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The Pernicious Consequences of UN Security Council Membership

Bruce Bueno de Mesquita¹ and Alastair Smith¹

Abstract

Nations elected to the United Nations Security Council (UNSC) as temporary members have lower levels of economic growth, become less democratic, and experience more restrictions on press freedoms than comparable nations not elected to the UNSC. Using regression and matching techniques the authors show, for instance, that over the two-year period of UNSC membership and the following two years during which a nation is ineligible for reelection, UNSC nations experience a 3.5 percent contraction in their economy relative to nations not elected to the UNSC. The detrimental effects of UNSC membership are strongest in nondemocratic nations. The authors contrast these results with the growing evidence that nations elected to the UNSC receive greater development assistance.

Keywords

International Organizations, United Nations Security Council, economic growth, foreign aid

Election to the United Nations Security Council (UNSC) gives a country a two-year window during which it can help shape global security policy. Yet, while a term on the UNSC might bring prestige and international prominence (Hurd 2002), it is detrimental to a nation's economic and political health. In this article, we compare the economic and political development of nations elected to the UNSC with nations that are not. Nations elected to the UNSC grow more slowly, become less democratic, and

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experience greater restrictions on press freedoms than comparable nations that are not elected. These effects are most pronounced in nondemocratic nations.

Having established the deleterious effects of UNSC membership, we consider the broader development implications of these results with regard to the effectiveness of foreign aid. Many scholars doubt the efficacy of foreign aid (as an early example, see Bauer 1972). However, attributing the negative correlation between aid receipts and growth to the pernicious effects of aid is problematic because aid might be given to those facing the greatest development difficulties. UNSC membership provides a quasi experiment to assess the impact of aid. Possibly because of their enhanced ability to help promote U.S. interests on the UNSC, nations elected to the Security Council gain preferential access to aid from the United States, International Monetary Fund (IMF), and World Bank. UNSC membership thus serves as an instrument for foreign aid. Nations get more aid, not as a function of their development prospects but as a function of being elected to the UNSC.

The article proceeds as follows. First, we discuss UNSC membership, paying attention to election procedures and how it helps nations attract additional aid. Second, we discuss data. Third, we present an empirical analysis of the factors, which influence election to the UNSC and show that, beyond size, there are few robust predictors of which nations get elected to the UNSC. Fourth, we compare economic growth, democratization, and press freedoms in nations elected to the Security Council and those that are not. Fifth, we verify the robustness of our results through the use of matching and regression analysis. Sixth, we consider the broader implications of the results for development theory. In particular, UNSC membership provides a natural experiment to assess the effectiveness of foreign aid for promoting development.

UNSC Membership

Important security policy questions brought to the United Nations are resolved in the Security Council. Both evidence and careful theorizing support the contention that the United States tries to shape UN policy so that the United States can advance its own policy agenda under the cover of the United Nations (Voeten 2001, 2005; Johns 2007). That is, the United States, like all the permanent members of the UNSC, does not so much comply with UN policy as try to shape it to serve its own interests, subject, of course, to the constraint that the policies promoted through the Security Council must not be so disliked by any permanent member that they will be vetoed. Election to the Security Council increases the salience of a nation's policy stance on security matters. Those elected to the Security Council are, to put it bluntly, in a position to provide the United States with salient favors and recent scholarship shows that the United States is indeed prepared to pay (Kuziemko and Werker 2006).

A prominent theme in the foreign aid literature is that aid is distributed more in response to strategic concerns than humanitarian needs (Morgenthau 1962; McKinlay and Little 1977, 1978). Rai (1980), Ruttan (1996), and Zimmerman (1993), for instance, argue that the United States uses aid disbursements to attain its own foreign policy goals. Bueno de Mesquita and Smith (2007, 2009a) explicitly

model aid-for-policy transfers. The United States uses aid and its influence on IMF and World Bank programs to influence voting in the United Nations. Dreher, Thiele, and Nunnenkamp (2008), for instance, show that the United States uses aid to buy votes in the UN General Assembly.

