Issue linkage across international organizations:
Does European countries' temporary membership
in the UN Security Council increase their receipts
from the EU budget?\*

Forthcoming in the Review of International Organizations

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July 11, 2017

#### Abstract

What explains the outcome of interstate negotiations in international organizations (IOs)? While existing research highlights member states' power, preference intensity, and the IO's institutional design, this paper introduces an additional source of bargaining power in IOs: Through issue linkage members of an IO leverage privileged positions in other IOs to obtain more favorable bargaining outcomes. Specifically, European Union members are more successful in bargaining over the EU budget while they hold a non-permanent seat on the United Nations Security Council (UNSC). Inside the UNSC EU members can promote security interests of other European countries, and they can use their influence to secure side-payments from the EU budget. The study tests this argument by investigating new EU budget data, and it shows that EU members obtain 1.7 billion Euro in additional net receipts during a two-year UNSC term, on average. Thus, bargaining processes in the EU and the UN are intricately linked.

Word count: 12,747

<sup>\*</sup>I thank David Carter, Christina Davis, Axel Dreher, Salla Huikuri, Robert Keohane, Mareike Kleine, Andrew Moravcsik, Christina Schneider, and Robert Thomson, three anonymous reviewers, and audiences at the annual conventions of APSA in 2015 and PEIO and ISA in 2016 for extremely helpful comments. All errors are mine.

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With annual budgets of more than USD 150 billion combined, the European Union (EU) and the United Nations (UN) have far greater resources than any other international organization in the world (Ingadottir, 2011). Even though their membership and mandates overlap and issue linkage is common within both, we do not know whether and how bargaining processes are connected across these two uniquely capable international organizations. This paper investigates whether states can leverage a privileged position in one international organization to secure more favorable bargaining outcomes in another. Specifically, this study shows that EU member states are more successful in bargaining in the EU while they hold a non-permanent seat on the UN Security Council. Temporary membership in the UN Security Council enables EU members to promote the interests of other European countries in the most important UN body. Their influence at the UN allows these EU members to secure economic side-payments, which take the form of larger receipts from the EU budget. Over the course of a two-year term on the UN Security Council, EU members obtain an additional 1.7 billion Euro in net receipts from the EU budget, on average. This amount corresponds to 37 percent of EU members' average annual receipts from Brussels in 2014. Thus, this study reveals that bargaining processes in the world's largest international organizations (by budget and staff size) are intricately linked.

Issue-linkage has long been recognized as a core function of international regimes (Keohane, 1984) and as a routinely used strategy in intergovernmental negotiations (Sebenius, 1983; Davis, 2004; McKibben, 2015). The literature on intergovernmental bargaining in international organizations concurs that decisions in international organizations are rarely taken in isolation but rather linked to simultaneous or anticipated future decisions. For instance, Moravcsik (1998, 1991, 25) argues that major reforms of the EU were shaped through bargaining between the Union's three most powerful members, France, Germany, and the United Kingdom, which bought off minor powers through side-payments. In a similar vein, Schneider (2011) shows that each round of EU enlargement involved side-payments to the presumed losers of enlargement. More diffuse forms of reciprocity are also common in international organizations: Heisenberg (2005, 69) explains that the prevailing consensus in

the Council of the EU is "shorthand for 'selling' preferences that are not strongly held for advantages in other issue areas or in future negotiations ('favor bank')." Through diffuse reciprocity, EU member states also grant each other pre-election windfalls from the EU budget in order to improve incumbents' chance of winning national elections (Schneider, 2013). In addition to linking substantive choices, member states of international organizations establish inter-temporal linkages between decision-making procedures in these institutions: the most powerful members of an international organization exercise informal control when their core interests are at stake, in exchange for granting minor powers an outsized influence on the organization's policies at other times (Stone, 2011).

While the literature on bargaining in international organizations assigns great causal weight to issue linkage, it focuses on issue linkage within individual organizations rather than across organizations, even though the same states simultaneously interact with each other in multiple institutions. A notable exception is the literature on vote-buying in international organizations, which shows that great powers use their influence in international financial institutions and multilateral aid providers to buy developing countries' votes in other international fora - and especially in the UN Security Council - with loans and aid (Kuziemko and Werker, 2006; Dreher, Sturm and Vreeland, 2009 a, b; Vreeland and Dreher, 2014). While this literature has enriched our understanding of issue linkage across international organizations, it cannot explain the causal relationship investigated in this study. First, this literature focuses on the exchange of developing countries' votes against side-payments through international organizations controlled by developed countries; thus it leaves open the question whether issue linkage across international organizations also occurs between developed countries. Second, European countries rarely qualify as swing voters on the UN Security Council whose votes would be worth buying.<sup>1</sup> Therefore, vote-buying in the UN Security Council cannot account for the finding that EU members secure economic side-payments from the

<sup>&</sup>lt;sup>1</sup>This is because they are not "sure to vote against the donor in the absence of a vote-aid trade, but could be swayed to vote differently by an enticement" (Vreeland and Dreher, 2014, 35). Even in the absence of vote-buying, EU members that temporarily serve on the Council are more likely to vote with potential vote-buyers (United States, United Kingdom, and France) than any other Council member (see Voeten, 2000 and Lai and Lefler, 2017 on UN voting).

EU budget while serving as non-permanent members in the UN Security Council.

This paper explains why temporary members of the UN Security Council obtain sidepayments even without selling their votes. Unable to enforce formal EU treaty obligations that require concertation, consultation, and exchange of information regarding the work of the UN Security Council, EU member states have turned to offering side-payments to those EU countries that serve as non-permanent Security Council members in order to entice them to promote the interests of EU member states that do not have a seat at the Security Council's famous horseshoe table. The causal mechanism that links EU members' behavior in the Council to their receipts from the EU budget is diffuse reciprocity: EU members secure higher EU budget receipts while serving on the Security Council, and this side-payment is tied to the expectation that they will pursue other EU members' interests if and when the Council's agenda touches on them. To test this argument, this study leverages the exogenous timing of EU members' two-year terms on the UN Security Council due to the fact that all European countries (unlike states in most other regions) announce their candidacy for a seat on the Council many years in advance. Analyses of over-time variation in individual EU members' receipts from the EU budget show that joining the UN Security Council is associated with a large windfall. This paper presents the first empirical evidence of economic side-payments made to temporary members of the UN Security Council that are not developing countries.

While the existing literature cites numerous examples of issue linkage within the EU, this paper presents and tests the argument that EU decision-makers also link the Union's intergovernmental bargaining with negotiations in other international organizations. Thus it shows that states' positions in networks of international organizations shape the interactions that take place within each of these organizations. This finding informs the increasingly prominent network analysis approach to the study of international relations and organizations (Hafner-Burton, Kahler and Montgomery, 2009; Maoz, 2012).

The remainder of this paper is organized as follows. Parts two and three provide a background on negotiations over the EU's budget and in the UN Security Council. The following part introduces the argument that bargaining over the EU budget and negotiations

in the UN Security Council are linked. Part five summarizes the research design to empirically test this proposition. The results from a qualitative plausibility probe and parametric and non-parametric analyses are presented and discussed in part six. Part seven concludes.

## Negotiating the EU's budgetary allocation

The procedures for devising and adopting the EU's budget have repeatedly changed over the years (Lindner, 2006). Since the 1980s, multi-year agreements called 'Financial Perspectives' have identified spending priorities. The EU Commission, which is staffed with international civil servants, prepares the first draft of the Union's annual budget on the basis of the parameters set out in the multi-year framework. Following two readings in the intergovernmental Council of the EU and the directly elected European Parliament, the budget is adopted by a qualified majority in the Council of the EU and a simple majority in the Parliament. While the Parliament's importance in the budgeting process has gradually increased, it has traditionally had "a negligible impact on the broad outlines of the budget since it is substantially easier to garner a simple majority in the Parliament than it is to garner a qualified majority in the Council" of the EU (Kauppi and Widgrén, 2004, 224-5, see also Carrubba, 1997, 473).

While some EU members contribute more funds to the EU budget than they receive, other states obtain net financial transfers from the EU. The EU's budget for 2014 provides for expenditures that amount to Euro 142 billion; 87 percent of these funds are spent on structural funds and the EU's Common Agricultural Policy (European Commission, 2015). Eligibility for funding from these programs is based on the need for subsidies and economic reform, and thus EU member states with large agricultural sectors and those whose economic development lags behind the EU average receive more funding from the EU budget than others (Aksoy and Rodden, 2009).

The economic factors listed in the formal mandates of the EU's various programs cannot fully explain EU budget allocation. According to the Commission, the annual budget appropriations explicitly leave room for "necessary political negotiations" (European Commission, 2008, 159, cited in Schneider, 2011, 4). Kauppi and Widgrén (2004) argue that

'power politics' shape the outcome of these negotiations and that the distribution of voting power in the Council explains most of the variation in EU budget allocation across member states. States that are over-represented in the EU Council secure higher receipts from the EU budget since they constitute attractive coalition partners for states that assemble legislative coalitions through issue linkage (Rodden, 2002; Mattila, 2006; Aksoy and Rodden, 2009). States can secure side-payments in the form of larger receipts from the EU budget by threatening to veto EU enlargements (Schneider, 2011). Finally, the proposal-making power of the rotating Council presidency enables states to attain more favorable negotiation outcomes (Aksoy, 2010). These studies show that the allocation of the EU budget is not exclusively 'need-based'. Instead, EU member states' receipts from the Union's budget are also shaped by their structural power, the Union's institutional rules, and issue-linkage strategies.

# Bargaining in the UN Security Council

Negotiations in the UN Security Council mostly take place in informal meetings of some or all members, which are held off the record and typically closed to non-members. The Security Council is responsible for responding to threats to international peace and security, which can take the form of military aggression, interstate crises, civil war, mass atrocities, terrorism, and proliferation of weapons of mass destruction (Frowein and Krisch, 2002). The Council's tool kit for addressing security threats includes authorizing military interventions, deploying peace operations, imposing sanctions, and sponsoring crisis diplomacy and international criminal proceedings (Luck, 2006).

The UN Security Council has fifteen members, five of whom are permanent (China, France, Russia, the United Kingdom, and the United States). The other ten members serve non-renewable two-year terms. Apart from France and the United Kingdom, the UN Security Council typically includes one or two EU member states as non-permanent members. The adoption of a resolution by the Council requires nine positive votes. The permanent members have a veto. While formal models suggest that the voting power of non-permanent Council

members is negligible (O'Neill, 1996; Voeten, 2001, 171), accounts by diplomats who served on the Security Council indicate that non-permanent members exert substantial influence on the Council's work (see, e.g., Ryan, 2003; Keating, 2008). A recent study leverages a natural experiment to show that minor powers with non-permanent seats strongly impact the Council's response to civil wars in their region (Mikulaschek, 2016). Non-permanent Council members can use their influence in the Security Council to build 'diplomatic capital' to be spent on the pursuit of unrelated foreign policy goals. In the words of the former ambassador of New Zealand on the Security Council "a term in the Security Council - at the recognized pinnacle of global prominence - is a rare opportunity to lift the national game and perform at the global level and achieve an impact which is disproportionate to actual size. Achieving success in this environment allows a small state a unique opportunity to recharge its diplomatic capital which can be of benefit for many years to come" (Keating, 2008).

