

Buying Votes and International Organizations: The Dirty Work-Hypothesis

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Abstract: We show how major shareholders can exploit their power over international organizations to hide their foreign-policy interventions from domestic audiences. We argue that major powers exert influence bilaterally when domestic audiences view the intervention favorably. When domestic audiences are more skeptical of a target country, favors are granted via international organizations. We test this theory empirically by examining how the United States uses bilateral aid and IMF loans to buy other countries' votes in the United Nations Security Council (UNSC). Introducing new data on voting behavior in the UNSC over the 1960-2015 period, our results show that states allied with the US receive more bilateral aid when voting in line with the United States in the UNSC, while concurring votes of states less allied with the US are rewarded with loans from the IMF. Temporary UNSC members that vote against the United States do not receive such perks.

Keywords: United Nations Security Council, Voting, Aid, IMF

JEL-Codes: O11, O19, F35

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1 Introduction

After the collapse of the Soviet Union, the United States sought to manage the threat posed by an emergent Russia by funneling finance to the new government. US disbursements of bilateral aid to Russia amounted to one billion US dollars (USD) in 1993 and 2.5 billion USD in 1994. Then these aid packages came under pressure at home. According to a Congressional Research Service report, “concerns regarding the US budget deficit [and] the unpromising outcome of the December 1993 Russian parliamentary elections,” among other concerns, led to substantial reductions in US aid. Between 1996 and 1998 annual disbursements of US aid to Russia dropped to about half a billion USD.

Around the same time, the International Monetary Fund (IMF) became heavily involved in Russia. In 1995, it approved a 6 billion USD loan program, increased it to more than 10 billion the next year and to an extraordinarily large 18 billion USD loan in 1998. The United States used its political influence over the international institution to support these loans (Congressional Research Service 2002; Goldgeier and McFaul 2005; Stone 2002). As Goldgeier and McFaul (2005, 152) put it: “[t]he Clinton administration wanted to use the IMF to support Yeltsin in his time of need; the IMF obliged.”

This episode suggests that the United States initially used bilateral aid to pursue a key geopolitical goal. When directly giving its own aid became increasingly difficult to justify domestically, it switched to the IMF and used the international organization to support Russia with multilateral finance.⁴

Current scholarly literature does not explain the selective use of bilateral versus multilateral channels of political influence. To the contrary, several recent studies – which compare bilateral and multilateral agencies – argue that while political interests drive bilateral initiatives, these motives are less pervasive in international institutions because of the collective decision-making they require (Rodrik 1996; Derek 2008; Dietrich 2013; Milner and Tingley 2013). Much of the recent literature concludes that donors use bilateral aid to pursue political goals, while they use multilateral agencies to provide international public goods (Schneider and Tobin 2016).

⁴ We use the term “aid” for all forms of official support channeled to recipient countries, including Official Development Assistance (ODA), Other Official Flows (OOF), and multilateral loans and credits.

Yet Woods (2003) and McKeown (2009) document with qualitative evidence that the United States significantly influences most major decisions at the IMF and the World Bank. Quantitative evidence supports the view that multilateral lending reflects the interests of international organizations' major shareholders (Dreher, Sturm, and Vreeland 2009a; 2009b; Kilby 2013a; 2013b; Kuziemko and Werker 2006; Vreeland and Dreher 2014; Dreher and Lang 2019).

Little empirical work attempts to reconcile these strands of the literature. Taken at face value, these two literatures suggest that donor countries indeed use multilateral agencies for pursuing their own political agendas while, at the same time, bilateral channels seem more politicized than multilateral channels. How, then, do states decide between bilateral and multilateral channels for exerting political influence? And why do people perceive multilateral channels as less political?

We suggest that the answer lies in the domestic politics of donor countries. We argue that a donor government uses bilateral channels to influence countries that its domestic audience views favorably, and it uses multilateral channels to exerting political influence when its domestic public opposes support for the recipient. What we have in mind here is a situation where the government's preferred policy deviates from that of the median voter. This might be for ideological reasons, or because politicians trade away some domestic voter support for some other gain — like financial contributions from special interest groups, or an expected long-run benefit like improved national security — that follows from cooperation with the target state. Losses in voter support for pursuing such policies will be smaller if the voters are uncertain or unaware of assistance provided through a multilateral agency.

Our argument is based on the idea that multilateral organizations can do their major shareholders' "dirty work" (Vaubel 1986, 48). Some governments have substantial influence over multilateral organizations, which they can exploit to pursue policies vis-à-vis other states without drawing on bilateral channels. Multilateral organizations can thus help to "launder" actions that are unpopular with domestic audiences (Abbott and Snidal 1998, 18). Because politics inside multilateral organizations are difficult to observe for the public, governments can implement their preferred policies with lower risk of detection.

Note that international financial institutions usually follow their mandates, so they have a reputation as a representative of the global community (Abbott and Snidal 1998, 24). Major

shareholders can thus exploit multilateral organizations' reputation as a politically neutral agent to hide unpopular policies from their voters. It is difficult – for citizens and scholars alike – to detect when a government uses international organizations to pursue a foreign policy goal that lies outside of official mandates.

In addition to building on the dirty-work hypothesis by identifying when governments rely on a multilateral channel to deliberately obfuscate their actions, we offer a new empirical setting to test the theory. We look for evidence of vote buying in the United Nations' most powerful organ, the United Nations Security Council (UNSC). Specifically, we examine how voting behavior in the UNSC is linked to the allocation of bilateral aid flows and loans from multilateral financial institutions. We expect that when developing countries vote against powerful donor governments serving on the UNSC, they receive less bilateral and multilateral support compared to developing countries that vote with the powerful donor governments. However, patterns of bilateral aid are easily observable by domestic audiences; those of multilateral aid are not. We thus expect donors to use bilateral channels to buy votes from friendly governments and to use multilateral channels to buy votes from countries viewed less favorably.

To test our theory, we offer a new dataset that covers the universe of UNSC votes that were cast by all member states in the seven decades over the 1946-2015 period. We record a total of 36,460 individual votes on 2,524 proposed resolutions. We consider all available UNSC proposals – those that have passed (resolutions) and those that have failed (vetoed resolutions and failed majorities). To our knowledge, this is the first such dataset, which we collected from the United Nations (UN) Library in Geneva, as well as from UN web pages. Along with each member state's decision, we code resolution-specific information, such as the policy area concerned and the amount of media attention the resolution generated.

Armed with the new data on UNSC voting we test our theoretical argument and find considerable support for it. First, the evidence is consistent with the view that votes in the world's most important international institution are for sale. We find that temporary members of the UNSC that vote in line with the United States receive both more bilateral aid from the United States and larger IMF loans than other countries. Countries that vote against the United States in the UNSC do not receive such perks during their time as temporary members.

When turning to testing our argument on the choice of bilateral versus multilateral channels, we find that the United States uses bilateral aid to buy the votes of UNSC members it is politically close to, and multilateral loans to buy the votes of members to which it is politically more distant.

As our bilateral and multilateral channels of interest, we mainly focus on bilateral US aid and IMF loans. In the available appendix, we further show that the bilateral results hold for the United Kingdom and France, and that the multilateral results hold for World Bank aid.¹⁰

In addition to introducing novel theory and an original dataset to understand how governments choose between bilateral and multilateral channels of influence, our paper makes several further contributions to the literature. First, our paper links to the literature on associations between aid flows and voting in the UN, which has so far focused on the United Nations General Assembly (UNGA) (Thacker 1999; Stone 2008; Dreher, Nunnenkamp, and Thiele 2008; Kilby 2013; Carter and Stone 2015). Our results suggest that vote-buying extends beyond the UNGA and also relates to the UN's most powerful organ, the UNSC.

Second, we qualify the "UNSC effect." Multiple recent studies have shown a relationship between temporary UNSC membership and favorable treatment from aid donors and multilateral organizations (Kuziemko and Werker 2006; Dreher, Sturm, and Vreeland 2009a; 2009b; 2015; Bueno de Mesquita and Smith 2010; Nooruddin and Vreeland 2010; Kilby 2013b; Lim and Vreeland 2014; Vreeland and Dreher 2014; Reynolds and Winters 2016; Mikulaschek 2017b). For the case of US aid and IMF loans we show that those temporary members of the UNSC that vote in line with the United States rather than membership itself drive this effect. When examining the remaining four of the permanent five UNSC members we find similar results for France and the United Kingdom but no such evidence for China and Russia. Our results thus add more direct evidence for the conjecture that the larger aid flows to UNSC members are used for vote buying.

The remainder of this paper proceeds as follows. We develop our theoretical argument in section 2. Section 3 provides relevant background on the IMF and the UNSC. In section 4, we

¹⁰ Consistent with the literature, which documents that the P3 (the United States, United Kingdom, and France) initiate most resolutions, we do not find comparable results for China (using data from the CIA, various years, and Dreher et al. (2017)) and Russia (using data from the CIA, various years, and the OECD).

present the new dataset on UNSC voting behavior along with the other data used for the empirical analysis as well as our method of estimation. The results of this analysis are presented in section 5. Section 6 concludes with a discussion of the implications of our work for future research.

2 The Argument

2.1 Bilateral and Multilateral Aid

Recent scholarship has investigated the conditions under which donors prefer bilateral over multilateral aid. According to a standard view, multilateral agencies allow donors to share the burden of aid-giving, at the cost of losing some control over how exactly the aid is spent (Milner and Tingley 2013; Reinsberg, Michaelowa, and Knack 2017).¹² Governments benefit from multilateral organizations because they are more cost efficient compared to fragmented unilateral approaches (Carcelli 2018; Milner and Tingley 2013). Bilateral aid gives donors direct control so they can use it as a tool to achieve strategic foreign policy goals. Evidence on the political motivations behind bilateral aid abounds (for a survey of this literature see, e.g., Hoeffler and Outram 2011; Fuchs, Dreher, and Nunnenkamp 2014).

Yet, there is also an abundance of evidence that the United States uses its influence over multilateral organizations like the IMF and the World Bank to favor countries it considers strategically important (e.g., Andersen, Harr, and Tarp 2006). The first scholar to provide systematic quantitative evidence is Thacker (1999), who shows that IMF programs are more likely to go to governments that move towards the United States in terms of their voting at the United Nations General Assembly (see Vreeland forthcoming for a review). Stone (2002; 2004) shows that governments favored by the United States receive lighter punishments for noncompliance with IMF conditionality. This conclusion is consistent with Stone's (2008; 2011) "informal governance"

¹² Governments can minimize delegation costs by choosing an international organization with preferences that closely match their own (Schneider and Tobin 2016). Delegation costs also depend on whether the donor can decide on how and where the international organization allocates the aid (Eichenauer and Reinsberg 2017) and the decision rules applied in these organizations (Dreher, Simon, and Valasek 2018).

model, where powerful shareholders use their informal power to intervene in IMF decision-making only in cases of strategic interest and otherwise leave the organization to be governed by its formal rules (see also Lang and Presbitero 2018). Scholarship has similarly shown US political influence over World Bank lending decisions (Fleck and Christopher 2006; Kilby 2009, 2013b, 2013a).

The two strands of literature combine to suggest an interesting puzzle. The literature on donors' choice of multilateral versus bilateral support presents multilateral agencies as an apolitical way for governments to share burdens and realize efficiency gains, while the literature on the IMF and the World Bank characterizes these organizations as political tools of their major shareholders, particularly the United States. How can multilateral organizations be perceived as non-political and highly-politicized at the same time? If both bilateral and multilateral channels are used to shape political developments in other countries, how do governments decide between them?

2.2 The Dirty-Work Hypothesis

We expect governments to prefer multilateral over bilateral channels when the political benefits from obfuscation exceed the costs of delegation. Politicians are interested in winning elections and gaining popularity, and multilateral organizations can obscure support for an unpopular recipient (Vaubel 1986). We thus expect payoffs to be channeled via an international organization when the recipient is more unpopular with the donor-country's domestic public. The main costs of channeling favors through multilateral organizations this way is the damage it imposes on the organization's reputation as a politically-independent and neutral actor. Only when bilateral action would be sufficiently costly do the benefits of using the organization exceed the costs. Otherwise, the government can rely on bilateral approaches.