Most directly related to this project, Kuziemko and Werker (2006) show that members of the UNSC receive 56 percent more aid than those not on the Council. They also show that UNSC membership leads to increases in some forms of UN aid, particularly programs over which the United States has influence. Given that the United States has a huge say in IMF governance, with the United States holding 17 percent of the votes, scholars argue that the IMF is largely driven by U.S. concerns. Barro and Lee (2005), Frey (1997), Goldstein (2000), and Thacker (1999) each develop the connection between U.S. interests and IMF programs (although Gould 2003 argues otherwise). Dreher and Sturm (2005) show a connection between UN General Assembly voting patterns and access to World Bank and IMF programs. Furthermore, Dreher and Jensen (2007) show that the conditionality of these programs is tied to a nation's relations with the United States. Dreher, Sturm, and Vreeland (2009a) show that UNSC members receive more IMF program benefits. The United States also influences World Bank lending (Andersen, Hansen, and Markussen 2006). In addition to summarizing many of the anecdotal accounts, Dreher, Sturm, and Vreeland (2009b) provide systematic evidence that UNSC members receive more World Bank projects.

Taken as a whole, this literature establishes a strong link between UNSC membership and access to aid and preferential treatment from international organizations such as the IMF and World Bank. After having shown that UNSC membership retards economic growth and restricts political freedoms, we shall discuss the broader implications of these results for the development literature and argue that access to easy money is detrimental to development, particularly in nondemocratic states.

Election to UNSC

Since 1963, when the Security Council expanded, it has consisted of its five permanent members—United States, Russia, China, France, and the United Kingdom—and ten temporary members serving for two years. These terms start in January, with five positions being vacant each year and elections being held in the preceding October. Although all members of the General Assembly vote for UNSC positions, they are allocated on a regional basis. Nations are organized into regional groups. In particular, UN General Assembly Resolution 1991A (XVIII) allocates five seats to Africa and Asia, one seat to Latin America and the Caribbean, one seat to Eastern Europe, and two seats to Western Europe and Other group (which includes Canada, Australia, and New Zealand). Following the end of their term, nations are not eligible for reelection to the UNSC for two years. Although the elections are sometimes contested, the norm is that the regional group puts up a candidate nation that is accepted by the General Assembly (Malone 2000). The selection process for the regional slate varies by region. Africa has generally adopted strict rotation. In contrast, the Latin American region has been dominated

by its largest members (Brazil, Columbia, and Argentina), with occasional representation by Central American states.

Election to the UNSC is not random. However, as the discussion above suggests and our investigation confirms, it is not driven by development issues. The literature has established that UNSC nations get preferential access to easy money. We therefore use UNSC membership as a quasi experiment for the impact of relatively unfettered aid on development. The main result of this article is that nations elected to the UNSC underperform relative to comparable nations that are not elected to the council. After having established this empirical result, we discuss its possible development implications.

Data

Table 1 summarizes the data and sources for this project. The data on UNSC membership are taken from Kuziemko and Werker (2006). We follow their useful convention of referring to the year of a nation's election to the UNSC as T0, the two years on the UNSC as T1 and T2, and the two years following a nation's term, during which time they are ineligible for election to the UNSC, as T3 and T4. Our sample includes all UN members who are not in the permanent five, although some nation-years are excluded due to data availability.

We use the measures of Kuziemko and Werker of total U.S. aid given to each recipient. These data were taken from USAID's Greenbook. We use the World Bank's World Development Indicators (2007) for economic and population measures. Using economic data from Penn World Tables (Heston, Summers, and Aten 2002), we reach similar substantive conclusions. We measure democracy using Polity IV's 21-point scale that assesses democracy–autocracy, which we normalize to take values between 0 and 1 (Marshall and Jaggers 2007). The Freedom House (2008) organization publishes annual scores of restriction of press freedoms, with 100 representing the highest level of restrictions and 0 representing the most free press. Table 1 summarizes these core variables.

To measure a nation's affinity toward the United States, we use Bueno de Mesquita's (1975) tauB measure of the similarity of alliance portfolio. This measure is based on the correlation of common alliance partners. If, for instance, the set of nation X's allies is virtually identical to the set of the United States' allies then nation X and the United States are measured as closely allied. By contrast, if none of X's allies are allied with the United States and none on the United States' allies are allied with nation X, then they are reported as having a low alignment. The tauB variable reports the extent to which each country is aligned with U.S. security interests. The measure takes values across our data of between -0.37 and 1. A score of 1 indicates a perfect correlation between a nation's alliances and those of the United States. We obtained these measures using EuGene (Bennett and Stam 2000).

All the data, code, and output used in this article, can be found in our replication archive (<http://politics.as.nyu.edu/object/datapage.html>). This archive also documents additional analyses that we discuss but do not report here.

