

Quick Facts on United States' Dues Assessments to the United Nations

Prepared for the UNA-USA Nashville Cordell Hull Chapter
by Vanessa A. Lefler, Ph.D.
21 March, 2017

Overview

- America's annual obligation to the UN Regular Budget is \$465 million. This represents 22 percent of the organization's revenue from member contributions.
- By comparison, the US obligation comprises less than one-tenth of 1 percent of US discretionary spending on non-security items.
- Moreover, generating almost 25 percent of the world's income, the US is hardly over-assessed. Rather, countries like Japan (6% global GDP, 12.5% UN budget), Germany (5%, 8%), and Italy (2%, 6%) make comparatively larger contributions without also receiving the privileges of UN Security Council veto power and other committee positions.
- Countries that could shoulder more responsibility, however, include China (15% global GDP, 3.2% UN budget) and India (3%, < 1%). These countries are handicapped, however, by their designation as developing countries.
- Still, the US can and should do better.
 - America is responsible for almost 80 percent of all lapsed contributions owed to the UN.
 - Despite the setback of operating on 20 percent of its promised revenue, the UN gives the US and other democratic nations a demonstrable return on investment by effecting peace, security, and development alongside socializing countries into democratic and liberal norms.
- As the US withdraws, the benefits from investment in and curation of international organizations are slipping toward China. Preservation of the United Nations around principles of democracy, human rights, and liberalism could stem and potentially reverse this trend.

Report

1. The United Nations maintains two large budgets: a Regular Budget and a Peacekeeping Operations Budget.

The Regular Budget is the funds day-to-day UN operations and on-going projects are financed. These projects include compensating the more than 17,000 employees of the United Nations bureaucracy in New York, NY (USA) and Helsinki, Finland, maintaining facilities across the globe, and sponsoring regular programs like the UN Development Programme (UNDP), the United Nations Commission on Science and Technology (UNCSTD), and UN Women – to name a few.

Separate, voluntary funds support specialized agencies like the United Nations Education and Social Organisation (UNESCO), the Food and Agriculture Organisation (FAO), and the World Health Organization (WHO).¹

The Peacekeeping Operations Budget comprises a separate pool of resources that pays for security, monitoring, and technical assistance in the 16 operations presently underway.²

2. In 2010, the most recent year on record with the United Nations Committee on Contributions,^{3,4} the United States paid over \$532 million in assessed dues to the UN Regular Budget.

This amount comprised more than \$465 million in annual dues assessed to the United States and \$67 million in “back” or unpaid dues from previous years. The \$465 million obligation the US owes the United Nations each year comprises 22 percent of annual UN revenue from member dues to the general fund.

3. The United States’ apportionment, 22 percent of the UN regular budget, is the largest of all UN Members.

For comparison, the following table summarizes the dues assessed to other globally influential countries:

¹ “Tables and Charts on Financing of the UN Programmes, Funds and Specialized Agencies.” 2014. *Global Policy Forum*. Last Accessed: 2017/01/30. <https://www.globalpolicy.org/un-finance/tables-and-charts-on-un-finance/the-financing-of-the-un-programmes-funds-and-specialized-agencies.html>

² “Implementation of General Assembly resolutions 55/235 and 55/236.” 2015/12/28. *United Nations General Assembly*. A/70/331.Add.1. http://www.un.org/ga/search/view_doc.asp?symbol=A/70/331/Add.1

³ Committee on Contributions. 2017. *United Nations General Assembly*. Last Accessed: 2017/01/30. <http://www.un.org/en/ga/contributions/index.shtml>

⁴ “Status of Contributions as at 31 December 2010.” 2010/12/31. *United Nations Secretariat*. ST/ADM/SER.B/828. http://www.un.org/ga/search/view_doc.asp?symbol=ST/ADM/SER.B/828

