

# Bringing Home the Bacon: Politician Ambassadors and Home State Trade

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## Abstract

Ambassadors promote domestic exports to a host country and represent their home country at large. However, are trade benefits equally distributed domestically? In the United States, a substantial number of ambassadors are former governors or legislators (“politician ambassadors”). We argue that politician ambassadors are particularly equipped with knowledge and incentives to promote exports from their home states to host countries. Leveraging an originally collected dataset of US exports to ten major export countries from 2002 to 2020 (four million observations), we find that the home states of politician ambassadors, compared to other states, enjoy around a 20 percentage point export increase to host countries on average. We also find that the pattern is particularly apparent in countries that the United States exports the most. We propose that information and electoral incentives are two mechanisms of this home-state effect and provide evidence supporting both. Where ambassadors are from can explain how the benefits of diplomacy are distributed domestically.

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Ambassadors, as official envoys and the highest-ranking diplomats accredited to another sovereign country or an international organization, represent the government of their country of origin. Existing studies consistently find that ambassadors as heads of foreign missions facilitate international trade and promote export performance (Rose, 2007; Malis, 2021; Ahmed and Slaski, n.d.; Casler, Connelly and Hicks, n.d.). Similarly, ambassadors help domestic firms resolve disputes with a host country behind closed doors (Gertz, 2018; Gray and Potter, 2020). The literature suggests that ambassadors promote commercial diplomacy by representing their country as a whole.

How are the benefits from ambassadors' promotion of trade distributed domestically? In this paper, we examine how the personal characteristics of ambassadors shape their performance in promoting exports. Ambassadors of the United States accumulate diverse career backgrounds before their nominations. The US is distinct in having two types of ambassadors. Some ambassadors are career diplomats who serve their entire career in the US Foreign Service. Others are political appointees who never served as Foreign Service officers before their nominations as ambassadors. Among politically appointed ambassadors, a substantial number are former elected officials who served as governors or members of Congress; we refer to them as "politician ambassadors."<sup>1</sup>

We show that the home states of politician ambassadors enjoy disproportionately more export benefits compared to the other states; we refer to this as the "home-state effect." In other words, politician ambassadors can "bring home the bacon" from abroad. We propose two mechanisms to explain the home-state effect. The first mechanism is information: home states export more goods under politician ambassadors because politician ambassadors are familiar with the business environment of their home states. The second mechanism is electoral incentives: politician ambassadors favor their home states to gain support from home-state firms when they run for elections after their ambassadorial terms.

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<sup>1</sup>For example, Terry Branstad became the US ambassador to China after serving as the governor of Iowa for 22 years. Dan Coats became the US ambassador to Germany after serving in the US House of Representatives from Indiana's fourth district.

To identify the home-state effect, we leverage the US exports to the ten major export destinations from 2002 to 2020. We construct a panel dataset that details the monthly export values from each specific industry of each US state to each host country’s ambassadors. We demonstrate that home-state firms export more in volume during politician ambassadors’ terms. Specifically, under the presence of politician ambassadors, the average export volume from home states increases by around 20 percentage points. We find support for both the information and electoral incentive mechanisms to account for the home-state effect.

The home-state effect we identify is not driven by a president’s electoral calculation. If a president uses an ambassadorial appointment to increase their chance of being re-elected, swing states and core states should benefit from the increased exports (Kriner and Reeves, 2015). We control swing and core states in times when ambassadors are incumbent in the estimation and still find that home states of ambassadors export more than the other states. This implies that politician ambassadors can boost export from their home states largely independent of a president’s electoral calculation.

Our findings yield novel implications. First, our analyses demonstrate that the ambassadors’ performance is contingent on their personal characteristics. We illuminate that the personal characteristics of a bureaucrat can shape commercial diplomacy. This extends the literature on the effect of a leader’s personal characteristics on policy outcomes. Where a leader was born (Dreher et al., 2019), raised (Dafoe and Caughey, 2016) and educated (Gift and Kremeric, 2017), as well as the predisposition (Colgan, 2013), previous professional experience of a leader (Horowitz and Stam, 2014; Saunders, 2017) can explain how that person handles foreign policy. Similarly, the personal characteristics of bureaucrats can shape implementation of foreign policy.

Second, we challenge the conventional wisdom that political appointees perform worse than career diplomats. Policy reports and previous research discount the performance of ambassadors who are not career diplomats, describing them as incompetent and less qualified (American Academy of Diplomacy, April 2015; Scoville, 2019). The home-state effect we

identify explicates the condition under which politically appointed ambassadors excel in their performances. According to our analyses, politician ambassadors are competent and qualified with regard to their past and future constituencies.

Lastly, our findings introduce a distributive consequence of ambassadors. We unpack the effect of commercial diplomacy at the US state level, and demonstrate that some domestic actors benefit more from export promotions by ambassadors. The home-state effect indicates that appointing a politician as an ambassador can generate a relative winner and loser in exports even within regions with a similar comparative advantage. Ambassadors in office promote exports in aggregate (Rose, 2007; Malis, 2021; Ahmed and Slaski, n.d.), and the personal characteristics of ambassadors can tilt that export promotion in favor of a particular domestic audience.

The paper proceeds as follows. The first section reviews the relevant literature on bureaucratic politics and distributive politics, and characterizes how the literature motivates our argument and empirical exercise. Next, the theoretical section offers our new typology of US ambassadors, discusses the home-state effect, and introduces two potential mechanisms. We then illustrate the home-state effect with the case of Terry Branstad. In the subsequent sections, we present the data, research design, and results. The following section discusses the selection of ambassadors and the scope of our theory. The final section discusses the implications of our findings.

## **Ambassadors of the United States**

Ambassadors of the United States are nominated by the president, and each nomination must be confirmed by the Senate. Unlike many other countries that fill ambassadorial posts solely with career diplomats, the US employs multiple tracks to appoint ambassadors. In this section, we discuss how ambassadors are appointed and the ways in which they can promote exports.

## Appointment of Ambassadors

Most commonly, ambassadors are appointed by progressing through the career track. This track requires pursuing an entire career in the Foreign Service and working as a career diplomat for, on average, over 20 years. Among 8,000 foreign service officers working at the State Department, those who are in the senior ranks<sup>2</sup> are considered for ambassadorial nominations.<sup>3</sup>

The other route to nomination is the non-career track. Historically, the president fills 25%–45% of ambassadorial positions with political appointees who are not on the career track, and this proportion varies lightly across different presidential administrations (see Online Figure A.1). This track does not mandate decades-long commitment as a foreign service officer yet requires a political, economic, or personal relationship with the president (Jett, 2014). Contributing generously to the president’s election campaign is one common way to build an economic relationship. Occasionally, a president appoints their friend as an ambassador. For instance, Thomas Stewart Udall, an incumbent ambassador to New Zealand, is a longtime friend of President Joe Biden (McClure, December 2, 2021). In addition to donors and friends, political allies comprise a significant portion of ambassadors nominated under the non-career track. For instance, Eric Garcetti, an incoming ambassador to India, worked as a national co-chair of Biden’s presidential campaign and is known as a prominent surrogate for Biden (Pager, July 9, 2021).

Nominees on both tracks undergo a process of selection, clearance, and confirmation. A committee composed of high-level State Department officials recommends a list of candidates on the career track to the president. White House officials and informal advisors provide a list of candidates who are not on the career track to the president. Once the president approves the nominees, candidates on both tracks undergo clearance and confirmation. The

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<sup>2</sup>The senior ranks include counselor, minister counselor, career minister, and career ambassador.

<sup>3</sup>There are six ranks below the senior ranks. Ambassadorial nominees in the senior ranks began their careers in the lower ranks and were promoted into the senior ranks. According to 2020 State Department statistics (Department of State, 2020), it takes about 21.3 years for a foreign service officer to enter the senior ranks.

State Department’s Bureau of Security conducts security checks, and the nominations that pass the security checks are sent to the Senate. The Senate Foreign Relations Committee then holds confirmation hearings. After obtaining a majority of votes in the Senate, the nominees may begin their terms as ambassadors.<sup>4</sup>

While the two-track appointment system highlights an institutional feature embedded in the US bureaucracy, the dichotomous distinction overshadows personal characteristics and career trajectories among the political appointees: Career-track ambassadors are homogeneous regarding their Foreign Service career paths; non-career track ambassadors have had varied career trajectories. We observe that some US ambassadors were businesspersons or lawyers whereas some others had served local constituencies as governors or members of Congress. Politically appointed ambassadors are often nominated for their close ties with the president,<sup>5</sup> yet their performance may vary depending on their past and future career paths. Therefore, we need a more detailed typology of US ambassadors to assess their performance, which we will discuss in detail in a later section.

## Ambassadors as Export Promoters

One important goal of ambassadors of the US is to promote trade and investment between the US and the rest of the world (Malone, 2013). As chief of mission, they “have a principal duty to promote the United States goods and services for export to such country.”<sup>6</sup> Consistent with the legal Foreign Service Act, recent studies confirm that ambassadors promote exports as well as the interests of domestic firms. Malis (2021) and Ahmed and Slaski (n.d.) find that the vacancy of an ambassador generates a decrease in US exports to a host country. Ambassadors also help domestic firms resolve conflicts with a host country behind closed doors, thereby reducing domestic firms’ burden of relying on a costly legal dispute settlements

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<sup>4</sup>Since November 25, 2013, nominations of ambassadors are no longer subject to senate filibuster, requiring only a majority of Senate votes for confirmation.

<sup>5</sup>In rare cases, the president appoints ambassadors from the other political party. The two examples are Henry Cabot Lodge Jr. (Republican) during the Kennedy and Johnson Administration, and Jon Huntsman (Republican) during the Obama Administration.

