A Friend Like Me: The Effect of IO Membership on State Preferences

Abstract

Do international organizations (IOs) have an independent effect on state preferences? Despite the importance of this question in the International Relations literature, isolating the causal effect of IO membership has proven difficult due to endogeneity concerns. This research note offers a novel empirical approach to identifying the causal effect of shared membership in IOs on member state preferences. We exploit the fact that states joining the European Union (EU) obtain automatic membership in several other IOs through the EU's membership in these organizations. We then use a difference-in-differences strategy to estimate the effect of automatic membership in IOs on preference similarity with other members versus preference similarity with non-members. We demonstrate that shared IO membership leads to an increase in preference similarity. This approach offers a useful way to disentangle the effect of IO membership from selection effects that lead states to join IOs.

Keywords: international organizations; European Union; cooperation

How do international organizations influence the preferences of their member states? A large body of literature has examined whether (and how) international organizations (IOs) affect states' preferences on different issues (e.g., Keohane 1984; Gheciu 2005; Goodman and Jinks 2013). Although they disagree on the mechanisms through which shared membership in IOs leads to these outcomes, many scholars have found that shared membership in IOs leads states to have more similar preferences and behavioral norms, from increasing trade (e.g., Goldstein, Rivers, and Tomz 2007) to protecting human rights (e.g., Greenhill 2010). IOs are important in world politics precisely because of their effects on states, whether by socializing new members to adopt the IO's norms or by removing transaction costs that inhibit cooperation between states.

However, identifying the effects of IO membership on state preferences can be difficult due to issues of selection effects. In this research note, we demonstrate a solution to the challenge of selection effects in assessing how IOs influence the preferences of their member states. We use a research design that enables us to separate the effect of joining IOs from states' decision to join the IO in the first place, by using a difference-in-differences strategy in a setting where membership in IOs is not confounded by latent similarity in state preferences. Specifically, we exploit the European Union's (EU) position as both an IO and an individual member of many IOs. We employ the fact that when new states joined the EU in 2004, they automatically joined the IOs of which the EU is a member. Our findings support and strengthen the interpretation that IOs have an independent effect on state preferences.

IO Membership and State Preferences

Thousands of international organizations seek to govern an extensive array of state activities, from trade in coffee to nuclear energy production to fisheries. Qualitative scholarship on IO membership has often focused on the effects of particularly important IOs on state preferences and behavior (e.g., Zürn and Checkel 2005; Gheciu 2005; Acharya 2014). Although such scholarship provides valuable insights into how these specific IOs can affect states, it explains less of the implications of joining IOs in general. Quantitative scholarship, meanwhile, has produced mixed find-

ings as to whether joining IOs in general leads to shifts in state preferences or behavior (e.g., Von Stein 2005; Bearce and Bondanella 2007; Spilker and Böhmelt 2013; Karreth 2018). Importantly, quantitative work examining the effects of IO membership often encounters a serious selection challenge: it is extremely difficult to determine whether joining IOs changes states' preferences and behavior or whether states join IOs because of other factors that also cause their preferences and behavior to change. In the absence of joining IOs, would states engage in similar behavior as they do when they join these IOs? For example, do states comply with treaties and rules in IOs because the IO's authority compels them to do so, as Fuhrmann and Lupu (2016) find, or because they would have done so anyway in the absence of an IO mandating them to do so, as Von Stein (2005) finds? Given that all states in the world are members of multiple IOs, understanding the relationship between IO membership and state preferences and behavior is a critical issue for IR scholars. If joining IOs leads states to have more similar preferences and behavior to members of those IOs, this suggests that IOs have important second-order effects that deserve greater attention on a systematic level. On the other hand, if joining IOs does not lead states to have more similar preferences and behavior, this indicates that IOs' influence on states may be more limited, and that scholars should instead focus more on the factors that lead states to select into joining IOs.