# Temporary UN Security Council membership as a source of bargaining power in EU budgetary negotiations

Issue linkage is a widely used bargaining strategy in international organizations. Linkage is established "by the players' beliefs that cooperative behavior in one setting influences the prospects for cooperation in other settings characterized by different issues" (Lohmann, 1997, 30). Issue linkage can be either express or implied (Sebenius, 1983, 288). It encompasses side-payments and log-rolling bargains (Davis, 2004, 156). Even unrelated issues can be tactically linked to manipulate the bargaining outcome (Aggarwal, 1998, 16-7). Issue linkage bargains may be struck over decisions in the same international organizations or they may involve an exchange of favors in one institution for favors in another institution. Linking together disparate issues can open up possibilities for mutually acceptable bargains (Young, 1989, 365) when governments have varying preference intensities across different issues, with marginal gains in some issue-areas more important to some than to others.

How can EU member states translate temporary membership in the UN Security Council

into more favorable bargaining outcomes in the EU? The argument in brief is as follows: EU member states attach great importance to the work of the UN Security Council. At the same time, they have failed to effectively institutionalize the promotion of the interests of EU members that do not serve on the UN Security Council in that body. In the absence of formal procedures that successfully translate these interests into policies of the UN Security Council, EU member states have resorted to issue linkage: EU member states that temporarily serve on the UN Security Council promote the interests of other EU member states in exchange for larger receipts from the EU budget while they occupy a privileged position at the UN. Thus, their ability to promote the interests of other EU member states at the UN Security Council enhances the leverage of EU member states in bargaining over the EU budget.

The UN Security Council plays a key role in the foreign and security policy of European countries.<sup>2</sup> The fact that the UN's headquarters in New York and Geneva were the first places outside Brussels where EU member states institutionalized a coordination process shows that they attach great importance to the UN (Rasch, 2008, 2, 8). As of 2006, 1,300 EU coordination meetings were held annually in New York (Farrell, 2006, 33). Already in 1970, when the European Political Cooperation (which preceded the Common Foreign and Security Policy) was inaugurated, EU member states declared that they should try to coordinate their positions in international organizations. In 1987, the Single European Act turned this proclamation into a commitment. The 1993 Maastricht Treaty aimed to oblige UN Security Council members to coordinate their actions and to speak with one voice (see article 34 of the Treaty on European Union as amended by the Treaty of Lisbon). One year later, the EC Council opened an office in New York.

As impressive as these steps toward coordinating European foreign policy may appear, they did not successfully harmonize EU member states' policies in the UN Security Council. The EU Council's office in New York remains a "liaison and information bureau" rather than

<sup>&</sup>lt;sup>2</sup>For instance, the European Security Strategy stresses that "the fundamental framework for international relations is the United Nations Charter. The United Nations Security Council has the primary responsibility for the maintenance of international peace and security." (European Council, 2003, 9) The Council imposed sanctions or established field missions in many crisis theaters in the EU and its neighborhood, such as in Cyprus, the former Yugoslavia, Georgia, Libya, Morocco, and Ukraine. It also provided the legal basis for numerous EU military missions and placed Kosovo under UN administration.

a political institution, and individual member states "call the shots" (Farrell, 2006, 37; see also Winkelmann, 2000, 423). More importantly, EU members with permanent seats on the UN Security Council do not consistently implement their obligations under the EU Treaty to inform other member states, to concert their positions, and to defend the EU's positions and interests on the Security Council (Rasch, 2008; Winkelmann, 2000, 427). France and the United Kingdom view the EU Treaty's stipulation that EU member states shall carry out these obligations "without prejudice to their responsibilities under the provisions of the United Nations Charter" (art. 34) as an authorization to withhold privileged information from EU member states that do not serve on the UN Security Council, to refrain from consulting other EU members on confidential negotiations in the Council, and to refuse to use their veto right to defend the EU's interests (Rasch, 2008; Hill, 2006, 57). They also repeatedly blocked steps toward institutionalizing EU coordination in the UN Security Council, e.g., when Germany and Spain proposed to offer a seat to the EU Presidency within their delegations in New York during their term on the Security Council (Pirozzi, 2012, 97). In conclusion, consecutive attempts to institutionalize the pursuit of European interests on the UN Security Council by adding formal coordination obligations to the EU Treaty have not been successful.

The failure of formal mechanisms to translate the interests of EU members that do not serve on the UN Security Council into the positions taken by their European colleagues in the Council created a pressure to achieve this objective through informal issue linkage. Unable to enforce the obligation of EU member states that serve on the UN Security Council to coordinate their positions, EU member states use side-payments to entice countries that temporarily serve on the UN Security Council to share information about the Council's deliberations and to promote the interests of those EU members that do not serve on the Council. These positive incentives take the form of higher receipts from the EU budget over the course of the two-year terms of non-permanent members of the Security Council.

Why do EU members need to offer side-payments to other European states to entice the latter to pursue the formers' interests in the UN Security Council? The failure of formal

mechanisms aimed at achieving European coordination in the UN Security Council does not fully answer this question. Two additional conditions need to be satisfied for issue linkage to occur. The first prerequisite is that EU members with a temporary seat on the UN Security Council are in a position to effectively promote the interests of other EU member states if they choose to do so. They can do so in two ways. First, they can share privileged information about the UN Security Council's closed-door deliberations and about the positions of individual Council members with other EU member states. Thus, they enable other EU member states to influence the Security Council's work through informal bilateral contacts with Council members. Due to the reluctance of France and the United Kingdom to share information with EU members without a seat on the Council, "especially the non-permanent, elected member states can decisively contribute to the objective" of information-sharing between EU members, as Austria's former ambassador to the UN put it (Sucharipa, 2003, 789, author's translation). Second, EU members that temporarily serve on the Council directly influence the UN's work in ways that affect the interests of other EU member states. For instance, Belgium drafted a concept paper on behalf of the European Community, which became the basis of the UN Secretary-General's report titled An Agenda for Peace that redefined the role of the UN in the post-Cold War era (Liégeois, 1993, 8). Belgium also co-authored all Security Council resolutions on the former Yugoslavia, together with France and the United Kingdom, during its term on the Council in 1991 and 1992 (Liégeois, 1993, 16-7). As a Council member in 2011 and 2012, Germany was in charge of drafting all resolutions on Afghanistan (Lieberman, 2013). Germany's work impacted the interests of many EU member states whose troops were deployed to Afghanistan under a mandate from the UN Security Council. Between 2006 and 2010, Belgium and Austria chaired the UN Security Council's Al-Qaida and Taliban Sanctions Committee, and they used this role to push for reforms of the Council's counter-terrorism rules that aimed to make them compatible with decisions on human rights by the European Court of Justice.<sup>3</sup> These are but a few instances in which EU member states influenced the UN Security Council's

 $<sup>^3</sup>$ Author's phone interview with a Belgian diplomat on 8/4/2015. See also United Nations (2010).

work in ways that impacted the interests of the EU and those of its member states.

The second precondition for issue linkage is that EU member states' preferences and the intensity of their preferences over the security policies on the UN Security Council's agenda do not perfectly align. Different EU member states have specific regional interests rooted in their history, geography, and economic and political relationships. Prominent examples include the engagement of Belgium in Central Africa and Spain in the Mediterranean (Tallberg, 2008, 693). Their intense preferences over security threats related to these regions are not shared by all other EU members. EU members that serve as temporary members of the UN Security Council may not be willing to incur political costs from promoting security interests of other EU member states in the Council. These political costs arise when an EU member promotes policies in the Security Council that are not favored by some great powers, thus creating friction that makes it more difficult for this EU member to build coalitions in the Council to promote its own priorities. Costs also arise when Council members share privileged information about the body's deliberations with EU members that do not serve on the Council, because attempts at greater transparency of confidential negotiations tend to "offend" permanent Council members (see, e.g., Gowan 2014, 6). Belgium's ambassador on the Security Council in 2007 and 2008 explains the cost of sharing confidential information with EU members outside the Council: "one cannot ... expect the EU Security Council members to lay all their cards open on the table. However much they would like to be EUloyal, they have loyalties, and perhaps obligations too, towards the other Security Council members that they must respect for the sake of being and continuing to be trusted fellows within that principal organ of the United Nations" (Verbeke, 2006, 55). In the absence of issue linkage, non-permanent members of the UN Security Council prefer to use their limited agenda-setting power and bargaining leverage in the Council to address the security concerns that matter most to themselves and refrain from speaking out on issues that affect some of their EU colleagues. This explains why EU members resort to side-payments to EU members with a non-permanent seat on the UN Security Council in order to incentivize them to promote the interests of EU members that lack a seat on the Council.

The theoretical argument presented in this paper rests on the causal mechanism of diffuse reciprocity, which features a side-payment in exchange for favors that are not clearly delimited in advance. Such favors may consist in information-sharing throughout the two-year term on the Council as well as the preparedness to pursue other EU members' interests if and when the Council's agenda touches on them. Diffuse reciprocity does not require equivalence in the value of traded items, and it does not unfold through a narrowly bounded sequence of events (Keohane, 1986, 4).<sup>4</sup> An EU member tends to be more successful in political negotiations over the EU budget while it holds a temporary seat on the Security Council since other EU members take into account that they may want to ask the EU member with the Council seat for a favor in the near future if an opportunity arises.<sup>5</sup>

This argument differs from earlier arguments on vote-buying in international organizations (see above) in two major ways. First, EU members establish issue linkage across international organizations without selling the votes they cast in the UN Security Council. Second, EU members leverage seats on the Security Council to maximize their own bargaining power in EU budget negotiations, which translates into higher EU budget receipts. In contrast, the effect of a Security Council seat on bilateral and multilateral aid and loan receipts (Kuziemko and Werker, 2006; Vreeland and Dreher, 2014) materializes when vote-buying great powers use their influence in other international organizations to steer funds toward the vote-sellers, which typically lack seats on the boards of directors of the international financial institutions and multilateral aid providers that allocate funds. While the vote-sellers in previous arguments rely on the vote-buyers' influence to obtain a side-payment, EU members leverage a temporary seat on the UN Security Council to boost their own bargaining leverage in the Council of the EU, where they obtain more favorable negotiation outcomes themselves.

<sup>&</sup>lt;sup>4</sup>Repeated interaction between a moderate number of governments over a long period of time encourages reputational sanctions and norms of mutual trust, which render such non-simultaneous issue linkage possible (Aksov and Rodden, 2009, 625, Rodden, 2002, 160).

<sup>&</sup>lt;sup>5</sup>In contrast, specific reciprocity consists in the exchange of items of equivalent value in a strictly delimited sequence through issue linkage (Keohane, 1986, 4). Specific reciprocity would thus involve a trade of a specific action (e.g., a vote) in the UN Security Council in exchange for economic side-payments.

## Research design

## Identification strategy and estimation procedure

Annual bargaining over the EU budget is a hard case for testing the argument that EU members obtain side-payments from fellow EU members while they serve on the UN Security Council. This is because most distributional bargaining occurs for the multiannual financial frameworks, leaving little leeway for side-payments agreed in the context of annual budget negotiations (Lindner, 2006). At the same time, recent studies show that states use annual EU budget negotiations to secure larger receipts ahead of close national elections (through diffuse reciprocity) and while they hold the EU Council presidency (Schneider, 2013; Aksoy, 2010; Carnegie and Marinov, 2017).

This study leverages over-time variation in individual EU member states' receipts from the EU budget to systematically investigate whether temporary membership in the UN Security Council is associated with larger revenues from the Union's budget. In other words, the study does not compare whether some countries receive more funds from the EU budget than others, but it evaluates whether any given country receives more funds when it serves on the UN Security Council than that same country does otherwise. Thus, it investigates an unbalanced panel of country-year observations for each EU member that served, at any point, as non-permanent member of the UN Security Council and for each year during which it was part of the EU.