Table 1. Data: Summary of Key Variables

Variable	Definition	Mean (Standard Deviation) Observed	Source
ElectUNSC (T0)	Dummy variable coded one in the year of a nation's election to UNSC	.033 (.178) 7,723	Kuziemko and Werker (2006)
UNSC (T1, T2)	Dummy variable coded one in years that a nation is in UNSC	.065 (.246) 7,723	
EndUNSC (T3, T4)	Dummy variable coded one in each of the two years following a nation's term in UNSC	.065 (.246) 7,723	
Total U.S. Aid	Total U.S. military and economic aid (1996 million US\$)	33.8 (194.3) 6,595	USAID Greenbook
Democracy	(Polity Democracy Score–Polity Autocracy Score + 10)/20	.510 (.383) 6,988	Polity IV
GDPpc	Per capita GDP (2000 US\$)	5,013 (7,644) 5,865	World Bank Development Indicators (2007)
Population	Population size	2.92e+07 (1.08e+08) 6,746	
Aid/GDP (%)	Total aid (from all sources) as a percentage of GDP	7.121 (11.711) 5,260	
Press freedom	Restrictions of press freedom	46.9 (24.7) 2,149	Freedom House (2008)
U.S. Security Alignment	Similarities in alliance portfolios with the United States. Calculated using tauB measure	.131 (.359) 6,800	Bueno de Mesquita (1975). Calculated using Eugene (Bennett and Stam 2000)

Note: GDP = gross domestic product; UNSC = United Nations Security Council.

Election to the UNSC

To our knowledge, beyond our own analysis presented here, there is only one other statistical analysis of election to the UNSC, Dreher and Vreeland (2009). They find, as we do, that population size is the most important factor influencing election to the UNSC. Political and economic development and extant access to aid have little impact on the likelihood of election to UNSC. Table 2 contains probit analyses that assess which factors influence election to the UNSC. The unit of analysis is nation-years for UN member states, excluding P5 members, and states, which are either currently on

the UNSC or were UNSC members within the last two years (and hence ineligible). The models contain measures of the logarithm of population size, logarithm of per capita gross domestic product (GDP), level of democracy, security alignment with the United States, and access to aid measured as either aid as a percentage of GDP or the logarithm of total aid from the United States in the previous year. Overall, these models do a poor job at identifying nations likely to be elected to the UNSC. The pseudo- R^2 is below 7 percent and the receiver operating characteristic, ROC, is below .68 for all models. These political and economic development variables discriminate very poorly.

The only robust predictor of election to UNSC is population size, with large nations being more likely to be elected than small. In two of the analyses, wealth appears to be a significant predictor of UNSC election. However, in the other models, wealth has no significant effect. Across a wider range of specifications, wealth is rarely significant. Even when statistically significant, wealth explains much less of the variance in UNSC elections than size. In particular, a standard deviation change in wealth explains less than a quarter of the variance that a standard deviation change in size does when it comes to UNSC elections. Since even the full model explains so little of the variance in UNSC election, wealth is a poor predictor of who gets elected and who does not. Neither aid (whether measured as a percentage of GDP or as the logarithm of total United States aid), level of democracy, nor alignment with the United States has any significant effect on UNSC elections. Indeed, with regard to the last factor, Lai and Lefler (2009) argue that, based on their General Assembly voting records, nations elected to the UNSC are more representative of their region than they are of P5 members interests.

The fourth column in table 2 includes variables that examine changes in democracy, wealth, and aid in the previous four years. Given our research design, these tests are important. We will argue that election to the UNSC causes changes in political and economic development. We need to ensure that it is not nations already undergoing these changes that are elected to the UNSC. Prior changes in wealth or aid have no impact on UNSC elections. However, it appears that a decline in democratization increases the likelihood of getting a place on the Security Council. This result stems primarily from a number of African cases and is not present in other regions.¹ Given the norm of seat rotation in the African region (Malone 2000) and the absence of this pattern in any other region, we do not believe that declining democracy increases the likelihood of UNSC election. The only systemic determinant of UNSC membership is population size. So, while election to the UNSC is not random, it appears to be largely unrelated to aid and political and economic development.