Failing to isolate the causal effect of participating in IOs from the decision to join IOs can lead to biased estimates. As Chaudoin, Hayes, and Hicks (2018) show in the context of World Trade Organization membership, unintentional selection on unobserved variables can produce (statistically significant) positive correlations when there is no theoretical reason to expect a relationship between these variables. While some scholars have used instrumental variable approaches (e.g., Dreher, Mikosch, and Voigt 2015) or matching (e.g., Spilker and Böhmelt 2013) to address endogeneity concerns in estimating the effects of IO membership, these approaches rely on strong assumptions, such as the exclusion restriction and unconfoundedness of treatment conditional on observables (Cunningham 2021), which may not be expected to hold in the case of IO membership.

Research Design

To account for selection effects in assessing how IOs shape state preferences, we exploit the fact that states that joined the EU in 2004 obtained automatic membership in a number of IOs. This occurred because the EU itself—rather than its member states—holds membership in these IOs (Jørgensen and Wessel 2011; Pevehouse, Nordstrom, McManus, and Jamison 2020). In this way, the new EU member states gained a number of new IO memberships—not as individual states, but through their EU membership. When new states join the EU, the Union has never reconsidered or renegotiated its membership in IOs. Instead, new members must take on the EU's commitments to the IOs of which the EU is already a member. This reality of EU membership is generally ignored and does not play a role in EU accession negotiations. In short, the new EU member states did not specifically choose to join the IOs in which they obtained automatic membership following their EU accession. Thus, we argue that these new IO memberships are unconfounded by the new EU member states' existing preferences. This design allows us to estimate the effect of these other new IO memberships on state preferences (rather than the effect of joining the EU itself).[1]

Since the new EU member states' automatic memberships in these other IOs is a result of their decision to join the EU, we cannot differentiate between the effect of joining the EU and joining the other IOs when looking at state preferences *overall*.[2] However, comparing the extent of their preference convergence with the other member states of these IOs with their preference convergence with states that were not members of these IOs allows us to causally estimate the effect of *joint* IO membership on preference similarity. This strategy is equivalent to a difference-

[1] As these IOs are broadly representative of the universe of IOs, there is no reason our findings should not be applicable to the effect of IOs on member states more broadly. However, to isolate the effect of joining IOs from unobserved variables that could affect states' preferences, our design necessarily restricts us to looking at the effect of these specific IOs on new EU member states.

[2] This also means we are unable to explore the effect of shared IO membership on country-specific (rather than dyad-specific) outcomes.

in-differences design with exogenous treatment assignment. For example, when Estonia joined the EU in 2004, it automatically obtained indirect membership in the Inter-American Tropical Tuna Commission (IATTC), since the EU as a whole is a member. As a result, Estonia now had an (additional) joint IO membership with states such as Canada, Ecuador, and Mexico. Comparing the extent to which Estonia's preferences converged with these states after 2004 to its preference convergence with states outside the IATTC during the same time period allows us to estimate the marginal effect of an (additional) joint IO membership on state preference convergence.

Although many of these IOs deal with economic issues, scholars have found that joint membership in economic IOs can have far-reaching, non-economic implications for relations between states (Karreth 2018). However, it is possible that in contrast to IO membership in which the state makes the decision to join an IO and becomes a member in its own right, new EU member states may be less actively involved and hold less stake in these indirect IO memberships that they gain by joining the EU. This in turn may lead to fewer opportunities for the information exchange and socialization processes to occur that authors such as Bearce and Bondanella (2007) argue are necessary for changes in preferences. Nonetheless, both national and EU representation at these IOs provide opportunities for information exchange and socialization through which joint IO membership could lead to preference convergence.[3] For these reasons, this research design represents a hard test of the hypothesis that joint IO membership leads to preference convergence.

Operationalization

Based on the strategy described above, we construct a data set of dyad-years, in which the dyads are limited to those between states that joined the EU in 2004 and non-EU members.[4] We

[3] Approximately half of these IOs include both direct representation by national actors and by an EU delegation, while half are represented only by the EU.