The causal identification strategy rests on the assumption that the timing of an individual EU member state's two-year term on the UN Security Council is unrelated to other determinants of over-time variation in that country's receipts from the EU's budget.<sup>6</sup> The identifying assumption implies that covariation between a given EU member state's Security Council membership status and its success at securing receipts from the EU budget is not driven by some time-varying characteristic that explains both the timing of temporary

<sup>&</sup>lt;sup>6</sup>This assumption is consistent with the observation that some time-invariant characteristics of countries (such as size) influence both their likelihood of serving as a non-permanent Security Council member (Dreher et al., 2014) and their success in EU budgetary bargaining (Mattila, 2006; Aksoy and Rodden, 2009).

Security Council membership and over-time variation in EU budget receipts. The results of covariate balance analyses and those of models with lags and leads of the treatment (reported below) are consistent with this assumption.

This identifying assumption is plausible due to the exceptional characteristics of the selection process of European non-permanent UN Security Council members. Competition for the Council seats that are reserved for European countries tends to be stronger than it is in other world regions (Security Council Report, 2012, Annex 3), and therefore European countries announce their decision to run for election at least five and up to fifteen years before they join the Council (see Table 11 in the Supporting Documentation).<sup>7</sup> The formal timetable for the adoption of the EU's annual budget for year t runs from March to December of year t-1, but in practice most budgetary bargaining takes place during the second half of the year t-1 (Aksoy, 2010, 191). Whether a given EU member does or does not hold a seat on the UN Security Council during year t is plausibly orthogonal to over-time variation of that country's EU budget receipts, because the EU member decided to run for election (or not to do so) several years before the annual negotiations on the EU budget for year t. It is unlikely that the same time-varying observables or unobservables influence both a country's success in bargaining over the EU budget during year t-1 and its choice to run for a seat on the Security Council five to fifteen years earlier.

States attain non-permanent membership in the UN Security Council for a non-renewable two-year term through a secret election in the UN General Assembly where each UN member state has one vote. This vote is held in the fall, and all elected countries join the Council on 1 January of the following year. In those cases where the UN General Assembly chooses between multiple candidates for the same seat its decision may be influenced by some time-varying unobservables that also explain success in EU budget negotiations during

<sup>&</sup>lt;sup>7</sup>The ten non-permanent seats on the Security Council are allocated to specific world regions. Two non-permanent Council seats are always filled by states in the 'Western Europe and Others' caucus, which includes the fifteen EU members prior to the 2004 enlargement, Malta, Western European states that are not in the EU, as well as Australia, Canada, Israel, and New Zealand. While Cyprus forms part of the Asian group, most states that have joined the EU since 2004 are members of the Eastern European group, for which one non-permanent seat on the Security Council is reserved. In the 'Western Europe and Others' and the Eastern European groups the number of candidate countries typically exceeds the number of open seats. Therefore, candidates campaign for election to the UN Security Council for several years (Malone, 2000).

the subsequent year. Therefore a robustness check investigates only those EU members that attained terms on the Council through non-competitive elections in the General Assembly (so-called 'clean slates') in which the number of candidates equaled the number of open seats reserved for European states. These EU members effectively secured seats five years before the start of their terms when all other countries decided not to run for seats against them, and therefore it is implausible that the same factors explain membership in the Council and EU budget bargaining success.

If EU members that serve as temporary members of the UN Security Council leverage their influence on the Council's work to attain side-payments through the EU's annual budget, we expect that their UN Security Council membership during year t-1 has a positive effect on the transfers they receive from the EU during year t, which was negotiated during year t-1. There is no reason to suspect that this country's membership in the UN Security Council affects its receipts from the EU budget through any mechanism other than issue linkage.<sup>8</sup>

Table 1 lists all EU members that had temporary seats on the UN Security Council between 1975 and 2013. During this period, for which detailed data on EU budgets is available, thirteen EU members served as non-permanent members of the UN Security Council. Germany served five times, Italy four times, Belgium, Denmark, Ireland, the Netherlands, Portugal, and Spain twice, and Austria, Greece, Luxembourg, Slovakia, and Sweden had one two-year term after acceding to the EU. Large EU member states serve on the UN Security Council more often than small states. At the same time, large EU members attain a larger share of the EU budget than small states simply by virtue of the size of their population and national economy. This fact does not confound the estimation of the effect of UN Security Council membership on EU budget receipts, because all analyses investigate within-country variation.

The analysis does not address the separate question whether France and the United

<sup>&</sup>lt;sup>8</sup>Structural funds and agricultural funding account for the vast majority of EU member states' receipts from the EU budget; these are unrelated to the UN Security Council's agenda. Serving as a temporary member of the UN Security Council does not entail financial or military obligations that could be shared with other EU member states (see below).

Table 1: EU member states with non-permanent seats on the UN Security Council, 1975-2013

Year	Number of	1st EU member	2nd EU member	3rd EU member
	EU members	on UNSC	on UNSC	on UNSC
2013	28	Luxembourg	T	
2012	27	Germany	Portugal	
2011	27	Germany	Portugal	
2010	27	Austria		
2009	27	Austria		
2008	27	Belgium	Italy	~ .
2007	27	Belgium	Italy	Slovakia
2006	25	Denmark	Greece	Slovakia
2005	25	Denmark	Greece	
2004	25	Germany	Spain	
2003	15	Germany	Spain	
2002	15	Ireland		
2001	15	Ireland		
2000	15	Netherlands		
1999	15	Netherlands		
1998	15	Portugal	Sweden	
1997	15	Portugal	Sweden	
1996	15	Germany	Italy	
1995	15	Germany	Italy	
1994	12	Spain		
1993	12	Spain		
1992	12	Belgium		
1991	12	Belgium		
1990	12			
1989	12			
1988	12	Germany	Italy	
1987	12	Germany	Italy	
1986	12	Denmark		
1985	10	Denmark		
1984	10	Netherlands		
1983	10	Netherlands		
1982	10	Ireland		
1981	10	Ireland		
1980	9			
1979	9			
1978	9	Germany		
1977	9	Germany		
1976	9	Italy		
1975	9	Italy		

Note: The table lists all EU member states that served as members of the UN Security Council on non-renewable two-year terms between 1975 and 2013. It shows that in most years, one or two EU members served as temporary members of the UN Security Council. Over time, the EU's representation on the UN Security Council grew stronger due to successive EU enlargements. In addition to the non-permanent Council members listed in the table, France and the United Kingdom hold permanent seats on the Council.

Kingdom receive higher receipts from the EU budget in exchange for representing European interests on the UN Security Council. The choice to focus on EU countries that temporarily serve on the UN Security Council was made for substantive and methodological reasons. Econometrically, the permanent membership of France and the UK in the Security Council renders it impossible to use country fixed effects models to estimate the effect of their participation in the Council on EU budget receipts. The use of pooled regression models that leverage cross-country variation would be problematic since France and the UK vary on numerous dimensions from other EU members (in addition to their permanent seat on the Security Council).

All standard errors are clustered by state. A wild bootstrap procedure is used in order to account for the relatively small number of clusters (Cameron, Gelbach and Miller, 2008; Mackinnon and Webb, 2017).

#### Data and variables

The primary dependent variable in this study measures EU members' receipts from the Union budget (in millions of constant 2014 Euro). Original data on EU budget receipts was gathered from the European Commission's *Annual Reports on Allocated Expenditure*. Additional analyses investigate EU members' net receipts from the EU budget (measured in millions of constant 2006 Euro) using data that was compiled by the European Court of Auditors and presented in Schneider (2011).

The main independent variable of interest is a binary measure that indicates whether a given state was a temporary member of the UN Security Council at the time when the EU budget for a given year was negotiated (i.e., during the preceding year). Information on the UN Security Council's composition was retrieved from the UN Security Council's website. All models include country and year fixed effects.<sup>10</sup> The models include covariates

<sup>&</sup>lt;sup>9</sup>Following the previous literature on EU budget allocation (Schneider, 2011; Aksoy and Rodden, 2009; Kauppi and Widgrén, 2004) the dependent variables are not logged; log transformation of net receipts is impossible since it can take negative values.

<sup>&</sup>lt;sup>10</sup>The latter are included since the EU budget has grown over time while the EU's representation on the UN Security Council has also grown stronger (see Table 1).

that have been found to be associated with the size of EU member states' receipts from the EU budget. The identification strategy described above implies that the effect of Security Council membership on budget receipts is identified even without controls, but the inclusion of these variables in the model makes the estimate more efficient. The natural log of the number of persons employed in the agricultural sector and the national GDP as a share of the EU average serve as proxies for the eligibility for funds from the Common Agricultural Policy and the Union's structural funds, which account for most of the EU budget. The natural log of population (in millions) is included in some model specifications since larger countries qualify for higher EU funds, all else being equal. The data on these variables was published by Eurostat. Aggregate GDP size is measured in 2010 constant USD, and it was recorded by the World Bank. EU Presidency takes a positive value if the country presided over the Council of the EU during the first or second half of the year during which the budget was negotiated. 'SSI Council (perc.)' relies on the Shapley-Shubik index (SSI) to measure voting power in the Council of the EU. It conceptualizes a state's power as the frequency with which that state's membership in a coalition on the Council of the EU is pivotal when all voting coalitions are assumed equally likely. Domestic EU support is measured as the percentage of citizens who believe that "EC/EU membership is a good thing" minus the percentage of those believing that "EC/EU membership is a bad thing" in the Eurobarometer survey. The two final covariates capture the EU's successive enlargements: the number of EU members accounts for increasing conflicts over the EU budget, and a dichotomous measure labeled 'extraordinary phase for EU' records whether a country experienced distributional conflict from the year after accession to the year before the EU adopts a new multi-annual budget plan. Data for these last four covariates was presented in Schneider (2011). The Supporting Documentation summarizes the descriptive statistics of all variables. While EU budget data is available from 1976 to 2014, some of the covariates are only available for the period between 1977 and 2006. Therefore, the descriptive evidence on EU budgets, presented in the first part of the next section, covers the entire period for which budget data is available, while the temporal scope of the analyses in subsequent parts of the results section is limited to the period from 1977 to 2006.

#### Results and discussion

#### Descriptive evidence

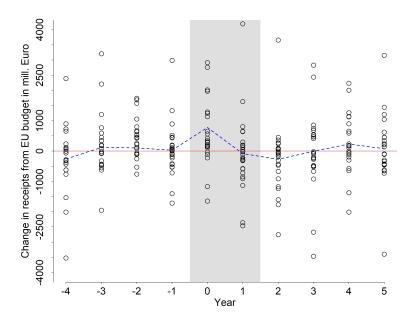
Between 1975 and 2013, 13 EU member states served 26 two-year terms on the UN Security Council. Figure 1 shows how these states' receipts from the EU budget evolved before, during, and after each of these terms. The blue line depicts the average of these 26 time series. It shows that in each year, EU members' average receipts stay within a range of ±270 million Euro from last year's receipts, with one major exception: the budget that was negotiated during their first year on the UN Security Council increased EU members' receipts by 782 million Euro, on average. In only five of these 26 cases, EU members received fewer EU funds from the first budget that was negotiated after they gained a seat on the Council. During the second year on the UN Security Council, EU budget receipts tend to revert back to normal. 12

How likely is it that this pattern merely arose due to random chance? Permutation tests allow us to answer this question without parametric assumptions (Keele, McConnaughy and White, 2012). If serving on the UN Security Council does not increase receipts from the EU budget, receipts are the same, in expectation, irrespective of whether a EU member is temporarily on the Council or not. If so, one should obtain outcomes that are similar to the observed outcome depicted in Figure 1 even if the timing of the 26 Security Council terms is randomly reshuffled within each ten-year time series. Permutation tests are conducted by randomly reassigning the value of the variable of interest, which indicates whether the EU member just joined the Council before the EU budget was negotiated or not, in all 26 time series. The 26 reshuffled time series are combined and stored, and the process is repeated 300,000 times to generate a large number of permutations of the observed data.