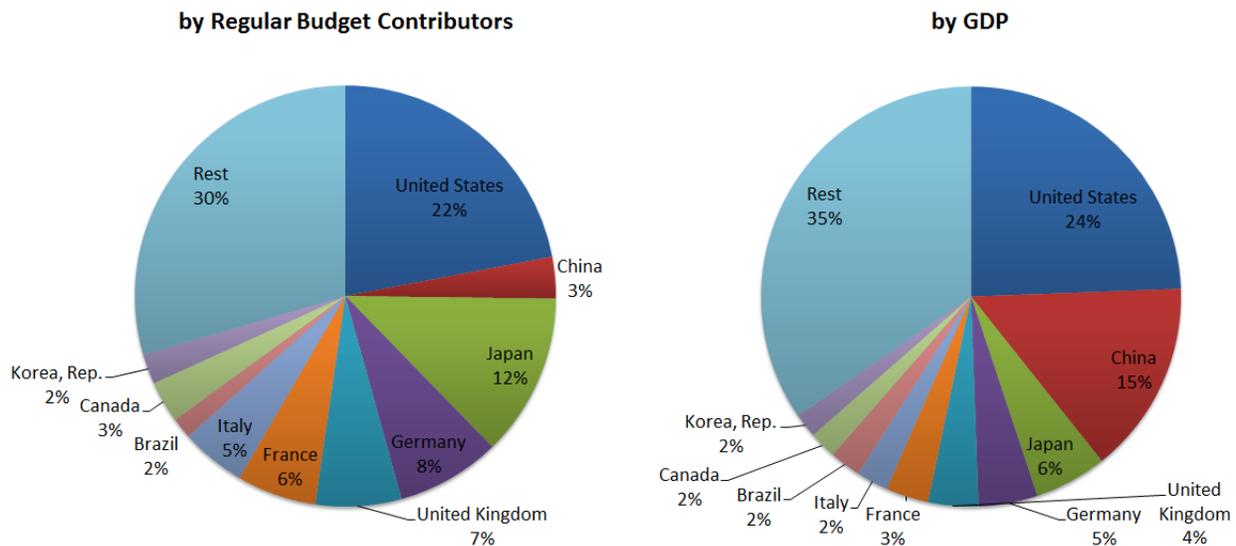
2010 UN Regular Budget Top 15 Contributing Members

| 2010 Assessments | | | | |
|------------------|----------------|--------------|--------------------------|--|
| Rank | Country | Percentage | Amount (millions USD) | Share of Global Income (% of Global GDP) ⁵ |
| 1 | United States | 22.0% | \$465.1 | 24% |
| 2 | Japan | 12.5% | \$265.0 | 6% |
| 3 | Germany | 8.0% | \$169.5 | 5% |
| 4 | United Kingdom | 6.6% | \$139.6 | 4% |
| 5 | France | 6.1% | \$129.5 | 3% |
| 6 | Italy | 5.0% | \$105.8 | 2% |
| 7 | Canada | 3.2% | \$67.8 | 2% |
| 8 | China | 3.2% | \$67.4 | 15% |
| 9 | Spain | 3.2% | \$67.2 | 2% |
| 10 | Mexico | 2.4% | \$49.8 | 2% |
| 11 | South Korea | 2.3% | \$47.8 | 2% |
| 12 | Australia | 1.9% | \$40.9 | 2% |
| 13 | Netherlands | 1.9% | \$39.2 | 1% |
| 14 | Brazil | 1.6% | \$34.1 | 2% |
| 15 | Russia | 1.6% | \$33.9 | 2% |
| Total | | 80.0% | \$1,722.6 | 73% |

For further illustration, the following figure compares the portion of the responsibility that the top ten UN regular budget contributing countries bears with their share of global income, measured by their gross domestic product:

⁵ Note: Based on 2015 Gross Domestic Product (GDP) data. "2015 GDP ranking." 2016/12/16. *World Bank*. Last Accessed: 2017/01/30. <http://data.worldbank.org/data-catalog/GDP-ranking-table>

Top 10 UN Regular Budget Contributing Countries, 2010



Together, these countries' contributions comprised more than \$1.7 billion – four-fifths of the UN's entire income in 2010.

This rate is nearly proportional to these countries' share of global revenue, which is almost three-fourths of global gross domestic product.⁶

Moreover, contributions to the UN budget are dominated by those from industrialized, modern democracies.

China and Russia, both Permanent Members of the UN Security Council, are the only non-democratic countries in this list.⁷

⁶ A notable omission in this set of countries is India, which in 2015 generated the 7th greatest share of global revenue (World Bank, 2016). India's assessed share of the UN general fund, however, is just 0.53%, which amounts to \$11.3 million.

⁷ In 2015, the Center for Systemic Peace "Polity IV Regime Characteristics Project" described Russia as mixed, authoritarian republic and China as an authoritarian country. Freedom House corroborates these conclusions, describing both countries as "Not Free." An important exception in this list is Mexico. The 2015 "Freedom in the World Report" from Freedom House described Mexico as "Partly Free" while the Center for Systemic Peace observed Mexico as a moderately strong democracy. The distinction between these two reports highlights the ongoing and necessary work in Mexico to curtail organized crime and militias in rural outposts as it continues to progress politically.