The Effects of UNSC Membership

Election to the UNSC offers nations an opportunity to shape international security policy. In addition to prestige, UNSC membership can be highly lucrative. UNSC nations get more aid and better terms from the United States, IMF, and World Bank, as summarized above. For instance, Kuziemko and Werker (2006) report that UNSC nations

Table 2. Election to UNSC

Election to UNSC	Probit Analysis of Election to UNSC for all Non-Permanent UN Members	
Democracy	0.0340 (0.116)	0.0203 (0.118)
Log(Population)	0.169 ^{***} (0.0270)	0.168 ^{***} (0.0271)
Log(GDPpc)	0.107 ^{***} (0.0288)	0.117 ^{***} (0.0356)
U.S. Security Alignment	0.00641 (0.119)	-0.00651 (0.124)
Aid/GDP(%)	-0.00899 (0.00805)	
Total U.S. Aid		0.00340 (0.00657)
Change in democracy over previous four years		
Change in GDPpc over previous four years (%)		
Change in aid/GDP over previous four years		
Constant	-5.190 ^{***} (0.502)	-5.274 ^{***} (0.536)
Observations	3,586	3,544
		2,991
		0.111 (0.148)
		0.139 ^{***} (0.0354)
		0.0496 (0.0493)
		-0.0874 (0.144)
		-0.0122 (0.00974)
		-0.588 ^{***} (0.236)
		-0.00191 (0.00288)
		0.00492 (0.0114)
		-4.235 ^{***} (0.801)
		2,481

Note: Standard errors in parentheses. GDP = gross domestic product; GDPpc = per capita GDP; UNSC = United Nations Security Council.

* $p < .1$

** $p < .05$

*** $p < .01$.

receive 56 percent more U.S. aid than do other states.² Yet, it appears that this easy money does not help. Election to the UNSC retards domestic political and economic development.

Figure 1 shows how UNSC membership affects economic growth, democracy, press freedoms, and security alignments with the United States. The top panel shows the change in per capita GDP (GDPpc) over a two- and a four-year period for nations elected to the UNSC and those that are not. Specifically, for those nations on the Security Council, we calculate the percentage change in GDPpc in the second year on the Council relative to GDPpc in the year of election (a comparison of years T2 and T0). The four-year effect is calculated by comparing GDPpc two years after the end of UNSC membership with the year of election (i.e., a comparison between years T4 and T0). The average change in GDPpc for non-UNSC nations is calculated by comparing growth over all two- and four-year periods such that none of the years in the comparison fall within a UNSC term or the two years after it for the country in question. The changes in the other variables are calculated in the same manner.

UNSC membership has a pernicious effect. Over a four-year period, nations outside the Security Council grow by an average of 8.7 percent. Over the same time frame, a nation on the UNSC grows by only 5.2 percent. This 3.5 percent difference in growth—representing 40 percent less growth than expected based on the non-UNSC membership average—is significant at the 1 percent level in a comparison of means in a *t* test. Over a two-year time period, the comparable numbers are 4.0 percent and 2.8 percent. UNSC membership undermines economic growth.

UNSC membership also undermines democracy. On average, nations outside the UNSC increase their democracy score by 0.016 on the normalized, 0 to 1, Polity (democracy–autocracy) scale over a four-year period. In comparison, nations serving on the UNSC reduce their democracy score by an average of .004. This difference is significant at the 5 percent level. Restrictions on press freedom also increase during UNSC membership. Using the four-year comparison, on the 100-point press freedom scale, UNSC nations increase their restrictions on the press by 3.1 units more than non-UNSC nations. Again, this difference is significant at the 5 percent level.

The final panel of figure 1, perhaps, suggests the true goal behind U.S. economic assistance to UNSC members. Relative to non-UNSC nations, UNSC nations increase their security alignment with the United States by .01, a difference significant at the 5 percent level. These measures of U.S. security alignments are calculated by comparing alliance portfolios. Thus, a change in alignment means the formation or breakup of formal military alliances. As such, these measures are generally very slow moving.

The results in figure 1 show that on average, UNSC membership harms economic development and political freedoms. Next, we validate these findings. Non-permanent membership on the Security Council is via election. Although development measures such as income, growth, and democracy appear to have little effect on the prospects of election to the UNSC, still, we need to verify that UNSC membership leads to declines in development rather than such declines leading to election. We adopt several approaches.