Our argument rests on two main pillars, which we briefly discuss in turn. First, we expect governments to be sensitive to the foreign policy preferences of their domestic audience (Moravcsik 1997). Recent evidence suggests that the public has an aversion to providing bilateral aid to hostile countries. As Heinrich and Kobayashi (2018, 3) contend, "voters abhor giving aid to such regimes." To the extent that the public does support bilateral aid, this support is based on

the view that aid is used for humanitarian – not political – purposes (McDonnell et al. 2003). Openly buying the political support of countries viewed unfavorably by the domestic public can raise objections. As Heinrich and Kobayashi (2018) point out, “by simply giving less aid, the donor can *distance* itself from the nasty policies of the recipient” (emphasis in original).

Second, we argue that domestic audiences know little about the decision-making processes of multilateral organizations. Partly because of nontransparent governance and partly due to their own rational ignorance, the public perceives these organizations as largely independent and discounts its own government’s role in favoring specific countries. As one example, consider IMF Managing Director Christine Lagarde’s threat to pull out of Greece ahead of a 2016 meeting of Eurozone finance ministers. Her threat was taken at face value in newspapers discussing the bail-out.¹⁴ The fact that Christine Lagarde could hardly take such decision against the will of the major IMF shareholders has largely gone unnoticed. According to Vaubel (1986) voters are to some extent rationally ignorant, so that governments can use international organizations to increase voters’ information costs. In addition, Grigorescu (2013) finds that a certain “culture of secrecy” is visible in many international organizations. Stasavage (2004) suggests that such secrecy allows member states to blame the international organization for unpopular decisions. Gerster (1993, 107) concludes that “there is an institutionalized bias against public accountability of executive directors” of international financial institutions.

As a consequence, “[t]o the extent that foreign aid is unpopular in the donor countries, the multilateral aid institutions help the national politicians to collude against their voters and to avoid responsibility for specific grants and the inevitable scandals” (Vaubel 1986, 50). The longer chain of control along the principal-agent relationship from donor populations to recipient populations weakens citizens’ ability to achieve their will (Nielson and Tierney 2003; Vaubel 2006; Lang 2016).

¹⁴ One representative example is a May 6, 2016 article in The Guardian, <https://www.theguardian.com/world/2016/may/06/imf-threatens-greece-eurozone-christine-lagarde> (accessed May 10, 2018).

2.3 Contributions to Previous Literature

The “laundering function” of international organizations has a rich scholarly history (Abbott and Snidal 1998; Vaubel 1986; Voigt and Salzberger 2002). According to Abbott and Snidal (1998), states structure international organizations so that they further their powerful members’ interests but also incentivize weaker states to participate. In line with what we argue here, Abbott and Snidal (1998, 19) observe that “[p]owerful states face a tension between the immediate advantages of dirty laundering versus the long-run costs of jeopardizing IO independence.” But according to them, this function mainly serves as a tool to implement policies in recipient countries without being blamed by *recipient* audiences. Similarly, according to Stone, powerful shareholders cannot intervene in international organizations too often, as otherwise the *other member states* would no longer “tolerate these practices” (Stone 2008, 590). We shift the focus to the *donor’s* domestic audience, highlighting that governments can hide unpopular policies from *domestic* audiences.

Our characterization of the donor-recipient relationship in a principal-agent framework echoes the seminal study by Milner (2006). She points out that “[g]iving (more) aid to a multilateral forum ties the leader’s hands relative to that aid but also makes the voters more likely to approve of greater aid overall” (Milner 2006, 119). We contend, however, that by appearing to tie donors’ hands to humanitarian goals in most cases, multilateral forums enable donors to exert political influence in specific cases where openly doing so – using bilateral aid – would be politically costly at home.

Hicks, Parks, Roberts, and Tierney (2010) argue that donors use multilateral organizations to credibly link their aid to developmental goals.¹⁶ We suggest, however, that while donors do not always use multilateral aid for political purposes, when they do, they can threaten to withhold finance unless the recipient delivers the desired political support.

Schneider and Tobin (2016) find that donors chose among a number of different multilateral organizations, so that the preferences of the organization about how to allocate aid match those of the donor. Schneider and Tobin (2016, 658) conclude with a puzzle: “If [...] governments pursue goals with bilateral and multilateral aid that are largely similar, why do they use both

¹⁶ The Samaritan’s Dilemma is also analyzed in Hagen (2006). In Hagen’s model the donor wishes to provide a collective good, and it is not credible to withdraw aid in case of non-compliance. Also see Dreher, Simon, and Valasek (2018).

venues instead of either going fully bilateral or fully multilateral? The similarity of bilateral and multilateral aid portfolios provides an important puzzle that needs to be addressed in future research.”

In this paper, we provide an answer: international organizations provide cover for unpopular policies. While governments can obtain the same allocation of their aid via multilateral and bilateral aid alike, their support is obscured from their domestic public when using the former, but highly visible when using the latter. Governments use bilateral aid to signal their support of a recipient to their domestic audiences and use multilateral channels to obscure such support.

We emphasize that our theory does not contradict but rather reconciles previous contributions. In order to exploit an international organization’s reputation as an independent actor, major shareholders must invest in such reputation and refrain from interfering with its policies too frequently. Bilateral aid is used to influence recipient countries where possible, and multilateral channels are exploited to obfuscate only where necessary.

3 The IMF and the UNSC

In order to test our theory, we examine patterns of US bilateral aid and patterns of IMF lending with a focus on amounts received by developing countries serving on the UNSC as compared to other developing countries. We focus on the United States and the IMF because of the country’s substantial influence over the institution. Lipsky and Lee (2018) explain that the United States has, on the margins, less influence over World Bank lending decisions compared to the IMF, where the United States remains the most powerful member by far. That said, we test robustness focusing on the World Bank (where the United States is still the most powerful member), with detailed results presented in the available appendix. The appendix also presents placebo tests showing that the IMF and World Bank lending patterns do not hold for organizations where the United States is less powerful. As for the US bilateral results, the appendix further shows that they hold for France and the United Kingdom (but not for China or Russia).

Regarding why the United States enjoys a privileged position on the IMF, first, power on the Executive Board is explicitly linked to the financial contributions that they provide to the organization, which, in turn are related to a country's economic importance. With nearly 17 percent of the total votes, the United States has veto power over certain decisions that require an 85 percent majority. Beyond this formal power, the United States also has a degree of informal influence over the institution (Stone 2008; 2011; Lang and Presbitero 2018). The IMF Executive Board typically operates according to a consensus rule, which gives the management agenda-setting power. The management, in turn, is subject to pressure from the United States, both because proposals are shaped to avoid US opposition and because – as the IMF headquarters are located in Washington – representatives of the US Federal Government are actively involved in important IMF meetings. A further channel of US influence is through US Congress, which must periodically approve increases in US contributions to the IMF (Broz and Hawes 2006). As the United States is the largest contributor and influences other contributors on whether to approve increases, IMF management and staff pay due attention to the preferences of US policy-makers.

We focus on buying favors in one of the world's most powerful international institutions, with responsibility for the maintenance of international peace and security: the UNSC. This institution is the only UN body with the power to make binding resolutions to investigate international disputes, impose economic sanctions and arms embargoes, and make use of armed force.

Historically, when the United States acts in concert with the UNSC, it bears a smaller share of the burden of international campaigns (Hartley and Sandler 1999). So it stands to reason that the United States should care about UNSC resolutions. Veto power on the Security Council belongs to each of the five permanent members (the victors of World War II: China, France, Russia, the United Kingdom, and the United States). The ten elected members, which represent various regions of the world, are rarely pivotal (O'Neill 1996). Still, nine total votes are required for a resolution to pass, and since permanent members sometimes abstain, upwards of four out of the ten elected members must vote in favor.

A likely reason to care about the votes of elected UNSC members, beyond their formal voting power, is legitimacy (Hurd 2007; Voeten 2005; Vreeland and Dreher 2014). As Hurd (2007)

explains, the elected members serve the purpose of giving voice to the “rest of the world” on the Security Council. And the legitimizing effect of the Security Council extends beyond the international level and into domestic politics: Chapman and Reiter (2004) find that US Presidents enjoy higher levels of public support for actions endorsed by the UNSC, an effect not found for any other international organization they test. In the absence of UNSC legitimacy, domestic public support might be more difficult to achieve and US Congress might be more recalcitrant (Hurd 2007; Hurd and Cronin 2008; Voeten 2001). Voeten (2001) provides examples. He cites the memoirs of James Baker (1995, 278), emphasizing domestic support to be the main reason for the US government to seek a multilateral solution to the Gulf War. He also cites Malone (1998, ix), arguing that it was easier for the Clinton administration to secure the support of the UNSC as compared to that of the US Congress. Mikulaschek (2017b) shows that the signal incorporated in UNSC resolutions is most valuable in terms of popular support when it is unanimous, as it signals consensus among foreign elites. There is thus a premium for getting unanimous votes, and every vote matters.

Although no one has systematically studied UNSC *voting behavior* to see if it is related to aid, Kuziemko and Werker (2006) show that membership matters. As their argument goes, the United States desires influence on the UNSC. The governments of some developing countries may care more about the aid than they care about the global security issues considered important by the US government. If major donors like the United States value the voting behavior of developing countries more than their aid, votes-for-aid trades are possible. Like all subsequent studies on the benefits that come with temporary UNSC membership, Kuziemko and Werker test their vote-buying argument without data on actual voting behavior.¹⁹ Among these studies, the ones that are most closely related to our empirical analysis are Dreher, Sturm, and Vreeland (2009b; 2015), who show that elected members of the UNSC are more likely to participate in IMF programs and the conditions attached are fewer in number and narrower in scope than for other countries. They take this as evidence of IMF favoritism for UNSC members.

¹⁹ Vreeland and Dreher (2014, 181-4) use a preliminary version of the dataset that we introduce in this paper.

In addition, there is a substantial body of circumstantial evidence that the United States regularly engages in vote-buying at the Security Council. Eldar (2008) provides examples. For one, the United States promised to support a World Bank loan for China in return for support on the Security Council for the first Gulf War in 1991. As another example, the United States helped China obtain World Bank loans (and provided security guarantees regarding Taiwan) in return for allowing a UNSC resolution to restore democracy in Haiti in 1994. More generally, Eldar (2008, 17) argues that in order to get UNSC support for the Gulf War, the United States made “a promise of financial help to Columbia, Côte d’Ivoire, Ethiopia and Zaire; a promise to the USSR to keep Estonia, Latvia and Lithuania out of the November 1990 Paris Summit conference and to persuade Kuwait and Saudi Arabia to provide it with hard currency.” He further argues that before the second Gulf war, the United States again attempted to buy votes of temporary UNSC members. Another example was published in the memoirs of US Secretary of State James Baker. Baker points out that the United States cut all foreign aid to Yemen when their government failed to support the UNSC resolution that authorized the use of force in Iraq in 1990 (Baker 1995, 278). Baker was quoted saying “[t]hat is the most expensive vote you have ever cast” and the United States subsequently cut all of its USD 70 million in aid (Bandow 1992).

The most recent “smoking gun” is from late 2017: On December 18, the United States vetoed a Security Council resolution that called for the withdrawal of US President Donald Trump’s recognition of Jerusalem as the capital of Israel. The resolution was supported by all remaining 14 UNSC members. Two days later, Donald Trump threatened to cut foreign aid to countries that vote against the United States at the United Nations. He stated: “these nations that take our money and then they vote against us at the Security Council [...]. We’re watching those votes. Let them vote against us, we’ll save a lot.”

4 Data and Method

4.1 A New Dataset on UNSC Voting Behavior

The previous literature on vote buying in the UNSC primarily built on a binary variable indicating UNSC membership for a given country i in a year t (e.g., Kuziemko and Werker 2006). Testing our theory, however, requires data on how countries *voted* during their time as temporary members.

We have collected data on voting behavior in the United Nations Security Council from various sources. Voting behavior on successful resolutions is available from the United Nations Bibliographic Information System (UNBISNET).²¹ We added information on vetoed resolutions from the official United Nations veto list (UN document A/58/47, Annex III, for the 1946-2004 period), from archival research in the UN Library in Geneva, and from the online archive of the Dag Hammarskjöld Library.²² Most difficult to obtain are data on failed majorities. We include voting behavior on these failed majorities obtained from our archival research in the UN library and from searching for keywords in UNSC meeting minutes.²³

Overall, we obtained data on the votes of all UNSC members in 2,524 decisions (2,259 resolutions, 230 vetoes, and 35 failed majorities) over the seven decades of the 1946-2015 period. This translates into 36,460 individual votes.²⁵ We also record the title of the proposed resolution, its number (if it passed), and the date of the decision. In addition, we collected and coded additional resolution-specific information to categorize the proposed resolution's policy area and to proxy its political importance. We describe these data and the data collection process in more detail in Appendix A.

