

Do IMF and World Bank Influence Voting in the UN General Assembly?

Axel Dreher[§]

Jan-Egbert Sturm[‡]

First version: December 2004

This version: February 2005

Abstract

Using panel data for about 100 countries over the period 1970-2002 this paper analyzes empirically the influence of the IMF and the World Bank on voting patterns in the UN General Assembly. The main hypotheses tested relate to the impact of overall foreign aid, and IMF and World Bank loans in particular. The influence of trade and foreign direct investment, democracy, dependence, and cultural as well as political proximity on voting behavior is also analyzed. Our results, based on Extreme Bounds Analysis, show that countries receiving concessional IMF loans are significantly more likely to vote with the G7 countries, while (non-concessional) money from the IBRD significantly reduces voting coincidence. Bilateral aid from G7 countries is not robustly related to voting in the General Assembly.

Keywords: IMF, World Bank, UN General Assembly, Voting

JEL-Codes: F33

[§] Thurgau Institute of Economics, Switzerland and University of Konstanz, Department of Economics, Box D 131, 78457 Konstanz, Germany, E-mail: mail@axel-dreher.de

[‡] Thurgau Institute of Economics, Switzerland, University of Konstanz, Department of Economics, Box D 131, 78457 Konstanz and CESifo, Germany, E-mail: Jan-Egbert.Sturm@uni-konstanz.de

Acknowledgements: The authors thank seminar participants at the HWWA conference “Political Economy of Aid” (Hamburg 2004) and the universities of Bayreuth, Konstanz and Mannheim for valuable comments. We thank Thomas Barnebeck Andersen for data on UNGA key votes and Frank Somogyi for excellent research assistance.

1. Introduction

Ever since their inception, the International Monetary Fund and the World Bank have been accused of being a tool of their major shareholders, and especially the US.¹ Fratianni and Pattison (2003) summarize evidence showing that the G7 are in full control of the IMF on the big issues and that staff autonomy is restricted to areas which are of marginal interest to its shareholders. In the words of Rieffel (2003: 28-29), “The IMF is an instrument of the G-7 countries. There is no example that comes easily to mind of a position taken by the IMF on any systematic issue without the tacit, if not explicit, support of the United States and the other G-7 countries”.² The recent empirical literature on political influences on the IMF shows that developing countries indeed get better terms from the IMF, when they have closer ties with the US, as measured by their voting behaviour in the UN General Assembly (Thacker 1999, Barro and Lee 2003, Stone 2003, Dreher and Jensen 2003). Similarly, the US interferes with World Bank policies when its national interests are at stake (Gwin 1997). Schoulz (1982) documents that the US frequently influences the World Bank’s “interests” in certain loans. In some cases, the Bank even violated its charter to satisfy US politicians. Frey and Schneider (1986) find the distribution of Bank loans to be dominated by political considerations; Fleck and Kilby (2001) show that World Bank lending significantly reflects US influence. More recently, Faini and Grilli (2004) report that World Bank (and IMF) lending is influenced by US and EU.

However, whether G7 countries have actually been successful in “buying” votes with IMF (and World Bank) money has so far not been investigated. This is the question our paper deals with.

The question addressed here is similar to the literature on the impact of (bilateral) aid on UN General Assembly voting patterns. As has been pointed out by Keohane “certain states in the Assembly are very susceptible to bilateral pressure” (quote from Wittkopf 1973: 869). According to the US Department of State (1985), examining UN votes makes it possible “to make judgements about whose values and views are harmonious with our own, whose policies are consistently opposed to ours, and whose practices fall in between”. Moreover, a report from the same department in 2000 states “a country’s behaviour 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” (quoted in Barnebeck

¹ See Gisselquist (1981), Loxley (1986) and Barnebeck Andersen, Hansen and Markussen (2004) for anecdotal evidence.

² For example, a report for the US House Foreign Affairs Committee concludes that the United States prevents for political reasons certain countries from borrowing IMF money, and that other nations exert their influence in a similar (but less rigorous) manner (Kwitny 1983).

Andersen, Harr and Tarp 2004: 15). It has even been claimed that the primary purpose of US economic assistance is in promoting overall US policy objectives (Zimmerman 1993). “The State Department ... places high value on the employment of foreign aid to ... swing critical votes in international bodies” (Black 1968: 19). Aid is thus not mainly given to help countries in economic distress but to achieve the donor’s political targets. In fact, since the late 1940s every US administration considered foreign aid to be important in achieving foreign policy goals (Ruttan 1996). According to Morgenthau (1962: 302), “the transfer of money and services from one government to another performs here the function of a price paid for political services rendered or to be rendered”.

We combine the two strands of the literature and extend previous work on foreign aid and voting patterns in the UN General Assembly. As previous empirical studies did not cover extended periods of time and usually focus on US influences only, the analysis of foreign aid on voting patterns is interesting in its own right. However, the main contribution of this paper is to analyze for the first time, whether G7 countries employ the IMF and the World Bank to change the voting behaviour of developing countries. Using Extreme Bounds Analysis, what we find is, basically, that countries receiving concessional IMF loans are significantly more likely to vote with the G7 countries, while (non-concessional) money from the IBRD significantly reduces voting coincidence. Bilateral aid from G7 countries is not robustly related to voting in the General Assembly.

The next section provides a short overview of previous empirical work on bilateral and multilateral aid, and voting in the UN General Assembly. The third section develops our hypotheses, the fourth contains data, and the fifth discusses methodological issues. In the sixth section we present the results of our analysis. Finally, we provide a short summary.

2. Literature Review

The relevant literature can be divided in two parts. One studies the impact of voting on aid and IMF and World Bank behaviour; the other investigates the impact of foreign aid on voting.³

On the first point, Thacker (1999) was the first to test the hypothesis that conclusion of IMF programs depends on countries’ voting behaviour in the UN General Assembly. He employs two variables – one indicating a country’s political agreement with the US, the other

³ The literature on the determinants of voting decisions is not confined to the UN General Assembly. Levitt (1996) and Rothenberg and Sanders, e.g., analyze voting patterns in the US Congress. Boockmann (2003) looks at voting in the International Labour Organization. A general survey of the determinants of aid allocation is Neumayer (2003). We do not discuss this literature here.

reflecting movement in political alignment. According to his results for the period 1985-94, political proximity has no statistically significant impact when serial correlation is taken into account. However, a movement to the US significantly increases the probability of receiving an IMF program. The results also show that the impact of a movement towards the US on the probability to obtain IMF programs does not depend on the initial position. A movement towards the US position is correlated with IMF decisions regardless of the initial political stance of the recipient country. Interestingly, a country starting at a point very distant from the US has a much better chance of receiving a program when moving towards the US position than a country that is closely allied with the US, but moves away from it.⁴

Oatley and Yackee (2000) and Oatley (2003) show for the period 1985-1998 that the IMF offers larger loans to closer US allies, as measured by UN voting patterns. However, this result is not completely robust to the underlying specification. Barro and Lee (2003) employ averages for the voting behaviour of France, Germany and the UK, and an individual variable for the US. As it turns out, only voting with the European countries significantly increases the amount of IMF loans disbursed over the period 1975-2000.