<sup>&</sup>lt;sup>11</sup>These are the first years of Austria's first term as an EU member, Denmark's second term, Germany's fifth term, Italy's fourth term, and Spain's first term.

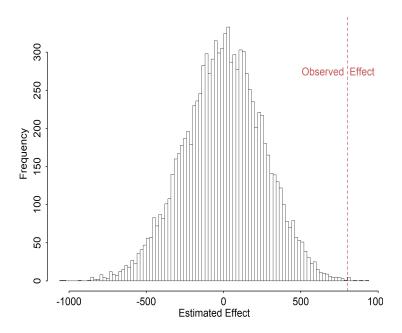
<sup>&</sup>lt;sup>12</sup>These results are robust to adding data for 1976 to 2014 on receipts that preceded six terms that started shortly after 2013 or ended just before 1975 (see Figure 1 in the Supporting Documentation).

Figure 1: EU budget receipts before, during, and after UN Security Council term



Note: The figure displays the change in receipts from the annual EU budget before, during, and after 26 terms on the UN Security Council served by EU members between 1975 and 2013. The budget data for year t describes the budget that was negotiated during year t. Year t=0 is the first year of the two-year term (shaded area). The dashed blue line shows the average change in EU budget receipts for the 26 time series. It shows that EU members that join the UN Security Council receive 782 million Euro more, on average, from the first budget that was negotiated after they joined the Council. During the second year on the Council (t=1) receipts typically revert back to their normal levels. Data on Germany in 1978 and Italy in 1994 is not displayed due to scale.

Figure 2: Distribution of estimated effect under null hypothesis and observed effect



Note: This figure displays the observed average change in EU budget receipts during the first year on the UN Security Council (red dashed line) and the distribution of the corresponding mean for 300,000 randomly selected data permutations, which were generated by randomly reshuffling the timing of UN Security Council membership in the 26 ten-year time series shown in Figure 1. If the observed average change (dashed line) was due to random chance, we would expect many of the permutations to yield results that are similar to it. However, only 0.1 percent of the permutations yield a result that is at least as positive as the observed result, suggesting that the increase in EU funds member states secure during the first year on the UN Security Council is very unlikely due to random chance.

The null hypothesis that Security Council membership does not increase receipts from the first EU budget negotiated as a Council member is tested by calculating a p-value on the proportion of permutations with a value of the test statistic that is at least as supportive of the alternative hypothesis (that the null hypothesis is incorrect) as the average that was actually observed and shown in Figure 1 (Dafoe and Caughey, 2016). If only a small number of permutations yield values that are as extreme as the observed value of the test statistic, the null hypothesis is rejected. Figure 2 compares the distribution of the means of the data permutations with the observed mean. The permutation test rejects the null hypothesis that EU members do not receive more EU funds from the first budget that is negotiated while they serve on the UN Security Council (p<0.01). If this null hypothesis is assumed to be true and Council membership is randomly reshuffled 300,000 times, then we find that only less than 0.1 percent of the data permutations that are generated in this process display a positive effect of joining the UN Security Council on EU budget receipts that is at least as large as the one that was observed. In short, random chance is a very unlikely explanation of the EU budget windfall during the first year on the UN Security Council.

#### Qualitative plausibility probe

The case of Ireland's term on the UN Security Council in 2001 and 2002 illustrates that temporary UN Security Council membership is associated with higher EU budget receipts. After a multi-year campaign that cost 1.5 million Euro (de Breadun, 2000), Ireland defeated Italy in a vote held in the UN General Assembly on 10 October 2000. Even before it entered the Council, it was expected that "Ireland's approach will by and large reflect the overall stance of the European Union on foreign policy issues" (*Ibid.*). Ireland met this expectation over the following two years (Ryan, 2003, 22). On the Council, Ireland insisted on providing more comprehensive weekly briefings for all EU members than in previous years; this initiative was highly appreciated by EU countries that did not serve on the Council, leading Germany and Spain, which replaced Ireland on the Council in 2003, to vow to continue this innovation (Doyle, 2004, 96). Ireland was also open to bilateral requests for

briefings from other EU countries, unlike France and the United Kingdom (Doyle, 2004, 99, see also Rees, 2003, 248). Ireland's willingness to share information came at a critical time, when EU members started, in January 2001, to hold regular briefings ('Article 19' meetings) on the Council's work for those EU countries without a seat on the Council (Rasch, 2008, 78-80). Ireland also placed great emphasis on articulating EU priorities in the Council, in contrast to France and the United Kingdom (Doyle, 2004, 96, see also Irish Parliament, 2002, 25).

Ireland's EU-centric approach to its term on the UN Security Council was surprising in light of Ireland's position as an outlier among EU members at the UN. Between 1990 and 2002, Ireland's votes in the General Assembly diverged more frequently from the EU's majority position than the votes of any other EU member, except for France and the United Kingdom (Young and Rees, 2005). Ireland voted more often in line with developing countries on Palestine, the Middle East, and Apartheid than any other EU member (*Ibid.*). At the turn of the millennium, the top priority for Irish foreign policy was to demonstrate that European integration did not diminish the autonomy of Irish diplomacy at the UN (Gillissen, 2006), especially while the government was campaigning for a popular vote in favor of the EU's Treaty of Nice in two referenda in June 2001 and October 2002. The UN figured prominently in the campaign against the treaty, which contrasted European security policy and a gradual loss of Ireland's neutrality with Ireland's traditional focus on the UN (Connolly and Doyle, 2005, 362).<sup>13</sup> Thus, Ireland's choice to use its term on the UN Security Council to promote EU policies and coordination was far from obvious.

Ireland's dedication to EU coordination in the UN Security Council coincided with a strong increase in the country's receipts from the EU budget. In the four years before Ireland took a seat on the Council, its annual receipts from the EU budget decreased by 486 million Euro, on average, reflecting Ireland's growing wealth. In contrast, the 2002 budget, which was the first one negotiated after Ireland joined the Council, increased Ireland's receipts by 304 million Euro. The two following EU budgets provided for another total increase of 128

<sup>&</sup>lt;sup>13</sup>E.g., a campaign poster against the Nice Treaty read 'Hello NATO, good-bye UN' (Doyle, 2004, 74).

million Euro, before the trend reverted back to the status quo before Ireland's UN Security Council membership, with annual receipts shrinking by 308 million Euro, on average, over the next four years. This pattern aligns with the observable implication of the argument presented in this paper. Moreover, issue linkage played a key role in two major foreign policy decisions of the government of Bertie Ahern, who was Ireland's prime minister during its Security Council term: the government's muted criticism of the U.S.-led war against Iraq was motivated by concern about future economic relations with the United States, which were viewed as tied to Ireland's position on the Iraq war (Connolly and Doyle, 2005), and (Henke, 2012, ch. 6) ascribes the decision to deploy Irish peacekeepers to Chad and the Central African Republic to Ahern's desire to win French support for his candidacy as EU President. In conclusion, it is plausible that the windfall from the EU budget during Ireland's term on the UN Security Council and Ireland's EU-centric diplomacy in the Council were causally linked. The next part of this paper presents results from a systematic test of this argument.

#### Cross-sectional time series models

Non-permanent membership in the UN Security Council has a substantial positive effect on EU member states' receipts from the Union's budget. Country and year fixed effects models show the expected effect even if they do not control for other determinants of success at distributive bargaining in the EU, which are orthogonal to the plausibly exogenous timing of EU members' Security Council membership. Model 1 in Table 2 indicates that while a given EU member holds a non-permanent seat on the UN Security Council, its annual receipts from the EU budget are 595 million Euro higher than they are otherwise. This result is robust to including covariates (Model 2). Temporary UN Security Council membership is also associated with significantly higher net receipts from the EU budget (Models 4-5).

The increase in EU funds is both statistically and substantively significant. The full models (2 and 5) indicate that EU members gain 1.4 billion Euro in additional receipts and 1.7 billion Euro in additional net receipts from the EU budget over the course of an average two-year term on the UN Security Council. The latter amount corresponds to 0.3 percent

Table 2: Non-permanent UN Security Council membership and EU budget allocation, 1977-2006

'			Depend	$Dependent\ variable:$		
		Receipts			Net receipts	ũ
	(1)	(2)	(3)	(4)	(5)	(9)
Temp. UNSC member $(t-1)$	595.2**	704.2**	408.9	(320.0)	850.3**	445.2
Temp. UNSC member $(t-1)$ * GDP	(530.4)	(0.000)	(557.3) 0.3** (0.1)	(920.0)	(232.1)	$\begin{array}{c} (931.4) \\ 0.4^{**} \\ (0.9) \end{array}$
GDP (in bn $2010 \text{ USD}$ )		4.8**	4.8** (5.3)		-5.2**	-5.3 * * * *
Agricultural labor force size (ln.)		(2.3) $-1,736.2$ $(1.888.1)$	-1,708.6		-2,467.8**	(1.3) $-2,429.2**$
GDP/cap. relative to EU		(1,999.1) $3.9$	(1, 030.0) $4.4$		(1,040.4) -1.2	(1,011.4) $-0.6$
EU Presidency		(12.3) $120.0$ $(196.0)$	(12.3) $114.0$ $(194.6)$		(9.4) $35.2$ $(192.6)$	(9.2) 27.3 (123.0)
Domestic EU support		$\begin{array}{c} 4.2 \\ 4.2 \end{array}$	$\frac{3.7}{3.7}$		27.7**	26.8**
EU size		-128.2 $-186.5$	(186.9) $(186.9)$		$(12.9)$ $-201.9^*$ $(116.2)$	$-201.2^*$
Extraordinary year for EU		$ \begin{array}{c} (1,108.9) \\ (1,108.9) \end{array} $	$ \begin{array}{c} (100.2) \\ 1,496.6 \\ (1,105.3) \end{array} $		$1,512.1^*$ $(795.4)$	1,552.9** $(786.4)$
Observations	305	303	303	304	302	302
Number of panels $ m R^2$	13	13 0.905	13 0.905	13 0.799	13 0.865	13 0.865

net receipts (Models 4-6) from the EU budget in million Euro. N varies across models due to three missing values on the net bootstrap clustered by country. Positive coefficients designate variables' positive marginal effects on receipts (Models 1-3) or Note: \*p<0.1; \*\*p<0.05; \*\*\*p<0.01. Country and year fixed effects OLS models with standard errors obtained from wild receipts and a covariate, respectively.

of the average EU country's GDP in 2014.

EU members with large economies secure more sizable side payments while they serve on the UN Security Council than do small or poor EU member states.<sup>14</sup> The value EU members attach to a given side payment is a function of their size and wealth. Consequently, it takes a particularly sizeable side payment to incentivize EU members with a large economy to pursue the interests of other EU members while they serve on the UN Security Council. In the models with interaction terms (Models 3 and 6) the insignificant coefficient of the main effect of Council membership estimates the effect of serving on the Council for an EU member whose GDP equals zero, and it is substantively meaningless. The average EU member with a seat on the Council earns an annual windfall of 731 million Euro in additional receipts and 890 million Euro in additional net receipts (both p<.05). For an EU member on the Council whose GDP is one standard deviation above the mean, holding a Council seat translates into 1.01 billion Euro in additional receipts and 1.28 billion Euro in additional net receipts from the EU budget per year.