<sup>6</sup>Section 3927 (c) of the Foreign Service Act.

(Gertz, 2018; Gray and Potter, 2020).

What makes an ambassador successful in export promotion? One conventional answer is experience. Put simply, those who are experienced perform better as ambassadors. This logic validates that career diplomats are more competent than ambassadors appointed under the non-career track (Scoville, 2019). As an extension, [American Academy of Diplomacy \(April 2015\)](#) proposes to “reduce the total number of political appointees in order to allow presidents to focus on those most important to policy leadership.” Unlike experience, aiming for promotions does not seem to motivate ambassadors to perform better. [Arias and Smith \(2018\)](#) assesses whether strong job performance results in ambassadors’ promotions to more prestigious posts. They do not find evidence that strong performance is rewarded with reappointment or promotion and attribute this null finding to the design of foreign service institutions. At least in the US, “success is not highly rewarded and failure is not strongly punished” ([Arias and Smith, 2018](#)).

We challenge the existing literature on ambassadors in two ways. First, depending on how one views experience, political appointees are sometimes more experienced than career diplomats. This aligns with the literature that focuses on the personal experience of leaders in explaining their performance as individuals ([Dafoe and Caughey, 2016](#); [Saunders, 2017](#)). Political appointees may lack knowledge about the workings of the foreign service, but they might have other kinds of knowledge that support the achievement of US foreign policy goals. In this line of inquiry, [MacDonald \(2021\)](#) finds that the US is less likely to experience a militarized dispute with a host country when represented by politically appointed ambassadors. [Goldfien \(n.a\)](#) argues that political appointees, in comparison to career diplomats, can better deliver understandings reached at the negotiation table using their affinity with political superiors. A review of the literature hints that political appointees may be better equipped to address a foreign policy problem, and the experience needed to do so differs depending on the nature of the foreign policy problem.

Second, even if ambassadorial institutions do not reward good performance, ambassadors

might be motivated to work harder if they plan to exit foreign service and run for elected positions in the future. If so, ambassadors might be motivated to work harder, anticipating the judgements of future voters and employees of the institutions in which they will be involved. The electoral incentive-based explanation aligns with [Dreher et al. \(2019\)](#)'s finding that African leaders attract more foreign aid to the area where they were born, especially when they expect to run for an election in the near future. The established literature on revolving-door politics ([Gormley Jr, 1979](#); [Cohen, 1986](#); [Egerod, 2021](#)) reinforces the prospect of ambassadors promoting exports more powerfully for a particular domestic audience.

## **Ambassadors for Whom?**

Given the various career backgrounds of US ambassadors, would domestic actors benefit equally from ambassadors' trade-promoting activities? Ambassadors are expected to represent the country as a whole. According to Section 101 of the Foreign Service Act of 1980, the members of the Foreign Service "should be representative of the American people." However, they might not represent all Americans equally if we seriously consider the institutional feature of US ambassadors.

Distributive politics, also called divide-the-dollar politics or pork-barrel politics, suggests that elected officials can strategically distribute resources in return for votes ([Berry, Burden and Howell, 2010](#); [Cox and McCubbins, 1986](#); [Ferejohn, 1974](#); [Levitt and Snyder, 1995](#); [Shepsle and Weingast, 1981](#)). For instance, recent literature on the American presidency finds that the presidents use their political leverage to allocate federal largesse to politically valuable constituencies ([Kriner and Reeves, 2015](#)). Specific to trade policy, the presidents allocate trade protections to states where they lack a comfortable electoral majority ([Lowande, Jenkins and Clarke, 2018](#)).

The distributive politics literature provides insights and informs our argument and analysis that follows. If some US ambassadors are former elected officials and if they plan to re-run for elected positions after their ambassadorial terms, they may use their discretion



as ambassadors to favor their future electoral supporters. This means ambassadors who are politically ambitious would exert effort to promote exports, particularly exports from their home states. While previous studies on distributive politics examine the behavior of elected officials, to our knowledge, this is the first paper that explains the behavior of non-elected officials. We look at the appointment of ambassadors through the lens of distributive politics. An intention to run for office in the future can motivate non-elected officials to be attentive to parochial interests.

## Typology of Ambassadors and Distributive Consequences

When theorizing the performance of ambassadors, existing studies assume that ambassadors as a whole are highly motivated to improve relations between the US and their host countries (Halperin and Clapp, 2007; Malis, 2021). While this could be a fair characterization, the assumption does not seriously take into account for the reason ambassadors are motivated to improve relations with a host country from the beginning. Therefore, one way to understand what motivates ambassadors to perform well would be to develop a new typology of ambassadors based on their prior and post-career paths.

Unlike career diplomats who mostly spend their career within the Department of State, politically appointed ambassadors come from diverse professional backgrounds. For example, Terry Branstad, the US ambassador to China during a Trump Administration, served as the governor of Iowa for twenty two years before his ambassadorial nomination. David Jacobson, the US ambassador to Canada during the Obama administration, was a fundraiser for Barack Obama's presidential campaign. William Stamps Farish III, the US ambassador to the United Kingdom during the George W. Bush Administration, was a successful businessman and served on the board of directors of Zapata Petroleum Company, founded by George H. W. Bush.

We further break political appointees into two types according to their career paths –

politicians and non-politicians. We define politician ambassadors as individuals who had ever worked for a local government or as a members of Congress before their ambassadorial nominations. Non-politician ambassadors are the remaining political appointees who were businesspersons or lawyers but have close ties with the current president. Thus, we categorize US ambassadors into three types – politicians, non-politicians, and career diplomats. Table 1 presents the distribution of ambassadorial types by country. Among 57 ambassadors to 10 major export destinations in the last 19 years, 13 were politicians, 30 were non-politicians, and the remaining 14 were career diplomats.

**Table 1: Background of ambassadors, 2002-2020**

	<b>Country</b>	<b>Politician</b>	<b>Non-politician</b>	<b>Career Diplomat</b>	<b>Total</b>
1	Canada	2	3	1	6
2	Mexico	1	2	3	6
3	China	4	1	0	5
4	Japan	3	2	0	5
5	United Kingdom	0	5	0	5
6	Germany	2	3	0	5
7	South Korea	0	2	5	7
8	Netherlands	1	5	0	6
9	Brazil	0	2	5	7
10	France	0	5	0	5
	<b>Total</b>	<b>13</b>	<b>30</b>	<b>14</b>	<b>57</b>

*Note:* Interim ambassadors are excluded from the count. The countries listed are the top ten U.S. export destinations.

It is essential to separate politician ambassadors from other ambassadors because we expect their performance in trade promotion to be distinctive. Unlike career ambassadors, politician ambassadors have home constituencies. Based on their experience serving their home states as governors or as members of Congress, they are familiar with the business environments of their home states. Moreover, their future career trajectories differ from those of career ambassadors who are dispatched to a different country after completing one ambassadorial term. Politician ambassadors have wider career options, including the common option of running for election as governors or legislators.<sup>7</sup> Given their past and

<sup>7</sup>Among 14 politician ambassadors in Table 1, 36% of them (5 out of 14) ran for election as of April 2022.

future career trajectories, we expect politician ambassadors to “bring home the bacon.”

## Home-State Effect and Two Mechanisms

Our intuition is that local constituencies of politician ambassadors would particularly benefit by obtaining greater access to the ambassador’s host country market. We call the benefit that politician ambassadors bring to their local constituencies the “home-state effect.” We argue that the home states of political ambassadors enjoy disproportionately high export benefits compared to the other states. Politician ambassadors, as a unique type, behave differently than non-politician ambassadors and career diplomats. In the following, we introduce two mechanisms that might generate this home-state effect.

The first mechanism is *information*. Politician ambassadors, compared to other types of ambassadors, know better about the business environment of their home states. Using their previous interactions with local businessmen as governors or members of Congress, they can better match them with local sellers and buyers in their host countries. Ambassadors in the host countries can “choose which events to attend” and have “different talking points that can influence export outcomes.”<sup>8</sup> By choosing which events to attend and which topics to discuss, politician ambassadors can provide high-quality information that is particularly helpful to their home-state firms.

The second mechanism is *electoral incentives*. Some politician ambassadors run for an election after completing their ambassadorial terms. If politician ambassadors consider returning to their home states for re-election in the future, they would be inclined to favor home-state firms while serving as ambassadors. By helping home-state firms to export more, politician ambassadors may expect quid-pro-quo electoral support from home-state firms in the future. Whereas the information mechanism originates from politician ambassadors’

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This is a conservative estimate as the remaining nine politician ambassadors could declare their candidacy in future elections.

<sup>8</sup>An interview with a government official who previously worked at the Department of Commerce, March 4, 2022.

prior experience, the electoral incentive mechanism is driven by politician ambassadors' anticipation of future career paths.

Theoretically, non-politician ambassadors and career diplomats also can be politically ambitious. Similar to politician ambassadors, they might want to run for an election after their ambassadorial terms end. This is quite plausible if non-politician ambassadors donated a large sum of money precisely to start their own political careers. We expect the home-state effect in this case to be much weaker than the home-state effect for politician ambassadors. This is because politician ambassadors understand their home states' economic geographies better than the other types of ambassadors. From their previous experience serving local constituencies, politician ambassadors know the industries in which their home states specialize. Politician ambassadors also understand whether the firms in these industries generally want more access to export markets or protection from foreign competition. The knowledge of economic geography, combined with the electoral incentive mechanism, would generate the most apparent home-state effect for politician ambassadors.

## Hypotheses

We have shown that a substantial portion of ambassadors to major export destinations are former politicians. Differing from career diplomats, they have served their home constituencies, and have options to continue serving their constituencies after finishing their ambassadorial terms. These features together unlock possibilities for distributive consequences. Some would benefit from seizing more export opportunities than others. Below we describe our three hypotheses.