Edwards (2003) also tests whether voting similarity with the USA in the General Assembly influences the probability of being under an IMF program. His results for 106 countries with programs in effect between 1979 and 1995 show that US alliance does not increase a country's probability of having such a program. According to Stone (2003) who analyzed monthly data on 53 African countries for 1990-2000, enforcement of IMF conditionality depends on US foreign aid, membership in post-colonial international institutions, and UN General Assembly voting in line with France. Dreher and Jensen (2003) find for a sample of 206 letters of intent over the period 1997-2003 that the number of conditions on an IMF loan depends on a borrowing country's voting pattern in the UN General Assembly. Closer allies of the G7 receive IMF loans with fewer conditions.

Regarding the World Bank, Barnebeck Andersen, Hansen and Markussen (2004) analyze a panel of 60 countries over the period 1991-2000. According to their results, countries voting with the US on votes classified as important by the State Department are significantly more likely to receive International Development Agency loan commitments.

The second question, the impact of foreign aid on voting, has also received much attention. Table 1 summarizes the main results of those studies. As can be seen, empirical

⁴ Similarly, Alesina and Dollar (2000) analyze the impact of voting on bilateral aid. Results from their panel analysis show that countries voting with Japan receive more bilateral aid, while voting with the US has no impact when controlled for US interests in the Middle East. Voting with other major donor countries has no impact. Other papers examining the impact of voting in the UN General Assembly on bilateral aid include Ball and Johnson (1996), Boschini and Olofsgard (2001), Alesina and Weder (2002), and Fleck and Kilby (2005).

findings are inconclusive. Some studies conclude that aid is ineffective in influencing voting behaviour, while others find the expected positive relation between bilateral aid and voting similarity.

With respect to the US, Kato (1969), Kegley and Hook (1991), Sexton and Decker (1992) and Lai and Morey (2003) belong to the first group. Bernstein and Alpert (1971), Rai (1972, 1980), Wittkopf (1973) and Wang (1999) belong to the second. While earlier studies cover a rather short period of time and mostly rely on bivariate regressions or correlation analysis, the majority of the more recent contributions use panel methods over longer horizons. Rai (1980) reports of generally low coincidence between US and African as well as Middle Eastern or South Asian votes, while coincidence between US and Latin American votes is much higher. Russett (1967), employing factor analysis, shows that regional clusters are most important for voting alignment. According to Kim and Russett (1996), today the North-South divide explains a huge share of variation in voting behaviour, while it has been the East-West divide during the Cold War.⁵ Focusing on votes that have been classified by the US State Department as being important, Wang (1999) finds for 65 countries between 1984 and 1993 that a change in the level of US aid significantly increases voting coincidence, while the coefficient of the level itself is insignificant. A dummy for democratic countries, a country's military strength, and its level of economic development did not significantly influence voting patterns.

Donor countries other than the US have less frequently been investigated. An early exception is Wittkopf (1973), focusing on the sixteen members of the OECD's Development Assistance Committee and the Soviet Bloc for the years 1962 and 1967. As results of his correlation analysis show, however, only US foreign aid is significantly associated with voting patterns.

3. Hypotheses

The literature review of the previous section gives rise to a range of hypotheses regarding the determinants of countries' voting behaviour in the UN General Assembly. Our first hypothesis is directly derived from this literature:

Hypothesis 1: Bilateral foreign aid, or changes in aid, increase the probability that a recipient country votes in line with the donor.

⁵ To the contrary, Voeten (2000) finds that the position of countries still corresponds more closely to their Cold War East-West dimension than to the North-South dimension.

Clearly, bilateral aid is not the only means by which G7 countries can try bribing developing countries' governments. Thacker (1999: 54) cites a memo to the director of the Food for Peace Program noting that "at critical moments in the world's recent history, the U.S. 'bought' votes subtly and indirectly to support its stand in the General Assembly." As has been pointed out in the introduction, one possibility to promote G7 interests indirectly is in employing the IMF and the World Bank.⁶ The benefits of bribing governments indirectly via IMF and World Bank instead of directly with own aid programs might be substantial. It has been argued that national governments delegate unpleasant tasks they consider necessary to gain support of interest groups to international organizations ("dirty work"). This might allow governments to escape the nationalist resentment those actions would create when imposing more direct pressure (Vaubel 1986, 1991). As Harrigan, Wang and El-Said (2004) argue, the IMF can impose punishments or rewards much wider in scope than any single donor could. In fact, bilateral donors frequently attach their money to IMF programs, substantially increasing the Fund's leverage. Western countries might thus try to influence Fund and Bank to reinforce the already existing bilateral pressure. We hypothesize:

Hypothesis 2a: IMF and World Bank loans, or changes in loans, increase the probability that a recipient country votes in line with the institutions' major shareholders, the G7 countries.

IMF and World Bank lending might, on the other hand, also give rise to the opposition of borrowers. Feelings of dependence might lead to resistance against the institutions' major shareholders. Existence of multilateral loans could also decrease dependence on bilateral loans, increasing countries' leeway in the General Assembly. Differing preferences among G7 countries could prevent the withdrawal of agreed multilateral loan arrangements. These considerations lead to:

Hypothesis 2b: IMF and World Bank loans, or changes in loans, decrease the probability that a recipient country votes in line with the institutions' major shareholders, the G7 countries.

Other variables potentially important for UN General Assembly voting patterns are international trade and foreign direct investment. With greater interdependence among

⁶ Possible channels for US influence on the IMF have been discussed in detail in Broz and Hawes (2003). They argue that US congress is influenced by lobbies with stakes in IMF policy. Congress, in turn, commands the allegiance of US officials at the IMF. As the results of their empirical analysis show, a congressperson is more likely to vote in favour of an IMF quota increase, the higher have been campaign contributions from big US banks and the greater the proportion of winners from the IMF's pro-globalization mandate in its district. See also Bird and Rowlands (2001).

countries, cooperation is more likely (e.g. Oneal and Russett 1999). This is because interdependence might create similar preferences on certain topics. Moreover, strong interdependence can create fears of losing access to markets. According to Keohane (1967), dependence on trade thus increases a country's responsiveness to external pressure. Foreign trade flows are a potential measure of foreign influence (Stone 2003). The same is true for foreign direct investment. Economic ties might thus increase the probability of voting with the partner country. However, strong economic ties with developed countries might as well create feelings of exploitation and could thus give rise to voting against these countries (Kim and Russett 1996). The impact of trade and foreign direct investment on voting patterns is thus a priori ambiguous:

Hypothesis 3a: Trade flows and fdi increase the probability that a country votes in line with its partner country.

