG 2014: §§4-5).

This stagnation led to severe tensions among UN member states, and in 2011 the Secretary-General established an independent Senior Advisory Group to break the impasse. The Group's recommendations included a new survey methodology (UNGA 2012: §60-73), which was implemented in 2013-2014. The survey sample included nine developing states (Bangladesh, Brazil, Egypt, India, Nepal, Nigeria, Pakistan, Rwanda and Uruguay) and one developed state (Italy), which together furnished almost 58% of UN peacekeepers in 2010-2012. Reported deployment costs among the surveyed developing states ranged from \$1,312 to \$2,412 if UN practice of considering only deployment allowances and personal equipment was followed, and from \$1,473 to \$2,665 if pre-deployment medical and training expenses and the transportation costs of assembling the contingent nationally were also included (UNSG 2014: Table 3).¹⁴ The reported average deployment cost for all states, weighted by each state's share of UN peacekeepers, was \$1,536 on the more conservative measure and \$1,763 on the more expansive one (UNSG 2014: §28). Following the publication of these survey results,

¹⁴ The outlier deployment cost - \$8,217 - appears attributable to Italy.

General Assembly members reached agreement on a consolidated monthly reimbursement rate of US\$1,332 that would gradually increase to reach \$1,410 in July 2017 (GA 2014b: §4).

Three aspects of these negotiations are significant for the current analysis. First, they were very protracted and highly contentious: even the final compromise was only reached after the 2014/2015 budget deadline had passed, technically leaving UN peacekeeping unfunded for several days. Second, the negotiated rate increase was modest. Even the 2017 rate is below the weighted average deployment cost reported by the 2014 survey: the discrepancy is \$353 by the expansive definition of deployment costs and \$126 by the conservative one. The 2017 rate is also lower than the costs reported by three of the nine developing states surveyed in 2014 on the conservative cost measure, and by eight of these states on the more expansive measure (UNSG 2014: Table 3). Moreover, the rate increase fell short of keeping pace with dollar inflation: the 2002 total reimbursement of \$1,141 would represent \$1,517.5 in 2016.¹⁵ Third, in the 2014 debate about the rate increase, major financial contributors explicitly rejected developing states' argument that the UN should fully compensate them for their deployment costs. As the US representative put it, 'reimbursement to troop-contributing countries was never intended to fully cover the costs of their deployment' (Lieberman 2014).

In short, recent history suggests that the scope for generalized profit making from UN troop cost reimbursements is very limited. Nevertheless it is possible for some developing states to achieve a profit within this system. The key characteristic enabling

¹⁵ Calculated using US Department of Labor CPI Inflation Calculator, available at www.bls.gov/data/inflation_calculator.htm

such profit-making, however, is neither low per capita GDP nor the low military salaries that proponents of the Peacekeeping for Profit argument – problematically¹⁶ – contend follow from states having low per capita GDPs (Bove and Elia 2011: 710. Gaibullov et al. 2015: 3). The decisive factor is the size of the deployment allowance (if any) that individual states choose to pay to personnel they contribute to UN peacekeeping.

Fundamentally, a state’s ability to profit from making UN personnel contributions depends on how its *deployment* costs compare to the UN personnel cost reimbursement rate. The relevant question is not how much a soldier earns but whether deploying a soldier as a UN peacekeeper costs the state more or less than keeping that soldier at home. Military salaries are regular operating costs that states must pay whether their troops are deployed or not. Deployment costs, by contrast, are the additional expenses a state incurs by contributing personnel to a mission. Not only are UN reimbursements explicitly intended to offset only deployment costs (UNGA 2001: §8) but, critically, any troop-contributing state – regardless of its military salary structure – makes a profit if UN troop cost reimbursements exceed its deployment costs and incurs a loss if the reverse is true.

The 2014 UN survey report highlighted several common deployment costs including those associated with assembling troops for deployment and providing mission-specific training, medical care, and equipment. However, it also suggested that the additional allowances states pay to their deployed UN peacekeepers are by far the largest

¹⁶ Any relationship between per capita GDP and military salaries is likely to be mediated by several factors, including the political influence of the national armed forces. Consequently, considerable variation exists among developing states. In 2012, Nigeria’s average per soldier spending was 9.9 times its per capita GDP, while the corresponding figures for Pakistan, India and Ghana were 4.4, 8.9, and 7.7 respectively. (Calculated using ‘annual cost per military person’ from [Gaibullov et al. 2015: 3-4] and GDP/capita data from [World Bank 2016]).

deployment cost: ‘allowances’ constituted 68-95% of reported deployment costs for the ten states surveyed (UNSG 2014: Table 3). This preponderance was also reflected in the UN personnel cost reimbursement package before the consolidated reimbursement rate was introduced: in 2013, ‘pay and allowances’ accounted for \$1,028 (85%) of the \$1,210 total reimbursement package (UNSG 2014: §§4-5).