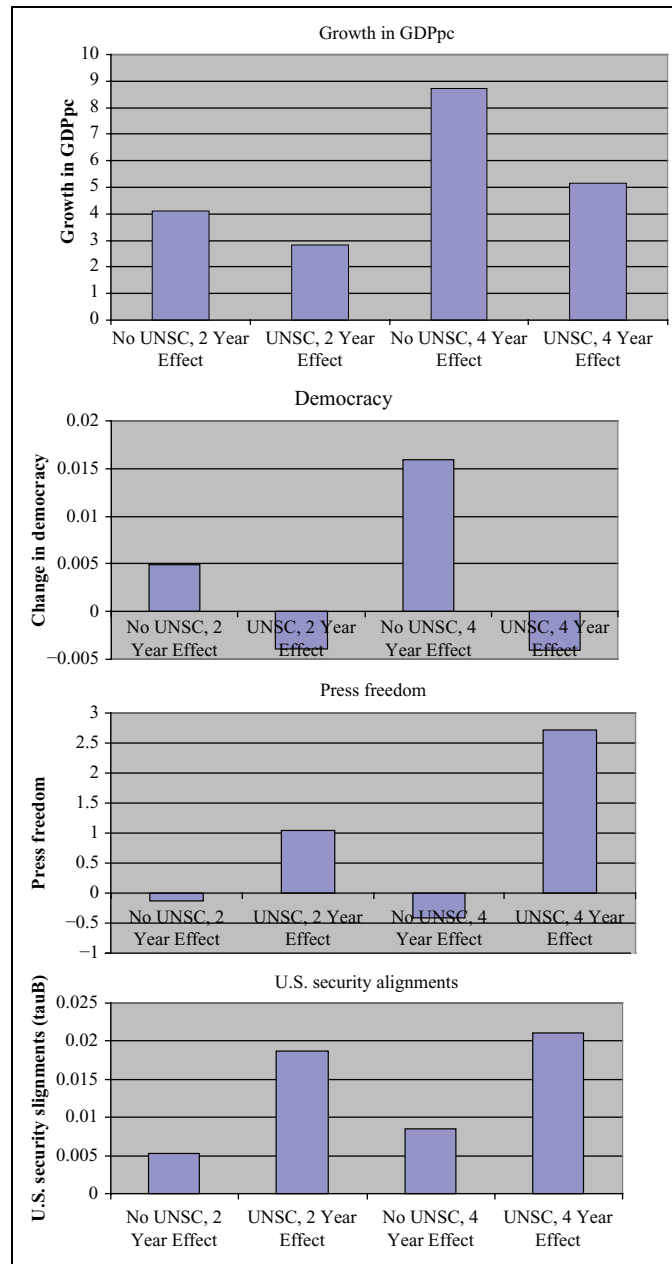


Figure 1. Effect of UNSC membership on economic growth, democracy, press freedom, and security alignments with United States.

First, we compare whether the differences observed in figure 1 were replicated in the years preceding UNSC membership. These tests are available at our replication archive. That is to say, did nations entering the UNSC behave differently prior to their election to membership? With the exception of the democracy measure, there are no differences. As discussed above, this result for democracy is driven by a number of African cases. Excluding African nations, there is no systematic difference in institutional change between nations subsequently elected to the UNSC and those that were not.

Second, we use a nearest neighbors matching design such that the difference between UNSC and non-UNSC nations is calculated by comparing nations, which apart from Security Council membership, are very similar. The matching is based on population size, per capita income, and level of democracy. Third, we use regression analyses to control for political and economic factors that might account for differences in performance.³

Table 3 shows the average treatment effect of UNSC membership using a matching design. Rather than just assume nations are randomly assigned to the UNSC, the matching design calculates the difference in performance between nations elected to the UNSC and nations that are similar to them based on the logarithm of population size, wealth (measured as the logarithm of GDPpc), and democracy. We used the four closest matches and implemented the algorithm using Stata 10's *nnmatch* (Abadie et al. 2004). The first two columns show results very similar to those reported in figure 1, although not always as significant. Once matching is used to compare similar nations, the difference in security alignments between UNSC members and nonmembers is not significant.⁴

The deleterious effects of UNSC membership occur primarily in nondemocratic nations, as evidenced by columns 3 and 4 of table 2. Column 3 restricts the analysis to democratic states, defined as a normalized Polity score greater than 0.7. This cutoff is arbitrary but other codings produce similar results. Column 4 repeats the analysis for nondemocracies. Within democracies, UNSC membership has no impact on development. In contrast, over four years, nondemocratic UNSC member-nations grow about 5 percent less, become less democratic by about .06 (on a 0–1 scale), and impose about 6 units-worth of additional restrictions on press freedoms (on a 0–100 scale).