The results are robust to restricting the analysis to the terms on the UN Security Council that EU members attained through non-competitive elections in the UN General Assembly (see Table 2 in the Supporting Documentation).<sup>15</sup> In these cases, the timing of the term on the Council was determined several years before the term started, when no other country presented a rival candidacy, because candidacies for seats open to European countries are always announced at least four years in advance (see Table 11 in the Supporting Documentation). It is implausible that the same time-varying unobservables can explain when a given EU member attained a Council seat and that country's success at EU budget bargaining several years later. While these models include 47 percent fewer observations than the main models, their results are fully consistent with the results reported above.

The results are also robust to adding covariates that measure population size, voting power in the Council of the EU, the timing of EU members' elections, and the nationality of

<sup>&</sup>lt;sup>14</sup>I thank an anonymous reviewer for suggesting this analysis.

<sup>&</sup>lt;sup>15</sup>Three out of Germany's five Council terms between 1976 and 2014 followed a non-competitive election, as did both Belgian and both Danish terms, two of Italy's four terms, one of Spain's two terms, and Greece's and Slovakia's terms.

key EU Commissioners, which have been shown to be associated with EU budget receipts, <sup>16</sup> and to a Prais-Winsten transformation of the error term to correct for AR(1) autocorrelation within panels (see Tables 3-5 in the Supporting Documentation). <sup>17</sup>

#### Analysis of causal mechanisms

The theoretical argument presented in this paper rests on the causal mechanism of diffuse reciprocity. However, the evidence presented in Table 2 is also consistent with the alternative mechanism of specific reciprocity. The timing of the side-payment helps adjudicate between alternative causal mechanisms (Grzymala-Busse, 2011). Specific reciprocity would have the observable implication that side-payments are made whenever the recipient does a favor in return. Assuming that both years of a term on the Council offer an equal number of opportunities for such favors, we would expect to observe a similar number of side-payments during EU members' first and the second year on the Security Council. In contrast, diffuse reciprocity has the observable implication that EU members provide a side-payment to the UN Security Council member upfront with the expectation that the EU member with a seat on the UN Security Council will return the favor in the future if and when an opportunity arises. Thus, diffuse reciprocity implies that side-payments are made early on during EU members' temporary Council membership, i.e., through the first budget that is adopted after the election of the EU member to the UN Security Council.

The empirical evidence is more consistent with a diffuse reciprocity mechanism than with specific reciprocity. The EU budgetary windfall associated with a seat on the Security Council materializes in the first budget that is negotiated after the EU member's election onto the Council (see Figure 1). The effect of membership in the UN Security Council on EU budget receipts and net receipts is only significant during the first year on the Security Council; during the latter half of a term on the Council EU receipts are insignificantly higher

<sup>&</sup>lt;sup>16</sup>See Aksov and Rodden, 2009; Schneider, 2013; Gehring and Schneider, 2017.

<sup>&</sup>lt;sup>17</sup>While the effect on receipts is consistently significant in the Prais-Winsten models, the effect on net receipts only becomes significant after adding covariates, because the model without covariates is less efficiently estimated.

<sup>&</sup>lt;sup>18</sup>This dynamic is similar to the logic Vreeland and Dreher (2014, 17) ascribe to vote-trading in the UN Security Council in exchange for development aid to developing countries.

Table 3: Non-permanent UN Security Council membership and EU budget allocation: receipts by year of Council term, 1977-2006

			Depend	$Dependent\ variable:$		
		Receipts			Net receipts	w
	(7)	(8)	(6)	(10)	(11)	(12)
1st year on UNSC $(t-1)$	751.9***	841.0**	355.1	861.4**	981.1**	451.9
	(226.5)	(332.5)	(265.1)	(358.6)	(399.0)	(350.7)
2nd year on UNSC $(t-1)$	427.9	557.0	462.6	429.9	710.0	427.9
	(379.1)	(370.9)	(467.4)	(338.0)	(438.6)	(521.5)
1st year on UNSC $(t-1)$ * GDP			0.5**			
			(0.1)			(0.2)
2nd year on UNSC $(t-1)$ * GDP			0.1			0.3
			(0.2)			(0.2)
GDP (in $bn 2010 USD$ )		4.8**	4.8**		-5.2***	-5.3***
		(2.3)	(2.3)		(2.0)	(1.9)
Agricultural labor force size (ln.)		-1,728.5	-1,712.5		-2,460.5**	-2,428.9**
		(1,886.8)	(1,884.8)		(1,046.6)	(1,012.1)
GDP/cap. relative to EU		3.9	4.3		-1.2	9.0-
		(12.3)	(12.2)		(9.3)	(9.1)
EU Presidency		121.0	94.7		36.2	14.3
		(197.0)	(190.2)		(127.2)	(124.4)
Domestic EU support		4.2	3.8		27.6**	26.9**
		(17.5)	(17.5)		(13.0)	(12.9)
EU size		-130.1	-129.7		-203.8*	-203.5*
		(185.9)	(185.6)		(115.6)	(115.1)
Extraordinary year for EU		1,457.2	1,504.0		$1,503.9^*$	$1,555.4^{**}$
		(1, 113.1)	(1, 108.1)		(801.6)	(793.3)
Observations	305	303	303	304	302	302
$\mathbb{R}^2$	0.889	0.905	0.906	0.799	0.865	0.866

bootstrap clustered by country. Positive coefficients designate variables' positive marginal effects on receipts (Models 7-9) or net receipts (Models 10-12) from the EU budget in million Euro. N varies across models due to three missing values on the Note: \*p<0.1; \*\*p<0.05; \*\*\*p<0.01. Country and year fixed effects OLS models with standard errors obtained from wild net receipts and a covariate, respectively.

than they are otherwise (see models 7-11 in Table 3). Moreover, EU members with large economies attain more substantial side payments from the EU budget than smaller or poorer EU peers with a seat on the Council - but only during the first year on the Council. These results suggest that diffuse reciprocity is the more plausible causal mechanism that underlies issue linkage, in line with the theoretical argument presented in this paper.

#### Tests of alternative explanations

Further analyses show that the additional revenues from the EU budget associated with temporary membership in the UN Security Council do not result from burden-sharing to compensate EU members that join the UN Security Council for the costs of serving on the Council. Holding a temporary seat on the Security Council does not impose any legal obligations. In practice, however, temporary membership in the Security Council often leads countries to contribute more UN blue helmets (Bove and Elia, 2011; Voeten, 2014). If additional revenues from the EU budget compensated EU members on the Security Council for the cost of contributing more personnel to UN peace operations while serving on the Council, we would expect that EU members contribute more UN peacekeepers when they serve on the Council than they do at other times. However, two-way fixed effects models of the number of UN peacekeepers contributed by EU members on UN Security Council membership shows that EU members do not contribute more UN peacekeepers when they hold a temporary seat on the Council (see Table 6 in the Supporting Documentation). These analyses cover the period from 1990 to 2014, for which data on individual states' contributions of troops, military observers, and civilian police is available from Perry and Smith (2013). Since EU members do not contribute significantly more peacekeepers when they serve on the UN Security Council, an alternative explanation based on burden-sharing is implausible. Moreover, the results are also robust to excluding EU expenses on external affairs, which would include any reimbursements of costs incurred while serving on the Security Council (see Table 7 in the Supporting Documentation).

In addition, it is implausible that the additional receipts from the EU budget are designed

to share the cost of campaigning for election onto the Security Council. While systematically collected data on the cost of campaigns is unavailable, anecdotal evidence displayed in Table 12 in the Supporting Documentation indicates that the additional revenues from the EU budget associated with temporary membership in the Security Council dwarf the cost of running for a seat on that body; this makes compensation for campaign expenditure an unconvincing alternative explanation.

A temporary term on the UN Security Council is often associated with a temporary increase in the foreign ministry's budget.<sup>19</sup> If EU members used the additional resources earmarked for diplomacy in the UN Security Council to boost their capacity to successfully negotiate on the EU budget, the association between a seat on the Security Council and higher EU budget receipts would be spurious. Two-way fixed effect models of the number of diplomats who represent a given EU member state vis-à-vis the EU in Brussels on that state's presence on (or absence from) the UN Security Council indicates that EU members do not significantly enhance their diplomatic strength in Brussels while serving on the UN Security Council (see Table 6 in the Supporting Documentation). This analysis relies on original data on the number of staff of EU members' permanent representations to the EU in Brussels for the period from 1994 to 2014.<sup>20</sup> This analysis refutes an alternative explanation based on foreign ministries' resource allocation.

#### Analyses of covariate balance and of trends before and after Council terms

Covariate balance analyses and models with lags and leads of UN Security Council membership corroborate the identifying assumption (explained in the research design section) that no time-varying factors determine both the timing of a given EU member state's Security Council membership and over-time variation in that state's receipts from the EU budget. Two-way fixed effects regressions of EU members' presence on (or absence from) the UN

 $<sup>^{19}</sup>$ E.g., Belgium created five additional diplomatic positions at its permanent mission to the UN in New York while it served on the Security Council in 2007 and 2008 (Genin and Fischer, 2007, 18).

<sup>&</sup>lt;sup>20</sup>The data was extracted from the EU's Interinstitutional/Official Directory, which was published once a year between 1994 and 2014, except in 2008 and 2013; data is missing for these two years and unavailable prior to 1994.

Security Council on all covariates in the model shows that only a single predictor of receipts from the EU budget is significantly associated with membership in the UN Security Council: 'important year for EU'; random chance seems to be the most plausible explanation since EU members typically cannot anticipate which year will be important for the EU when they announce their candidacy for a seat on the Security Council four to fourteen years ahead of time (see Table 8 in the Supporting Documentation). The full model controls for important years to avoid bias. Covariate balance on many observables that the literature has identified as influencing EU budget receipts alleviates concerns about potential covariate imbalance on unobservables, which cannot be included into the model as covariates. Thus, this result corroborates the conclusion that the timing of a given EU member's seat on the Security Council is not endogeneous.

Analyses of pre- and post-Council term trends in EU budget receipts show that EU members are not on a systematically different trajectory before and after their terms on the UN Security Council than they are at other times. These analyses do not uncover evidence of endogenous selection of European states onto the Council (see also Figure 1). When four leads and four lags are added to the main models of net receipts reported in Table 2, not a single one has a significant effect at the 90 percent confidence level, regardless of whether covariates are included or excluded (see Table 9 in the Supporting Documentation). The same result is obtained when these measures are collapsed into two lead and lag measures (see Table 10 in the Supporting Documentation). The three-year lag of Council membership is the only one of the eight measures that consistently affects EU budget receipts (mostly at the 90 percent confidence level) (see Table 9 in the Supporting Documentation). Overall, the analysis of trends in EU budget receipts before and after terms on the Council supports the assumption that the timing of EU members' terms on the Security Council is not endogenous.

### Conclusion

EU members experience a substantial increase in EU budget receipts when they join the UN Security Council as non-permanent members. This effect of holding a temporary privi-

leged position at the UN is consistent with the argument on issue linkage presented in this paper: unable to enforce formal rules that require concertation, consultation, and exchange of information regarding the UN Security Council, EU member states offer side-payments to those EU countries that serve as non-permanent Council members in order to incentivize them to share information about the Council's confidential consultations and to promote the interests of those EU members that are not represented on the Council. Thus, this study shows that bargaining processes in the UN and in the EU are intricately linked.

The timing of the EU budget windfall that the Union's members receive when they hold a non-permanent seat on the UN Security Council suggests that diffuse reciprocity is the most plausible causal mechanism that explains issue linkage between bargaining processes in the two biggest international organizations in the world (by budget and staff size). Future research should more systematically investigate the other side of the issue-linkage that bargaining over the EU budget to temporary membership in the UN Security Council by examining how EU member states use their influence as non-permanent UN Security Council members for the benefit of other EU member states. This analysis will shed more light on the mechanism that explains the empirical pattern shown in this paper.