First, when politician ambassadors are in office, we expect that their home states would experience a disproportionate increase in exports compared to other states. They have experience in serving their home constituencies, and that experience would particularly benefit their home states. On the other hand, we do not expect to see the home-state effect under

the leadership of other types of ambassadors.

*Hypothesis 1(home-state effect): When politician ambassadors hold office, their home states enjoy a disproportionate increase in exports compared to the other states.*

After validating the existence of the home-state effect, we test two potential mechanisms driving it. If the information mechanism drives the home-state effect, more experienced former politicians would benefit their home states to a greater extent. The longer politician ambassadors serve home constituencies as governors or legislators, the more they will be familiar with the local business environment. As a consequence, politician ambassadors' length of experience should amplify the home-state effect.

*Hypothesis 2 (information): The home-state effect is larger among more experienced politician ambassadors.*

Alternatively, if electoral incentives generate the home-state effect, politician ambassadors would have more incentives to promote exports from their home states when they are more likely to return to their home states after completing their ambassadorial terms. We use ambassadors' age as the proxy for electoral incentives because age is negatively associated with the possibility of running for elections after ambassadorial terms. If politician ambassadors are young, their chances of running for elections would be relatively high. Based on this intuition, we test whether the home-state effect is magnified when a politician ambassador is relatively young.

*Hypothesis 3 (electoral incentives): The home-state effect is larger among younger politician ambassadors.*

## The Case of Terry Branstad

In this section, we concentrate on the case of Terry Branstad, the US ambassador to China under the Trump administration. After serving as the governor of Iowa for 22 years, Terry Branstad was nominated by President Donald Trump to be the US ambassador to China in December 2016. Branstad arrived in Beijing to assume his post on July 12, 2017. He did not work in any federal office prior to his ambassadorial appointment because, as he said, “I love Iowa. This is where I could best serve” (Opsahl, September 15, 2020). Iowa, Terry Branstad’s home state, mainly exports grains and meat products to China. In 2017, Iowa exported 1.6 billion dollars’ worth of grains and 58 million dollars’ worth of meat products to China (U.S. China Business Council, 2018).

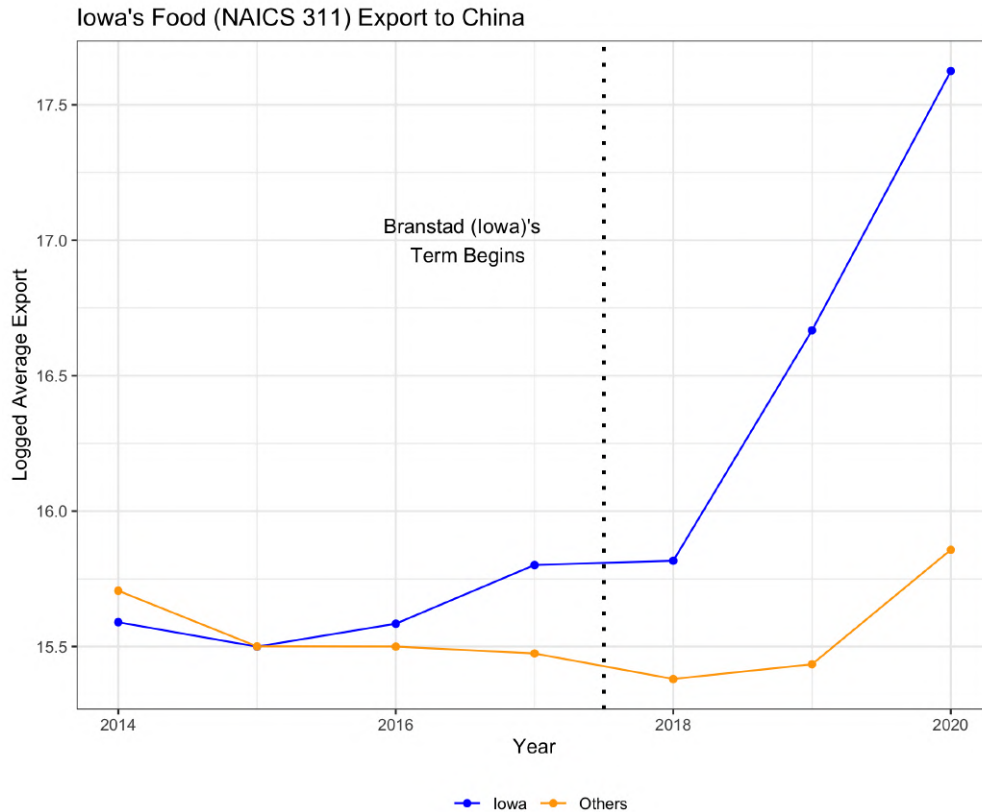
In the same month that Trump Administration nominated Terry Branstad to be an ambassador, the Iowa delegation, including Terry Branstad, visited China to promote Iowa’s trade relations with China. In an interview with a local newspaper in December 2016, Branstad noted that Iowa-based companies, such as Trans Ova Genetics and Hy-Line International, signed memorandums of understanding during the visit (see Online Figure A.2).<sup>9</sup> Signing memorandums of understanding itself does not guarantee an increase in exports, but this anecdote explains how a politician ambassador can provide a rich network of customers to firms from his or her home state. A year later, Branstad warmly welcomed another trade mission from Iowa. Branstad invited the traveling representatives from Iowa to the ambassadorial residence; they also met high-ranking government officials and industry partners in China (Boshart, July 26, 2017). Those two examples indicate that an ambassador can actively connect domestic exporters with host-country importers, and in particular, businesses in an ambassador’s home state can accrue benefits.

During Branstad’s term, Iowa indeed experienced a remarkable surge in exports to China. Figure 1 visualizes Iowa’s food (NAICS 311) exports to China compared to that of other

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<sup>9</sup>Trans Ova Genetics exports cattle embryos, and Hy-Line International raises and sells commercial and industrial laying chickens.

**Figure 1: Export Performance of the Home State vs. Other States**

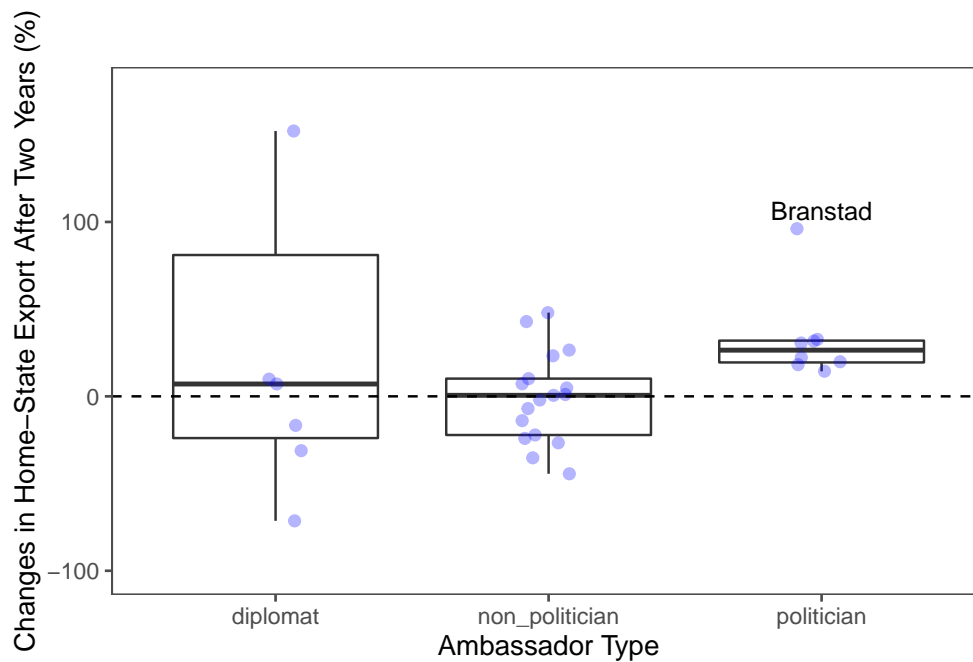


states. About six months after Branstad was sworn in on July 12, 2017, Iowa’s food exports to China skyrocketed. This is striking given that the average dollar amount of food exported to China by other states slightly decreased until 2018 and recovered modestly afterward.

Terry Branstad was an exemplary politician ambassador, but he is not the only contributor to the home-state effect. Figure 2 visualizes the exports from home states by ambassadorial types. Each dot represents an ambassador and marks the change in the percentage of home-state exports to the host country after two years of his or her ambassadorial service. The three boxplots present the changes in the distribution of the home-state exports by types of ambassadors. Note that when incumbent ambassadors are career diplomats, the dots indicating the changes in home-state exports are scattered with high variance. As for

non-politician ambassadors, the dots are centered around zero. This implies that the home states of career diplomats and non-politicians, on average, do not enjoy a disproportionate increase in exports. Politician ambassadors, however, exhibit a different pattern. Not only Terry Branstad, but all other politician ambassadors boosted exports from their home states, with an average of around 25%. The descriptive comparison suggests the possibility of politician ambassadors consistently bringing home the benefits.

**Figure 2: Changes in Home-state Exports by Ambassadors**



*Note:* Among 57 ambassadors, we omit 25 who do not have corresponding export data for two full years.