We subject these results to further scrutiny. Table 4 shows regression estimates of the effect of UNSC membership on GDPpc, democracy, and press freedom. The regressions include country fixed effects. We repeat these analyses using region-year fixed effects (table 5) and country and year fixed effects with region trend variables (table 6). Although the magnitude and significance level of the estimates vary somewhat across these three specifications, the results support the same substantive conclusions as the other methods.

Election to the UNSC reduces economic growth in nondemocratic nations, as seen by the negative coefficient estimate for the UNSC dummy variable. However, since the coefficient estimate for UNSC interacted with democracy is positive and of similar magnitude, there is no net effect of UNSC membership on growth for democratic nations. With regard to the two-year comparison, a similar pattern emerges: election

Table 3. Average Treatment Effect of UNSC with Nearest Neighbor Matching Based on Log(Population), Log(GDPpc), and Democracy

	Average Treatment Effect of UNSC Four Years	Average Treatment Effect of UNSC Two Years	Average Treatment Effect of UNSC Four Years Democracy > .7	Average Treatment Effect of UNSC Four Years Democracy ≤ .7
%ΔGDPpc	-2.529 (1.085) ^{***}	-0.389 (0.669)	0.713 (1.259)	-4.977 (1.747) ^{***}
ΔDemocracy	-0.020 (0.014)	-0.006 (0.011)	0.021(0.016)	-0.055 (0.024) ^{**}
ΔPress	2.6 (1.546) [*]	0.083 (1.088)	-0.196 (1.809)	5.75 (2.863) ^{**}
Freedoms				
ΔU.S.	0.0081 (0.009)	0.007 (0.006)	0.015 (0.014)	-0.003 (0.011)
Alignment				

Note: Standard errors in parentheses. GDPpc = per capita GDP; UNSC = United Nations Security Council.

* $p < .1$.

** $p < .05$.

*** $p < .01$.

Table 4. The Effect of UNSC Membership, Country Fixed Effects

Variables	(1) ΔGDPpc Four Years	(2) ΔGDPpc Two Years	(3) Democracy After Four Years	(4) Democracy After Two Years	(5) Press Freedom Restrictions After Four Years	(6) Press Freedom Restrictions After Two Years
Elected to UNSC (T0)	-3.862* (2.056)	-1.445 (1.254)	-0.0815*** (0.0229)	-0.0371** (0.018)	5.613* (3.331)	-1.776 (2.460)
Democracy T0	3.015 (2.990)	1.677 (1.803)	0.0884*** (0.0330)	0.0470* (0.026)	-4.934 (4.156)	1.478 (3.129)
Democracy	3.729*** (1.329)	1.392* (0.798)	0.528*** (0.015)	0.747*** (0.012)	-5.875*** (2.282)	-16.29*** (1.845)
Log(Population)	-4.573*** (1.062)	-2.103*** (0.627)	0.190*** (0.012)	0.102*** (0.009)	6.926 (4.539)	19.11*** (3.406)
Log(GDPpc)	-14.68*** (0.935)	-6.190*** (0.552)	0.012 (0.010)	0.000 (0.008)	-1.718 (2.210)	-3.099* (1.761)
Press freedoms Constant	184.7*** (15.97)	81.14*** (9.462)	-2.818*** (0.177)	-1.468*** (0.135)	-0.032 (0.039) -43.69 (69.96)	0.263*** (0.031) -236.7*** (52.95)
Observations	3,388	3,520	3,317	3,455	867	987
Number of countries	148	150	149	150	146	147
R ²	.095	.049	.424	.638	.019	.199
Log likelihood	-13,730	-12,556	1,540	2,398	-2,647	-2,946

Note: Standard errors in parentheses. GDPpc = per capita GDP; UNSC = United Nations Security Council.

* $p < .1$.

