

POL 396: International Organization

Precept 4

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Precept Resources

<https://jingqian.org/pol396>

- Feedback form
- Office hour appointment
- Precept slides
- ... and more

Weekly Assignment: No Late Submission

Precept Syllabus

“No late submissions are accepted. Extensions will not be granted for any reasons, without written explanation from your Dean.”

Plan

- G20
- Regional Development Banks
- Chinese Institutions
- How to read regression tables
- Counterfactuals

G20



G20 by Continent: 1112348

North America [3]

- United States
- Canada
- Mexico

South America [2]

- Argentina
- Brazil

Europe [4]

- United Kingdom
- France
- Germany
- Italy

Other [1]

- EU

Africa[1]

- South Africa

Asia [8]

- China
- Russia
- Japan
- South Korea
- India
- Indonesia
- Saudi Arabia
- Turkey

Oceania[1]

- Australia



Turkey

Russia

STAR'S

Saudi Arabia

Australia

South Africa



Brazil

France

BF

South Korea

Sent

US

U



Indonesia

Indigo

Argentina

Italy

MAGIC

Mexico

Germany

Canada

Japan

India

JUICE

Uk

China

EU

Regional Development Banks

Who are they?

- Asian Development Bank (ADB/AsDB): 1966
- Inter-American Development Bank (IDB/IADB): 1959
- African Development Bank (ADB/AfDB): 1964-1966

Group discussion:

- When are these RDBs founded? (historical context)
- Which countries has the biggest say? (representation)
- How are they different/similar, compared with the World Bank?

Regional Development Banks

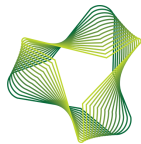
- Historical context: Cold War & Independence Movements
- Representation: Regional hegemons (and the U.S.)
 - AsDB: Japan & US
 - AfDB: Nigeria (& US + Japan?)
 - IaDB: US, Brazil, Argentina
- Governments also use these RDBs to pursue foreign policy goals

Chinese Institutions



**ASIAN INFRASTRUCTURE
INVESTMENT BANK**

- Founded in 2016
- Founding Member: 57
- Current Member: 95 + 14
 - Regional: 47
 - Non-regional: 48
 - Prospective: 14



**New
Development
Bank**

- Founded in 2015
- Founding Member: 5 (BRICS)
- Current Member: 8 + 1
 - New: Bangladesh (2021);
UAE (2021); Egypt (2023)
 - Prospective: Uruguay

Chinese Institutions

Group discussion:

- Historical context
- Representation
- Difference/Similarity

How are Chinese institutions compared with earlier RDBs?

Chinese Institutions

- Global financial crisis
- Rise of Chinese institutions
- Determinants: Dissatisfaction with US leadership
- Consequences: Less reliance on U.S. institutions (World Bank)
- Competition with US institutions
- Enhance Chinese foreign policy influence



WORLD • INDONESIA

Trouble Inventing Paradise: Beijing-Based Development Bank Faces Inflection Point as Concerns Mount Over 'New Bali' Project

13 MINUTE READ

Coverage picked up by the following news outlets: *Prima News*, *My Droll*, *DNYUZ*, *Yahoo! News*, *The State*, *The Kansas City Star*, *Merced Sun-Star*, *Miami Herald*, *Ledger-Inquirer*, *Idaho Statesman*, *The Sun News*, *The Charlotte Observer*, *Bradenton Herald*, *The Bellingham Herald*, *The Herald Sun*, *The Modesto Bee*, *The News & Observer*, *Tri-City Herald*, *The Wichita Eagle*, *Centre Daily Times*, *The News Tribune*, *SunHerald*, *Lexington Herald Leader*, *Belleville News-Democrat*, *Fort Worth Star-Telegram*, *The Tribune*, *The Island Packet*, *The Olympian*, *The Herald*, *The Telegraph*, *Aol*, and *Yahoo! News (New Zealand)*.