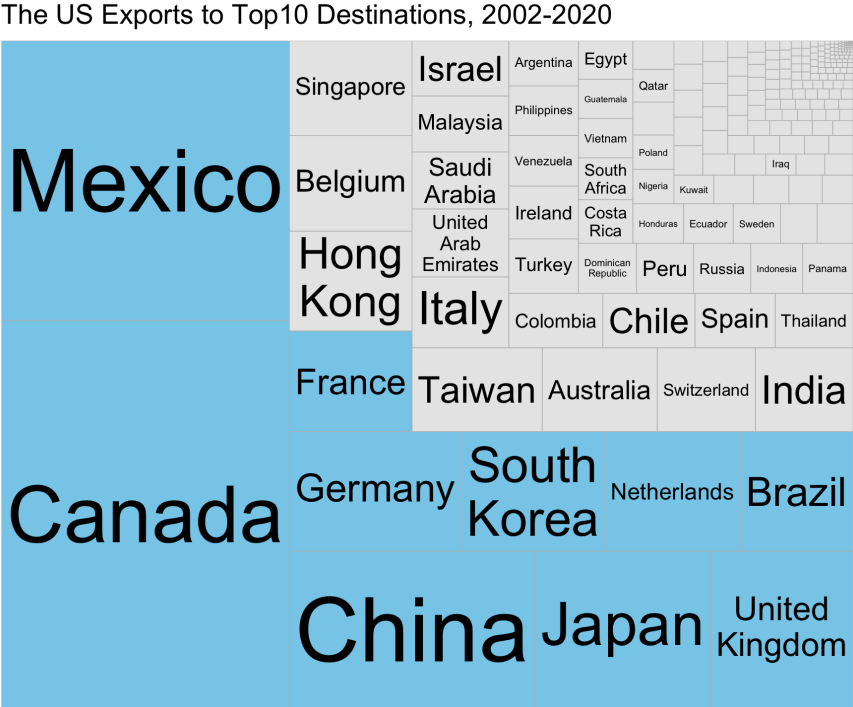
## Data

To systematically assess the distributive consequences of different types of ambassadors, we build original panel data that vary by country, state, sector, and month. We first collect biographic information about US ambassadors to major export destination countries from



2002 to 2020. These countries included in the analysis are Brazil, Canada, China, France, Germany, Japan, Mexico, Netherlands, South Korea, and the United Kingdom.<sup>10</sup> According to the US Census Bureau, exports to those 10 countries comprise 63.4% of the total US exports.<sup>11</sup> Colored cells in Figure 3 presents the extent to which the United States exports to those ten countries. The bigger the size of a cell, the larger the export amount in dollar terms.

**Figure 3: Top Ten Export Markets of the United States, 2002-2020**



Source: The US Census Bureau

We identify the home state of each ambassador as the state where the ambassador resided at the time of their nomination.<sup>12</sup> We retrieve the ambassador’s residence information from the public notice of their nomination (see Online Figure A.4). It is worth noting that the home states of politician ambassadors are the states where they once served. For instance,

<sup>10</sup>Online Figure A.3 visualizes the US’s export trends to the 10 countries from 2002 to 2020.  
<sup>11</sup>The estimate is based on the average of annual export shares from 2002 to 2020.  
<sup>12</sup>Online Table A.2 presents the distribution of ambassadors’ home states. Among the 57 ambassadors in our dataset, 23 states and Washington D.C. have been identified as ambassadors’ home states at least once.

Dan Coats’s home state is coded as Indiana because he served as the House Representative of Indiana from 1981 to 1989, prior to his ambassadorship in Germany. Home states of non-politician ambassadors are where their corporate headquarters or their law firms are located. Home states of career diplomats are based on their domestic residential addresses.

We then retrieve the US export data from the US Census Bureau at the level of country-state-industry-month. The export data contains all 50 states and the District of Columbia. The industry information is recorded at the level of 3-digit NAICS, with a total of 34 sectors (see Online Figure A.5). As an illustration of the unit of analysis, the export data contains information about the quantity of agricultural produce (NAICS 111 Agricultural products) that Alabama exported to China in January 2002. If there is no Census Bureau information recorded for a specific month-state-sector, we treat that as zero exports.<sup>13</sup> In total, there are 3,953,520 observations recorded in the panel dataset.

We also collect a series of covariates that may influence international trade at the state level. We leverage state-level returns for presidential elections to identify swing and core states. When defining swing and core states, we follow the existing literature (Cox, 2009; Kriner and Reeves, 2015; Levitt and Snyder, 1995) and classify politically valuable states to presidents.<sup>14</sup>

To control for macroeconomic factors affecting export performance, we collect macroeconomic information inside and outside the US. We retrieved monthly state-level unemployment rate data from the US Bureau of Labor Statistics. We acquired information about the annual GDP and population of receiving countries from the International Monetary Fund. Annual bilateral trade deficit data are from the US Census Bureau.

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<sup>13</sup>In an interview with a government official at the US Census Bureau, we learned that the monthly export data does not capture exports less than \$2500 because they do not require an export license and exporters thus are not obligated to make a report.

<sup>14</sup>Our politically valuable state measure, similar to the one in Kriner and Reeves (2015), creates a mutually exclusive trichotomous categorization where a state is either core, swing, or hostile. A state is a swing state if the two-party vote share difference of the most recent presidential elections is less than 10%. If the two-party vote share of the sitting president’s party is larger than 55%, we define that state as a core state. In our dataset, around 30% of states are identified as core states, 36% of states are swing states, and the remaining are the hostile states.

## Research Design

To test the home-state effect, we employ an interaction model with multiple fixed effects. The dependent variable is the logged monthly export value in dollar terms. The logged export value is the export from an industry in a US state to the host country of an ambassador. The main independent variables of interest are the interaction terms between ambassadorial types and the home state of an ambassador. We categorize ambassadors into three types—career diplomats, politicians, and non-politicians—and we set career diplomats as the baseline in the interaction model. The specification can be formally represented as:

$$\begin{aligned}
 \text{Log}(\text{Export}_{c,s,i,t} + 1) = & \alpha_{c,s,i} + \delta_{c,t} + \delta_{s,t} + \delta_{i,t} + \beta_1 \text{Home States}_{c,s,t} + \\
 & \beta_2 \text{Home States}_{c,s,t} \times \text{Politician}_{c,t} + \\
 & \beta_3 \text{Home States}_{c,s,t} \times \text{Non-Politician}_{c,t} + \\
 & \beta_4 \text{Core States}_{s,t} + \beta_5 \text{Swing States}_{s,t} + \epsilon_{c,s,i,t},
 \end{aligned} \tag{1}$$

where subscript  $c$  represents a destination country,  $s$  refers to each state within the US,  $i$  denotes an industry, and  $t$  represents a month-year.  $\alpha_{c,s,i}$  represents country-state-industry fixed effects, which account for all observable and unobservable time-invariant characteristics of a specific sector in a given state. This within-country, within-state, and within-industry estimate allows us to assess the extent to which an ambassador’s appointment to a specific country influences their home state exports at the industry level. For example, the country-state-industry fixed effects would allow us to compare Iowa’s export of agricultural products to China before and after Terry Branstad assumed the position of ambassador to China.

Three  $\delta$  terms collectively control all possible time-variant characteristics, which flexibly controls for secular changes in international trade over time. In specific, the country-time fixed effects,  $\delta_{c,t}$ , control for the exchange rate between countries and demand shock in international trade. Furthermore, the two constitutive terms of this interaction model,  $\text{Politician}_{c,t}$  and  $\text{Non-Politician}_{c,t}$ , are subsumed in  $\delta_{c,t}$ ; and the vacant months for a country

when there is no US ambassador on duty is also subsumed in  $\delta_{c,t}$ , which makes the interaction terms a clean three-type comparison with diplomats as the baseline. The state-time fixed effects,  $\delta_{s,t}$ , hold the state of origin supply shock constant. Lastly, the inclusion of the industry-time fixed effects,  $\delta_{i,t}$ , tease out the possible impact of the industry shock at the global level.

The interaction terms are the main variables of interest. The coefficients,  $\beta_2$  and  $\beta_3$ , reveal the home-state effects among politician and non-politician ambassadors. The baseline group is career diplomats. Leveraging multiple fixed effects in this most stringent model, our empirical model estimates whether the monthly industry-level export from the home state of a particular type of ambassador to the host country is, on average, disproportionately more than the one from other states to the host country. We hypothesize that the home-state effect is pronounced among the political type of ambassadors; therefore, we expect to see a statistically positive coefficient of  $\beta_2$  and zero coefficients of  $\beta_1$  and  $\beta_3$ .

The inclusion of the two control variables, Core States $_{s,t}$  and Swing States $_{s,t}$ , teases out the potential impact of state-level confounders that is related to the presidential particularism. One may argue that the president nominates ambassadors to pursue their own political goals. That is, the president can allocate more resources to swing states in order to increase their chances of electoral success. The president can also reward core states represented by its co-partisan voters (Kriner and Reeves, 2015). To address the possibility that presidents purposefully select ambassadors to reward swing and core states, we include swing and core states in non-vacant months as covariates.<sup>15</sup> In our main model, we calculate the standard errors by clustering the standard errors at the country-state level (Abadie et al., 2017). Adjusting the standard errors for clustering at the country-state level takes into account potential heterogeneity in the home-state effect across different countries and different

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<sup>15</sup>One may wonder what Core States $_{s,t}$  and Swing States $_{s,t}$  in non-vacant months precisely capture when the research design already includes the state-time fixed effects ( $\delta_{s,t}$ ). If an ambassador position is filled in Country A and the position is vacant in Country B in the time  $t$ , Core States $_{s,t}$  and Swing States $_{s,t}$  in non-vacant months allow us to compare the time- $t$  exports from the state  $s$  to Country A to the time- $t$  exports from the state  $s$  to Country B.

states.