This study makes three contributions to the literature on the UN Security Council. First, it complements and extends the existing literature by showing that developing countries are not the only states that receive side-payments while temporarily serving on this body. Second, it reveals that side-payments are even made to those Council members that are the most unlikely candidates for vote-buying. Instead of buying votes, side-payments to EU members are made in exchange for more intangible favors such as sharing confidential information and speaking out on behalf of other EU members. By suggesting that vote-buying is not the sole - and perhaps not even the main - rationale for side-payments to UN Security Council members, this study sheds new light on previous findings of side-payments to members of the Council. Finally, this paper helps answer a question about Security Council elections that the existing literature has left open: why do the most competitive elections for seats on the UN Security Council pit against each other Western developed

countries, even though they are not eligible for the side-payments discussed in the previous literature? While states seek a temporary seat on the Council in order to shape the body's substantive work (Mikulaschek, 2016) and to gain recognition (Hurd, 2002), their desire to temporarily boost their leverage in EU bargaining may constitute an additional motivation for EU members to incur the costs of campaigning for election to the UN Security Council.

The findings in this paper also contribute to the literature on intergovernmental bargaining in the EU. While previous studies on bargaining in the EU Council concur on the importance of internal issue linkage (i.e., explicit or implicit linkage between EU decisions), this paper presents the first empirical evidence on external issue linkage involving the EU (i.e., links between bargaining in the EU and negotiations in other international organizations). Thus, it reveals that holding a temporary privileged position in another international organization is a source of bargaining power in intergovernmental negotiations in the EU in addition to structural and issue-specific power, the EU's institutional design features, and internal issue linkage strategies, which have been the focus of the previous literature.

While the analyses in this paper are restricted to the EU and the UN, temporary privileged positions in other international organizations may also increase states' bargaining power across institutional fora. Organizations as diverse as the International Monetary Fund, World Bank, African Union, Organization for Security and Cooperation in Europe, UN General Assembly, and UN Human Rights Council assign temporary privileged roles to their member states, which may enhance the latters' bargaining power in other institutional fora. In turn, privileged roles in other organizations may also improve states' leverage in the UN Security Council. Thus, Belgium's permanent representative on the Security Council observed that "the Republic of Congo can capitalize on chairing the African Union in 2006" while also serving on the Council (Belgian Senate, 2006, 7, author's translation).

At a time regime complexes are becoming ever denser and when the mandates of international organizations increasingly overlap (Morse and Keohane, 2014), the substantive importance of issue linkage across international organizations is likely to increase. If these trends continue in the future, states will find a growing number of opportunities to leverage

a key role in one international	organization	to augment	their bargaining	power in another.

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## Supporting Documentation for:

Issue linkage across international organizations:
Does European countries' temporary membership
in the UN Security Council increase their receipts
from the EU budget?

Forthcoming in the Review of International Organizations

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July 28, 2017

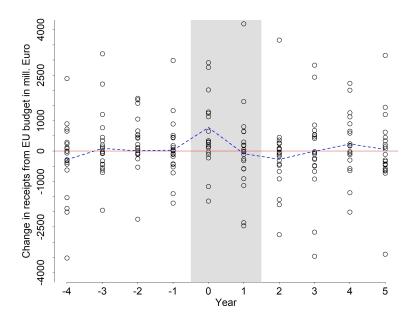
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Table 1: Descriptive statistics, 1977-2006

Variable	N	Mean	St.dev.	Min.	Max.
Receipts	305	5,833.0	4,744.7	14.39	20,360.0
Net receipts	304	-191.1	$3,\!958.6$	$-17,\!360.0$	$9,\!336.0$
Temp. UNSC member $(t-1)$	305	0.115	0.319	0	1
1st year on UNSC $(t-1)$	305	0.059	0.236	0	1
2nd year on UNSC $(t-1)$	305	0.056	0.230	0	1
GDP (in bn $2010 \text{ USD}$ )	305	687.0	819.9	13.69	$3,\!330.0$
Temp. UNSC member $(t-1)$ * GDP	305	130.1	491.8	0	3,210.0
Agricultural labor force size (ln.)	303	-1.383	1.619	-5.878	1.147
GDP/cap. relative to EU	305	104.0	43.20	28.94	301.2
EU Presidency	305	0.154	0.362	0	1
Domestic EU support	305	51.42	21.18	-18.00	86.00
EU size	305	14.19	4.629	9	25
Extraordinary phase	305	0.125	0.331	0	1
Population size (ln.)	305	16.13	1.433	12.80	18.23
SSI in EU Council	305	6.779	4.227	0.952	17.86
Pre-election year	305	0.262	0.441	0	1
EU commissioner	305	0.233	0.423	0	1
Temp. UNSC member $(t-5)$	305	0.052	0.223	0	1
Temp. UNSC member $(t-4)$	305	0.049	0.217	0	1
Temp. UNSC member $(t-3)$	305	0.049	0.217	0	1
Temp. UNSC member $(t-2)$	305	0.056	0.230	0	1
Temp. UNSC member $(t)$	305	0.062	0.242	0	1
Temp. UNSC member $(t+1)$	305	0.066	0.248	0	1
Temp. UNSC member $(t+2)$	305	0.066	0.248	0	1
Temp. UNSC member $(t+3)$	305	0.062	0.242	0	1
Temp. UNSC member $(t-2 \text{ to } t-5)$	305	0.207	0.406	0	1
Temp. UNSC member $(t \text{ to } t+3)$	305	0.255	0.437	0	1
UN peace operation contribution	185	329.9	452.9	0	3,434
EU mission size	144	55.11	20.72	7	121

 $\it Note$ : In line with the empirical strategy of this study, the descriptive statistics describe the set of EU countries that ever served as temporary members on the UN Security Council.

Figure 1: EU budget receipts before, during, and after UN Security Council term



Note: The figure displays the change in receipts from the annual EU budget before, during, and after 26 terms on the UN Security Council served by EU members between 1975 and 2013. It also displays data on budget receipts during the years before four additional Council terms that started in or after 2014 and data on receipts after two terms that ended before 1975. The following EU members served these six terms: Belgium (1971-2), Italy (1971-2), Lithuania (2014-5), Spain (2015-6), Italy (2017), and Sweden (2017-8). All budget data is for the period from 1976 to 2014. The budget data for year t describes the budget that was negotiated during year t. Year t=0 is the first year of the two-year term (shaded area). The dashed blue line shows the average change in EU budget receipts for the 32 time series. It shows that EU members that join the UN Security Council receive 782 million Euro more, on average, from the first budget that was negotiated after they joined the Council. During the second year on the Council (t=1) receipts typically revert back to their normal levels. Data on Germany in 1978 and Italy in 1994 is not displayed due to scale.

Table 2: Non-permanent UN Security Council membership after non-competitive elections and EU budget allocation, 1977-2006

			Depende	$Dependent\ variable:$		
		Receipts			Net receipts	
	(13)	(14)	(15)	(16)	(17)	(18)
Temp. UNSC member $(t-1)$	$1,311.1^{**}$ $(588.7)$	$1,022.2^{***}$ $(377.6)$		1,558.1*** $(265.0)$	$1,847.0^{***}$ $(449.6)$	
1st year on UNSC $(t-1)$			$1, 178.1^{***}$ $(434.1)$	,		$1,995.4^{***}$ (530.8)
2nd year on UNSC $(t-1)$			813.0			1,651.9***
GDP (in bn $2010$ USD)		***9.7	7.6***		-2.5	-2.4
Agricultural labor force size (ln.)		(2.1) $(6, 133.3***$	(2.2) $6, 157.5***$		(2.1) $479.3$	(2.1) $502.4$
GDP/cap. relative to EU		(1,638.7) $72.6***$	(1,625.1) $72.9***$		(1,666.4) $52.8*$	(1,665.1) $53.1*$
FII Presidenov		(27.7)	(28.0)		(27.5)	(27.9)
		(290.8)	(295.3)		(297.9)	(296.7)
Domestic EU support		-0.9 (23.7)	-0.9 -0.3		42.5* $(25.0)$	$42.4^*$ (25.1)
EU size		51.9	48.9 (165.1)		$-342.6^{**}$ (168.3)	$-345.6^{**}$ (171.9)
Extraordinary year for EU		2,514.8*** $(869.3)$	$2,511.7^{***}$ $(871.3)$		$1,945.4^{***} $ $(658.1)$	1,941.8*** (659.8)
Observations R <sup>2</sup>	163	162	162	162	161	161
	0000	F00.0	£00.0	0.0	F 20:0	F.CO.O

bootstrap clustered by country. Positive coefficients designate variables' positive marginal effects on receipts (Models 13-15) or net receipts (Models 16-18) from the EU budget in million Euro. N varies across models due to three missing values on the Note: \*p<0.1; \*\*p<0.05; \*\*\*p<0.01. Country and year fixed effects OLS models with standard errors obtained from wild net receipts and a covariate, respectively.

Table 3: Non-permanent UN Security Council membership and EU budget allocation: models with additional covariates for population size, voting power in EU Council, 1977--2006

			Depen	$Dependent\ variable:$		
		Receipts			Net receipts	
	(19)	(20)	(21)	(22)	(23)	(24)
Temp. UNSC member $(t-1)$	712.7**	697.3** $(3.45.3)$		858.9**	859.8**	
1st year on UNSC $(t-1)$	(1.000)	(0:010)	804.0**	(0:00)		963.3**
			(349.4)			(410.3)
2nd year on UNSC $(t-1)$			582.5			748.8*
GDP (in bn 2010 USD)	4.9**	<u>*</u>	(380.4) 4.4*	**	**0'3'-	$(449.8) \\5.0**$
	(2.3)	(2.6)	(2.6)	(1.9)	(2.0)	(2.0)
Agricultural labor force size (ln.)	-1,112.2	-1,127.9	$-1,128.4^{'}$	$-1,818.2^{*}$	$-1,817.2^{*}$	$-1,817.7^*$
	(1,639.2)	(1,629.3)	(1,628.6)	(6.996)	(970.7)	(973.2)
GDP/cap. relative to EU	14.5	14.2	14.1	8.6	8.6	9.7
	(16.0)	(15.8)	(15.8)	(13.2)	(13.4)	(13.4)
EU Presidency	111.5	116.5	117.4	26.3	26.0	26.8
	(192.9)	(191.2)	(192.2)	(124.5)	(125.3)	(129.0)
Domestic EU support	4.7	7.0	7.0	28.2**	28.0**	28.0**
	(17.9)	(18.1)	(18.1)	(14.1)	(14.1)	(14.1)
EU size	-51.2	-97.8	-99.8	-121.6	-118.6	-120.6
	(199.6)	(208.9)	(209.0)	(115.5)	(141.6)	(140.3)
Extraordinary year for EU	1,451.1	1,565.8	1,558.6	$1,497.2^*$	$1,489.8^*$	1,482.7*
	(1, 121.6)	(1, 123.3)	(1, 126.8)	(803.4)	(810.8)	(816.9)
Population size (ln.)	-10,727.0	-9,122.3	-9,020.0	-11,169.6	-11,273.7	-11,172.9
	(12,645.5)	(13, 367.4)	(13, 407.1)	(8, 311.0)	(10, 177.5)	(10, 154.5)
SSI in EU Council		-148.2	-147.1		9.6	10.5
		(189.6)	(189.0)		(182.9)	(182.8)
Observations	303	303	303	302	302	302
$ m R^2$	0.906	0.907	0.907	0.867	0.867	0.867

covariates in these models account for the natural log of EU members' population size and for a measure of their voting power in the Council of the Note:  $^*p<0.1$ ;  $^{**}p<0.05$ ;  $^{***}p<0.01$ . Country and year fixed effects OLS models with standard errors obtained from wild bootstrap clustered by country. Positive coefficients designate variables' positive marginal effects on receipts (Models 19-21) or net receipts (Models 22-24) from the EU budget in million Euro. N varies across models due to three missing values on the net receipts and a covariate, respectively. The additional EU that is based on the Shapley-Shubik index (SSI).