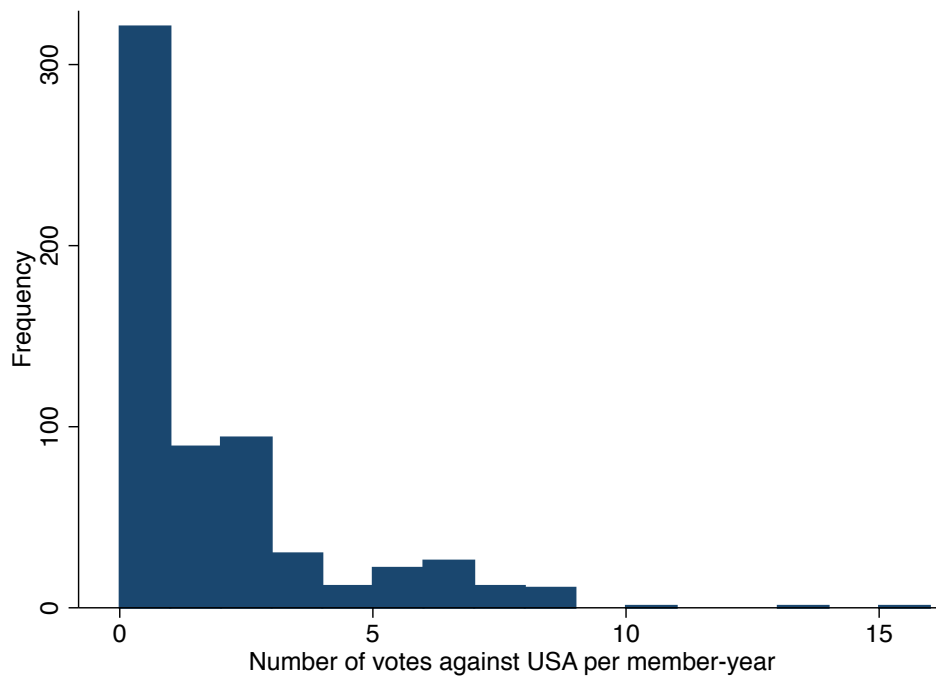
²¹ See <http://unbisnet.un.org/> (accessed May 3, 2018).

²² This archive is available online: <http://research.un.org/en/docs/sc/quick/> (accessed May 3, 2018). Searching for keywords in UNSC minutes, we found one veto cast in a secret vote. We thank Simon Hug for help with the analysis of UNSC minutes.

²³ Unfortunately, we cannot guarantee that the data on failed majorities are complete.

²⁵ The UNSC temporary membership indicator is coded one for 620 observations because the UNSC had six temporary members during 1946-1965 and ten during 1966-2015.

Figure 1 – Voting against the United States in the UNSC



Notes: The figure shows the histogram of the number of votes per temporary-UNSC-member-year where a country's votes differ from those of the United States.

We use these data to calculate a member-year specific count of how often member countries voted against the United States in the UNSC in a given year. Figure 1 shows a histogram of the distribution of this count variable. At the UNSC (in contrast to the UNGA) the vast majority of resolutions are unanimously adopted, so this variable is positively skewed and often equals zero.

In light of this distribution, we code two variables $UNSCall_{it}$ and $UNSCnotall_{it}$ that indicate whether a temporary UNSC member has voted in line with the United States on all votes in a year.²⁶ Given the large number of unanimous decisions, one disagreement per year indicates a notable deviation in articulated preferences over foreign policy. Furthermore, Mikulaschek (2017a) shows that domestic audiences value unanimity in the UNSC,²⁷ so that the United States

²⁶ For temporary members, the $UNSCall_{it}$ mean is 1.42 (standard deviation, 2.19). Of 620 member-year observations this variable equals one in 321 cases.

²⁷ Mikulaschek (2017b, 25) finds that “the unanimous endorsement of a U.S. military intervention by the UN Security Council increases popular support for the use of force by six to ten percentage points, in comparison to the Council’s approval of the same action despite dissent.” See also Voeten (2005).

is likely to have an interest in temporary members *always* agreeing. Thus, we expect this indicator of voting alignment to capture much of the variation in voting behavior that we are interested in.

In alternative regressions we use continuous measures of country-specific UNSC voting alignment variables, following the literature on voting behavior in the UNGA. We calculate the number of votes in which a member disagrees with the United States relative to the total number of votes that were cast in a given year ($ShareAgainst_{it}$). In the construction of this variable we follow the approach proposed by Kegley and Hook (1991) for measuring voting alignment in the UN General Assembly and discard abstentions or absences.²⁸ We exclude unanimous votes when we construct the share of votes against the United States. This approach ensures that we exclude decisions on relatively uncontroversial matters, which reduces the noise in this measure of voting alignment. When using this variable, we also include a binary variable indicating UNSC membership ($UNSC_{it}$) and its interaction with the share of votes against the United States ($UNSC_{it} * ShareAgainst_{it}$).

4.2 Empirical Model and Additional Data

We analyze our data at the recipient-year level. Our regressions take the following form:

$$y_{it} = \beta_1 UNSC_{it} + \beta_2 UNSC_{it} * ShareAgainst_{it} + \beta_3 GDPpc_{it-1} + \beta_4 Population_{it} + \beta_5 War_{it} (+\beta_6 pastIMF_{it}) + \gamma_i + \tau_t + \varepsilon_{it}, \quad (1)$$

$$y_{it} = \beta_1 UNSC_{all_{it}} + \beta_2 UNSC_{notall_{it}} + \beta_3 GDPpc_{it-1} + \beta_4 Population_{it} + \beta_5 War_{it} (+\beta_6 pastIMF_{it}) + \gamma_i + \tau_t + \varepsilon_{it}, \quad (2)$$

In these regressions, we initially consider two different outcome variables, y_{it} : (1) US bilateral aid, and (2) multilateral IMF loans.³⁰

²⁸ Our results are robust to employing the approach proposed by Wittkopf (1973), who includes abstentions and absences and codes agreements for both countries abstaining and both being absent.

³⁰ To make the sample of the two sets of regressions with the two different outcome variables comparable we restrict the sample to countries that, according to the OECD, are eligible to receive ODA in year t . As the OECD does not provide the list of ODA-eligible countries for the early years of our sample, we follow the OECD definition and denote a country i in year t as ODA-eligible if it has not “exceeded the high-income threshold for three consecutive years” according to the World Bank’s definition and is neither a member of the European Union nor of the G8 (OECD 2018a).

We build our regressions on those in Vreeland and Dreher (2014). IMF loans are therefore logged commitments in millions of current SDR (Special Drawing Rights, the IMF's unit of account).³¹ IMF loan commitments are better suited to test the influence of major donors on IMF loans compared to disbursements, as disbursements are typically made in equal tranches and mainly depend on borrowers' compliance with IMF conditions. While US influence could also be important to receive loans in spite of non-compliance, compliance is likely endogenous and can depend on the borrowers' standing with major powers, their economic development, as well as on their political willingness to implement IMF-mandated policy reforms. The size of the IMF loan commitment is determined before the program starts, when we expect the strongest US influence.³² In our largest sample, the data cover the years 1960 to 2015. During this period, 143 different countries participated in IMF programs. In these countries, a total of 2,536 out of 7,352 possible country-year observations – and thus roughly a third of the years in these countries – are under an IMF program. For observations with an active loan program, the mean IMF loan size in our sample is 422 million SDR (roughly 600 million USD in 2015).

Analyzing US bilateral aid, we again follow Vreeland and Dreher (2014), and measure US aid as logged disbursements (in constant 2015 million USD) rather than commitments.³³ Unlike loans from the IMF, disbursements of US aid follow no clear pattern relative to commitments, nor do they typically depend on compliance with specific ex post policy conditions. In fact, aid disbursements often suffer delays, and we suspect that favoritism plays a role in shortening these delays. As Carter and Stone (2015) show, the US executive branch makes use of its discretion to deviate from previously committed aid levels to use aid for political purposes. Net US aid disbursement data come from the OECD and cover the 1960-2015 period. In this period, a total of

³¹ We add one before we take the natural logarithm to avoid losing zero observations. Note that our regressions include fixed effects for years, which capture changes in the overall level of prices (inflation). We therefore prefer to not deflate the original IMF data or convert them to USD.

³² The IMF usually does not disburse more than what was originally agreed upon, so political pressure is likely to be exerted when the loan size is decided. Additional regressions show that our results hold when we substitute the IMF loan variable with a binary variable indicating the start of an IMF program. This supports the expectation that political interests are exerted at the design stage of a program.

³³ Again, we add one before taking the natural logarithm to avoid losing zero observations.

150 countries have received ODA from the United States. Of these countries, the average country has received a total of 4.6 billion USD (in constant 2015 dollars) over the entire period.³⁴

We include a number of important control variables. Previous research has argued that the timing of being elected to the UNSC is “not random [but] largely unrelated to aid and political and economic development” (Bueno de Mesquita and Smith 2010, 72). In their analysis of the determinants of election to the UNSC, Dreher et al. (2014, 80) find that “turn-taking is likely an exogenous source of variation” while noting that for such settings their results also “suggest the importance of controlling for population and income.” We follow this advice and include the natural logarithm of $Population_{it}$ size and per capita GDP ($GDPpc_{it-1}$) in all regressions.³⁵

Dreher et al. (2014) also find involvement in warfare to reduce the likelihood of UNSC election. We therefore also add a country-year specific War_{it} indicator.³⁶ Furthermore, as previous participation in IMF programs is one of the strongest predictors of receiving IMF loans (Sturm, Berger, and de Haan 2005; Dreher, Sturm, and Vreeland 2009b; Moser and Sturm 2011) and increases the precision of the estimation without reducing the size of our sample, we add a variable indicating previous IMF participation in the regressions focusing on IMF loans ($pastIMF_{it}$). We include country fixed effects γ_i and year fixed effects τ_t in all regressions to rule out that time-invariant country characteristics and global trends that affect all countries equally drive the results. Estimation is by ordinary least squares (OLS); ε_{it} represents the error term.³⁷

Both sets of models arguably allow us to make the identifying assumption that the timing of temporary UNSC membership is conditionally exogenous. The coefficients on the membership indicator $UNSC_{it}$ will thus not be biased by endogeneity. As regards the possibility to interpret our results as causal there are nevertheless two important caveats.

First, while membership itself can be considered exogenous, UNSC voting behavior cannot. It is likely to be correlated with potential determinants of receiving aid (like a country’s general

³⁴ The available appendix shows that our main results are robust to using various alternative measures, including a binary indicator for IMF program participation.

³⁵ We lag $GDPpc$ by one year in case UNSC membership introduces endogeneity bias (Bueno de Mesquita and Smith 2010; Dreher, Eichenauer, and Gehring 2018).

³⁶ The variable is set to one for country-years with more than 1000 battle-related deaths. Removing the variable does not affect the results.

³⁷ Appendix B reports descriptive statistics of all variables. Appendix C contains sources and definitions.

political orientation, its economic conditions, etc.). Therefore, our estimates do not allow to infer whether the links between voting behavior and aid allocation are also causal. What we can test, however, is whether any causal effect of UNSC membership on aid allocation is driven by countries that exhibit a certain kind of voting behavior. Some countries' votes might be easier to buy, and some might vote with the United States for other reasons. Essentially, the UNSC voting variable is an interaction between membership and voting, given that UNSC voting is not observed for non-members. It thus indicates whether the causal effect of UNSC membership differs for countries with different kinds of voting behavior (and potentially unobserved variables correlated with it).

The second caveat concerns the order of events. We do not observe the exact order of votes and IMF commitments or disbursements of US aid, and thus cannot test whether decisions at the level of the UNSC precede decisions at the level of the IMF and the donor government. Even if we find that IMF loans or aid disbursements precede a change in UNSC membership and voting behavior, we do not know whether the loan is paid as a reward or rather as a bribe. They could well be paid as rewards in anticipation of a positive vote rather – than a bribe.