Hypothesis 3b: Trade flows and fdi reduce the probability that a country votes in line with its partner country.

Thacker (1999) has pointed out that, as countries become more democratic and globalized, they may also alter their UN voting behaviour to reflect these changes. Democracies rarely fight wars against each other (Doyle 1986) and probably have interests closer to the G7 countries than dictatorships do. They might agree, e.g., on principles like free speech, private property and elected representation (Wang 1999) and might thus form an alliance of liberal democracies against more dictatorial regimes. Voeten (2000) provides empirical evidence. According to his results, the Western-Non-Western dimension is most important in explaining voting behaviour in the General Assembly – with Western countries being democracies and Non-Western countries mostly being non-democratic. Therefore:

Hypothesis 4: Democracies are more likely to vote in line with G7 countries.

A country's economic and political strength and its access to alternative capital sources might also be important for voting behaviour. Arguably, economically strong countries with easy access to private capital are less likely to accept bribes and are thus less likely to vote in line with G7 countries. Dependence might be higher in times of crises and political instability, or when private capital is less freely flowing in general. Natural resources and other potential revenues also decrease dependence:

Hypothesis 5: Countries depending on foreign aid are more likely to vote in line with G7 countries.

Finally, there has been some discussion about whether the end of the Cold War introduced a structural shift in countries' positions in the Assembly (see, e.g. Voeten 2000). Regarding the strategic importance of multilateral loans, this shift might also be important. During the Cold War, pressure by both the West and the East on non-aligned countries was rather open. In addition, after the end of the Cold War countries are less constrained by alignments and might thus be more likely to vote according to their preferences. Particularly, economically weak countries no longer need protection by "their" bloc and now need to be bribed to achieve alignment. Our final hypothesis is thus:

Hypothesis 6: With the end of the Cold War, the strategic role of the international financial organizations became more important

4. Data

Thacker (1999), among others, codes votes in agreement with the US as 1, votes in disagreement as 0, and abstentions or absences as 0.5.⁷ Wittkopf (1973), Sexton and Decker (1992) and Barro and Lee (2003) employed the fraction of times a country votes the same as the country of interest (either both voting yes, both voting no, both voting abstentions, or both being absent), Kegley and Hock (1991) simply discarded abstentions or absences.⁸ In any case, the resulting numbers are then divided by the total number of votes in each year. We follow the method proposed by Kegley and Hock to construct one variable for voting with each G7 country.⁹ We test the robustness of our results employing the other two methods also.

An important issue in previous studies has been the question which UN General Assembly votes to include in the analysis. While the majority of the literature simply includes all votes, some researchers focus on "important" votes only. Clearly, the amount of effort a country puts on influencing others will depend on the importance of a vote. Most votes in the General Assembly are of no importance to the US and other G7 countries and it is unlikely that they will exert pressure to influence outcomes of those votes (Keohane 1967). However, inclusion of all votes has also been defended. Wittkopf (1973) states that none of the

⁷ Similarly, Lai and Morey (2003) code voting coincidence between -1 and 1, with abstentions being in between compliance and non-compliance. Russett (1967) and Rai (1972) code each country either 2 (yes), 1 (abstain or absent), or 0 (negative). Focusing on abstentions might be important as donors might bribe governments not only to comply, but also to avoid non-compliance (Zimmermann 1993, Palmer et al. 2002).

⁸ Yet an alternative method has been suggested by Brams and O'Leary (1970) and employed, e.g., by Wittkopf (1973). They subtract the expected agreement from actual agreement and divide by the former. Expected agreement is based on the actual distribution of votes on each General Assembly roll call vote.

⁹ According to Pallansch and Zinni (1996), G7 voting patterns tend to congregate together in a Euclidian space. However, Alesina and Dollar (2000) find that voting blocks in the UN General Assembly are sufficiently distinguishable for the US, France, Japan and the UK to use them separately in econometric analysis.

alternatives focusing on “important” votes is preferable to the general approach. Wittkopf replicates his results including only those votes on which the USA and the Soviet Union disagreed, finding that the results do not differ substantially from the analysis including all votes. Similarly, he replicates the analysis of Russett (1967), and also finds no substantial differences between “important” votes and all votes.

Moreover, labelling issues as being important is highly subjective (e.g. Kegley and McGowan 1981). At least for the United States this could potentially be solved in employing the categorization provided by the State Department. The transmission of US foreign policy preferences from the State Department to the World Bank and the IMF is not, however, necessarily a direct one (Thacker 1999), as it is mainly the Treasury controlling IMF and World Bank (Kahler 1990). The State Department’s preferences might thus not give good indication as to actual lobbying efforts.

For two reasons the focus of this paper is on all votes, including non-key votes also. First, the classification into key votes and non-key votes is not available for countries other than the US. And second, the US State Department classifies those votings since 1983 only. Our study deals with a broader range of countries and a substantially longer period of time. Nevertheless, for the US we provide an analysis using only key votes for comparison.

Table 2 gives the correlation among voting with the G7 countries. As can be seen, countries that vote with France, frequently vote in line with the UK, Germany, Italy and Japan also. Generally, countries voting with one European country, also voted in line with the others (indicating high voting coincidence among the European G7 countries). Countries voting with Japan, and most visibly, the US, vote with the European countries to a lesser extent.

Table 3 gives an impression of voting coincidence over the period 1970-2004. As can be seen, of all General Assembly members, European countries are most likely to vote with G7 countries. In only 30 percent of the votes, they vote in line with the US. Countries in Sub-Saharan Africa, the Former Soviet Union and Asia are least likely to vote with the G7 (and the US).

Besides the variables directly testing our hypotheses, we also include a number of other variables which might intuitively be correlated in some form with UN voting behaviour.

The appendix lists all variables and their sources.

5. Method

The regression is a pooled time-series cross-section analysis. The analysis covers the time period 1970-2002 and extends to 174 countries in the baseline model. We excluded countries

that have never received any loans from IMF, World Bank and bilateral donors during our sample. Since some of the data are not available for all countries or periods, the panel data are unbalanced and the number of observations depends on the choice of explanatory variables. We found significant fixed country and time effects in most specifications and therefore include them in our regressions. As a consequence, we could not include variables that do not change over time.¹⁰ However, the coefficients of the country and time effects are not reported in the tables.