Critically, how large a deployment allowance (if any) individual states pay their UN peacekeepers is a question of national policy. There is no systematic data on these allowances (Coleman 2014: 28) and deployment bonuses are likely to be highest for military personnel in developed states,¹⁷ but nevertheless many developing states do claim to transfer – at least – the full UN reimbursement payment to their peacekeepers. Eight of the nine developing states in the 2014 UN cost survey reported allowances in excess of the 2013 UN allowance rate (UNSG 2014: Table 3). While such cost declarations are inevitably politicized, two factors militate against excessive skepticism about whether developing states generally pay these allowances (Victor 2010: 221). First, the scope for misrepresentation in the UN survey was limited by an intense and interactive data-collection process (UNSG 2014: §20). Second, troops in many developing countries are aware of UN deployment bonuses and perceive them as a major attraction of UN peacekeeping: Senegalese soldiers returning from UN operations, for example, ‘have a visible living standard higher than their fellows...’ (Diallo 2016). Moreover, many governments welcome the opportunity to pay UN-funded bonuses to their troops, perhaps especially when national military salaries are low (for example, Chinchilla & Vargas 2016: 3).

¹⁷ Italy’s monthly deployment allowance appears to be \$7,821 (UNSG 2014: Table 3).

In short, many – and possibly most – developing states make the policy decision to transfer all or most of the troop cost reimbursements they receive from the UN to their deployed peacekeeping personnel. The Peacekeeping for Profit narrative is most plausible, however, for those developing states that choose to limit deployment allowances and retain all or most of their UN personnel cost reimbursements for other purposes. Precisely how this policy decision affects these states’ willingness to offer UN troop contributions is likely to depend on the allocation of these ‘profits’ within the state apparatus (Coleman 2014: 28). Critically, however, there is a direct trade-off between realizing this economic benefit and using UN reimbursements to ‘top up’ relatively low military salaries. To the extent that a state chooses to do the latter, or is compelled to do so because of the expectations of its military – it eliminates its own ability to derive a financial gain from UN peacekeeping by deploying ‘really cheap’ personnel (Gaibullov et al. 2015, 7).

Conclusion

The claim that developing states dominate UN peacekeeping because they derive a profit from UN reimbursement payments is inaccurate. While some developing states are indeed able to profit from contributing troops and equipment to UN peace operations, the conditions under which significant profit-making is possible are far more stringent than is commonly understood. Many developing states – including major UN troop contributors – either do not derive a financial benefit from participating in UN peacekeeping or do not make a sufficiently significant profit to plausibly explain their participation.

This article began by presenting three reasons for a critical re-examination of the ‘Peacekeeping for Profit’ narrative: 1) it ignores existing empirical research on the manifold factors motivating individual developing states to engage in UN peacekeeping; 2) it fails to account developing states’ emergence as the UN’s most prolific troop contributors at a time when UN peacekeeping was becoming *less* financially attractive both overall and for individual developing states; and 3) the quantitative evidence adduced as supporting the profit-making narrative is deeply flawed. We then highlighted two conditions under which profit could plausibly be a significant motivation for a UN troop contributor. First, the state’s UN deployment and its attendant reimbursements must be significant not only in absolute terms but also in comparison to its total armed forces and overall military expenditure. Second, the state must be exceptionally well positioned to benefit from the UN reimbursement system, because pressure on reimbursement rates from the main UN financial contributors eliminates the possibility of more generalized profit making. To make a profit, a state must be able to deploy equipment and/or personnel at a lower cost than other UN troop contributors, and the ability to do so

depends less on per capita GDP than on national policy decisions regarding deployment allowances and equipment procurement and maintenance.

Fundamentally, we argue for acknowledging the vast differences among developing states rather than assuming a homogeneity that does not exist. The Peacekeeping for Profit narrative is most plausible for states with small armed forces and limited military expenditures that invest in the acquisition and maintenance of inexpensive and/or old but functional equipment and choose to pay only modest deployment allowances (if any) to the UN peacekeepers they deploy. Many developing states – including many top UN troop contributors – do not meet these conditions. Their decisions to participate in UN peacekeeping are thus likely to be motivated by a range political, security and economic factors other than simple profit-making. Even states that do meet these conditions may of course have these more diverse motivations – but at least in their case a Peacekeeping for Profit narrative is plausible.

None of the above is meant to suggest that UN reimbursements do not matter. They are critical in enabling states that are unable or unwilling to finance their own deployments to participate in UN peacekeeping. They may also incentivize particular kinds of peacekeeping contributions and discourage others. However, the sweeping assumption that developing states contribute because they can make a *profit* from UN peacekeeping is not warranted. It also is not helpful. At a time when the UN remains heavily dependent on developing states to furnish the record numbers of peacekeepers deployed in increasingly complex and dangerous operations, it is vital to entrench a much more nuanced understanding of the complex factors shaping individual states' participation decisions.

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