Table 4: Non-permanent UN Security Council membership and EU budget allocation: models with additional covariates for pre-election years and EU commissioners' nationality, 1977-2006

			Depend	$Dependent\ variable:$		
		Receipts			Net receipts	
	(25)	(26)	(27)	(28)	(29)	(30)
Temp. UNSC member (t-1)	$702.0^{**}$ (332.0)	$716.4^{**}$ (330.5)		846.6** (390.0)	850.8** (383.5)	
1st year on UNSC $(t-1)$			843.1**			992.9**
2nd year on UNSC (t-1)			$(332.7) \\ 578.9$			$(394.7) \\ 697.4^*$
(3DP (in bn 2010 USD)	∆ ** **	4 6*	$(368.3) \\ 4~6*$	7. **. **.	7. ***	$\begin{pmatrix} 423.0 \\ -5.2** \end{pmatrix}$
	(2.4)	(2.4)	(2.4)	(2.0)	(2.0)	(2.0)
Agricultural labor force size (ln.)	-1,737.0 (1,888.0)	-2,006.4 (1.853.9)	-1,998.8 (1.852.7)	$-2,469.4^{**}$ (1,043.9)	$-2,521.7^{**}$ (1.032.0)	-2,513.3** (1.032.5)
GDP/cap. relative to EU	4.0	4.0	4.0	$\frac{1}{-1.1}$	(-) (-) (-) $(-1.1)$	$\frac{1}{-1.1}$
	(12.4)	(12.8)	(12.7)	(9.4)	(9.4)	(9.4)
EU Presidency	123.4	147.9	149.5	41.8	46.8	48.7
Domestic EII support	(198.6) $4$ $4$	$\substack{(192.4)\\8.5}$	$(193.7) \\ 8.5$	$(130.9) \ 27.9**$	$\substack{(139.4)\\28.7**}$	$(143.9) \\ 28.7**$
	(17.7)	(17.9)	(18.0)	(13.0)	(12.6)	(12.7)
EU size	-130.0	-132.4	$-134.5^{\circ}$	$-205.4^*$	$-206.3^*$	$-208.7^{*}$
	(190.5)	(190.1)	(189.9)	(120.2)	(120.1)	(119.6)
Extraordinary year for EU	1,466.7	1,513.6	1,505.8	$1,513.6^*$	$1,521.6^*$	$1,512.7^*$
	(1, 110.7)	(1,006.4)	(1,009.5)	(795.7)	(7777.3)	(782.8)
Pre-election year	50.4	10.1	20.7	95.3	88.5	100.5
	(181.8)	(193.6)	(193.8)	(160.7)	(156.5)	(153.0)
EU Commissioner		*2.696	$967.4^{*}$		189.7	187.6
		(542.5)	(544.4)		(573.8)	(578.6)
Observations	303	303	303	302	302	302
$ m R^2$	0.905	0.909	0.910	0.865	0.865	0.865

million Euro. N varies across models due to three missing values on the net receipts and a covariate, respectively. Pre-election year takes a positive value in the year before an election in the EU member state, and EU Commissioner takes a positive value for EU members whose citizens serve as Positive coefficients designate variables' positive marginal effects on receipts (Models 25-27) or net receipts (Models 28-30) from the EU budget in Note: \*p<0.1; \*\*p<0.05; \*\*\*p<0.01. Two-way fixed effects OLS models with standard errors obtained from wild bootstrap clustered by country. agricultural, regional, or budget commissioners.

Table 5: Non-permanent UN Security Council membership and EU budget allocation: Prais-Winsten transformation of the error term, 1977-2006

			Danaga	Donom dont wariable.		
			перени	בונו המונמחוב		
		Receipts			Net receipts	
	(31)	(32)	(33)	(34)	(35)	(36)
Temp. UNSC member $(t-1)$	486.5** (221.2)	562.0***		399.2 (243.9)	468.3** (231.1)	
1st year on UNSC $(t-1)$			661.0***			647.7**
2nd year on UNSC $(t-1)$			$(249.1)$ $456.4^{*}$			(270.2) $269.1$
GDP (in bn 2010 USD)		4.1***	$(264.1)$ $4.1^{***}$		$-5.4^{**}$	$(291.5) -5.4^{***}$
		(1.0)	(1.0)		(1.3)	(1.2)
Agricultural labor force size (ln.)		467.9 (491.9)	450.0 $(490.4)$		-684.0 (551.0)	-676.1 (547.9)
GDP/cap. relative to EU		4.6	4.6		.00-	.0-8
		(5.8)	(5.7)		(4.8)	(4.7)
EU Presidency		147.0	149.8		153.9	152.0
		(123.8)	(124.0)		(127.1)	(126.8)
Domestic EU support		2.3	2.7		$17.2^{**}$ (7.3)	$17.6^{++}$
EU size		50.0	47.4		-14.7	-16.5
		(70.0)	(69.7)		(60.3)	(59.8)
Extraordinary year for EU		895.9**	889.8**		1,041.9**	1,033.0**
		(415.3)	(417.2)		(420.0)	(420.7)
Observations	303	303	303	302	302	302
$ m R^2$	0.868	0.939	0.937	0.424	0.645	0.644

Note: \*p<0.1; \*\*p<0.05; \*\*\*p<0.01. Panel regression with AR(1) Prais-Winsten correction and panel-corrected standard errors (Models 34-36) from the EU budget in million Euro. N varies across models due to three missing values on the net receipts in parentheses. Positive coefficients designate variables' positive marginal effects on receipts (Models 31-33) or net receipts and a covariate, respectively.

Table 6: Non-permanent UN Security Council membership and contributions to UN peace operations and EU mission size

			$Dependent\ variable:$	variable:		
	UN	UNPO contributions	utions	[편	EU mission size	size
	(37)	(38)	(39)	(40)	(41)	(42)
Temp. UNSC member $(t-1)$	21.2	20.2		1.5	1.0	
	(35.9)	(40.0)		(1.6)	(1.9)	
1st year on UNSC $(t-1)$			-28.1			9.0
			(36.3)			(2.6)
2nd year on UNSC $(t-1)$			72.3			1.6
			(53.9)			(1.6)
GDP (in $bn 2010 USD$ )		0.1	0.1		0.02	0.05
		(0.1)	(0.1)		(0.04)	(0.04)
Agricultural labor force size (ln.)		$340.3^{*}$	337.7*		-5.6	-5.7
		(185.5)	(186.4)		(8.2)	(8.2)
GDP/cap. relative to EU		0.5	0.5		0.2	0.2
		(1.5)	(1.5)		(0.2)	(0.2)
EU Presidency		-5.4	-5.8		1.1	1.1
		(32.6)	(32.0)		(2.3)	(2.3)
Domestic EU support		1.2	1.2		0.01	0.01
		(2.3)	(2.4)		(0.1)	(0.1)
EU size		16.9	17.5		-0.4	-0.4
		(10.9)	(10.9)		(0.8)	(0.8)
Extraordinary year for EU		26.6	30.5		4.9	4.9
		(20.8)	(50.3)		(6.1)	(6.1)
Observations	403	297	297	222	143	143
$\mathbb{R}^2$	0.392	0.529	0.531	0.824	0.813	0.813

military observers, and civilian police the EU member contributed to UN peace operations (Models 37-39) or on the size of the to 2014, since data on the number of diplomatic representatives of EU members in Brussels is not available for earlier periods. Models 38-39 and 41-42 are restricted to periods that end in 2006 since some covariates are not available for more recent years. staff in the EU member's diplomatic representation to the EU in Brussels (Models 40-42). Model 37 analyzes the period from 1990 to 2014, for which data on the dependent variable is available, while the temporal scope for Model 40 ranges from 1994 bootstrap clustered by country. Positive coefficients designate variables' positive marginal effects on the number of troops, Note: \*p<0.1; \*\*p<0.05; \*\*\*p<0.01. Country and year fixed effects OLS models with standard errors obtained from wild

Table 7: Non-permanent UN Security Council membership and EU budget allocation excluding EU external affairs expenses, 1977-2006

			Depend	Dependent variable:		
		Receipts			Net receipts	10
	(43)	(44)	(45)	(46)	(47)	(48)
Temp. UNSC member $(t-1)$	595.2** (290.4)	$704.2^{**}$ (333.5)		652.3** $(320.0)$	850.3** (392.7)	
1st year on UNSC $(t-1)$			841.0** (332.5)			981.1**
2nd year on UNSC $(t-1)$			557.0			(555.5) 710.0 (438.6)
GDP (in $bn$ 2010 $USD$ )		4.8**	48.4		-5.2***	-5.2** -5.2**
Agricultural labor force size (ln.)		(2.3) $-1,736.2$	(2.3) $-1,728.5$		(2.0) $-2,467.8**$	(2.0) -2,460.5**
GDP/cap. relative to EU		$(1,888.1) \\ 3.9$	(1,886.8) 3.9		(1,046.4) -1.2	(1,046.6) -1.2
EU Presidency		(12.3) $120.0$	(12.3) $121.0$		(9.4) 35.2	(9.3) 36.2
Domestic EU support		(196.0) $4.2$	(197.0) 4.2		(122.6) $27.7**$	(127.2) $27.6**$
EU size		(17.5) - 128.2	(17.5) $-130.1$		$(12.9)$ $-201.9^*$	(13.0) $-203.8*$
Extraordinary year for EU		(186.5) $1,465.7$ $(1,108.9)$	(185.9) $1,457.2$ $(1,113.1)$		(116.2) $1,512.1*$ $(795.4)$	$ \begin{array}{c} (115.6) \\ 1,503.9* \\ (801.6) \end{array} $
Observations $\mathbb{R}^2$	305 0.888	303 0.905	303 0.905	304 0.799	302 $0.865$	302 $0.865$

bootstrap clustered by country. Positive coefficients designate variables' positive marginal effects on receipts (Models 43-45) or net receipts (Models 46-48) from the EU budget in million Euro. N varies across models due to three missing values on the Note: \*p<0.1; \*\*p<0.05; \*\*\*p<0.01. Country and year fixed effects OLS models with standard errors obtained from wild net receipts and a covariates, respectively.

Table 8: Non-permanent UN Security Council membership and determinants of EU budget receipts: covariate balance tests, 1977-2006

		Dependent	variable:	
		UNSC n	nember	
	(49)	(50)	(51)	(52)
GDP (in bn 2010 USD)	-0.000	-0.000	-0.000	-0.000
	(0.000)	(0.000)	(0.000)	(0.000)
Agricultural labor force size (ln.)	-0.1	-0.1	-0.1	-0.1
. ,	(0.1)	(0.1)	(0.1)	(0.2)
GDP/cap. relative to EU	0.000	0.001	0.000	0.000
, -	(0.002)	(0.001)	(0.002)	(0.002)
EU Presidency	0.01	0.01	0.01	0.01
•	(0.04)	(0.1)	(0.04)	(0.1)
Domestic EU support	-0.002	-0.002	-0.002	-0.002
	(0.002)	(0.002)	(0.002)	(0.002)
EU size	0.01	0.02	0.01	0.01
	(0.03)	(0.02)	(0.03)	(0.02)
Extraordinary year for EU	-0.3***	-0.3***	-0.3***	-0.3**
, and the second	(0.1)	(0.1)	(0.1)	(0.1)
Population size (ln.)			0.7	$0.7^{\circ}$
- , ,			(1.6)	(1.3)
SSI in EU Council			-0.03	-0.03
			(0.04)	(0.04)
Pre-election year			$0.02^{'}$	$0.02^{'}$
, and the second			(0.05)	(0.05)
EU Commissioner			$-0.01^{'}$	-0.01
			(0.04)	(0.1)
Observations	303	303	303	303
$R^2$	0.129	0.125	0.129	0.129

Note: \*p<0.1; \*\*p<0.05; \*\*\*p<0.01. Two-way fixed effects OLS models. Models 49-50 include all covariates in the main models in Table 2 in the paper while Models 51-52 also include the additional covariates added to the models reported in Tables 3-4 in the Online Documentation. To specify covariate balance tests with conservative standard errors, both standard errors that are obtained from wild bootstrap and clustered by country (Models 49 and 51) and unclustered ones (Models 50 and 52) are reported. Positive coefficients designate variables' positive marginal effects on the likelihood that a given EU country holds a temporary seat on the UN Security Council, controlling for several possible confounders.