Regression Tables

Table 1: African Development Bank commitments

	(1)	(2)	(3)	(4)	(5)
Japan: UN voting	13.32** (5.964)	12.00* (6.712)			16.51* (9.679)
Japan: aid	0.251** (0.120)	0.331** (0.136)			0.308** (0.131)
Japan: trade	0.251*** (0.0870)	0.284* (0.162)			0.256 (0.160)
US: UN voting			-2.486 (3.374)	-2.496 (3.156)	3.904 (4.676)
US: aid			0.196 (0.130)	0.173 (0.149)	0.148 (0.149)
US: trade			0.0932 (0.138)	-0.562 (0.483)	-0.528 (0.475)
World trade		0.0771 (0.148)		0.806* (0.438)	0.569 (0.500)
Population		3.946 (5.777)		7.154 (5.476)	5.356 (5.723)
GDP per capita		-4.020** (1.748)		-4.170** (1.641)	-4.210** (1.696)
Life expectancy		0.119 (0.130)		0.129 (0.124)	0.103 (0.134)
Regime type		0.0772 (0.156)		0.118 (0.161)	0.0464 (0.152)
Year FE	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes
Number of countries	52	50	52	50	50
Observations	1040	956	1040	956	956
Adjusted R2	0.284	0.283	0.277	0.276	0.284

Note: Standard errors in parentheses clustered at country-level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

1. Dependent variable
2. Unit of analysis
3. Independent variable
4. Positive/Negative
5. Statistically Significant

Robust(ness)



Whole



Crushed



Sliced



Minced



Grated

Robust(ness)

Key results stay across different:

- sample
- measurement/operationalization
- statistical methods
- ...

Causality and Counterfactual

Correlation does not imply causality!

So how should we establish causality?

Tuesday



Tuesday



Wednesday



Tuesday



Wednesday



Thursday



Tuesday



Wednesday



Thursday



Can we say hospital → getting healthy?

Wednesday



Thursday



Wednesday



Thursday



Jim



Tim

Wednesday



Thursday



Jim



Tim

Can we say hospital  getting healthy?

Tuesday



Wednesday



Thursday



Tuesday



Wednesday



Thursday



Tuesday



Wednesday



Thursday



Can we say hospital → getting healthy?

Tuesday



Wednesday



Thursday

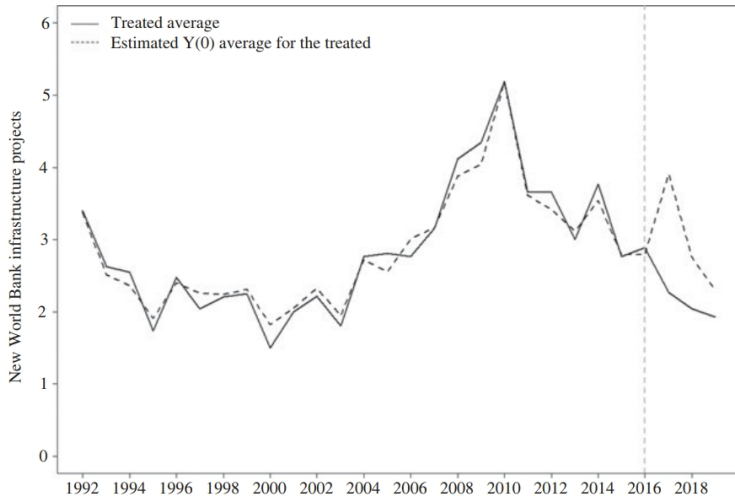


Reality

Can we say hospital \longrightarrow getting healthy?

Counterfactual





Notes: This plot shows the actual (*solid line*) and estimated counterfactual (*dashed line*) average annual World Bank infrastructure projects for AIIB founding members (1992–2019) using DM-LFM (Pang, Liu, and Xu 2022). Covariates included (see Table 1, model 2). Number of observations: 2,619. The sample includes 102 countries (26 AIIB founders).