To test our core hypothesis, we modify the above model:

$$y_{it} = \beta_1 UNSC_{it} + \beta_2 UNSC_{it} * Proximity_{it} + \beta_3 UNSCnot_{it} + \beta_4 UNSCnot_{it} * Proximity_{it} + \beta_5 Proximity_{it} + \beta_j CONTROL_{it} + \gamma_i + \tau_t + \varepsilon_{it}. \quad (3)$$

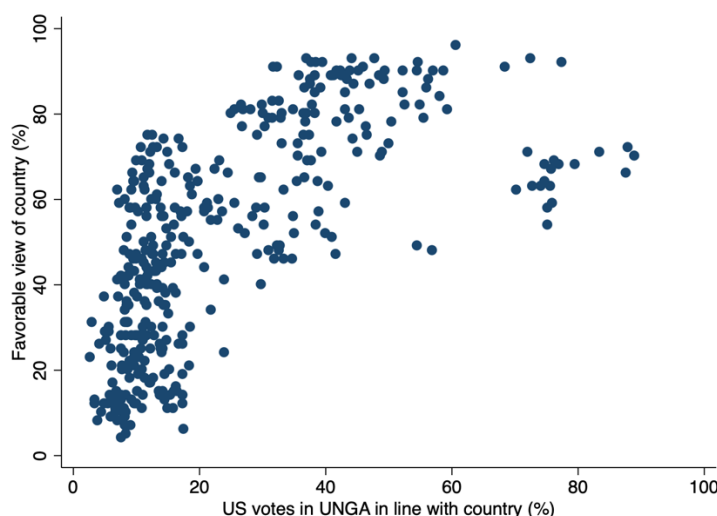
This model differs from our baseline model (1) in that we introduce a proxy for each recipient country's political proximity to the United States – $Proximity_{it}$ – which we interact with our indicators $UNSC_{it}$ and $UNSCnot_{it}$.

An ideal measure for $Proximity_{it}$ would be the result of a yearly survey that between 1960 and today has asked US citizens and political elites about their perception of foreign countries. The best data we found in this regard are US survey data from Gallup (2018).³⁸ Unfortunately, these data cover too few countries and years to be suitable for regressions analyses.

³⁸ The exact question asked by Gallup is: "Next, I'd like your overall opinion of some foreign countries. What is your overall opinion of [country *i*]. Is it very favorable, mostly favorable, mostly unfavorable, or very unfavorable?"

As an alternative, we code $Proximity_{it}$ as a moving average of the share of votes that the US government casts in line with these countries in the UNGA over the period from $t-5$ to $t-2$.³⁹ For several reasons, we consider this a valid proxy for what we seek to measure. First, this measure is highly correlated ($r = 0.7$) with the share of respondents of the Gallup survey who have a “favorable” or “very favorable view” of the country (see Figure 2).

Figure 2 – Correlation: Country Perceptions and UNGA Voting



Second, according to the US Department of State (1985, 2), examining UN votes makes it possible “to make judgments about whose values and views are harmonious with our own, whose policies are consistently opposed to ours, and whose practices fall in between.” A report from the same department in 2000 states that “a country’s behavior at the United Nations is always relevant to its bilateral relationship with the United States, a point the Secretary of State regularly makes in letters of instruction to new U.S. ambassadors” (US Department of State 2000).

Third, a skeptical reader might object that domestic audiences hardly know or care about voting in the General Assembly. As Dreher and Yu (2016) point out, however, there is plenty of evidence to the contrary. Using response rates to a World Value Survey question about confidence in the

³⁹ We do not include the years of UNSC membership (t and, potentially, $t-1$), so that potential changes in UNGA voting behavior that may result from UNSC membership do not bias the estimates. We prefer voting coincidence – which measures actual voting behavior on the specific topics up for voting in each year – over ideal point distances, which takes account of differences among topics over time (Bailey, Strezhnev, and Voeten 2017). This is because we are interested in actual voting behavior – independent of year-to-year changes in topics – rather than a measure of preferences on policies more broadly. Our results are, however, robust to using either of them.

United Nations, they show that respondents trust the United Nations to about the same degree as they trust their own parliament or government. United Nations General Assembly meetings (where the votes are taken) do not pass unnoticed, but are accompanied by regular protests.⁴⁰ Furthermore, detailed knowledge about specific votes is not required for UNGA voting to serve as a proxy for relations between states (Bailey, Strezhnev, and Voeten 2017; Potrafke 2009).

In the regressions of US bilateral aid, our theory predicts a positive coefficient for the interaction of $UNSCall_{it}$ and $Proximity_{it}$ – countries that are close to the United States should be rewarded with more bilateral aid when they vote in line with the United States in the UNSC. Conversely, we expect a negative coefficient for the same interaction in the regressions of IMF loans. This contrast reflects our expectation that the United States will buy or reward the Security Council votes of countries that are politically distant to the United States by means of IMF loans. Finally, we do not expect temporary members that vote *against* the United States in the UNSC to receive any more US aid or IMF loans than non-members.

5 Results

5.1 Baseline results

Table 1 sets the stage. Columns 1 to 6 present results for US aid, columns 7 to 12 report results for IMF loans. Across all regressions, richer countries receive less aid and smaller loans, significant at the one percent level. At the ten percent level, larger countries receive more US aid,

⁴⁰ Dreher and Yu (2016) provide examples. For one, see the following (U.S.) National Public Radio coverage about the 2012 protests at the General Assembly: <http://www.npr.org/2012/09/25/161767185/protestors-out-in-full-at-u-n-general-assembly>. As NYCity Lens reports on October 5, 2015, “the first day of the United Nations General Assembly, hundreds of protestors came from every corner of the globe – Syria, Somalia, Ukraine, Egypt, Korea, China, Tibet, Iran – to raise their voices against oppression, injustice and brutality” (see <http://nycitylens.com/2015/10/13752/>). In 2015, Ghanaians living in the United States threatened to demonstrate against their President John Mahama’s speech at the UN General Assembly for human rights violations (see <http://pulse.com.gh/politics/voter-demo-aftermath-ghanaians-in-us-to-demonstrate-against-mahama-at-un-assembly-id4200943.html>). Similar protests have been recorded and discussed against Indian Prime Minister Modi (see <http://indianexpress.com/article/india/india-news-india/sikhs-patels-protest-against-pm-narendra-modi-at-united-nations-headquarters/>). Rwanda’s voting over a human rights resolution in the 2015 UNGA meetings is just one example of the press coverage voting over resolutions achieves (see for example, <http://ktpress.rw/2015/11/rwanda-votes-for-human-rights-resolution-russia-china-protest/>). Another example is a 2014 resolution against human rights violations in North Korea, where both supporters and opponents received substantial press coverage (see, e.g., <http://www.aljazeera.com/news/asia-pacific/2014/12/un-north-korea-icc-human-rights-2014121823436300711.html>).

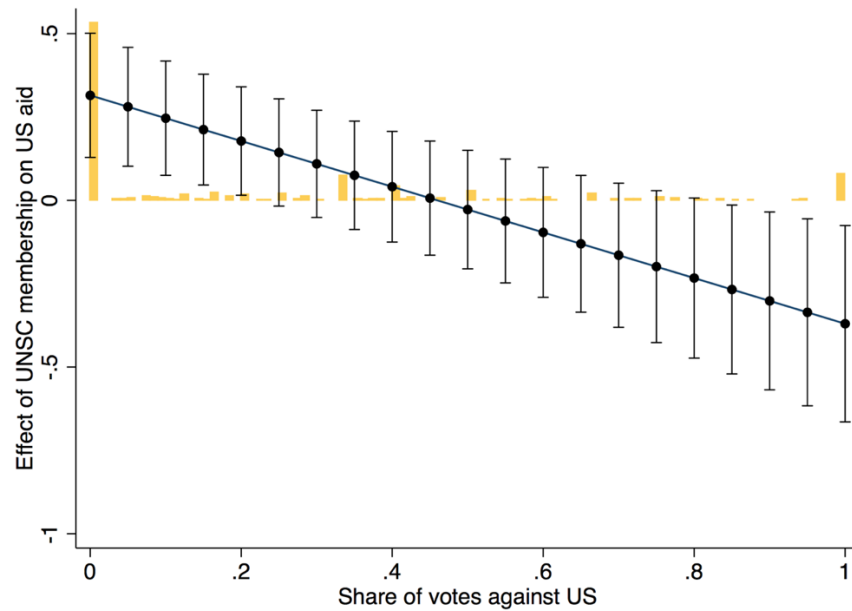
while population is not associated with the size of IMF loans. The coefficient of *War* is insignificant; and countries that had IMF programs in the past on average tend to receive significantly larger IMF loans in the present.

Turning to our variables of interest, we start with including a binary indicator for temporary membership in the UNSC ($UNSC_{it}$), along with our control variables, country-, and year fixed effects. While US aid (column 1) increases with UNSC membership (significant at the 10 percent level), IMF loans (column 7) do not.

Column 2 shows results for equation 1 above. The regression includes both the UNSC membership indicator and our first measure of UNSC voting similarity ($ShareAgainst_{it}$). As voting behavior is only observed for members, voting similarity is implicitly an interaction with the UNSC variable. Accordingly, the two variables must be interpreted jointly: The coefficient on $UNSC_{it}$ provides the estimate for the effect of UNSC membership on aid when $ShareAgainst_{it}$ equals zero. The coefficient on $ShareAgainst_{it}$ then estimates the extent to which voting against the United States changes the size of the UNSC effect. The results show that both UNSC membership and its interaction with the share of votes a country casts against the United States are statistically significant at the one percent level. Figure 3 illustrates the marginal effect of UNSC membership on US aid along the range of $ShareAgainst_{it}$. As can be seen, the effect of UNSC membership on aid is positive for members that regularly vote in line with the United States and turns insignificant (at the 10 percent level) for members that vote against them in more than 20 percent of controversial UNSC decisions. The marginal effect is negative for countries that vote against the United States in at least forty percent of the votes. A significantly negative effect is visible for the very small set of observations for which we record a share of voting against the United States in controversial decisions that is larger than 80 percent.

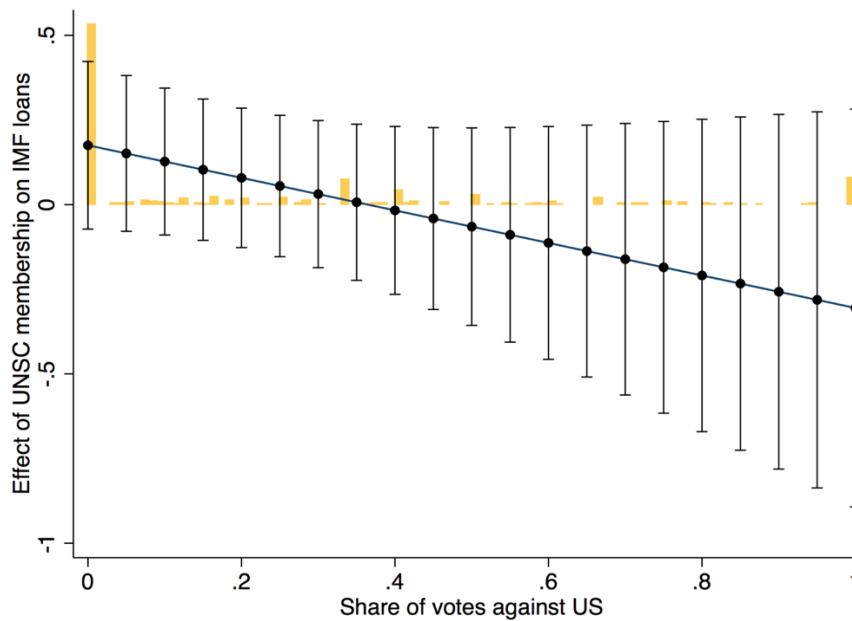
Column 8 reports the analogous regression for IMF loans. Neither the coefficient of UNSC membership nor its interaction with the vote share are statistically significant. Figure 4 shows that the marginal effect of UNSC membership on the size of IMF loans decreases with the share a country votes against the United States in the UNSC; it is however not significant at conventional levels. Columns 3-6 and 9-12 turn to our binary measures for voting with the United States – $UNSCall_{it}$ and $UNSCnotall_{it}$ (equation 1 above).

Figure 3 – Effect of UNSC Membership on US aid for Varying UNSC voting



Notes: The figure shows the marginal effect of UNSC membership on US aid for different levels of political proximity, based on the regression in Table 2, column 1, in concert with the 90 percent confidence interval. The histogram shows the distribution of political proximity to the United States.