To better understand what the home-state effect looks like, we investigate the home-state effect in product diversity and export volumes. We use a binary export measure for product diversity as the dependent variable: the indicator variable  $\mathbb{1}\text{Non-zero Export}_{c,s,i,t}$  equals “1” if there is a non-zero export value in the current period  $t$  and “0” otherwise. The regressors are the same as in the main specification. The intuition for this model specification is that if the number of exporting firms increases, more diverse arrays of goods would be exported. If the assistance from politician ambassadors is particularly helpful for home states to diversify their export industries, we would observe  $\beta_2$  being positive and statistically significant. The formal specification is as follows,

$$\begin{aligned}
 \mathbb{1}[\text{Non-zero Export}_{c,s,i,t}] = & \alpha_{c,s,i} + \delta_{c,t} + \delta_{s,t} + \delta_{i,t} + \beta_1 \text{Home States}_{c,s,t} + \\
 & \beta_2 \text{Home States}_{c,s,t} \times \text{Politician}_{c,t} + \\
 & \beta_3 \text{Home States}_{c,s,t} \times \text{Non-Politician}_{c,t} + \\
 & \beta_4 \text{Core States}_{s,t} + \beta_5 \text{Swing States}_{s,t} + \epsilon_{c,s,i,t}.
 \end{aligned} \tag{2}$$

In addition to product diversity, we examine export volumes in existing export industries. We substitute the dependent variable with observations that have non-zero export records in time  $t$ . In other words, goods that are not exported to destination countries in time  $t$  are excluded from this analysis. By doing so, we test whether politician ambassadors further promote exports of industries that home states previously exported. If yes, then  $\beta_2$  should be positive and statistically significant. There are around 1.63 million observations in the dataset with zero export records. These zero export records comprise about 40% of all the

observations.

$$\begin{aligned}
\text{Log(Non-zero Export}_{c,s,i,t}) = & \alpha_{c,s,i} + \delta_{c,t} + \delta_{s,t} + \delta_{i,t} + \beta_1 \text{Home States}_{c,s,t} + \\
& \beta_2 \text{Home States}_{c,s,t} \times \text{Politician}_{c,t} + \\
& \beta_3 \text{Home States}_{c,s,t} \times \text{Non-Politician}_{c,t} + \\
& \beta_4 \text{Core States}_{s,t} + \beta_5 \text{Swing States}_{s,t} + \epsilon_{c,s,i,t}.
\end{aligned} \tag{3}$$

After testing the home-state effect, we examine two potential mechanisms. If the home-state effect is mainly driven by the *information* mechanism, we would observe a larger home-state effect conditional on politician ambassadors' longer tenure serving local constituencies. We measure politician ambassadors' length of experience by counting their total years of service until the beginning of their ambassadorial terms. As a comparison, we calculate career diplomats' length of experience by counting their total years in foreign service until the beginning of their ambassadorial terms. We rely on the Department of State archive to retrieve biographies of career diplomats.<sup>16</sup> We then run a triple interaction regression that consists of ambassadorial type, the home state of an ambassador, and the experience of an ambassador. If the information mechanism holds, the coefficient of the triple interaction term,  $\beta_4$ , should be positive and statistically significant. The formal specification is as follows.<sup>17</sup>

$$\begin{aligned}
\text{Log(Export}_{c,s,i,t} + 1) = & \alpha_{c,s,i} + \delta_{c,t} + \delta_{s,t} + \delta_{i,t} + \beta_1 \text{Home States}_{c,s,t} + \\
& \beta_2 \text{Home States}_{c,s,t} \times \text{Politician}_{c,t} + \\
& \beta_3 \text{Home States}_{c,s,t} \times \text{Experience}_{c,s,t} + \\
& \beta_4 \text{Home States}_{c,s,t} \times \text{Politician}_{c,t} \times \text{Experience}_{c,s,t} + \epsilon_{c,s,i,t}.
\end{aligned} \tag{4}$$

To test the *electoral incentive* mechanism, we run a triple interaction term that con-

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<sup>16</sup>In this analysis, non-politician ambassadors are excluded because measuring their length of experience can be arbitrarily determined due to varying views about what comprises experience.

<sup>17</sup>This model only includes observations where there is an ambassador in office. Therefore, the vacant months are excluded, as are core states and swing states under non-vacant months.

sists of the ambassadorial type, the home state indicator, and the ambassador’s age at the time of nomination. If politician ambassadors plan ahead to run for an elected office in the future, the home-state effect should be particularly apparent among younger politician ambassadors. On the other hand, the home-state effect would be less apparent among relatively old ambassadors, as they will either retire or go to private sectors as consultants after their ambassadorial terms.<sup>18</sup> Instead of using a variable directly related to elections, we use ambassadorial age as a proxy of electoral incentives. By doing so, we avoid potential problems arising from selection.<sup>19</sup> If the electoral incentive mechanism drives the home-state effect, the coefficient of the triple interaction term,  $\beta_4$ , should be negative and statistically significant.<sup>20</sup>

$$\begin{aligned}
 \text{Log}(\text{Export}_{c,s,i,t} + 1) = & \alpha_{c,s,i} + \delta_{c,t} + \delta_{s,t} + \delta_{i,t} + \beta_1 \text{Home States}_{c,s,t} + \\
 & \beta_2 \text{Home States}_{c,s,t} \times \text{Politician}_{c,t} + \\
 & \beta_3 \text{Home States}_{c,s,t} \times \text{Age}_{c,s,t} + \\
 & \beta_4 \text{Home States}_{c,s,t} \times \text{Politician}_{c,t} \times \text{Age}_{c,s,t} + \epsilon_{c,s,i,t}.
 \end{aligned} \tag{5}$$

It is worth noting that ambassadorial age and length of service, seemingly correlated, are two different features. An ambassador who starts his or her career earlier than the others has a longer job experience. Also, if a politician ambassador worked long in other sectors before working for the home-state government, his or her length of experience serving the home-state government would be relatively short in comparison to peer politician ambassadors. Online Tables A.3 shows the career trajectory of politician ambassadors, including their age,

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<sup>18</sup>The average age of US House Members and Senators in the current 117th Congress is 58 and 64, respectively. The average age of US governors is 65 as of June 2022.

<sup>19</sup>For instance, one might think an ambassador’s decision to run for a gubernatorial or congressional election could be a proxy of electoral incentives. The decision to run for an election, however, is a function of performance as an ambassador. Only ambassadors who are confident in their performance would choose to run for an office.

<sup>20</sup>It is worth noting that the baseline for this model is the other two types of ambassadors because we only care about the interaction terms between the home-state effect of politician ambassadors with age. We retrieve similar results on the triple interaction terms from models that treat different types of ambassadors as a baseline.

experience, and career before and after serving as ambassadors. In our dataset, ambassadorial age is positively correlated with their length of experience (0.36), but the correlation is not statistically significant at the 0.05 level.

## Results

We find that ambassadors who previously served local constituencies continue to bring home the bacon from abroad. Table 2 reports the result of our main analysis. In Column (1), we find that the home-state effect, in general, is positive but does not reach the threshold of statistical significance. Column (2) shows the home-state effect of different types of ambassadors. We do find null results for the home-state effect among the diplomatic and non-politician types of ambassadors. Most importantly, we find that the home states of politician ambassadors enjoy around a 20 percentage point increase in exports to the country where the ambassador is assigned.

It is worth noting that we detect some evidence of presidential particularism, where swing states, on average, enjoy a statistically significant 4.7 percentage point increase in exports when ambassadors are on duty overseas. This is very similar to Kriner and Reeves (2015)'s estimate of the swing-state effect. Yet, we find null results for the core states. In comparison to the swing-state effect, the home-state effect we identify is five times larger in magnitude.

Table 3 provides a more comprehensive picture of how exports are promoted under politician ambassadors. We find that when incumbents are politician ambassadors, home states export more products that they used to export. As shown in Column (2), under politician ambassadors, home states' total export volume in existing export industries increases by 11.5 percentage points, on average. This suggests that existing export industries in home states, compared to export industries in other states, seize more new export opportunities when politician ambassadors are in office. Note that this pattern is neither observed among non-politician ambassadors nor career diplomats. On the other hand, we do not find evidence



that the product diversity of home-state exports increases under politician ambassadors. The coefficient  $Ambassador\ Home\ State \times Politician$  in Column (1) is positive but not statistically significant (0.011). The analyses together indicate that politician ambassadors bring home the bacon primarily through increasing export volumes of products that home states used to export.

Why would politician ambassadors bring export benefits back to their home states? The upper marginal plot in Figure 4 provides evidence for the information mechanism. As former elected officials, if politician ambassadors served a great length of years in their home states, they are more familiar with their local economic environment and share information with local firms. Therefore, when politician ambassadors previously served local constituencies for more years, they are more effective in bringing home trade benefits. With more than around 25 years of experience in their home states, the point estimate of marginal home-state effect becomes positive.

Another reason might be that they can use the ambassadorship as a springboard for their political career. After serving as ambassadors, they can campaign for higher positions and credit-claim trade benefits that they brought to their home states. The logic is that the younger a politician ambassador, the more incentive they have in bringing home the export benefits. The lower marginal plot in Figure 4 presents evidence in support of the electoral incentive mechanism. We confirm that the marginal export benefits that a politician ambassador brings home decrease as the ambassador grows older. Put differently, younger politician ambassadors bring larger export benefits to their home states.