Marshall, Monty G., Ted Robert Gurr, and Keith Jagers. 2016. "Polity IV Project: Political Regime Characteristics and Transitions, 1800-2015." *Center for Systemic Peace*. Last Accessed: 2017/01/30.

<http://www.systemicpeace.org/inscrdata.html>

"Freedom in the World 2015." 2015. *Freedom House*. Last Accessed: 2017/01/30.

<https://freedomhouse.org/report/freedom-world/freedom-world-2015#.WI-wm9lrJpg>

This means that democratic values, particularly in the areas of governance, human rights, and economic liberalization, are likely to have a stronger influence over the United Nations' agenda. This is because a country's economic influence often results in a greater likelihood of its selection on specialized and powerful UN bodies, including the Security Council, Economic and Social Council, World Bank, and International Monetary Fund.

4. The US assessment is proportionate to its global economic power.

Though the US is assessed the highest rate among UN Members, this rate is roughly equal to its share of global income. In 2015, American gross domestic product was almost one-quarter of all revenue generated across the globe.

Additionally, the US enjoys substantial shares of influence in the International Monetary Fund (IMF), World Bank, and World Trade Organization (WTO) in recognition of its presence in the global economy and contributions to the UN-affiliate organizations.

Further, the current assessed rate the US annually owes the UN, 22 percent, was recently negotiated down from 25 percent. In 2000, the United States successfully spearheaded a resolution in the United Nations General Assembly Fifth Committee to reduce the contributions scale ceiling from 25 percent to 22 percent with the pledge that when the new assessment scale took effect, the US would pay back a portion of its "back" dues.⁸

5. Some countries could be paying more than they currently are.

A few UN Members are remarkably under-assessed, relative to both their income and their global influence. Specifically, China and India

In 2015, for example, China's GDP represented 15 percent of all global revenue, but only contributed 3.2 percent of the UN's annual, Regular Budget. In terms of contributions, China ranks fourth among Permanent Security Council veto-powers, despite having the second greatest income among them.

India is another country is that is assessed a relatively small dues fee, despite its income and global ambitions. In 2015, India's GDP ranked 7th in the world at approximately 3 percent of global GDP. Additionally, India has been campaigning for a permanent, veto-power seat on the

⁸ "Scale of assessments for the apportionment of the expenses of the United Nations." 2001/01/22. *United Nations General Assembly*. A/RES/55-5 B-F. Last Accessed: 2017/01/30.
http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/55/5%20B-F

UN Security Council – which the United States endorses.⁹ Yet, India’s assessed rate to the UN Regular Budget is less than 1 percent.

The reason India and China remain so under-assessed, though, is that they are both classified as “developing economies,” the weakest category of economic development, according to the *World Economic Situation and Prospects* report published by the United Nations.¹⁰ These assignments persist due to widespread poverty, inequality, and sector-level economic vulnerability in both of these countries, despite their overall economic size and involvement in capital and foreign investment projects abroad.¹¹

Nonetheless, that these countries have not been required to shoulder a larger share of responsibility for the UN’s global agenda is criticized. Despite his support for India’s Security Council ambitions, for example, then-President Obama pointed out countries like India and China for shirking on issues including peacekeeping, global health, and climate change. And other experts question these countries’ continuing designation as developing.¹²

6. The US, nonetheless, can do better.

Two issues are important in evaluating where the US can continue to improve on its financial obligations to the United Nations: **debt and domestic expenditures**.

The United States owes substantial “back” dues to the United Nations. And the UN suffers proportionately substantial set-backs as a result of this delinquency.

In 2000, when the United States renegotiated its financial obligations to the United Nations, it had not paid its annual dues on time in almost 20 years and owed more than \$1.5 billion to the Regular Budget. That year, in partial compliance with its pledge, the US paid a portion of its overdue contributions, which lowered its debt to approximately \$1.1 billion.

⁹ Gay Stolberg, Sheryl and Jim Yardley. 2010/11/08. “Countering China, Obama Backs India for U.N. Council.” *New York Times*. Last Accessed: 2017/01/30. http://www.nytimes.com/2010/11/09/world/asia/09prexy.html?_r=0

¹⁰ *World Economic Situation and Perspectives, 2017*. 2017. New York, NY: United Nations. Last Accessed: 2017/03/17. <http://www.unescap.org/sites/default/files/Report%20-%20World%20Economic%20Situation%20Prospects%202017.pdf>

¹¹ Bosworth, Barry and Susan M. Collins. 2008. “Accounting for Growth: Comparing China and India.” *Journal of Economic Perspectives*, 22(1): 45-66.