Figure 4 – Effect of UNSC Membership on IMF loans for Varying UNSC voting



Notes: The figure shows the marginal effect of UNSC membership on IMF loans for different levels of political proximity, based on the regression in Table 2, column 5, in concert with the 90 percent confidence interval. The histogram shows the distribution of political proximity to the United States.

Columns 3 and 9 focus on all votes, while the remaining columns report regressions for which we differentiate between votes according to their importance. We define importance in three different ways. First, we code the number of *Google hits* that appear when searching for “United Nations Security Council Resolution [number]” via the *Google* search engine.⁴³ We consider a resolution to be important if its number of *Google hits* is above the median of all resolutions of a given year. In addition, all votes that did not produce a resolution because of a veto or a failure to reach the required majority are also coded as important.

Our second definition of importance includes votes on topics related to Israel exclusively.⁴⁴ Resolutions related to Israel stand out as the single most important topic in the UNSC: 140 out of the 2524 resolutions included in our sample refer to this key US ally. Resolutions against Israel are debated particularly vigorously, typically with large majorities voting against the United States – as in the aforementioned example regarding Donald Trump’s recognition of Jerusalem as the country’s capital (Becker et al. 2014; Hillman and Potrafke 2015).

Our third definition of importance follows Kuziemko and Werker (2006), who argue that UNSC membership is more valuable in years in which the institution is of major geopolitical importance. They proxy importance with the number of *New York Times* (NYT) articles that include the words “United Nations” and “Security Council” and separate the years into different categories of importance. We do the same for our sample period based on the NYT online archive.⁴⁵

⁴³ We do this for all resolutions from 1 to 2259 and enter the search term in quotes, thereby ensuring that the words appear in this exact order on the webpages that *Google* lists. For this we use the *Google Custom Search Engine* and run it via a program written in *Python*. See Appendix A for details.

⁴⁴ To determine which resolutions concern Israel, we code the title of each resolution and search for the keywords “Israel,” “Palestine,” “Jerusalem,” and “Golan.” See Appendix A for details. For future research, our data also include variables indicating resolutions that concern Lebanon, Cyprus, humanitarian issues, tribunals, sanctions, the admission of new members, and those that extend an existing resolution. This set of variables could easily be expanded.

⁴⁵ Contrary to Kuziemko and Werker (2006), who do not differentiate between members with different kinds of voting behavior, we only use two instead of three categories of importance to reduce the number of categories when the voting variables are added to the regressions, but the results are qualitatively similar with three categories. Our cutoff value that defines the two categories is the median.

Table 1 – UNSC Voting and Aid, OLS, 1960-2015

	USA (1)	USA (2)	USA (3)	USA (4)	USA (5)	USA (6)	IMF (7)	IMF (8)	IMF (9)	IMF (10)	IMF (11)	IMF (12)
UNSC member	0.169* [0.097]	0.315*** [0.113]					0.063 [0.123]	0.175 [0.150]				
UNSC member * Share of votes against US		-0.685*** [0.207]						-0.481 [0.418]				
UNSC, voted all with US			0.350*** [0.115]	0.324*** [0.113]	0.607*** [0.190]				0.403** [0.169]	0.382** [0.171]	0.099 [0.178]	
UNSC, voted not all with US			0.009 [0.137]	0.030 [0.135]	0.008 [0.131]				-0.229 [0.171]	-0.214 [0.169]	-0.168 [0.228]	
UNSC, voted all with US, important years (NYT)						0.480*** [0.128]						0.576** [0.242]
UNSC, voted all with US, unimportant years (NYT)						0.143 [0.205]						0.096 [0.317]
UNSC, voted not all with US, important years (NYT)						0.253 [0.206]						-0.281 [0.263]
UNSC, voted not all with US, unimportant years (NYT)						-0.125 [0.161]						-0.202 [0.201]
GDP/capita (ln, t-1)	-0.95*** [0.280]	-0.96*** [0.278]	-0.95*** [0.280]	-0.95*** [0.280]	-1.11*** [0.309]	-0.952*** [0.279]	-0.34*** [0.127]	-0.35*** [0.128]	-0.34*** [0.127]	-0.34*** [0.127]	-0.42*** [0.147]	-0.34*** [0.127]
Population (ln, t-1)	1.264* [0.671]	1.217* [0.661]	1.254* [0.670]	1.256* [0.670]	1.287* [0.717]	1.253* [0.670]	-0.002 [0.394]	-0.014 [0.395]	-0.018 [0.395]	-0.016 [0.395]	0.010 [0.453]	-0.023 [0.394]
War	0.022 [0.249]	0.039 [0.243]	0.021 [0.249]	0.021 [0.249]	-0.136 [0.266]	0.020 [0.249]	-0.311 [0.206]	-0.311 [0.206]	-0.313 [0.206]	-0.313 [0.206]	-0.403* [0.209]	-0.316 [0.205]
Past IMF program							1.525*** [0.159]	1.532*** [0.160]	1.516*** [0.159]	1.517*** [0.159]	1.507*** [0.167]	1.517*** [0.159]
p-value (all with vs. not all with)			0.036	0.059	0.008	0.316			0.008	0.012	0.331	0.008
R-squared	0.136	0.137	0.137	0.137	0.124	0.138	0.124	0.123	0.125	0.125	0.144	0.126
Observations	6142	6066	6142	6142	4222	6142	5826	5757	5826	5826	4051	5826

Notes: OLS regressions with country- and year fixed effects. Standard errors clustered at the country-level in brackets. Significance levels * p < 0.1; ** p < 0.05; *** p < 0.01

The results of Table 1 paint a clear picture. Countries voting exclusively in line with the United States in the UNSC receive more aid and larger IMF loans than non-members. Specifically, US aid increases by approximately 42 percent ($e^{0.350} - 1 \approx 0.42$) for members that voted with the United States on all votes (at the one percent level of significance), but not for members that did defect at least once (column 3). Investigating the difference between the two coefficients shows that members that always vote in line with the United States receive more aid than members that do not, at the five percent level of statistical significance.

The coefficient of voting exclusively with the United States for the definition of importance based on Google hits (column 4) is similar in magnitude, with the coefficient indicating that voting exclusively with the United States increases aid by 38 percent. As expected, the effect on US aid is starkest when it comes to votes on Israel (column 5). Voting exclusively in line with the United States increases aid by more than 83 percent, at the one percent level of significance. The NYT-based definition of importance shows that voting exclusively in line with the United States increases aid by 62 percent, while there is no significant increase in unimportant years or for countries that do not always vote in line with the United States (column 6).

Results for IMF loans are similar, both in terms of statistical significance and magnitude. Countries voting always in line with the United States on all votes receive an increase in IMF loans by 50 percent, at the five percent level of significance (column 9). The corresponding increases are 46 percent for voting on important votes according to the Google-based definition (column 10), and almost 78 percent according to the definition based on the NYT (column 12). Only the coefficient for resolutions on Israel fails to be significant at conventional levels (column 11). Overall, our results show that membership on the UNSC is associated with more aid from the United States and larger loans from the IMF – but only for countries that always vote with the United States.

5.2 Main Results

We now turn to testing our main hypotheses about funneling favors to friends through bilateral aid and to non-friends through a multilateral channel. Table 2 presents the results of our core regressions (equation 3 above). Columns 1-4 investigate US bilateral aid; column 5-8 focus

on IMF loans. Before introducing the measures of UNSC voting behavior, we interact *Proximity* with the simple UNSC membership indicator.

For US aid we find a positive and statistically significant coefficient on the interaction (column 1). Jointly interpreted with its constituent terms it suggests that only UNSC members that are politically close to the United States benefit from more US aid. The marginal effect of UNSC membership on US aid is positive only for countries that vote with the United States in the UNGA in more than 20 percent of the votes. When it comes to IMF loans (column 5), the coefficient is negative, as expected, but is not significant at the ten percent level (p -value= 0.133).

The remaining columns of Table 2 again separate UNSC members that exclusively voted with the United States from those that did not. The results paint a picture that is in line with these hypotheses. Column 2 shows that countries that are politically close to the United States and vote exclusively in line with it in the UNSC receive more aid. This result holds when we focus on important votes in column 3 (Google definition) and column 4 (Israel definition).⁴⁸

The results of these regressions are best illustrated graphically. Panels A and B of Figure 5 thus visualize the result for the specification including all votes, in concert with the 90 percent confidence interval (column 2). The plots show that UNSC members that always vote in line with the United States receive more US aid when political proximity to the United States is high. Countries that are politically more distant to the United States do not receive more US aid when they serve on the UNSC and always vote in line. Panel B shows a similar picture for UNSC members that do not always vote in line with the United States. While the confidence interval is wider, it seems that sufficiently close friends of the United States can benefit from US aid also when they vote against the United States in the UNSC at least once.

Columns 5-8 replicate the analysis for IMF loans. In line with our theory, we find the opposite pattern as compared to bilateral aid. The effect of receiving larger IMF loans when serving on the UNSC and consistently voting with the United States *increases* with political distance to the United States. Panel A of Figure 6 visualizes these results for all votes (column 6). Only countries that are politically distant to the United States receive larger IMF loans when they serve on the

⁴⁸ We do not include the New York Times-based definition of importance which would result in a triple interaction with eight interaction coefficients to estimate and would thus be difficult to interpret.

UNSC and – in spite of their political distance – consistently vote with the United States. Countries that do not always vote with the United States do not receive larger IMF loans. On the contrary, for close allies of the United States that vote against them, the “UNSC effect” turns negative (Panel B of Figure 6).

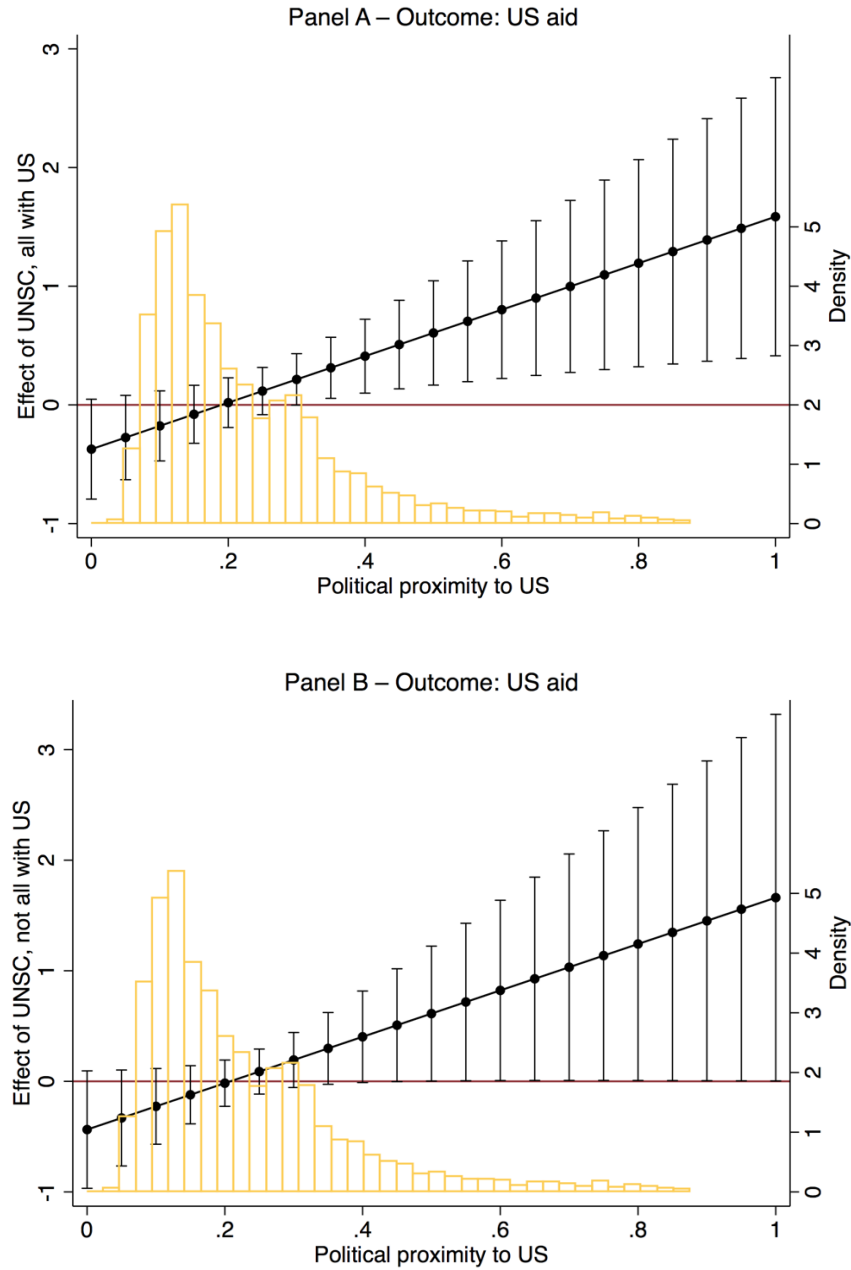
We take these results as evidence for the hypothesis that the channel used for buying UNSC votes depends on the donor’s political proximity to the recipient country. In short, the United States uses bilateral aid to buy or reward the votes of its friends and a multilateral channel when it comes to its enemies. Friends can be paid off openly, as reputational costs for giving aid to allied countries are low. For enemies, however, reputational costs are high, and the IMF is used to launder this “dirty work.”