Table 9: Non-permanent UN Security Council membership and EU budget allocation with 4 lead and 4 lag variables, 1977-2006

			Depende	$Dependent\ variable:$		
		Receipts			Net receipts	
	(53)	(54)	(55)	(99)	(57)	(58)
Temp. UNSC member $(t-1)$	$960.9^*$ (496.6)	$1,220.6^{**}$ (530.0)		722.0 (507.7)	$1, 172.2^{**}$ $(555.5)$	
1st year on UNSC $(t-1)$	())))		1,378.4***	( ) ) )		1,299.9**
,			(514.6)			(535.3)
2nd year on UNSC $(t-1)$			$1,052.4^*$			1,036.1
Temp. IINSC member $(t5)$	0 209	910.7	(586.0) $893.8$	5. م	х «Сг «	$(628.0) \\ 515.9$
tomb: crack months (a.c.)	(503.7)	(580.8)	(584.1)	(511.3)	(542.9)	(550.3)
Temp. UNSC member $(t-4)$	$1,005.3\overset{*}{\ast}$	$1,306.1^{\ast}$	$1327.4^{**}$	477.7	966.6	983.9
	(525.1)	(674.8)	(6.799)	(611.6)	(624.8)	(619.7)
Temp. UNSC member $(t-3)$	543.6	$1,108.2^*$	$1,075.5^{*}$	100.5	675.7	649.3
Temp. UNSC member $(t-2)$	$(390.2) \\ 607.4$	$(307.1) \\ 737.0^*$	(579.9) 763.9*	$(521.5) \\ 275.0$	$(526.3) \\ 700.5$	(544.9) $721.7*$
4	(440.7)	(395.7)	(388.0)	(449.1)	(425.8)	(413.6)
Temp. UNSC member $(t)$	245.7	485.7	457.9	393.2	555.1	532.6
	(498.0)	(500.5)	(511.9)	(484.2)	(447.8)	(458.8)
Temp. UNSC member $(t+1)$	6.999	701.4	725.8	67.1	425.6	445.4
	(476.4)	(444.5)	(442.8)	(457.5)	(398.1)	(393.8)
Temp. UNSC member $(t+2)$	299.7	204.0	178.9	-190.1	-76.6	-96.8
	(294.3)	(264.8)	(271.9)	(336.9)	(215.0)	(222.9)
Temp. UNSC member $(t+3)$	261.0	128.2	154.0	-449.4	-489.5	-468.5
	(205.3)	(269.3)	(272.6)	(394.8)	(311.7)	(308.5)
GDP (in bn 2010 $USD$ )		5.0**	$^{*}$		-5.0**	-5.0**
		(2.4)	(2.4)		(2.0)	(2.0)
Agricultural labor force size (ln.)		-2,215.6	-2,201.4		-2,815.7**	-2,804.1**
CDD / com molections to DII		(1,992.6)	(1,991.6)		(1, 144.2)	(1, 141.6)
GDI /cap. relative to EO		(13.1)	(13.1)		-3.0 (9.3)	(6.9)
EU Presidency		140.5	139.6		66.8	66.2
		(223.0)	(224.5)		(144.1)	(149.3)
Domestic EU support		10.2	10.1		31.7**	31.7**
		(19.2)	(19.3)		(14.0)	(14.1)
EU size		-175.6	-178.7		$-240.9^{*}$	$-243.4^{*}$
		(200.5)	(199.3)		(130.5)	(129.8)
Extraordinary year for EU		1,802.0	1,793.1		1,872.6**	1,865.3**
		(1,218.2)	(1, 223.9)		(889.1)	(895.5)
Observations R <sup>2</sup>	305	303	303	304	302	302
11.	U.O.	0.010	0.01U	0.001	0.010	0.010

Note: \*p<0.1; \*\*p<0.05; \*\*\*p<0.01. Country and year fixed effects OLS models with standard errors clustered by country. Positive coefficients designate variables' positive marginal effects on receipts (Models 53-55) or net receipts (Models 56-58) from the EU budget in million Euro. N varies across models due to three missing values on the net receipts and a covariate, respectively.

Table 10: Non-permanent UN Security Council membership and EU budget allocation with 1 lead and 1 lag variable, 1977-2006

			Depend	$Dependent\ variable:$		
		Receipts			Net receipts	ts
	(59)	(09)	(61)	(62)	(63)	(64)
Temp. UNSC member $(t-1)$	$957.2^{**}$ $(477.4)$	1,187.3** $(500.7)$		692.1 (486.6)	$1,092.2^{**}$ (529.9)	
1st year on UNSC $(t-1)$		,	$1,328.4^{***}$	,	,	1,225.5**
2nd wear on $IINSC$ (+-1)			(497.4)			(511.2) 949 4
			(537.4)			(592.6)
Temp. UNSC member $(t-2 \text{ to } t-5)$	674.8*	$954.3^{*}$	$955.0^{*}$	212.2	612.4	612.8
	(391.0)	(490.0)	(490.3)	(492.7)	(491.2)	(491.1)
Temp. UNSC member $(t \text{ to } t+3)$	378.3	376.2	375.8	-66.2	69.2	69.0
GDP (in bn 2010 USD)	(285.4)	$(278.1) \ 4.9**$	$(2.79.0) \ 4.9^{**}$	(376.2)	$(277.0) \\ -5.1**$	(277.7)
		(2.4)	(2.4)		(2.0)	(2.0)
Agricultural labor force size (ln.)		$-2,16\overline{1.8}$	$-2,154.4^{'}$		$-2,773.0^{**}$	$-2,765.8^{**}$
		(1,932.1)	(1,930.8)		(1,098.3)	(1,099.2)
GDP/cap. relative to EU		1.9	1.9		-2.6	-2.6
		(13.1)	(13.0)		(9.4)	(9.4)
EU Presidency		97.1	98.1		14.6	15.6
		(213.4)	(213.9)		(122.8)	(127.2)
Domestic EU support		9.4	9.4		30.9**	30.9**
EU size		(10.9) -164.1	(19.0) -166.1		(15.t) -225.9*	(13.8) $-227.8*$
		(200.1)	(199.7)		(127.9)	(127.4)
Extraordinary year for EU		1,695.9	1,687.4		1,686.5**	1,678.3**
		(1, 152.8)	(1, 156.1)		(843.1)	(848.7)
Observations	305	303	303	304	302	302
$\mathbb{R}^2$	6.0	0.0	6.0	8.0	6.0	6.0
$Adjusted R^2$	0.891	0.909	0.909	0.799	0.867	0.867

bootstrap clustered by country. Positive coefficients designate variables' positive marginal effects on receipts (Models 59-61) or net receipts (Models 62-64) from the EU budget in million Euro. N varies across models due to three missing values on the Note: \*p<0.1; \*\*p<0.05; \*\*\*p<0.01. Country and year fixed effects OLS models with standard errors obtained from wild net receipts and a covariate, respectively.

Table 11: Timing of announcement of candidacy for all UN Security Council seats open to EU members between 2004 and 2018

Year of	Candidate	UN regional	$\mathbf{E}\mathbf{U}$	Year of
election	$\operatorname{country}$	voting group	member?	announcement
2018	Belgium	WEOG	Yes	2009
2018	Germany	WEOG	Yes	2013
2018	Israel	WEOG	No	2005
2017	Bulgaria	${ m EE}$	Yes	2004
2017	Poland	${ m EE}$	Yes	2009
2016	Italy	WEOG	Yes	2009
2016	Netherlands	WEOG	Yes	2005
2016	Sweden	WEOG	Yes	2004
2015	Ukraine	${ m EE}$	No	2003
2014	New Zealand	WEOG	No	2004
2014	Spain	WEOG	Yes	2005
2014	Turkey	WEOG	No	2011
2013	Lithuania	${ m EE}$	Yes	2001
2012	Australia	WEOG	No	2008
2012	Finland	WEOG	Yes	2002
2012	Luxembourg	WEOG	Yes	2001
2011	Azerbaijan	${ m EE}$	No	unknown
2011	Hungary	${ m EE}$	Yes	2007
2011	Slovenia	${ m EE}$	Yes	2000
2010	Canada	WEOG	No	2001
2010	Germany	WEOG	Yes	2006
2010	Portugal	WEOG	Yes	2000
2009	Bosnia	${ m EE}$	No	unknown
2008	Austria	WEOG	Yes	1998
2008	Iceland	WEOG	No	2000
2008	Turkey	WEOG	No	2003
2007	Croatia	EE	No	1999
2007	Czech Republic	$\rm EE$	Yes	2003
2006	$\operatorname{Belgium}$	WEOG	Yes	2002
2006	Italy	WEOG	Yes	unknown
2005	Slovakia	EE	Yes	1999
2004	Greece	WEOG	Yes	1999
2004	Denmark	WEOG	Yes	unknown

Note: The table indicates the year of election onto the Security Council, the voting group for which the seat is reserved, the names of all states that ran for election, and the year when each candidate announced their candidacy. The table includes EU members that sought election onto the Council and non-EU countries that competed to fill the same seat. On average, states announced their candidacy more than eight years before the election took place, i.e., more than nine years before the start of their term on the Council. The data for all candidacies for seats that were (or will be) filled between 2004 and 2018 was gathered for this study from various primary sources, except for four missing data points. Unfortunately, systematically compiled data on earlier elections is not available. The two voting groups are WEOG (group of Western European states and other Western countries, i.e., Australia, Canada, Israel, and New Zealand) and EE (group of Eastern European states, which includes most countries that joined the EU in the 2000s). See fn. 7 in the paper for more details on the composition of both groups.

Table 12: Anecdotal evidence on cost of campaigns for seats on the UN Security Council

Candidate country	Opponents	Year of election	Estimated cost as reported	Estimated cost in EUR
Lithuania	none	2013	$300.000 \; \mathrm{LTL}$	87,019
Australia	Finland, Luxembourg	2012	25 million AUD	17.1 million
Finland	Australia, Luxembourg	2012	2 million Euro	2 million
Luxembourg	Australia, Finland	2012	1 million Euro	1 million
Ireland	Italy, Norway	2000	1.5 million Euro	1.5 million
Canada	Greece, Netherlands	1998	1.9 million CND	1.1 million
Canada	Finland, Greece	1988	"tens of thousands of [CND]"	<0.1 million

Note: The table documents the costs of campaigning for a seat in the UN Security Council incurred by four states that ran in the voting group of Western European and Other states, to which the majority of EU members belong. It also includes the cost of Lithuania's campaign to join the Security Council as the candidate of the Eastern European Group. Amounts in a foreign currency were converted into USD using historical exchange rates at the time of the election onto the Security Council. This data was compiled for this study from various primary sources.