As one problem with our analysis, aid and loans might not be given to “bribe” governments, but to reward previous voting compliance. We thus have to deal with the time structure of our independent variables. To account for this, we include up to two leads and lags of our variables of interest. In the following empirical analysis each variable is employed with its “optimal” lag, representing the highest correlation of the respective independent and the dependent variable.

Clearly, one of the main challenges in empirical analysis when there is no established benchmark is coming up with a reliable and robust model. To examine which explanatory variables are robustly related to our dependent variable, we employ (variants) of the so-called Extreme Bounds Analysis (EBA) as suggested by Leamer (1983) and Levine and Renelt (1992).

The EBA has been widely used in the economic growth literature.¹¹ The central difficulty in this research – which also applies to the research topic of the present paper – is that several different models may all seem reasonable given the data, but yield different conclusions about the parameters of interest. Indeed, a glance at the studies summarized in Table 1 illustrates this point. The results of these studies differ substantially, while most authors do not offer a careful analysis to examine how sensitive their conclusions are with respect to model specification. As pointed out by Temple (2000), presenting only the results of the model preferred by the author can be misleading. The EBA can be exemplified as follows. Equations of the following general form are estimated:

$$Y = \alpha M + \beta F + \gamma Z + u, \quad (1)$$

where Y is the dependent variable; M is a vector of ‘standard’ explanatory variables; F is the variable of interest; Z is a vector of up to three (here we follow Levine and Renelt 1992)

¹⁰ Clearly, most former colonial powers retain strong ties with their former colonies, so colonies are probably more likely to vote in line with their former mother country. Table 3 and the literature reviewed in section 2 stress the potential importance of regional clusters for voting alignment. Given fixed effects, we cannot test this.

¹¹ See Sturm and de Haan 2004 for further discussion and Sturm, Berger and de Haan 2004 for a recent analysis regarding the determinants of IMF loans.

possible additional explanatory variables, which according to the literature may be related to the dependent variable; and u is an error term. The extreme bounds test for variable F states that if the lower extreme bound for β – i.e. the lowest value for β minus two standard deviations – is negative, while the upper extreme bound for β – i.e. the highest value for β plus two standard deviations – is positive, the variable F is not robustly related to Y .

As argued by Temple (2000), it is rare in empirical research that we can say with certainty that one model dominates all other possibilities in all dimensions. In these circumstances, it makes sense to provide information about how sensitive the findings are to alternative modelling choices. The EBA provides a relatively simple means of doing exactly this. Still, the EBA has been criticized in the literature. Sala-i-Martin (1997a, 1997b) argues that the test applied in the extreme bounds analysis poses too rigid a threshold in most cases. If the distribution of β has some positive and some negative support, then one is bound to find at least one regression for which the estimated coefficient changes sign if enough regressions are run. We will therefore not only report the extreme bounds, but also the percentage of the regressions in which the coefficient of the variable F is significantly different from zero at the 5 percent level. Moreover, instead of analyzing just the extreme bounds of the estimates of the coefficient of a particular variable, we follow Sala-i-Martin's (1997a, 1997b) suggestion to analyze the entire distribution. Following this suggestion, we not only report the unweighted parameter estimate of β and its standard deviation but also the unweighted cumulative distribution function (CDF(0)), i.e. the fraction of the cumulative distribution function lying on one side of zero. We will base our conclusions on the Sala-i-Martin variant of the EBA.¹²

5. Results

Besides the fixed country and time effects only the log-level of GDP per capita is included in the base model (M). As explained above, those variables used to test our five hypotheses have then been added (F) one at a time. Using the set of 21 remaining variables (which enter the Z -vector) the above-described EBA approach is employed to get a clearer picture of the robustness of the F -variable. We only discuss results for the variables directly testing our hypotheses.

¹² Sala-i-Martin (1997a) proposes using the (integrated) likelihood to construct a weighted CDF(0). However, the varying number of observations in the regressions due to missing observations in some of the variables poses a problem. Sturm and de Haan (2001) show that as a result this goodness of fit measure may not be a good indicator of the probability that a model is the true model and the weights constructed in this way are not equivariant for linear transformations in the dependent variable. Hence, changing scales will result in rather different outcomes and conclusions. We therefore restrict our attention to the unweighted version.

Tables 4 and 5 summarize the results for our fixed effects estimates. The first table shows on the left-hand side how often the particular variable testing one of our five hypotheses has been significant at a 5 per cent significance level in the close to 2,000 regressions we ran for each of them. The right-hand side of the same table reports the percentage of the unweighted cumulative distribution function lying on one side of zero. Hence, Table 4 gives an overview of the statistical significance of each relevant variable. Table 5, on the other hand, is useful to explore the impact of each variable on the voting behaviour. It reports on the left-hand side the average value of each variable in the most extensive sample used. On the right-hand side the average estimated coefficient (and the standard deviation) is reported.

As can be seen (and due to the high correlation among the dependent variables), the pattern of significant variables is fairly similar among the seven regressions. Generally, voting with the G7 is significantly more likely with higher GDP per capita.

According to the results, countries receiving food aid from Italy are significantly more likely to vote with Italy in the General Assembly in more than 75 percent of the regressions run. With a CDF of 0.98 this result can be considered being robust according to the Sala-i-Martin criterion. A similar result is obtained for countries voting with the UK in the case of food aid and for countries voting with France regarding food aid.

The table also shows that IMF and IBRD loans indeed significantly impact voting in the General Assembly in the majority of the regressions run. However, while the influence of concessional IMF loans is as predicted by our a priori hypothesis, countries receiving loans from the IBRD are significantly less likely to vote with G7 countries. Clearly, this is contrary to our a priori hypothesis. As possible explanation, money from the World Bank might lead to resentment within the borrowing country's government, implying non-compliant behaviour in the General Assembly.

Aid does not generally lead a country to vote with the G7 country. The coefficient of aid is significant at the five percent level, however, in more than 70 percent of the regressions run for voting with Germany and voting with the US. For those two countries, the CDF is 0.91 and, respectively, 0.97, indicating a robust relationship between aid and voting. The results also show that democratic countries are more likely to vote in line with G7 countries.