## **Creation or Re-distribution?**

One subsequent question that arises from the home-state effect is whether politician ambassadors enlarge the pie as a whole or provide a larger slice of the pie to their home states. If the former is true, the home-state effect would come from politician ambassadors creating new export opportunities in a host country. If the latter is true, the home-state effect

**Table 2: Ambassadorial Home-State Effect in Exports**

	<i>Dependent Variable:</i>	
	Logged Export Value	
	(1)	(2)
Ambassador Home State	0.047 (0.039)	-0.018 (0.066)
Ambassador Home State $\times$ Politician		0.223** (0.115)
Ambassador Home State $\times$ Non-Politician		0.006 (0.073)
Core State in Non-vacant Months	0.002 (0.018)	0.001 (0.018)
Swing State in Non-vacant Months	0.022* (0.018)	0.031* (0.018)
Country-State-Industry FE	✓	✓
Country-Time FE	✓	✓
State-Time FE	✓	✓
Industry-Time FE	✓	✓
Observations	3,953,520	3,953,520
R <sup>2</sup>	0.816	0.816

*Notes:* Standard errors are clustered at the level of country-state.  
\*p<0.1; \*\*p<0.05; \*\*\*p<0.01.

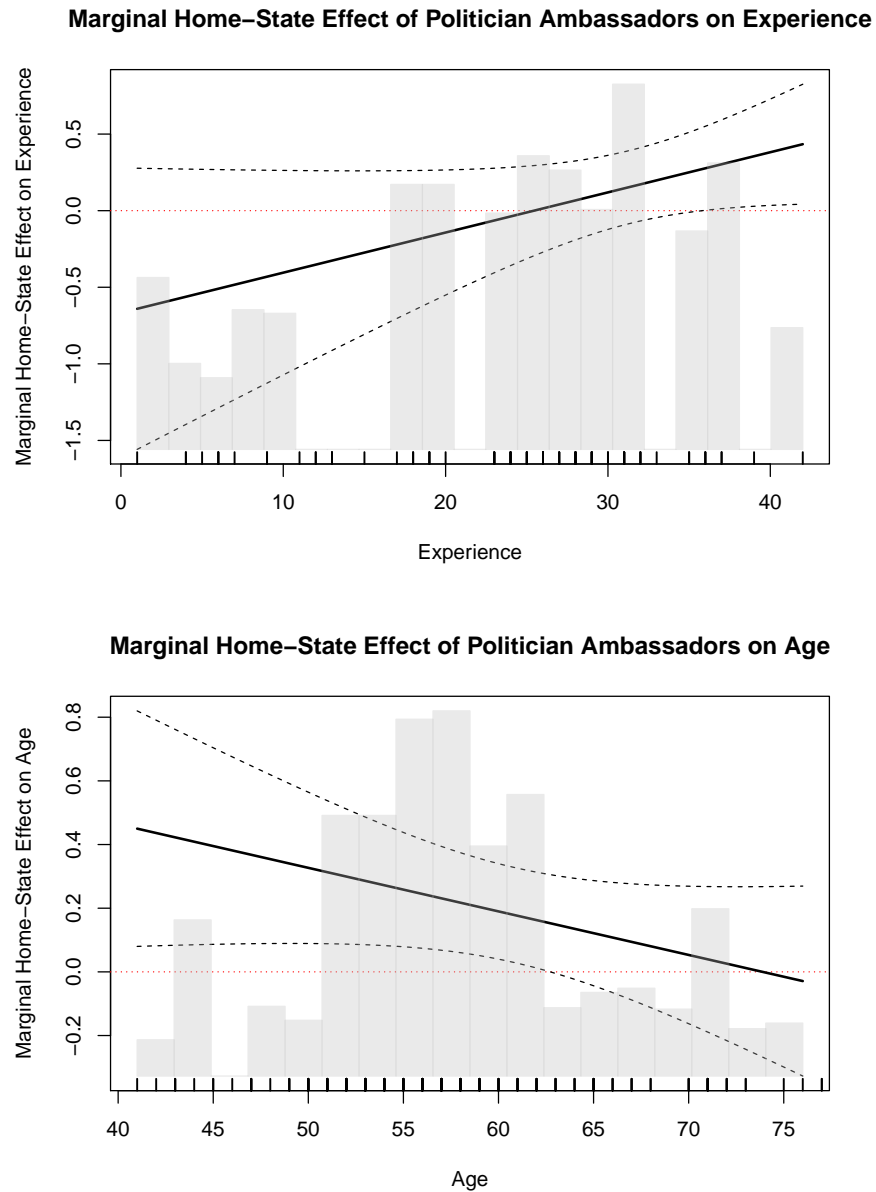
**Table 3: Home-State Effects in Product Diversity and Existing Exports**

	<i>Dependent Variable:</i>	
	1[Non-zero Export]	log(Non-zero Export)
	<i>Product Diversity</i>	<i>Export Volumes</i>
	(1)	(2)
Ambassador Home State	−0.003 (0.006)	0.024 (0.029)
Ambassador Home State × Politician	0.011 (0.008)	0.115** (0.048)
Ambassador Home State × Non-Politician	0.005 (0.006)	−0.060* (0.031)
Core State in Non-vacant Months	−0.0004 (0.002)	0.005 (0.010)
Swing State in Non-vacant Months	0.003** (0.001)	−0.006 (0.010)
Country-State-Industry FE	✓	✓
Country-Time FE	✓	✓
State-Time FE	✓	✓
Industry-Time FE	✓	✓
Observations	3,953,520	2,321,008
R <sup>2</sup>	0.721	0.834

*Notes:* Standard errors are clustered at the level of country-state.

\*p<0.1; \*\*p<0.05; \*\*\*p<0.01.

Figure 4: Marginal Plots of Home-State Effect on Experience and Age



*Note:* The dark black line indicates the marginal home-state effect on experience or age. The dashed black lines represent the 95% confidence interval. The rug plots underneath represent the values of ambassadors' experience or age. The histogram demonstrates the distribution over the experience and age in the data. The regression table is presented in Online Table A.5.

would stem from politician ambassadors re-distributing existing export opportunities. To test whether the home-state effect is driven by creation or re-distribution, we relax the country-time fixed effects in our empirical model. By doing so, the estimates are potentially exposed to economic shocks in host countries. Therefore, we add the GDP and population of host countries as covariates. As a trade-off, we can estimate different types of ambassadors that are subsumed in the previous model specification. The recovered estimates allow us to compare the performance of politician ambassadors vis-à-vis other types of ambassadors.

We find evidence that confirms both creation and re-distribution narratives. Politician ambassadors sent to ten major export destinations do create new export opportunities. As Table A.4 shows, the coefficient of *Politician* is positive and statistically significant. This means politician ambassadors in general increase export volumes to a greater extent than career diplomats, even in regions that are not their home states. At the same time, politician ambassadors seem to give their home states a larger slice of the pie. The home-state effect (*Ambassador Home State*  $\times$  *Politician*) remains positive and statistically significant. The analysis indicates that politician ambassadors both increase the size of the pie, and allocate a larger slice of the pie to their home states.

## Selection of Politician Ambassadors

Where do we see the strongest home-state effect? In this section, we expand the dataset from 10 to 30 countries to estimate the home-state effect at the country level. We conduct the analysis with the crude observation that politician ambassadors are usually sent to countries with relatively high GDPs (Fedderke, Jett et al., 2012). If politician ambassadors are unlikely to be sent to countries with low GDPs and small export markets, then we would observe smaller or no home-state effect in countries outside of the top ten major export destinations. The 20 countries added to the analysis are the countries that rank from 11th to 30th in dollar values that the United States exported from 2002 to 2020.<sup>21</sup>

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<sup>21</sup>Online Table A.1 lists the 30 countries in the order of the annual average export values.

We confirm that politician ambassadors are indeed sent to countries with exceptionally large export markets. The right side of Figure 5 presents the distribution of ambassadors across types for each country. The portion colored in black is politician ambassadors. The 30 countries are ranked in the order of the size of the export markets. We observe that politician ambassadors are often sent to countries that the US exports the most. The pattern could be explained both by the supply and demand of ambassadors. Individuals working in a home-state government might apply for ambassadorial positions only when the posts are sufficiently important, such as the posts in large export markets. Alternatively, the president might prefer candidates with experience in a home-state government when appointing ambassadors in large export markets.

From the cross-country comparison, we find out that the home-state effect is particularly apparent in the top three export destinations. For each country, we estimate the home-state effect using the main model specification in Equation 1.  $\beta_2 HomeStates_{c,s,t} \times Politician_{c,t}$  is the coefficient of interest. The left side of Figure 5 compares the coefficient size across countries.<sup>22</sup> Notably, the home-state effect is positive and statistically significant in Canada, Mexico, China, and India. The US exports to these four countries comprise 42% of the total exports.<sup>23</sup> The finding indicates that the home-state effect is highly concentrated in exceptionally large export markets. We observe politician ambassadors in superstar export markets, these are the places we find out strong evidence of the home-state effect.