¹² Hartfield, Elizabeth and Leigh Ann Caldwell. 2014/09/23. “Obama: Climate Change ‘Growing and Urgent Threat’.” *CNN: Politics*. Last Accessed: 2017/03/17. <http://www.cnn.com/2014/09/23/politics/obama-un-climate-change/>

Fish, Isaac Stone. 2014/09/25. “Is China Still a ‘Developing’ Country?” *Foreign Policy*. Last Accessed: 2017/03/17. <http://foreignpolicy.com/2014/09/25/is-china-still-a-developing-country/>

“Is India Still a Developing Country?” 2014/04/06. *The Guardian*. Last Accessed: 2017/03/17. <https://www.theguardian.com/global-development/poverty-matters/2014/apr/07/is-india-still-a-developing-country>

In 2010, the US maintained a large amount of debt to the UN: \$293.7 million. After paying \$532.5 million to the UN Regular Budget, the US still owed \$278.4 million to the United Nations.

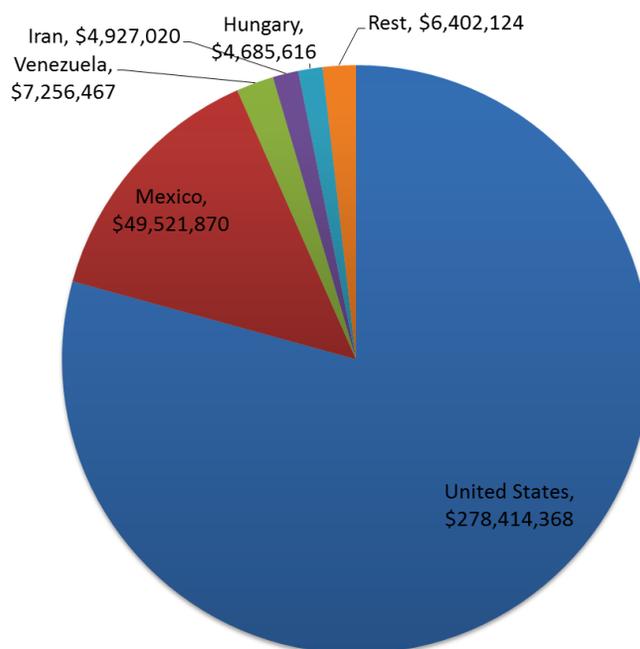
In 2010, 52 (out of 192) UN Members owed \$351.3 million to the UN Regular Budget, but the US remained, by far, the largest debtor Member. Its back dues represent almost 80 percent of all contributions owed to the United Nations.

The following table compares the United States' UN debt with the other top debtor Members.

| Top 10 Debtor Members to the UN Regular Budget, 2010 | | | |
|---|-----------------------|--------------------------|---------------------|
| Rank | Country | Amount Owed (USD) | % of UN Debt |
| 1 | United States | \$278,414,368 | 79.2% |
| 2 | Mexico | \$49,521,870 | 14.1% |
| 3 | Venezuela | \$7,256,467 | 2.1% |
| 4 | Iran | \$4,927,020 | 1.4% |
| 5 | Hungary | \$4,685,616 | 1.3% |
| 6 | South Africa | \$994,219 | 0.2% |
| 7 | Lebanon | \$685,313 | 0.2% |
| 8 | Comoros | \$659,040 | 0.2% |
| 9 | Trinidad and Tobago | \$654,708 | 0.2% |
| 10 | Sao Tome and Principe | \$570,664 | 0.2% |
| Subtotal | | \$348.3 million | |

The figure below illustrates this same information for the five greatest debtor members to the United Nations Regular Budget in 2010, demonstrating both the dollar value of their responsibilities and the displacements those debts introduce to the United Nations budget.

Top 5 Debtor Members to UN Regular Budget



Put simply: The United Nations operates on approximately 20 percent of its promised revenue because of the United States' lapsed responsibility to its membership pledge.

UN fiscal health depends on US responsibility, while the US "burden" is nominal relative to comprehensive goals

In 2010, the UN submitted a budget requiring contributions in total of \$7.87 *billion*. By comparison, the United States budget for the same year was \$3.45 *trillion*.¹³ **In other words, the United Nations, fully funded, would operate on just a fraction, about 0.25 percent, of the United States' annual expenditures.**

With respect to US opportunities, attention should be specifically paid to discretionary spending – or allocations that are decided on an annual basis and are, therefore, subject to change by Congress and the executive. Discretionary spending is separate from mandatory spending, which includes obligations the US has to programs like Social Security and Medicare.