[to be continued]

As argued above, there might be a structural break with the end of the bipolar world of the Cold War. We therefore replicated the EBA for the periods before 1991 and after 1990 to capture this break.¹³

6. Conclusion

The paper analyzed empirically the influence of the IMF and the World Bank on voting patterns in the UN General Assembly, and tested the robustness of previous studies' findings on the relationship between aid and voting. The main hypotheses tested relate to the impact of overall foreign aid, and IMF and World Bank loans in particular. The influence of trade and foreign direct investment, democracy, colonial ties, dependence, and cultural as well as political proximity on voting behavior has also been analyzed. Our results, based on Extreme Bounds Analysis for a sample of about 100 countries over the period 1970-2002, show that countries receiving concessional IMF loans are significantly more likely to vote with the G7 countries, while (non-concessional) money from the IBRD significantly reduces voting coincidence. Bilateral aid from G7 countries is not robustly related to voting in the General Assembly.

¹³ Harrigan, Wang and El-Said (2004) argue that the post 9/11 policy concerns of Western countries might intensify their policies of employing aid as tool of their foreign policy. As Harrigan et al. remark, the US explicitly states that the War on Terror and US security are important reasons for foreign aid. They cite President G.W. Bush speaking at the UN meeting in Monterrey that "we fight poverty because hope is an answer to terror". The 2001 terrorist attacks might thus have introduced another structural break. However, as we do not have data for the post 9/11 period, we cannot test for this.

References

- Alesina, Alberto and David Dollar, 2000, Who Gives Foreign Aid to Whom and Why? *Journal of Economic Growth* 5: 33-64
- Alesina, Alberto and Beatrice Weder, 2002, Do Corrupt Governments Receive Less Foreign Aid? *American Economic Review* 92, 4: 1126-1137.
- Ball, Richard and Christopher Johnson, 1996, Political, Economic, and Humanitarian Motivations for PL 480 Food Aid: Evidence from Africa, *Economic Development and Cultural Change*, 515-537.
- Barnebeck Andersen, Thomas; Henrik Hansen and Thomas Markussen, 2004, US Politics and World Bank Lending, mimeo.
- Barnebeck Andersen, Thomas; Thomas Harr and Finn Tarp, 2004, On US Politics and IMF Lending, mimeo.
- Barro, Robert J. and Jong-Wha Lee. 2001. IMF-Programs: Who Is Chosen and What are the Effects?, Paper presented at the IMF Annual Research Conference November 29-30, 2001.
- Bernstein, Samuel J. and Eugene J. Alpert, 1971, Foreign Aid and Voting Behavior in the United Nations: The Admission of Communist China, *Orbis* 15, 3: 963-977.
- Bird, G., and Dane Rowlands. 2001. IMF Lending: How Is It Affected by Economic, Political and Institutional Factors? *Journal of Policy Reform* 4, 3: 243-270.
- Black, Lloyd D., 1968, *The Strategy of Foreign Aid*, D. Van Nostrand, Princeton, NJ.
- Blustein, Paul, 2001, *The Chastening: Inside the Crisis that Rocked the Global Financial System and Humbled the IMF*, Public Affairs/ Perseus Books, New York.
- Boockmann, Bernhard, 2003, Mixed Motives: An Empirical Analysis of ILO Roll-Call Voting, *Constitutional Political Economy*, 14, 4: 263-285.
- Boockmann, Bernhard and Axel Dreher, 2003, The Contribution of the IMF and the World Bank to Economic Freedom, *European Journal of Political Economy* 19, 3: 633-649.
- Bordo, M. D. and H. James, 2000, The International Monetary Fund: Its Present Role in Historical Perspective, mimeo.
- Boschini, Anne and Anders Olofsgard, 2001, Foreign Aid: An Instrument for Fighting Poverty or Communism? mimeo, Stockholm University.
- Brams, Steven J. and Michael K. O'Leary, 1970, An Axiomatic Model of Voting Bodies, *American Political Science Review* 64: 449-470.

- Broz, J. Lawrence and Michael B. Hawes, 2003, Domestic Politics and International Monetary Fund Policy, Department of Political Science, University of San Diego, mimeo.
- Chwieroth, Jeffrey M., 2004, U.S. Policy, IMF Financing Arrangements, and the Coercive Diffusion of Capital Account Liberalization to Emerging Markets, mimeo.
- Doyle, M., 1986, Liberalism and World Politics, *American Political Science Review* 80: 1151-1169.
- Dreher, Axel, 2002, *The Development and Implementation of IMF and World Bank Conditionality*, Hamburg: HWWA Discussion Paper 165.
- Dreher, Axel, 2003, The Influence of Elections on IMF Program Interruptions, *The Journal of Development Studies* 39,6, 101-120.
- Dreher, Axel, 2004a, IMF and Economic Growth: The Effects of Programs, Loans, and Compliance with Conditionality, mimeo, Exeter University.
- Dreher, Axel, 2004b, Does the IMF cause moral hazard? A critical review of the evidence, mimeo, Exeter University.
- Dreher, Axel, 2004c, A Public Choice Perspective of IMF and World Bank Lending and Conditionality, *Public Choice* 119, 3-4, 445-464.
- Dreher, Axel, 2004d, The Influence of IMF Programs on the Re-election of Debtor Governments, *Economics & Politics* 16, 1, 53-76.
- Dreher, Axel and Nathan M. Jensen, 2003, Independent Actor or Agent? An Empirical Analysis of the Impact of US Interests on IMF Conditions, Leitner Working Paper 2003-04, Yale University.
- Dreher, Axel and Roland Vaubel, 2004a, Do IMF and IBRD cause moral hazard and political business cycles? Evidence from panel data, *Open Economies Review* 15, 1, 5-22.
- Dreher, Axel and Roland Vaubel, 2004b, The Causes and Consequences of IMF Conditionality, *Emerging Markets Finance and Trade* 40, 3, 26-54.
- Edwards, Martin S., 2003, Domestic Institutions and Economic Performance under IMF Programs, 1979-1995, mimeo.
- Faini, Riccardo and Enzo Grilli, 2004, Who Runs the IFIs? CEPR Discussion Paper No. 4666.
- Fleck, Robert K. and Christopher Kilby, 2001, World Bank Independence: A Model and Statistical Analysis of U.S. Influence, mimeo.
- Fleck, Robert K. and Christopher Kilby, 2005, Politics and Aid: The Effects of Liberal-Conservative Shifts on US Bilateral Aid Allocations, Paper presented at HWWA conference on The Political Economy of Aid.