## Discussion

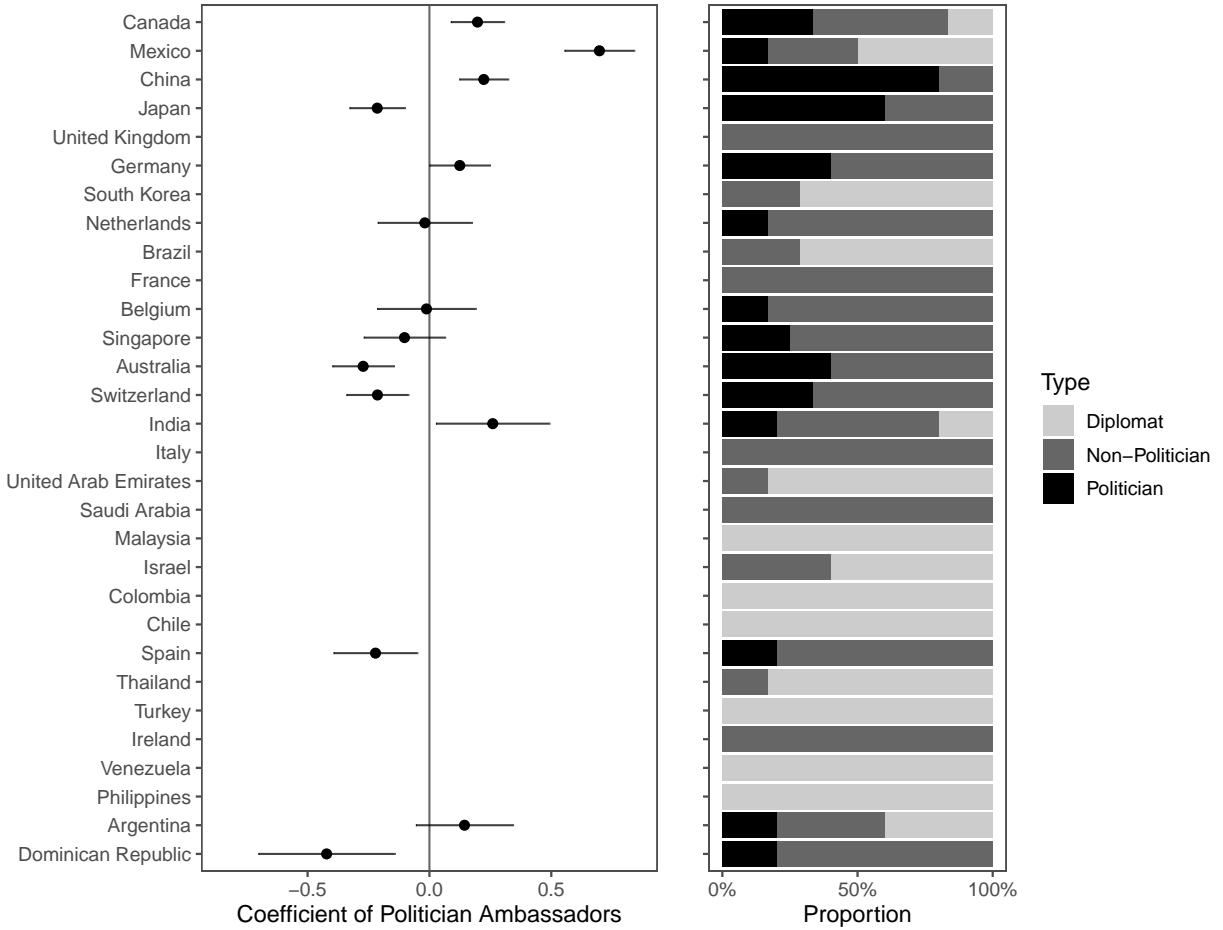
The United States employs both career diplomats and political appointees as ambassadors. Among the political appointees, many previously worked as governors or members of Congress. Using US state-level export data to ten major export destinations from 2002 to 2020 (four

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<sup>22</sup>Some countries such as Italy or the United Arab Emirates do not have the coefficients plotted because the countries did not have politician ambassadors during 2002-2020.

<sup>23</sup>The US exports to the top three export markets (Canada, Mexico, China) comprise 40% of the total exports.

**Figure 5: Home-State Effect of Politician Ambassadors by Country, N=30**



million observations), we demonstrate that these politician ambassadors disproportionately promote exports from their home states. When politician ambassadors sit in foreign missions, home states export more. The increase in the exports is driven by industries that the home states used to export. We suggest information and electoral incentives as two potential mechanisms behind the home-state effect and find empirical support for both mechanisms.

The findings illuminate the importance of understanding the personal characteristics of a leader. Focusing on the performance of the president, existing studies provide evidence that where a leader was born (Dreher et al., 2019), raised (Dafoe and Caughey, 2016), educated (Gift and Krmaric, 2017), as well as predisposition (Colgan, 2013), accumulated experience (Horowitz and Stam, 2014; Saunders, 2017) matter in explaining how foreign policy

is crafted. Similarly, our findings indicate that the personal characteristics of a bureaucrat can explain how foreign policy is implemented. Among many personal characteristics, we pinpoint the importance of a bureaucrat's past career path and future career aspirations. Strong performance as an ambassador might not be directly rewarded with a more prestigious ambassadorial post (Arias and Smith, 2018). Some ambassadors who consider exiting foreign service in the future, however, may have incentives to exhibit strong performance targeted at a particular domestic audience.

The home-state effect we identify also has a direct policy implication. To the criticism that politically appointed ambassadors are inexperienced (American Academy of Diplomacy, April 2015; Scoville, 2019), our findings hint that a group of domestic actors can particularly benefit from the experience of politician ambassadors. Along with MacDonald (2021) and Goldfien (n.a), we caution against labeling politically appointed ambassadors as inexperienced. The balance between career diplomats and politically appointed ambassadors ultimately hinges on the people's expectations of foreign service, and our findings elucidate one trade-off of choosing one type of ambassador over others.

Our analyses disaggregate the effect of commercial diplomacy, which often had been studied at the level of a country as a whole (Rose, 2007; Gertz, 2018; Malis, 2021; Ahmed and Slaski, n.d.). We show that politician ambassadors can bring home the bacon by increasing their home states' exports to a receiving country, and the pattern holds even after controlling for the electoral calculations of the president. This means that selection by the president is not a sufficient explanation for the reason some states seizing more export opportunities. Politician ambassadors may steer resources in a way that can better serve the interests of their home states. By attending to ambassadors' origins, we can better understand how the benefits of diplomacy are distributed domestically.



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# Bringing Home the Bacon: Politician Ambassadors and Home State Trade

## Supplemental Information

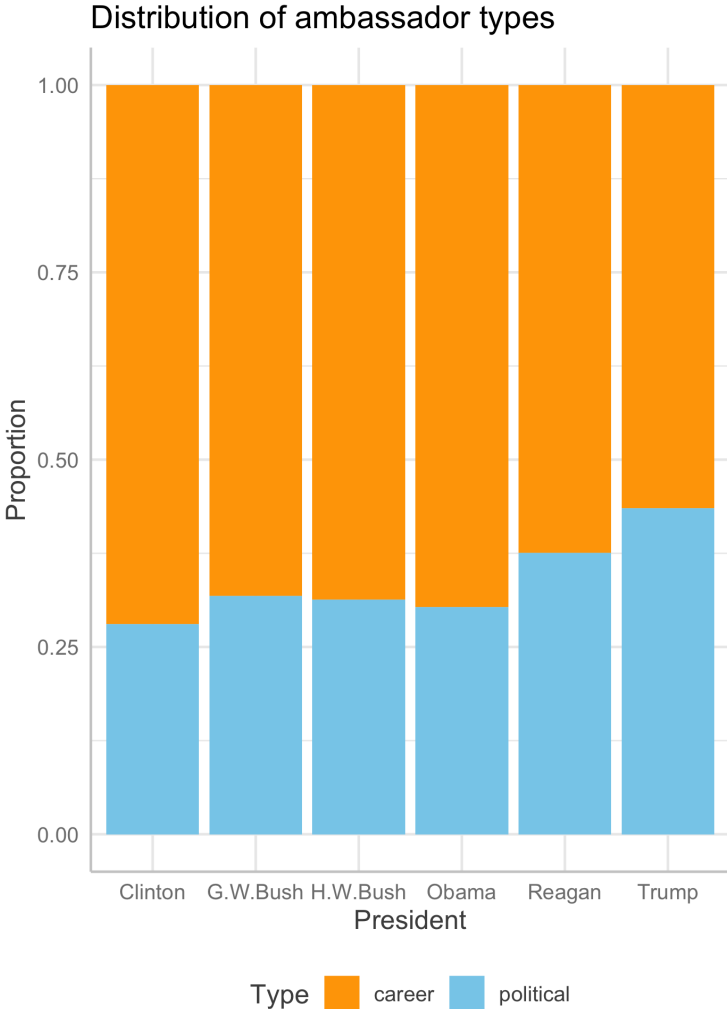
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Figure A.1: Distribution of ambassador types by presidency (1981–2020)



Source: American Foreign Service Association

Figure A.2: Signing of MOUs

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NEWS

## Chinese investors, tourists eyeing Iowa

**William Petroski** [bpetrosk@dmreg.com](mailto:bpetrosk@dmreg.com)  
Published 2:05 p.m. CT Dec. 19, 2016 | Updated 2:19 p.m. CT Dec. 19, 2016

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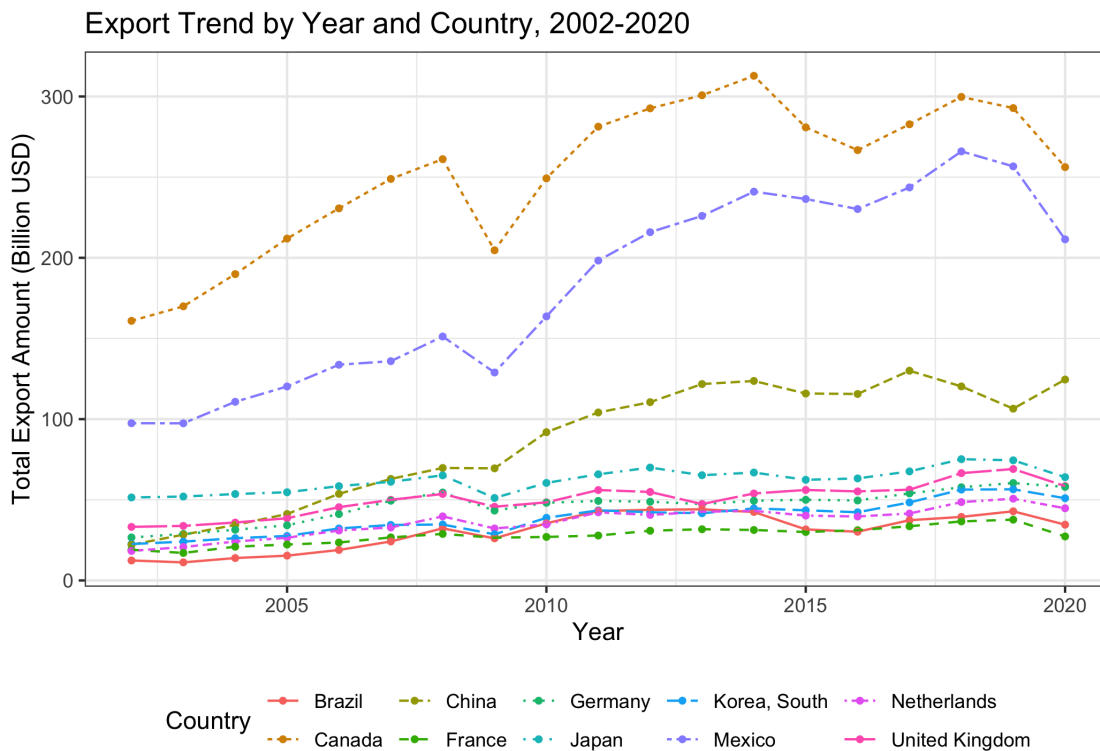
Iowa's growing ties to China could help spur the state's businesses and especially tourism in Muscatine, where Chinese President Xi Jinping was warmly welcomed as a low-ranking agricultural official more than three decades ago, says Gov. Terry Branstad.