[4] Cyprus, Czechia, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia joined the EU in 2004. We exclude EU-15 members, as there is no variation in these states' membership of the IOs that the new EU members join automatically.

include years from 1990 to 2014, which includes 1,837 dyads and 41,703 dyad-year observations.[5] For our treatment variable, we identify 19 IOs in which the EU as a whole held membership in 2004.[6] We code dyads as belonging to the treatment group if the non-EU state in the dyad is a member of any of these 19 IOs, and code all other dyads as belonging to the control group.[7] Pre-/post-treatment periods are pre-/post-2004.

To measure preference convergence, we use data drawn from United Nations General Assembly (UNGA) roll call votes. Specifically, we use the measure of ideal point estimates developed by Bailey, Strezhnev, and Voeten (2017), which is widely used by international relations scholars to measure state preferences (e.g., Koremenos 2016; Davis and Wilf 2017).[8] Our outcome variable, *ideal point similarity*, equals the absolute distance between the ideal point estimates of the dyad members in our data set multiplied by -1, to ensure that higher values reflect greater similarity rather than difference.

The model

We conduct a difference-in-differences analysis, comparing the changes in preference similarity between the treatment and control group after the new member states join the EU. Specifically, we estimate the following model:

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[5] We use 1990 as the starting point because many of the new EU members did not exist as independent states prior to this year.

[6] See Appendix A for a full list of these IOs.

[7] See Appendix B for a full list of the countries in the treatment and control group.

[8] The ideal point estimates are generated using item response theory (IRT) models based on roll call votes in the General Assembly and allow for accurate comparisons of preferences over time. Compared to other measures of state preferences constructed using UNGA voting, they are less sensitive to idiosyncratic votes and changes in the UN's agenda. UN voting is also substantively important for countries, as evidenced by US provision of foreign aid in an effort to change countries' votes (Woo and Chung 2018).

$$\text{Ideal point similarity}_{dt} = \alpha + \beta \text{Treatment}_d + \tau \text{Post}_t + \delta(\text{Treatment}_d \times \text{Post}_t) + \zeta_d + \varepsilon_{dt}$$

where d and t index dyads and years, respectively; β reports the effect of being in the treatment group; τ reports the effect of shifting from the pre-accession to the post-accession period; δ reports the effect of shifting to the post-accession period while in the treatment group; ζ represents dyad fixed effects; and ε is the error term. As we seek to estimate the differential effect of EU accession on dyads that include states that are members of the 19 IOs in question, δ is the coefficient of interest for our analyses.

Results

Table 1 reports results from our analysis. Model 1 is the simple difference-in-differences model described above. Model 2 includes control variables that have been found to affect preference similarity: relative economic development, relative economic size, domestic political difference, geographic distance, and other IO memberships that dyads share (excluding the automatic ones that form the treatment variable).[9] Model 3 uses an alternative treatment variable that allows for different treatment levels depending on the number of additional joint memberships each new EU member state obtains with their dyad partners.[10] Model 4 includes dyad-specific linear time trends to ensure our results are not driven by different time trends among the treatment and control groups.

The coefficient on the interaction term is consistently positive and statistically significant across all model specifications, suggesting that joint IO memberships lead to more similar preferences.[11]

[9]Due to missing data for several control variables, the number of observations and dyads in Model 2 is smaller than for other models.

[10]In this model, there are five levels of treatment. Dyads on treatment level 0 have no additional joint membership, those on level 1 have 1 additional joint membership, those on level 2 have 2–3 additional joint memberships, those on level 3 have 4 additional joint memberships, and those on level 4 have 5–12 additional joint memberships.

[11]A potential alternative explanation for our results is that the dyads in the treatment group include more countries that have better relations with the EU as a whole, and therefore their pref-

The estimated effect of joint IO memberships on *ideal point similarity* is equivalent to 15–38% of the observed standard deviation of ideal point similarity in our sample. These estimates are somewhat larger than those in the existing literature. For instance, Bearce and Bondanella (2007) estimate that a one standard deviation increase in joint IO membership is associated with an increase in preference similarity of 4–16% of a standard deviation. Since these IOs are least likely to affect new EU states' preferences, the results can be interpreted as a lower bound on estimates of the effect of more direct and potentially more active IO memberships on preference convergence.