- Fratianni, Michele and John Pattison, 2003, Who is Running the IMF: Critical Shareholders or the Staff? Mimeo.
- Frey, Bruno S. 1997. "The Public Choice of International Organizations", in Dennis C. Mueller, *Perspectives on Public Choice*, Cambridge University Press: 106-123.
- Gisselquist, D., 1981, *The Political Economy of International Bank Lending*, New York, Praeger.
- Gould, Erica R., 2003, Money Talks: Supplemental Financiers and International Monetary Fund Conditionality, *International Organization* 57, 3: 551-586.
- Hagan, Joe D., 1989, Domestic Political Regime Changes and Third World Voting Realignments in the United Nations, 1946-84, *International Organization* 43, 3: 505-541.
- Harrigan, Jane; Chengang Wang and Hamed El-Said, 2004, The Economic and Politics Determinants of IMF and World Bank Lending in the Middle East and North Africa, mimeo.
- Jensen, Nathan, 2003, Conditions, Confidence, and Credibility, The Effects of International Monetary Fund Agreements on Foreign Direct Investment Inflows. Forthcoming, *The Journal of Conflict Resolution*.
- Kahler, Miles, 1990, The United States and the International Monetary Fund: Declining Influence or Declining Interest? in: Margaret P. Karns and Karen A. Mingst (eds.), *The United States and Multilateral Institutions*, Unwin Hyman, Boston: 91-114.
- World Bank Economic Review, 12, 1, 29-58.
- Kato, Masakatsu, 1969, A Model of US Foreign Aid Allocation: An Application of a Rational Decision-Making Scheme, in: John E. Mueller (Ed.), *Approaches to Measurement in International Relations*, Appleton Century Croft, New York.
- Keohane, Robert O., 1967, The Study of Political Influence in the General Assembly, *International Organization* 21, 2: 221-237.
- Kegley, Charles W. Jr. and Steven W. Hook, 1991, U.S. Foreign Aid and U.N. Voting: Did Reagan's Linkage Strategy Buy Defence or Defiance? *International Studies Quarterly* 35, 3: 295-312.
- Kim, Soo Yeon and Bruce Russett, 1996, The new politics of voting alignment in the United Nations General Assembly, *International Organization* 50, 4: 629-652.
- Krueger, Anne O., 1998, Wither the World Bank and the IMF? *Journal of Economic Literature* 30: 1983-2020.
- Kwitny, J., 1983, U.S. Charged with bias in IMF votes, *Wall Street Journal*, May 18: 39.

- Leamer, E.E., 1983, Let's take the con out of econometrics, *American Economic Review* 73, 31-43.
- Levine, R. and D. Renelt, 1992, A sensitivity analysis of cross-country growth regressions, *American Economic Review* 82, 942-963.
- Levitt, S.D., 1996, How do Senators Vote? Disentangling the role of voter preferences, party affiliation, and Senator ideology, *American Economic Review* 86: 425-441.
- Lansdale, Ed, 1964, Memo Re: Long-Range Impact FPF-II, April 24, National Archives, Record Group 59, Lot File 67D554, Under Secretary for Political Affairs, Records of the Special Assistant 1963-65, Box 2 (cited in Thacker 1999).
- Lundborg, Per, 1998, Foreign Aid and International Support as a Gift Exchange, *Economics & Politics* 10, 2: 127-42.
- Loxley, J., 1986, *Debt and Disorder: External Financing for Development*, Boulder, Westview Press.
- Morgenthau, H., 1962, A Political Theory of Foreign Aid, *The American Political Science Review* 56, 301-309.
- Morey, Daniel and Brian Lai, 2003, Liberalism, Realism, and United Nations Voting: An Empirical Test of Contending Theories, Department of Political Science, University of Iowa, mimeo.
- Neumeyer, Eric, 2003, *The Pattern of Aid Giving*, Routledge: London.
- Oatley, Thomas and Jason Yackee, 2000, Political Determinants of IMF Balance of Payments Lending: A Curse of Carabosse? Mimeo.
- Oatley, Thomas, 2003, American Interests and IMF Lending, mimeo, University of North Carolina at Chapel Hill.
- Oneal, John and Bruce Russett, 1999, Assessing the Liberal Peace with Alternative Specifications: Trade Still Reduces Conflict, *Journal of Peace Research* 36, 4: 423-443.
- Palmer, Glenn; Scott Wohlander and T. Clifton Morgan, 2002, Give or Take: Foreign Aid and Foreign Policy Substitutability, *Journal of Peace Research* 39: 5-26.
- Rai, Kul B., 1972, Foreign Policy and Voting in the UN General Assembly, *International Organizations* 26, 3: 589-594.
- Rai, Kul B., 1980, Foreign Aid and Voting in the UN General Assembly, 1967-1976, *Journal of Peace Research* 17, 3: 269-277.
- Rieffel, Lex, 2003, *Restructuring Sovereign Debt: The Case for ad-hoc Machinery*, Brookings Institution Press, Washington, D.C.

- Rothenberg, L.S. and M.S. Sanders, 2000, Legislator turnout and the calculus of voting: The determinants of abstentions in the U.S. Congress, *Public Choice* 103: 259-270.
- Russett, Bruce M., 1967, *International Regions and the International System*, Rand McNally & Company, Chicago.
- Ruttan, Vernon W., 1996, *United States Development Assistance Policy: The Domestic Politics of Foreign Economic Aid*, The Johns Hopkins University Press, Baltimore.
- Schoulz, L., 1982, Politics, Economics, and U.S. Participation in Multilateral Development Banks, *International Organization* 36: 537-574.
- Sexton, Edwin A. and Terence N. Decker, 1992, U.S. Foreign Aid: Is It for Friends, Development or Politics, *The Journal of Social, Political and Economic Studies* 17, 3 & 4: 303-315.
- Stone, Randall W. 2002. *Lending Credibility: The International Monetary Fund and the Post-Communist Transition*. Princeton, NJ: Princeton University Press.
- Stone, Randall, 2003, Lending Credibility ... in Africa? Mimeo.
- Sala-i-Martin, X., 1997a, I Just Ran Four Millions Regressions. Mimeo, Columbia University.
- Sala-i-Martin, X., 1997b, I Just Ran Two Millions Regressions. *American Economic Review* 87, 2, 178-183.
- Sturm, Jan-Egbert, Berger, Helge and Jakob de Haan, 2004, Which Variables Explain Decisions on IMF Credit? An Extreme Bounds Analysis, *Economics & Politics*, forthcoming.
- Sturm, J.E. and J. de Haan, 2001, How Robust is Sala-i-Martin's Robustness Analysis, University of Groningen, mimeo.
- Sturm, J.E. and J. de Haan, 2004, Determinants of Long-term Growth: New Results Applying Robust Estimation and Extreme Bounds Analysis, *Empirical Economics*, forthcoming.
- Temple, J., 2000, Growth Regressions and What the Textbooks Don't Tell You, *Bulletin of Economic Research* 52, 3, 181-205.
- Thacker, Strom C. 1999. The High Politics of IMF Lending. *World Politics* 52: 38-75.
- Tomlin, Brian W., 1985, Measurement validation: lessons from the use and misuse of UN General Assembly roll-call votes, *International Organization* 39, 1: 189-206.
- US Department of State, 1985, Report to Congress on Voting Practices in the United Nations, Washington, D.C.
- US Department of State, 2000, Report to Congress on Voting Practices in the United Nations, Washington, D.C.