Of the \$3.45 trillion the US government allocated in 2010, \$1.3 trillion was directed to discretionary budget items. The Office of Management and Budget (OMB) further delineates discretionary spending into two categories, security and non-security, the latter of which includes foreign policy programs like foreign aid and contributions to international organizations.

¹³ "Summary Tables." 2011. *Budget of the U.S. Government, Budget of the United States Government, Fiscal Year 2012*. Washington, DC: U.S. Government Publishing Office. pg. 174. Last Accessed: 2017/03/17. <<https://www.gpo.gov/fdsys/pkg/BUDGET-2012-BUD/pdf/BUDGET-2012-BUD-29.pdf>>

Appropriations to security non-discretionary items totaled \$815 billion in 2010 while the remaining \$491 billion were designated to non-security items.

If the United States were to pay its United Nations regular budget dues, both current and past obligations (up to 2010), the appropriation would represent approximately one-tenth of 1 percent (0.15%) of the budget for non-security related discretionary spending.

7. Because the United Nations operates on a significantly smaller operating budget than the United States, the United States and other global economic powers receive a substantial savings in effecting international peace and security.

UNA members can select from any of a number of their favorite UN agenda items and measure their efficacy against the remarkably small cost that countries like the United States and others pay to ensure the organization's operation. Highlights among these include the number of successes achieved in the Millennium Development Goals project, which serves as a springboard to the new Sustainable Development Goals.

The US buys influence at a steep discount, too.

Moreover, the United Nations is an important forum in the agenda-setting power of the United States. Researchers at the University of Missouri found, in 2007, that the United Nations has had persistent and strong influence on drawing countries toward greater alignment with the United States.¹⁴

In the UN General Assembly and other bodies – all of which the US occupies seats due to its global prestige, contributions, and Security Council veto power status – the United States and other democratic allies are able to voice and advance their interests in democratization, human rights, rule-of-law, and economic liberalism. **Continuous and open dialogue socializes and persuades.**

The authors of this research article found that cooperation in the United Nations and other international organizations brings countries into more frequent and consistent agreement with the United States on important questions. This agreement becomes internalized and other countries come to have more genuinely democratic and liberal values as a result of the entrepreneurship of the United States. Global engagement, last, had a greater effect on bringing other countries into alignment with the US than military alliances, coercion, or trade ties.

¹⁴ Bearce, David H. and Stacy Bondanella. 2007. "Intergovernmental Organizations, Socialization, and Member-State Interest Convergence." *International Organization*, 61: 703-733.

But, the United States must remain a leader engaged in global governance and committed to the survival of international organizations for this to happen.

In updated research, scholars from Cornell University found that agreement with the United States in the UN General Assembly and on other issues is slipping away as countries in Africa and Latin America benefit from increasing trade and investment from China.¹⁵ Past agreement with the United States is being replaced by more agreement with China on important issues of human rights, economics, development, and security in the General Assembly.

As the authors of this research state, "... while the U.S. is getting lonelier, China is making friends."¹⁶

American commitment to international organization broadly, but specifically to unhippocritical advancement of development, human rights, and liberalism, is vital to the maintenance of a peaceful global infrastructure.¹⁷

¹⁵ Flores-Macias, Gustavo A. and Sarah E. Kreps. 2013. "The Foreign Policy Consequences of Trade: China's Commercial Relations with Africa and Latin America, 1992-2006." *Journal of Politics*, 75(2): 357-371.

¹⁶ Voeten, Erik. 2013/10/09. "Why the Rise of China Makes the U.S. Even Lonelier at the United Nations." *The Washington Post*. The Monkey Cage, featuring Gustavo Flores-Macias and Sarah Kreps. Last Accessed: 2017/03/21. < https://www.washingtonpost.com/news/monkey-cage/wp/2013/10/09/why-the-rise-of-china-makes-the-u-s-even-lonelier-at-the-united-nations/?utm_term=.616807d081d9>

¹⁷ See also: Voeten, Erik. 2013/09/25. "The U.S. Is Still Lonely at the United Nations." *The Washington Post*. The Monkey Cage. Last Accessed: 2017/03/21. < https://www.washingtonpost.com/news/monkey-cage/wp/2013/09/25/the-u-s-is-still-lonely-at-the-united-nations/?utm_term=.36ad4d21bdef>