Table 1: The effect of automatic joint IO membership on state preference similarity.

	Model 1	Model 2	Model 3	Model 4
Post	-0.10^*	-0.24^*	-0.08^*	0.03^*
	(0.01)	(0.01)	(0.00)	(0.01)
Treatment × post	0.10^*	0.25^*		0.10^*
	(0.01)	(0.01)		(0.01)
$\text{Treatment}_{levels}$ × post			0.04^*	
			(0.00)	
Control variables		✓		
Linear time trend				✓
Observations	40,232	13,451	40,232	40,232
Dyads	1,786	643	1,786	1,786
R^2	0.01	0.04	0.01	0.44

Note: Coefficients from OLS regression with standard errors in parentheses. All models include dyad fixed effects. As the *treatment* variable is time-invariant (and therefore perfectly collinear with dyad fixed effects), it is omitted from these models. $^*p < 0.05$

Additional Analyses

We conduct several additional analyses to verify our results. First, we show that our results remain virtually unchanged when standard errors are clustered at the dyad level (see Table D2 in Appendix D). Second, we examine pre-treatment trends to assess the validity of the parallel trends

erences become more similar to those of the new EU member states once they join. Comparing pre-treatment means between the treatment and control group suggests that this is not the case: dyad partners in the treatment group hold pre-treatment preferences that are *less* similar to those of EU-15 members (-1.64 compared to -1.42).

assumption. As we find considerable differences between the treatment and control groups, we use coarsened exact matching to establish balance on key factors. Once matching is applied, there are virtually no differences in the pre-treatment trends (see Figure E1 in Appendix E). The results reported in Table 1 hold for the matched data (see Table E1 in Appendix E). Third, to ensure our results do not merely reflect convergence of new EU member states to EU-15 members, we estimate the post-2004 difference in the effect of joint IO membership on preference similarity for new EU member states versus EU-15 members. We find little difference between the two, suggesting that new EU members' convergence towards the EU-15 members does not explain our main findings (see Table F1 in Appendix F).

Finally, we conduct a supplementary analysis using a different set of dyads in the treatment and control group. To ensure our results are not driven by features that are specific to the states that joined the EU in 2004 (which are primarily post-communist states), we test whether an equivalent analysis of states that joined the EU in 1995 produces similar results. Results from this analysis (see Table G1 in Appendix G) are substantively similar to those reported in Table 1, indicating similar effects of joint IO memberships on preference similarity when focusing on states that joined the EU in 1995. These results demonstrate that our key findings are generalizable beyond the primarily post-communist states that joined the EU in 2004. The fact that results are similar even though the treatment and control groups for the Northern accession analysis—as well as the time frame—are very different from those for the Eastern accession analysis also makes it less likely that our findings are driven by idiosyncratic features of the treatment group or time period.

Conclusion

In exploiting the EU's unique relationship with its member states and as a participant in IOs, this research note offers a novel approach for isolating the effect of membership in IOs from the decision to join IOs. By more precisely estimating the effect of IO membership on member state preference convergence, our findings support the claim that joint membership in IOs leads states to have more similar preferences, even when those IOs may not appear directly relevant to states'

interests. This approach can also be used to estimate other effects of joint membership in IOs, such as whether states that share IO memberships are more likely to enter into alliances or other forms of military cooperation with one another, increase trade with one another, or increase their foreign direct investment in states with which they share IO memberships.

IOs are today increasingly under strain from populism and a dearth of global leadership (Bearce and Scott 2019; Copelovitch and Pevehouse 2019). In this context, understanding how IOs shape state preferences is more important than ever. Rather than dismiss IOs as unimportant or simply talk shops, our findings demonstrate that IOs substantively shape the preferences of their member states, even under unlikely circumstances.

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