- Vaubel, Roland, 1986, A Public Choice Approach to International Organisation, *Public Choice* 51: 39-57.
- Vaubel, Roland. 1991. "The Political Economy of the International Monetary Fund: A Public Choice Analysis", in: R. Vaubel and T.D. Willett (Eds.), *The Political Economy of International Organizations: A Public Choice Approach*. Boulder, Co.: Westview Press: 204-244.
- Vaubel, R. 1996. Bureaucracy at the IMF and the World Bank: A Comparison of the Evidence. *The World Economy* 19: 185-210.
- Voeten, Erik, 2000, Clashes in the Assembly, *International Organization* 54, 2: 185-215.
- Wang, T.Y., 1999, US Foreign Aid and UN Voting: An Analysis of Important Issues, *International Studies Quarterly* 43, 1: 199-210.
- Wittkopf, Eugene, 1973, Foreign Aid and United Nations Votes: A Comparative Study, *The American Political Science Review* 67, 3: 868-888.
- Zimmermann, Robert, 1994, *Dollars, Diplomacy and Dependency – Dilemmas of U.S. Economic Aid*, Lynne Rienner Publishers Inc., Colorado.

Table 3: Voting coincidence across different regions

	CAN	FRA	GBR	DEU	ITA	JPN	USA	AVG
Europe	0.56	0.49	0.48	0.53	0.56	0.54	0.30	0.49
CEE	0.53	0.46	0.45	0.55	0.53	0.53	0.25	0.47
MEA	0.44	0.35	0.33	0.41	0.42	0.48	0.19	0.38
Latin America	0.44	0.35	0.33	0.41	0.43	0.48	0.19	0.38
SSA	0.42	0.34	0.32	0.40	0.41	0.47	0.17	0.36
FSU	0.40	0.35	0.34	0.42	0.40	0.42	0.17	0.36
Asia	0.42	0.34	0.32	0.40	0.41	0.47	0.16	0.36

Table 4: Significance in the EBA analysis

	Percentage regressions significance at 5 % level							CDF(0)						
	CAN	FRA	GBR	DEU	ITA	JPN	USA	CAN	FRA	GBR	DEU	ITA	JPN	USA
GDP per capita	94.48	80.12	72.94	66.19	85.59	85.20	78.75	0.98	0.92	0.91	0.89	0.98	0.96	0.91
Food aid from donor	51.70	9.82	3.46	2.57	75.91	54.04	30.45	0.68	0.68	0.54	0.70	0.98	0.80	0.78
Change food aid	32.68	44.45	83.94	6.47	9.70	32.29	0.17	0.57	0.82	0.98	0.80	0.82	0.60	0.58
Net grants from donor	13.72	86.11	41.72	33.35	16.95	10.26	13.55	0.72	0.98	0.83	0.53	0.84	0.55	0.62
IBRD flows	58.45	61.46	71.78	77.13	71.67	70.27	44.17	0.97	0.88	0.83	0.98	0.96	0.88	0.96
IBRD loans	99.94	93.08	75.40	99.67	90.52	89.68	97.88	1.00	0.99	0.84	1.00	0.97	0.98	0.99
IMF flows, concess.	55.72	42.72	39.93	7.53	61.46	46.24	60.79	0.92	0.89	0.82	0.75	0.94	0.75	0.90
Use IMF credit	73.45	63.36	54.60	60.68	54.88	42.94	67.04	0.76	0.70	0.72	0.84	0.60	0.65	0.77
Standby agreed	23.37	30.01	23.09	28.11	35.75	33.02	13.66	0.72	0.84	0.82	0.54	0.80	0.75	0.77
IMF flows, non-conc.	3.29	1.17	4.57	0.33	6.08	1.34	5.58	0.76	0.57	0.55	0.72	0.68	0.69	0.61
Exports from donor	8.98	23.42	41.83	37.37	69.27	49.75	7.70	0.56	0.75	0.88	0.54	0.65	0.60	0.66
Imports from donor	25.04	22.59	5.47	25.49	36.42	66.93	16.29	0.92	0.68	0.57	0.73	0.70	0.84	0.51
Democracy	95.87	80.26	81.32	70.27	79.64	69.94	99.72	1.00	0.97	0.95	0.83	0.93	0.95	1.00
Aid	30.62	13.44	24.32	70.72	17.35	16.68	72.67	0.80	0.57	0.74	0.91	0.56	0.62	0.97