Table 2 – UNSC Voting and Aid to US Friends and Enemies, OLS, 1960-2015

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	USA	USA	USA	USA	IMF	IMF	IMF	IMF
UNSC	-0.404** [0.196]				0.314 [0.247]			
UNSC * Political proximity to US	2.010*** [0.710]				-1.107 [0.733]			
UNSC, voted all with US		-0.373 [0.256]	-0.398 [0.258]	-0.511 [0.359]		0.897** [0.364]	0.872** [0.361]	0.911* [0.469]
UNSC, voted all with US * Political proximity to US		1.959** [0.928]	1.953** [0.931]	2.426** [1.039]		-1.541* [0.879]	-1.543* [0.881]	-2.361** [1.131]
UNSC, voted not all with US		-0.436 [0.323]	-0.441 [0.321]	-0.321 [0.314]		0.089 [0.300]	0.085 [0.299]	-0.574 [0.472]
UNSC, voted not all with US * Political proximity to US		2.098 [1.300]	2.221* [1.266]	2.213* [1.276]		-1.740 [1.225]	-1.653 [1.220]	1.953 [1.826]
Political proximity to US	3.172*** [1.024]	3.172*** [1.029]	3.176*** [1.029]	2.918*** [1.091]	0.027 [0.526]	-0.017 [0.531]	-0.016 [0.531]	0.221 [0.570]
Votes	all	all	important	Israel	all	all	important	Israel
Observations	5113	5113	5113	3344	4982	4982	4982	3341
R-squared	0.176	0.176	0.176	0.157	0.113	0.116	0.116	0.132

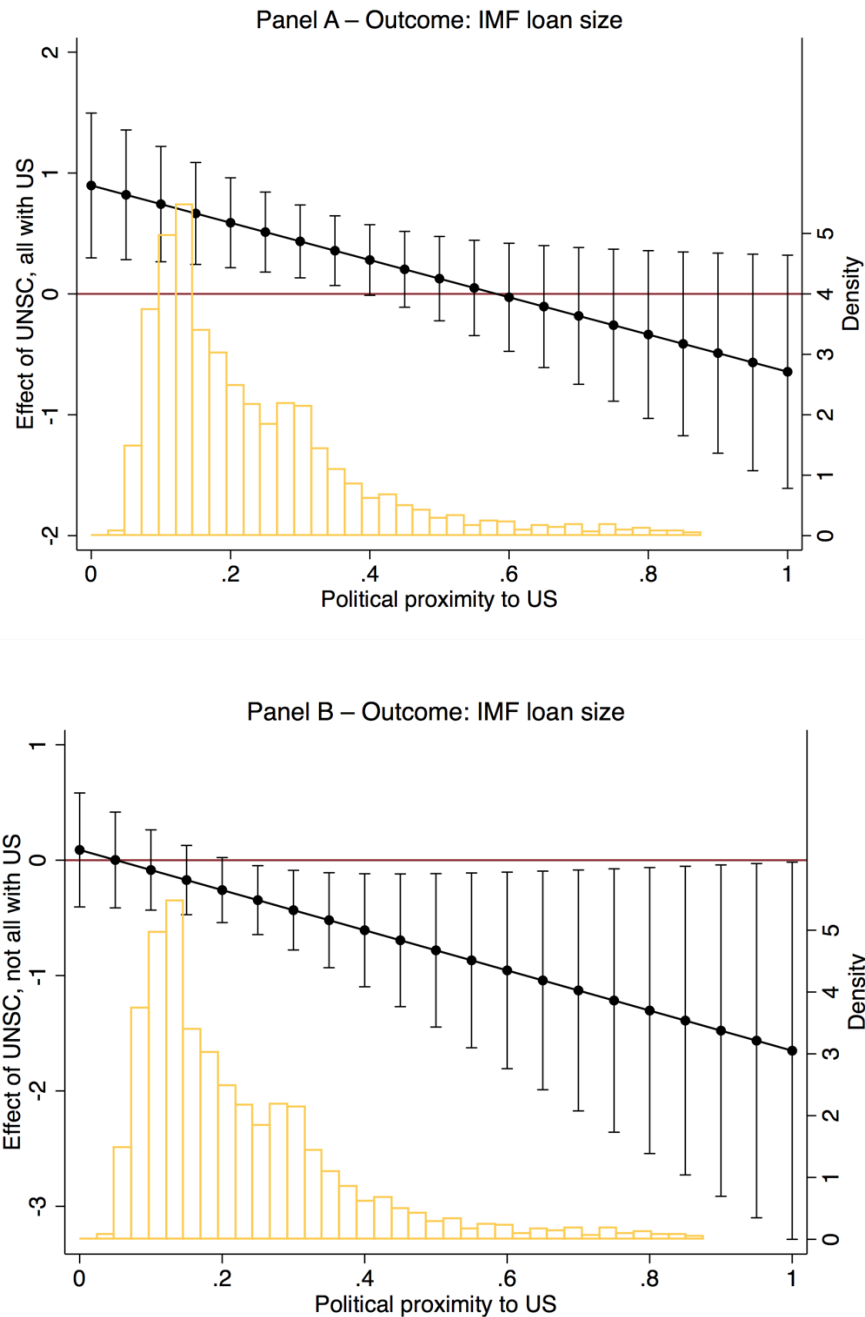
Notes: OLS regressions with country- and year fixed effects. Includes GDP per capita, Population, and War. IMF regressions also include Past IMF program. Standard errors clustered at the country-level in brackets. Significance levels * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

Figure 5 – Effect of UNSC Membership on US Aid for Varying Political Proximity



Notes: The figure shows the marginal effect of UNSC membership on US aid for different levels of political proximity, based on the regression in Table 2, column 2, in concert with the 90 percent confidence interval. Panel A focuses on the marginal effect of UNSC membership for countries that always voted with the United States in a year; panel B shows those for countries that voted against the United States at least once. The histogram shows the distribution of political proximity to the United States.

Figure 6 – Effect of UNSC Membership on IMF Loans for Varying Political Proximity



Notes: The figure shows the marginal effect of UNSC membership on IMF loans for different levels of political proximity, based on the regression in Table 2, column 6, in concert with the 90 percent confidence interval. Panel A focuses on the marginal effect of UNSC membership for countries that always voted with the United States in a year; panel B shows those for countries that voted against the United States at least once. The histogram shows the distribution of political proximity to the United States.

6 Robustness Tests

The other “Permanent Five:” In a first set of robustness tests, we test whether our US aid results hold more generally by investigating the allocation of aid by the other four permanent five (P5) UNSC members (UK, France, Russia, China). These countries also may seek to exchange finance for votes. Vreeland and Dreher (2014) did not find an effect of UNSC membership on foreign aid disbursements by the UK and France, but they did not look at voting dynamics within the UNSC and did not consider Russian and Chinese aid.

These regressions (reported in Appendix D, Table 8) repeat the baseline specification of equation 1 (*voted all* vs. *voted not all*, Table 1 column 3) with bilateral aid disbursements of the respective donor country as the dependent variable. For the United Kingdom, we find the same pattern as for the United States: Temporary members that always vote in line with the United Kingdom receive more bilateral aid from the United Kingdom; those who disagree at least once do not receive more than non-members. For France, we also find that aid flows are larger for the temporary UNSC members that never vote against France, but also find a positive association for those that disagree at least once.⁴⁹

As a placebo test, we consider aid flows from Russia and China, which both have permanent status on the UNSC, but do not typically initiate resolutions and rather exercise their veto power to stop resolutions that they oppose (Vreeland and Dreher 2014: 78, 138). The results of our analysis show no effect.

The same Appendix (Table 8, Panel B) also reports the analogous regressions for IMF loans. The results show that voting in line with the United Kingdom, France, China, and Russia in the UNSC is not associated with larger IMF loans. This suggests that the vote buying activities of the United States are behind the link between temporary UNSC membership and increased access to IMF loans.

⁴⁹ When examining this in more detail, we find that the positive coefficient on “voted not all with FRA” is driven by the members that disagreed exactly once. When we change the coding and attribute these cases to the “all with FRA” category, the coefficient on “not all with FRA” turns statistically insignificant ($p=0.114$) and the coefficient on “voted all with FRA” is statistically significant on the five percent level ($p=0.048$).

The World Bank and other Multilateral Institutions: Next, we show that our IMF results hold more generally by investigating the allocation of World Bank aid. The World Bank represents an alternative multilateral channel through which to funnel financial favors to non-friends who vote with the United States at the UNSC. While research suggests that US influence (both formal and informal) is strongest at the IMF (Lipsky 2017), the United States has substantial power over the World Bank as well (e.g., Kilby 2013b), and our theory should hold for this institution. The dependent variables for these two regressions are a) the World Bank's commitment of ODA and b) the number of new World Bank projects agreed upon (Dreher, Sturm, and Vreeland 2009a) for country i in year t . Appendix E (Table 9, Model 1) shows that our results for the IMF also hold for the World Bank. Countries that vote always with the United States in the UNSC receive more World Bank aid if they voted less than about a quarter of the times with the United States in the UNGA before entering the UNSC. The same pattern emerges if we examine substitute the amount of World Bank ODA by the number of new World Bank projects (Table 9, Model 2).

As placebo tests, we then show regressions that focus on international organizations where the United States cannot plausibly be expected to exert dominant influence on loan allocation. We investigate the effect of voting in line with the United States on aid from the European Bank for Reconstruction and Development, and the Islamic Development Bank. While political influences in these organizations are certainly important (Ben-Artzi 2005; Hernandez and Vadlamannati 2017), and the United States usually nominates the vice-president of the European Bank for Reconstruction and Development (Babb 2009), this influence is arguably not sufficiently large to influence the allocation of their loans in line with our theory. These regressions thus offer an important placebo test. Results presented in Appendix E (Table 9 Models 3-4) show that UNSC voting behavior is not associated with loans from the EBRD and IsDB, regardless of a recipient country's proximity to the United States. Given that the United States neither has sufficient influence nor interest in these international organizations to shape their allocation of loans, this placebo result is in line with expectations.

IMF Program Participation: Previous results have shown that temporary membership in the UNSC increases the probability to be under an IMF program, but not the size of IMF loan commitments (Dreher, Sturm, and Vreeland 2009b). Our regressions offer an explanation for this puzzle. Given that some temporary members of the UNSC vote against the United States, average commitments for members do not necessarily increase. The frequently cited example of Yemen introduced above comes to mind. Yemen was a temporary member in 1990 and failed to support the UNSC resolution that authorized the use of force in Iraq in 1990 (Baker 1995). Though a member of the UNSC, Yemen received less rather than more aid from the United States and the IMF. With our new data on *voting* in the UNSC, we find results for commitments that previous work was unable to detect (Dreher, Sturm, and Vreeland 2009b). Still, we think it is interesting to replicate the analysis focusing on IMF *programs* rather than IMF loan size. Due to the binary outcome variable, we estimate this model with a conditional logistic regression that absorbs country fixed effects. Appendix F (Table 10) shows that our results hold for the binary indicator of an IMF program.

Testing for Nonlinear Interactions: In a final robustness test, we examine whether the interaction effect in our main regressions is linear. Hainmueller, Mummolo, and Xu (2018) propose a semi-parametric estimation strategy that allows for nonlinear interaction effects. This is relevant for our setting because political proximity might influence the association between aid flows and UNSC voting in a nonlinear way. Beyond a linear association it is, for instance, also conceivable that vote buying activities target swing voters (characterized by medium political proximity to the donor), while ignoring very “close” friends (whose votes do not have to be bought) and very “distant” foes (whose votes cannot be bought or are too expensive to buy) (see Vreeland and Dreher 2014, 48-50, 80-85, 175-81).