** $p < .05$.

*** $p < .01$.

Table 5. The Effect of UNSC Membership, Region Year Fixed Effects

Variables	(1) ΔGDPpc Four Years	(2) ΔGDPpc Two Years	(3) Democracy After Four Years	(4) Democracy After Two Years	(5) Press Freedom Restrictions After Four Years	(6) Press Freedom Restrictions After Two Years
Elected to UNSC (T0)	-7.044 ^{***} (2.385)	-3.210 ^{**} (1.337)	-0.026 (0.025)	-0.012 (0.018)	4.779 (3.658)	0.433 (2.607)
Democracy* T0	5.398 (3.386)	3.045 (1.887)	0.0118 (0.035)	0.005 (0.026)	-3.678 (4.642)	-0.0245 (3.332)
Democracy	-1.044 (1.032)	-0.354 (0.574)	0.792 ^{***} (0.011)	0.887 ^{***} (0.008)	-15.00 ^{***} (1.604)	-10.41 ^{***} (1.154)
Log(Population)	-0.404 ^{**} (0.201)	-0.197 [*] (0.112)	0.0034 (0.002)	0.001 (0.002)	0.210 (0.209)	0.209 (0.149)
Log(GDPpc)	0.004 (0.288)	0.0964 (0.159)	0.0136 ^{***} (0.003)	0.009 ^{***} (0.002)	-1.199 ^{***} (0.303)	-0.731 ^{***} (0.218)
Press Freedoms U.S. alignment Affinity					0.722 ^{***} (0.0254)	0.825 ^{***} (0.018)
Constant	15.32 ^{***} (3.933)	6.481 ^{***} (2.181)	-0.022 (0.040)	-0.011 (0.030)	28.67 ^{***} (4.581)	17.22 ^{***} (3.299)
Observations	3,388	3,520	3,317	3,455	867	987
Log likelihood	-14,146	-12,691	1,391	2,393	-3,068	-3,221
R ²	.005	.003	.698	.829	.821	.895
Number of Region- year fixed effects	275	287	276	287	52	63

Note: Standard errors in parentheses. GDPpc = per capita GDP; UNSC = United Nations Security Council.

* $p < .1$.

** $p < .05$.

*** $p < .01$.

Table 6. The Effect of UNSC Membership, Country, and Year Fixed Effects with Regional Quadratic Time Trends

Variables	(1) ΔGDPpc Four Years	(2) ΔGDPpc Two Years	(3) Democracy After Four Years	(4) Democracy After Two Years	(5) Press Freedom Restrictions After Four Years	(6) Press Freedom Restrictions After Two Years
Elected to UNSC (T0)	-3.866** (1.737)	-1.552 (1.347)	-0.064*** (0.0233)	-0.030* (0.0160)	6.360 (5.054)	-1.698 (3.420)
Democracy T0	4.079** (2.460)	2.282 (1.776)	0.064** (0.0310)	0.035 (0.0229)	-5.510 (5.825)	1.570 (3.980)
Democracy	-4.003* (2.231)	-2.481** (1.188)	0.458*** (0.046)	0.693*** (0.033)	-6.361 (5.335)	-15.79*** (4.156)
Log(Population)	-29.83*** (9.500)	-12.57*** (4.519)	0.014 (0.0645)	0.003 (0.036)	0.0249 (17.72)	20.69 (17.07)
Log(GDPpc)	-23.91*** (4.240)	-10.60*** (1.873)	-0.018 (0.026)	-0.020 (0.015)	-0.371 (4.963)	-1.786 (3.664)
Press Freedoms U.S. alignment Affinity					-0.036 (0.067)	0.279*** (0.0615)
Constant	575.0*** (179.9)	274.9*** (81.20)	0.229 (1.564)	0.0484 (0.823)	1747 (2136)	-1246 (1313)
Observations	3,388	3,520	3,317	3,455	867	987
R ²	.457	.330	.855	.905	.952	.957
Log likelihood	-13,457	-12,331	1,728	2,523	-2,628	-2,927

Note: Robust standard errors in parentheses. GDPpc = per capita GDP; UNSC = United Nations Security Council.

*p < .1.

**p < .05.

***p < .01.

to UNSC reduces two-year growth by 3.2 percent but not in democratic nations. Although the significance of these results is weak in the country fixed effects specification, in the two other fixed effects specifications, the results are highly significant. When coupled with the other approaches, there is robust evidence that UNSC membership significantly reduces economic growth.

The pattern observed with respect to economic growth is repeated across the analyses of democracy and restrictions on press freedoms. The coefficient estimates on the UNSC variable show deleterious effects, but these effects are canceled out in democratic nations by the opposite sign on the interaction variable. UNSC membership has pernicious development effects in nondemocratic nations.

Broader Implications

This article identifies the pernicious effects of UNSC membership on economic growth and political development. While this is in itself interesting, we believe it has broader development implications as UNSC membership serves as a natural experiment of the effect of unfettered aid on development. Prior to their election, UNSC nations show no development differences compared to other states. Yet, once elected and granted greater access and better terms to foreign aid, these nations systematically underperform nations not elected to the UNSC.