Table 5: Impact in the EBA analysis

	Average over sample (Standard Error)							Average Beta (Standard deviation)						
	CAN	FRA	GBR	DEU	ITA	JPN	USA	CAN	FRA	GBR	DEU	ITA	JPN	USA
Vote inline with donor	0.47 (0.14)	0.38 (0.14)	0.37 (0.15)	0.59 (0.20)	0.46 (0.15)	0.50 (0.14)	0.22 (0.13)							
GDP per capita	7.5048 (1.54)	7.5048 (1.54)	7.5048 (1.54)	7.5048 (1.54)	7.5048 (1.54)	7.5048 (1.54)	7.5048 (1.54)	0.0703 (0.01)	0.0517 (0.01)	0.0489 (0.02)	0.0617 (0.02)	0.0750 (0.02)	0.0868 (0.02)	0.0218 (0.01)
Food aid from donor	0.0078 (0.03)	0.0014 (0.00)	0.0010 (0.00)	0.0012 (0.00)	0.0017 (0.01)	0.0022 (0.00)	0.0041 (0.01)	0.3324 (0.17)	-3.0019 (3.40)	0.6503 (4.96)	-2.1472 (3.54)	-1.8976 (0.82)	-11.8120 (5.41)	0.2597 (0.23)
Change food aid	0.0004 (0.02)	-0.0001 (0.01)	0.0001 (0.00)	0.0000 (0.00)	0.0003 (0.01)	0.0000 (0.00)	0.0001 (0.01)	0.0451 (0.21)	10.4010 (3.54)	-6.7870 (2.67)	3.7460 (2.96)	-0.4288 (0.56)	4.3989 (5.94)	0.0362 (0.14)
Net grants from donor	0.0022 (0.00)	0.0096 (0.02)	0.0073 (0.03)	0.0047 (0.01)	0.0034 (0.01)	0.0075 (0.02)	0.0132 (0.06)	0.8173 (0.84)	0.8905 (0.34)	0.4296 (0.40)	-0.0680 (0.25)	0.2362 (0.20)	0.0879 (0.44)	0.0379 (0.08)
IBRD flows	0.0010 (0.01)	0.0010 (0.01)	0.0010 (0.01)	0.0010 (0.01)	0.0010 (0.01)	0.0010 (0.01)	0.0010 (0.01)	-0.8708 (0.38)	-0.5771 (0.47)	-0.4826 (0.52)	-1.5502 (0.47)	-0.9978 (0.48)	-0.7719 (0.78)	-0.3462 (0.18)
IBRD loans	0.0940 (0.15)	0.0940 (0.15)	0.0940 (0.15)	0.0940 (0.15)	0.0940 (0.15)	0.0940 (0.15)	0.0940 (0.15)	-0.2112 (0.03)	-0.1928 (0.04)	-0.1201 (0.05)	-0.2976 (0.04)	-0.2113 (0.04)	-0.2156 (0.04)	-0.0842 (0.02)
IMF flows, concess.	0.0007 (0.01)	0.0007 (0.01)	0.0007 (0.01)	0.0007 (0.01)	0.0007 (0.01)	0.0007 (0.01)	0.0007 (0.01)	0.3689 (0.20)	0.8005 (0.45)	0.2229 (0.29)	0.2075 (0.28)	0.9417 (0.43)	-0.0481 (0.47)	0.1965 (0.12)
Use IMF credit	0.0289 (0.10)	0.0289 (0.10)	0.0289 (0.10)	0.0289 (0.10)	0.0289 (0.10)	0.0289 (0.10)	0.0289 (0.10)	-0.0749 (0.04)	-0.0332 (0.05)	-0.0766 (0.08)	-0.1544 (0.07)	-0.0040 (0.09)	-0.0373 (0.09)	-0.0330 (0.02)
Standby agreed	0.0026 (0.01)	0.0026 (0.01)	0.0026 (0.01)	0.0026 (0.01)	0.0026 (0.01)	0.0026 (0.01)	0.0026 (0.01)	0.1071 (0.15)	0.2929 (0.26)	0.2479 (0.26)	-0.1206 (0.18)	0.1565 (0.26)	0.0862 (0.15)	0.0631 (0.07)
IMF flows, non-conc.	-0.0001 (0.01)	-0.0001 (0.01)	-0.0001 (0.01)	-0.0001 (0.01)	-0.0001 (0.01)	-0.0001 (0.01)	-0.0001 (0.01)	-0.1868 (0.26)	0.1062 (0.50)	0.2700 (0.55)	-0.2042 (0.35)	-0.1056 (0.52)	0.0106 (1.08)	-0.0243 (0.14)
Exports from donor	0.0003 (0.00)	0.0015 (0.00)	0.0021 (0.01)	0.0029 (0.04)	0.0014 (0.01)	0.0044 (0.04)	0.0039 (0.01)	4.2199 (10.55)	6.2942 (7.37)	4.8449 (3.72)	1.9191 (2.47)	1.5371 (1.70)	3.2736 (3.39)	0.2224 (0.44)
Imports from donor	0.0004 (0.00)	0.0015 (0.00)	0.0021 (0.01)	0.0020 (0.00)	0.0011 (0.00)	0.0022 (0.01)	0.0040 (0.01)	3.4303 (2.15)	-5.8528 (7.38)	1.7307 (3.14)	-2.3952 (2.86)	1.6611 (3.29)	2.6749 (2.06)	0.0108 (0.35)
Democracy	4.5070 (1.78)	4.5070 (1.78)	4.5070 (1.78)	4.5070 (1.78)	4.5070 (1.78)	4.5070 (1.78)	4.5070 (1.78)	-0.0126 (0.00)	-0.0104 (0.00)	-0.0092 (0.00)	-0.0086 (0.00)	-0.0106 (0.00)	-0.0096 (0.00)	-0.0070 (0.00)
Aid	8.2423 (13.15)	8.2423 (13.15)	8.2423 (13.15)	8.2423 (13.15)	8.2423 (13.15)	8.2423 (13.15)	8.2423 (13.15)	0.0005 (0.00)	0.0001 (0.00)	0.0003 (0.00)	-0.0011 (0.00)	0.0001 (0.00)	0.0002 (0.00)	0.0005 (0.00)

Appendix I: Data

Abbr.	Description	Source
Exports from donor	Exports from donor country (as % recipient GDP)	OECD Stat. Compendium
Food aid from donor	Food Aid (as % recipient GDP)	OECD Stat. Compendium
Change food aid	Change in Food Aid (as % recipient GDP)	OECD Stat. Compendium
Net grants from donor	Net Grants (as % recipient GDP)	OECD Stat. Compendium
Imports from donor	Imports of donor country (as % recipient GDP)	OECD Stat. Compendium
GDP per capita	Log of nominal GDP (per capita)	World Development Indicators
Repudiation risk	Indicator for repudiation risk of government contracts	International Country Risk Guide Data
Rule of law	Rule of law (law and order tradition) indicator	International Country Risk Guide Data
Ethnic tension	Presence of ethnic tensions	International Country Risk Guide Data
Democracy	(Political rights index + Civil liberties index) / 2	Freedom House
IBRD flows	Net financial flows, IBRD (current US\$) (as % of GDP)	International Financial Statistics
Political cohesion	Political cohesion	Database of political institutions
Corruption	Indicator for corruption in government	International Country Risk Guide Data
IBRD loans	IBRD loans and IDA credits (PPG DOD, current US\$) (as % of GDP)	International Financial Statistics
IMF flows, concess. Aid	Net IMF financing (concessional) (as % of GDP)	International Financial Statistics
Use IMF credit	Aid as percentage of GNI	World Development Indicators
Debt	Use of IMF credit (as % of GDP)	International Financial Statistics
National capability	External debt, total (DOD, current US\$) / GDP at market prices (current US\$)	World Development Indicators
Debt service	Composite Indicator of National Capability (v3.01)	Singer, J. David
Bureaucratic quality	Total debt service - Public and publicly guaranteed debt service (% of exports of goods and services)	World Bank 2000 CD-Rom
Standby agreed	Indicator for bureaucratic quality	International Country Risk Guide Data
Trade with US	Stand-By Loans Amount Agreed	International Financial Statistics
IMF flows, non-conc.	Trade relations with US (export to and import from US / total export and import)	OECD ICTS database, WDI
	Net IMF financing (nonconcessional)	International Financial Statistics