To test the linearity assumption we apply the kernel smoothing estimator of the marginal effect by Hainmueller, Mummolo, and Xu (2018), which estimates multiple local effects across the values of the moderator variable (in our case *Proximity*) based on a (Gaussian) kernel reweighting scheme. This allows us to flexibly estimate the functional form of the marginal effect without imposing the linearity assumption and without having to select bins of the moderator variable

(the kernel estimator automatically selects bandwidths based on a 5-fold cross-validation procedure).

We plot the results in Appendix G (Figure 8). We find that for US aid, the marginal effect of voting with the United States at the UNSC is approximated by an S-shape. However, as in the linear model, the association is positive and statistically significant for high values of political proximity to the US (~ 0.5 - 0.8 on a 0-1 scale). Only at the very highest values for proximity (>0.8) do we see a drop off in precision, suggesting that perhaps some countries are so close in preference to the United States that it need not buy their votes. Our main inferences are, however, not affected by imposing linearity. The semi-parametric model yields a more fine-grained functional form, the linear model appears to be a good approximation of the underlying relationship.

In the bottom panel of the same figure in Appendix G we repeat the same analysis with IMF loans as the dependent variable (model based on Table 2, column 6). Here, we see that the semi-parametric estimation yields a linear interaction effect. The marginal effect is very similar to the effect estimated by the linear model presented above.

7 Conclusion

This study introduces novel theory and an original dataset to understand how governments choose between bilateral and multilateral support, exploiting the latter to do their “dirty work.” The argument that international organizations can be used in this way goes back to Vaubel (1986). However, the theory has never been confronted with data. Recognizing that donors have domestic constituents with favorable views of only certain countries, where bilateral exchanges are domestically acceptable, we suggest that multilateral channels obfuscate the repayment of favors to foreign countries that are unpopular domestically.

Previous empirical analyses confirm that IMF and World Bank lending indeed follows the interests of their major shareholders (Copelovitch 2010; Kilby 2013b, 2013a; Stone 2002; Thacker 1999). The recent literature investigating the allocation of bilateral and multilateral aid, however, comes to a different conclusion. It shows that multilateral aid is less political and more effective

compared to bilateral aid (Milner 2006; Schneider and Tobin 2016). The results of these literatures stand in contrast to each other and offer an interesting puzzle.

Our theory addresses this puzzle and reconciles the two strands of literature. We argue that major powers exert influence bilaterally when domestic audiences view the intervention favorably. When domestic audiences are more skeptical of a recipient, favors are granted via international organizations. They use their power over international organizations selectively, so that the typical loan is not affected by donors' political considerations in an obvious way. The previous literature indeed investigated the *overall* allocation of multilateral aid versus bilateral aid. It is thus unsurprising that politics turned out as less important in the allocation of multilateral aid. When one focuses on a specific set of cases – politically important countries that are not favorably viewed by donor domestic publics – a different picture emerges. Here, powerful countries can use international organizations to pursue their geostrategic interests.

We see this theory as complementing rather than contradicting previous work. Interestingly, certain results obtained in previous research support our argument. Consider, for example, the study of Strand and Zappile (2015), which uses bilateral aid as a measure of donor-interest in a country (following Fleck and Kilby 2006). They expect countries that receive more economic aid from a member of a multilateral development bank to also receive more aid from the bank itself but find the opposite. This pattern is contrary to their expectations but is in line with what we expect to find if multilateral aid is used in countries where bilateral aid is difficult to give. We test our theory focusing on US aid and IMF loans – with robustness tests focusing on French, UK, and World Bank aid. Using new data on UNSC voting over the 1960-2015 period, our results show that US “friends” receive larger bilateral aid when voting in line with the United States in the UNSC, while positive votes of “enemies” are rewarded with loans from the IMF. Multilateral aid is thus highly political in important cases where the preferences of politicians differ from those of their domestic audiences.

Our results have important implications for the nature of multilateral interventions. Milner (2006, 110), argues that “[d]onor governments desire to use foreign aid for political and economic purposes that are related to donor interests. Publics, however are more interested in addressing the needs of the recipient countries.” Publics are more confident that multilateral aid is

developmental compared to bilateral aid, so that governments give more aid when making use of multilaterals in the presence of skeptical publics. According to Milner (2006, 111), “[m]ultilateral aid thus helps solve a domestic principal-agent problem. Domestic politics may be a reason that governments chose to use multilateral international institutions.”

In contrast, we argue that multilateral aid exacerbates domestic principal-agent problems. Sometimes multilateral aid is given via international organizations when publics dislike aid, not to credibly commit to development goals, but rather to hide the financial favor from the donor’s domestic audience.

Furthermore, our results can explain why governments have an interest in founding new international organizations and make them seem legitimate (see also Rocabert et al. 2017). Schneider and Tobin (2016) argue that governments prefer large numbers of international organizations so that they can delegate to those organizations with an aid portfolio that most closely matches the government’s preferences. Our results also show that multilateral aid allows donors to obfuscate payments to a country that the donors’ voters do not want to support.

Future work that builds on our research may shed light on remaining puzzles in the literature. For example, Milner (2006) finds right-wing governments give more multilateral aid than do left ones. She concludes that “it is hard to understand this result” which is “robust and puzzling” (2006, 132).

Following the logic presented here, if right-wing governments typically pursue more aggressive foreign aid policy than left governments (e.g., Milner and Tingley 2010), then we might expect right wing governments to have greater incentives to obscure their aid practices, and hence make use of multilaterals more frequently.

Our results may further suggest an outline for the future development of the international aid architecture. There are many policy areas where governments seek to use aid strategically but face domestic opposition. For example, substantial shares of the populations in major EU countries opposed a Greek bail-out (see a 2010 poll cited in Schneider and Slantchev 2018, 21), while leading academics and politicians see such support as a necessary condition to maintain

the Euro and potentially the European Union.⁵¹ Similarly, a May 2018 poll by the institute Infratest Dimap shows that 59 percent of the (German) respondents are in favor of reducing foreign aid to countries that do not cooperate sufficiently in taking back refugees – a position that German Minister of Development Gerd Müller opposes.⁵² We expect these differences in views between governments and their voters to make multilateral aid more attractive from a politician's perspective. Our logic can explain the insistence of German politicians to involve the IMF in the Greek bail-out.⁵⁴ In the same vein, we predict that major European donors will react to the recent refugee crisis by channeling larger shares of foreign aid through the budget of the European Union.

The degrees of freedom that politicians gain from the existence of an international organization also explain political support for the creation of new organizations, and their resistance towards abolishing existing ones.⁵⁵ The recent creation of the Asian Infrastructure Investment Bank and the New Development Bank are cases in point. We also expect a “European Monetary Fund” to be called in existence in due course, and additional European organizations in charge of foreign aid and loans to follow later. The potential benefits of international organizations in pursuing policies that domestic audiences dislike seem too strong for national governments to resist.

⁵¹ See for example a 2015 YouGov survey “Greece: Germans and Finns back a hard line, but support for Grexit wanes,” <https://yougov.co.uk/news/2015/07/10/germans-and-finns-public-prefer-hard-line-support-/> and a May 29, 2017 article in the *Journal of International Affairs* “Germany's Domestic Politics Complicate the Greek Debt Crisis,” <https://jia.sipa.columbia.edu/online-articles/germanys-domestic-politics-complicate-greek-debt-crisis> (accessed May 23, 2018).

⁵² See <https://www.welt.de/politik/deutschland/article176217850/Migration-Mehrheit-will-unkooperativen-Staaten-Entwicklungshilfe-kuerzen.html> (in German, accessed May 10, 2018).

⁵⁴ See also again the May 29, 2017 article in the *Journal of International Affairs*, <https://jia.sipa.columbia.edu/online-articles/germanys-domestic-politics-complicate-greek-debt-crisis> (accessed May 23, 2018).

⁵⁵ According to Haberler (1974, 156) “international institutions may change their names or lose their function but they never die” (cited in Vaubel (2006), 127). For evidence on why international organizations terminate, see Eilstrup-Sangiovanni (2018). On international organization proliferation, see also Gray (2018) and Johnson (2014).

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APPENDICES

Appendix A: Coding of Resolution-specific UNSC Voting Data

As described in the main text, we initially measure the importance of a vote following Kuziemko and Werker (2006), who argue that UNSC membership is more valuable in years in which the institution is of major geopolitical importance. They proxy “importance” with the number of New York Times articles that include the words “United Nations” and “Security Council” and separate the years into different categories of importance. We code the same variable for our sample updating it until 2015 based on the New York Times online archive. Unlike Kuziemko and Werker (2006) we focus on two rather than three categories of importance, to reduce the number of categories when the voting variables are added to the regressions. Our threshold for important years is the median number of New York Times articles.

In addition to that, we propose other ways of identifying relevant votes for measuring voting alignment in the UNSC. The fact that we use data on the resolution-level allows us to additionally exploit resolution-specific rather than only year-specific information.

First, we exploit information contained in the resolution’s title. To this end, we identified key words that frequently appear in resolution titles, using word counting software. This allows coding variables that indicate the policy area the resolutions address. Table 5 shows the 100 most frequent keywords. For this study we only show regressions that restrict the sample of resolutions to those that concern Israel. A relatively large number of UNSC decisions focus on this key US ally (140 out of 2524), and our expectation is that the United States will consider these decisions as particularly important.

Second, for all resolutions we code the number of *Google hits* that appear when searching for “United Nations Security Council Resolution [number]”⁵⁸ via the *Google* search engine. Figure 7 illustrates these data and shows that there is no visible time trend in this variable. We then consider a resolution as important if its number of *Google hits* is above the median of a given year.

⁵⁸ We do this for all resolutions from 1 to 2259 and enter the search term in quotes, thereby ensuring that the words appear in this exact order on the webpages that *Google* lists. For this we use the *Google Custom Search Engine* and run it via a program written in *Python*.

In addition, all votes that did not produce a resolution because of a veto or a failure to reach the required majority are also coded as important. When using this information for the analysis on the country-year level we then only consider the “important” votes when aggregating.

Figure 7 – Google Hits of UNSC Resolutions

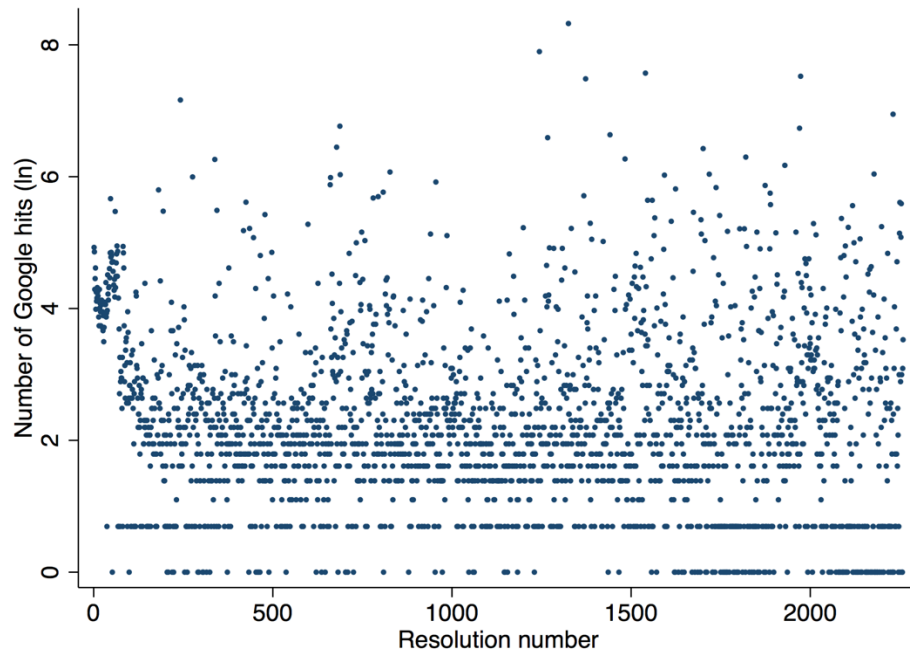


Table 5 – Frequency of Words in UNSC Resolution Titles (100 most frequent)