The impact of foreign assistance on development is a contentious topic (Sachs 2005; Easterly 2006). Empirical assessments suggest there is little robust evidence that aid promotes growth (Doucouliagos and Paldam 2005, 2007; Harms and Lutz 2005; Rajan and Subramanian 2005). Unfortunately, assessing the effectiveness of aid is problematic. Aid is not randomly allocated. To the extent that aid is given for humanitarian reasons or to promote development, aid should go to those nations with the most problems. Therefore, the observation that nations receiving lots of aid perform poorly could be taken as either evidence that aid does not promote development or that aid is effectively allocated. Alesina and Dollar (2000) point exactly to this selection bias in data on aid. They examine the economic performance of countries receiving aid and countries receiving foreign direct investment (FDI). Those receiving FDI tend to do better economically and politically than those that receive aid, but then those receiving FDI also tend to be in better shape before investments are made than are those nations that receive aid.

UNSC membership offers a quasi-natural experiment to assess the impact of unconditional aid. Nations elected to the UNSC increase their access to aid. However, election appear unrelated to development and prior to election those nations that enter the UNSC are indistinguishable from those that do not. UNSC nations receive aid because they can grant salient favors not because they suffer greater developmental challenges. That UNSC nations underperform adds evidence to the pernicious effect of foreign aid.

Aid comes in many forms. Therefore, we cannot readily leap from the UNSC development record to the inference that all forms of aid fail to promote development. Clemens, Radelet, and Bhavnani (2004), for instance, find that aid targeted

specifically toward achieving growth goals work while other forms of aid do not. Unconditional aid appears to be more detrimental to political and economic development (Svensson 1999; Burnside and Dollar 2000; Goldsmith 2001; Clemens, Radelet, and Bhavnani 2004; Dunning 2004; Easterly, Levine, and Roodman 2004; Knack 2004; Remmer 2004; Djankov, Montalvo, and Reynal-Querol 2008; Smith 2008; Bueno de Mesquita and Smith 2009b; Morrison 2009; Wright 2009). This is the form of aid most likely to be associated with UNSC membership (Dreher and Jensen 2007).

Although the analysis cannot rule out some other as yet undiscovered mechanism through which UNSC membership undermines development, our analysis offers support to those who argue that aid, at least unfettered aid, does more harm than good.

Conclusions

While a position on the UNSC might increase the prestige and resources for an autocrat, it harms the welfare of the citizens. Election to the UNSC provides an opportunity for nondemocratic members to exploit their short-term heightened international salience. They can do so by trading their support for policy goals in exchange for foreign aid. The aid does not translate into improved welfare for the citizens. In fact, quite the contrary occurs.

Election to the Security Council provides a quasi-natural experiment. Previous research shows nations elected to the UNSC receive more aid and better terms from the United States, IMF, and World Bank. This additional aid is given in response to election to the Security Council rather than to an increased need. UNSC elections, therefore, offer a window through which to view the effects of easy money on development.

Notes

1. Specifically, the result in model 4 of table 2 is driven by the following list of nations and year of their election to the UNSC: Panama (1971), Guyana (1981), The Gambia (1997), Benin (1997), Burkina Faso (1983), Sierra Leone (1969), Kenya (1972), Zambia (1968), Zimbabwe (1990), Sudan (1971), and Kuwait (1977). These predominantly African nations experienced a decline of at least 0.10 in their normalized Polity score during the four years prior to their joining the UNSC. Exclusion of these cases from the subsequent analyses does not substantively alter the results.
2. A limitation of the study of Kuziemko and Werker (2006) is that it does not differentiate whether the increase in aid receipts is due to existing aid recipients getting more aid or the initiation of aid to new recipients. Our analysis of the data suggests that while there is a modest increase in the amount of aid for existing recipients, much of the aid increase results from UNSC members becoming new recipients. Indeed, there are virtually no cases of U.S. aid ending during a nation's UNSC term and accession to the UNSC greatly increases the likelihood of U.S. aid initiation. We elaborate on these findings in our replication archive.
3. Using regression models to examine changes prior to UNSC election, with the exception of African democracy, we find subsequent UNSC membership has no effect on the behavior of nations.

4. In addition, we examine alignment with the United States in terms of General Assembly voting patterns, using Gartzke's data (2006). These tests show a slight and statistically insignificant shift toward voting with the United States for nations in the Security Council. As with the alliance portfolio tests, in the matching and regression setting, UNSC membership has no statistically significant effect on GA voting.

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