744 : un	78 : western	42 : afghanistan
651 : mandate	77 : somalia	42 : settlement
475 : extension	76 : measures	41 : court
415 : mission	75 : disengagement	41 : fire
342 : situation	75 : liberia	41 : observers
342 : force	74 : application	41 : stationing
190 : membership	74 : sudan	41 : deployment
187 : peace	71 : sahara	40 : complaint
177 : against	68 : assistance	40 : all
171 : observer	67 : middle	40 : armed
167 : republic	67 : rwanda	39 : commission
150 : Cyprus	65 : bosnia	39 : concerning
137 : security	64 : africa	39 : forces
129 : admission	64 : operation	38 : calling
127 : establishment	64 : herzegovina	38 : minurso
125 : extends	63 : former	37 : states
121 : lebanon	62 : secretary	37 : territories
111 : south	61 : between	37 : southern
108 : question	60 : referendum	36 : central
105 : resolution	59 : humanitarian	36 : israeli
103 : military	56 : arms	36 : imposed
95 : general	50 : d'ivoire	35 : group
91 : east	50 : côte	35 : rhodesia
89 : congo	48 : agreement	35 : authorization
88 : council	48 : cease	34 : justice
86 : keeping	48 : african	34 : peacekeeping
86 : tribunal	48 : monitoring	33 : under
84 : angola	48 : haiti	33 : palestinian
84 : renewal	46 : embargo	33 : process
83 : democratic	45 : conflict	32 : office
83 : sanctions	44 : israel	
81 : implementation	44 : leone	
80 : iraq	44 : protection	
79 : yugoslavia	44 : criminal	
79 : interim	43 : sierra	

Appendix B: Descriptive Statistics

Table 6 – Descriptive Statistics

Variable	Obs.	Mean	S.D.	Min	Max
UNSC member	6142	0.06	0.23	0.00	1.00
Share of votes against US	6066	0.01	0.09	0.00	1.00
UNSC, voted all with US	6142	0.03	0.16	0.00	1.00
UNSC, voted not all with US	6142	0.03	0.17	0.00	1.00
UNSC, voted all with US (important Google)	6142	0.03	0.16	0.00	1.00
UNSC, voted not all with US (important Google)	6142	0.03	0.17	0.00	1.00
UNSC, voted all with US (important Israel)	4222	0.02	0.15	0.00	1.00
UNSC, voted not all with US (important Israel)	4222	0.02	0.14	0.00	1.00
UNSC, voted all with US (important year NYT)	6142	0.02	0.13	0.00	1.00
UNSC, voted not all with US (unimportant year NYT)	6142	0.01	0.10	0.00	1.00
UNSC, voted all with US (important year NYT)	6142	0.01	0.10	0.00	1.00
UNSC, voted not all with US (unimportant year NYT)	6142	0.02	0.14	0.00	1.00
Political proximity to US	5114	0.22	0.14	0.00	0.88
IMF loan size (million SDR, ln)	6142	1.09	1.95	0.00	10.36
US aid disbursement (million USD, ln)	6142	2.54	2.07	0.00	9.51
IMF program	5826	0.38	0.49	0.00	1.00
IMF purchases (million SDR, ln)	5494	5.43	8.08	0.00	23.60
US aid indicator	6142	0.75	0.43	0.00	1.00
US aid commitments (million USD, ln)	5798	2.70	2.07	0.00	9.92
World Bank aid commitments (million USD, ln)	5798	1.56	2.22	0.00	8.36
New World Bank projects	4807	1.59	2.11	0.00	17.00
IsDB aid commitments (million USD, ln)	6142	0.20	0.67	0.00	6.46
EBRD aid commitments (million USD, ln)	6142	0.13	0.72	0.00	7.29
GDP per capita (ln)	6138	7.57	1.11	4.75	10.04
Population (ln)	6141	15.39	2.02	9.11	20.99
War	6142	0.06	0.23	0.00	1.00
Past IMF program	5826	0.72	0.45	0.00	1.00

Note: The sample used for calculating these statistics is the sample of column 1 of Table 1.

Appendix C: Data Sources and Definitions

Table 7 – Data Sources and Definitions

Variable	Source	Description
US aid disbursements (million USD, ln)	OECD (2018)	US bilateral net disbursements of Official Development Assistance.
IMF loan size (million SDR, ln)	Dreher et al. (2009a), own update with data from IMF (IMF 2018)	Total amount agreed of IMF loan. IMF (2018) provides the total amount of the agreed upon loan. We divide this number by the years of subsequent program duration, assuming equal phasing of the loan over the program period.
UNSC member	Dreher et al. (2009b), own update	Binary, indicating observations in which country i was a temporary UNSC member in year t .
Share of votes against US	multiple sources (own coding, see main text)	The number of UNSC votes country i cast in line with the United States in year t divided by the number of UNSC votes in year t . Unanimous votes are excluded.
UNSC, voted all with US	multiple sources (own coding, see main text)	Binary, indicating observations in which country i was a UNSC member in year t , and voted in line with the United States in all votes of year t .
UNSC, voted not all with US	multiple sources (own coding, see main text)	Binary, indicating observations in which country i was a UNSC member in year t , and voted against the United States in at least one vote of year t .
UNSC, voted all with US (important Google)	multiple sources (own coding, see main text)	As above, but only considering UNSC votes on resolutions whose number of hits on the Google search engine surpasses the yearly median and UNSC votes that did not produce a resolution (see Appendix A for details).
UNSC, voted not all with US (important Google)	multiple sources (own coding, see main text)	As above, but only considering UNSC votes on resolutions whose number of hits on the Google search engine surpasses the yearly median and UNSC votes that did not produce a resolution (see Appendix A for details).
UNSC, voted all with US (important Israel)	multiple sources (own coding, see main text)	As above, but only considering UNSC votes on resolutions whose title is related to Israel (see Appendix A for details).
UNSC, voted not all with US (important Israel)	multiple sources (own coding, see main text)	As above, but only considering UNSC votes on resolutions whose title is related to Israel (see Appendix A for details).

UNSC, voted all with US (important year NYT)	multiple sources (own coding, see main text)	As above, but the indicator is set to zero if the year's number of New York Times articles that include the words "United Nations" and "Security Council" is below the median of the observation period (see Appendix A for details).
UNSC, voted all with US (unimportant year NYT)	multiple sources (own coding, see main text)	As above, but the indicator is set to zero if the year's number of New York Times articles that include the words "United Nations" and "Security Council" is above the median of the observation period (see Appendix A for details).
UNSC, voted not all with US (important year NYT)	multiple sources (own coding, see main text)	As above, but the indicator is set to zero if the year's number of New York Times articles that include the words "United Nations" and "Security Council" is below the median of the observation period (see Appendix A for details).
UNSC, voted not all with US (unimportant year NYT)	multiple sources (own coding, see main text)	As above, but the indicator is set to zero if the year's number of New York Times articles that include the words "United Nations" and "Security Council" is above the median of the observation period (see Appendix A for details).
Political proximity to US	Bailey, Strezhnev, and Voeten (2017)	A country's share of votes in line cast with the United States in the United Nations General Assembly, moving average from $t-5$ to $t-2$. Abstention coded as half-agreement with yes or no vote.
IMF program	Dreher et al. (2009a), updated with data from Kentikelenis et al. (2016)	IMF program active at any point in year t .
IMF purchases (million SDR, ln)	World Bank (2018)	Amount of the IMF loan "purchased" by the IMF program country.
US aid indicator	OECD (2018b)	Binary, indicating country-years with positive US aid disbursements.
US aid commitments (million USD, ln)	OECD (2018b)	US bilateral commitments of Official Development Assistance.
World Bank aid commitments (million USD, ln)	OECD (2018b)	World Bank commitments of Official Development Assistance.
World Bank projects	Dreher et al. (2009b)	Number of new World Bank projects for country i agreed on in year t .
AsDB aid commitments (million USD, ln)	OECD (2018b)	Asian Development Bank commitments of Official Development Assistance.

EBRD aid commitments (million USD, ln)	OECD (2018b)	European Bank for Reconstruction and Development commitments of Official Development Assistance.
GDP per capita (ln)	World Bank (2018)	Gross Domestic Product per capita, constant 2010 USD.
Population (ln)	World Bank (2018)	Population size.
War	Uppsala Conflict Data Program (2015)	Binary, indicating years with more than 1000 battle-related deaths in year t in country i .
Past IMF program	Dreher et al. (2009a), updated with data from Kentikelenis et al. (2016)	Binary, indicating countries that had an IMF program in any of the years prior to year t .

Appendix D: Robustness: Results for the other Permanent Five

Table 8: The other Permanent Five

<i>Panel A: Bilateral aid from donor j</i>					
	(1)	(2)	(3)	(4)	(5)
	$j = \text{USA}$	$j = \text{UK}$	$j = \text{France}$	$j = \text{Russia}$	$j = \text{China}$
UNSC, voted all with j	0.350*** [0.115]	0.138** [0.066]	0.121* [0.072]	-0.191 [0.119]	-0.204 [0.133]
UNSC, voted not all with j	0.009 [0.137]	-0.065 [0.094]	0.436** [0.185]	-0.120 [0.157]	-0.466 [0.284]
Country FE, Year FE, Controls	Yes	Yes	Yes	Yes	Yes
Observations	6141	6141	6141	1687	2752
R-squared	0.137	0.081	0.262	0.040	0.136
p-value (all with vs. not all with)	0.036	0.035	0.083	0.739	0.359

<i>Panel B: IMF loans</i>					
	(6)	(7)	(8)	(9)	(10)
	$j = \text{USA}$	$j = \text{UK}$	$j = \text{France}$	$j = \text{Russia}$	$j = \text{China}$
UNSC, voted all with j	0.403** [0.169]	0.206 [0.158]	0.146 [0.137]	0.182 [0.162]	0.054 [0.115]
UNSC, voted not all with j	-0.229 [0.171]	-0.260 [0.179]	-0.308 [0.192]	-0.134 [0.193]	0.112 [0.386]
Country FE, Year FE, Controls	Yes	Yes	Yes	Yes	Yes
Observations	5825	5825	5825	5825	5825
R-squared	0.125	0.124	0.124	0.124	0.124
p-value (all with vs. not all with)	0.008	0.049	0.038	0.220	0.878

Notes: Dependent variables are bilateral aid from United States, United Kingdom, France, Russia, China (models 1-5) and IMF loan size (models 6-10). OLS-FE regressions. Controls include GDP per capita, Population, War and – in models 6-10 – past IMF program. Standard errors clustered at the country-level in brackets. Significance levels * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

Appendix E: Robustness: Results for other Multilateral Institutions

Table 9: Other Multilateral Institutions

	(1)	(2)	(3)	(4)
UNSC, voted all with US	0.574** [0.278]	0.796** [0.343]	0.051 [0.177]	0.001 [0.163]
UNSC, voted all with US * Political proximity to US	-2.225** [0.984]	-1.934* [1.075]	-0.092 [0.470]	-0.021 [0.335]
UNSC, voted not all with US	-0.077 [0.265]	0.291 [0.463]	0.026 [0.034]	0.109 [0.144]
UNSC, voted not all with US * Political proximity to US	0.768 [1.196]	0.886 [1.677]	0.145 [0.363]	-0.472 [0.571]
Political proximity to US	2.178** [0.839]	2.585** [1.007]	1.185** [0.560]	0.811** [0.380]
Country FE, Year FE, Controls	Yes	Yes	Yes	Yes
Observations	4926	3810	4926	5113
R-squared	0.074	0.121	0.049	0.194
Dependent Variable	World Bank aid	new World Bank projects	EBRD loans	IsDB aid

Notes: OLS regressions with country- and year fixed effects. Conditional logistic regressions (conditioned on country fixed effects) if the outcome variable is binary (columns 2). Includes GDP per capita, Population, and War. Standard errors clustered at the country-level in brackets. Significance levels * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

Appendix F: Robustness: IMF Program Participation

Table 10: IMF Program Participation

	(1)
UNSC, voted all with US	1.032*** [0.372]
UNSC, voted all with US * Political proximity to US	-2.739** [1.179]
UNSC, voted not all with US	0.383 [0.485]
UNSC, voted not all with US * Political proximity to US	-0.143 [2.053]
Political proximity to US	1.510* [0.896]
Controls	Yes
Observations	4295
Dependent Variable	IMF program

Notes: Conditional logistic regressions (conditioned on country fixed effects). Includes GDP per capita, Population, War, and past IMF program. Standard errors clustered at the country-level in brackets. Significance levels * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

Appendix G: Robustness: Testing for Nonlinear Interaction Effects

Figure 8 – Nonlinear Interaction Effects