Branstad, who will soon be [nominated by President-elect Donald Trump as the new United States ambassador to China](#), was asked Monday about the state's economic relationship with China. The question was posed by a journalist from a San Francisco-based Chinese news crew at the governor's weekly news briefing at the Iowa Capitol. The event was also attended by a small group of Chinese and Chinese-American investors who met with Branstad afterward.

Branstad, who visited China and Japan last month on an economic development trade mission, noted that the Iowa delegation called on a number of companies in Beijing and Hebei Province during the trip. He said he can't disclose the names of the companies, but he noted that memorandums of understanding were signed by Trans Ova Genetics, based in Sioux Center, and Hy-Line International of West Des Moines, and a third memorandum of understanding will allow the establishment of an Iowa-style demonstration farm in China.

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Figure A.3: Export trend by year and country



Source: The US Census Bureau.



Figure A.4: Coding Home State of an Ambassador

The screenshot shows the CONGRESS.GOV website interface. At the top, there is a navigation bar with 'CONGRESS.GOV' in large letters, followed by 'Advanced Searches' and 'Browse'. On the right side of the top bar, there are links for 'Search Tools', 'Support', and 'Sign In'. Below this, there are links for 'Legislation', 'Congressional Record', 'Committees', and 'Members'. A search bar is present with the text 'Nominations' and a dropdown menu showing 'Examples: PN217, John Smith'. A 'MORE OPTIONS' button is located below the search bar. The main content area shows a breadcrumb trail: 'Home > Nominations > 113th Congress > PN886'. There are icons for 'Citation', 'Subscribe', 'Share/Save', and 'Site Feedback'. The main heading is 'PN886 — Bruce Heyman — Department of State' with a sub-heading '113th Congress (2013-2014)'. Below this is a 'NOMINATION' section with a 'Hide Overview' button. The nomination details are as follows:

NOMINATION	
<b>Description</b> Bruce Heyman, of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Canada.	<b>Latest Action</b> 01/03/2014 - Returned to the President under the provisions of Senate Rule XXXI, paragraph 6 of the Standing Rules of the Senate.
<b>Organization</b> Department of State	<b>Date Received from President</b> 09/23/2013
	<b>Committee</b> Senate Foreign Relations

*Note:* We code Illinois as the home state of Bruce Heyman.

**Table A.1: Top 30 Export Markets of the United States, 2002–2020**

	<b>Country</b>	<b>Average Annual Export (Export Share)</b>
1	<b>Canada</b>	252 (19.6%)
2	<b>Mexico</b>	182 (14.2%)
3	<b>China</b>	87 (6.7%)
4	<b>Japan</b>	62 (4.8%)
5	<b>United Kingdom</b>	50 (3.9%)
6	<b>Germany</b>	46 (3.6%)
7	<b>South Korea</b>	39 (3%)
8	<b>Netherlands</b>	37 (2.8%)
9	<b>Brazil</b>	30 (2.4%)
10	<b>France</b>	28 (2.2%)
11	<b>Belgium</b>	26.5 (2.1%)
12	<b>Singapore</b>	26.3 (2.0%)
13	<b>Australia</b>	22 (1.7%)
14	<b>Switzerland</b>	19 (1.45%)
15	<b>India</b>	18 (1.44%)
16	<b>Italy</b>	16 (1.2%)
17	<b>United Arab Emirates</b>	15 (1.16%)
18	<b>Saudi Arabia</b>	12.5 (0.97%)
19	<b>Malaysia</b>	12.3 (0.95%)
20	<b>Israel</b>	12.1 (0.94%)
21	<b>Columbia</b>	11.5 (0.90%)
22	<b>Chile</b>	11.3 (0.88%)
23	<b>Spain</b>	10 (0.77%)
24	<b>Thailand</b>	9.5 (0.74%)
25	<b>Turkey</b>	8.6 (0.67%)
26	<b>Ireland</b>	8.3 (0.65%)
27	<b>Venezuela</b>	7.9 (0.62%)
28	<b>Philippines</b>	7.8 (0.61%)
29	<b>Argentina</b>	7.1 (0.56%)
30	<b>Dominican Republic</b>	6.6 (0.51%)

*Notes: The unit is billion USD. Hong Kong and Taiwan are excluded from the analyses as the United States do not send ambassadors to these places. The US exports to the 30 countries comprise 84.2% of the total US exports.*

**Table A.2: Distribution of Ambassadors' Home States  
in Top Ten Export Markets, N=57**

	<b>Home State</b>	<b>Frequency</b>
1	California	10
2	Maryland	5
3	Texas	5
4	Illinois	3
5	New York	3
6	Virginia	4
7	New Jersey	3
8	Tennessee	3
9	Connecticut	2
10	Dist of Columbia	2
11	Indiana	1
12	Iowa	1
13	Kentucky	2
14	Montana	2
15	Ohio	2
16	Florida	1
17	Massachusetts	1
18	Michigan	1
19	Missouri	1
20	North Carolina	1
21	Rhode Island	1
22	South Carolina	1
23	Utah	1
24	Washington	1

Figure A.5: List of Industries (Three-digit NAICS)

**State Exports by NAICS Commodities**  
 Author: U.S. Census Bureau: Economic Indicators Division USA Trade Online. Source: U.S. Import and Export Merchandise trade statistics

**Commodity**

Select by:

Members Totals Percentages Custom groups Calculated members

Members 1-35 of 35

Select/Clear members by level All Range... **Default member: All Commodities** Tip: Use "Expand all" dropdown list to expand to a given level

All Commodities (Default member) ✓✗  
 111 Agricultural Products ✓✗  
 112 Livestock & Livestock Products ✓✗  
 113 Forestry Products, Nesoi ✓✗  
 114 Fish, Fresh/chilled/frozen & Other Marine Products ✓✗  
 211 Oil & Gas ✓✗  
 212 Minerals & Ores ✓✗  
 311 Food & Kindred Products ✓✗  
 312 Beverages & Tobacco Products ✓✗  
 313 Textiles & Fabrics ✓✗  
 314 Textile Mill Products ✓✗  
 315 Apparel & Accessories ✓✗  
 316 Leather & Allied Products ✓✗  
 321 Wood Products ✓✗  
 322 Paper ✓✗  
 323 Printed Matter And Related Products, Nesoi ✓✗  
 324 Petroleum & Coal Products ✓✗  
 325 Chemicals ✓✗  
 326 Plastics & Rubber Products ✓✗  
 327 Nonmetallic Mineral Products ✓✗  
 331 Primary Metal Mfg ✓✗  
 332 Fabricated Metal Products, Nesoi ✓✗  
 333 Machinery, Except Electrical ✓✗  
 334 Computer & Electronic Products ✓✗  
 335 Electrical Equipment, Appliances & Components ✓✗  
 336 Transportation Equipment ✓✗  
 337 Furniture & Fixtures ✓✗  
 339 Miscellaneous Manufactured Commodities ✓✗  
 511 Newspapers, Books & Other Published Matter, Nesoi ✓✗  
 512 Published Printed Music And Music Manuscr ✓✗  
 910 Waste And Scrap ✓✗  
 920 Used Or Second-hand Merchandise ✓✗  
 930 Used Or Second-hand Merchandise ✓✗  
 980 Goods Returned (exports For Canada Only) ✓✗  
 990 Other Special Classification Provisions ✓✗

Source: The US Census Bureau

**Table A.3: Career Trajectory of Politician Ambassadors in Top 10 Export Destinations**

Name	Country	Home State	Age	Experience	Prior Career	Post Career
1 Paul Cellucci	Canada	Massachusetts	53	26	Governor	Private Sector (Magna International Inc.)
2 David Wilkins	Canada	South Carolina	59	25	Member of the House	Private Sector (Nelson Mullins Riley & Scarborough LLP)
3 Tony Garza	Mexico	Texas	43	17	Texas Secretary of State	Private Sector (White & Case LLP)
4 Jon Huntsman	China	Utah	49	5	Governor	Re-ran for governor, failed to be re-elected
5 Gary Locke	China	Washington	61	17	Governor	Private Sector (AMC Theatre)
6 Max Baucus	China	Montana	73	42	Senator	Private Sector & Non-profit (Alibaba Group & Max S. Baucus Institute)
7 Terry Branstad	China	Iowa	71	36	Governor	Private Sector (Summit Carbon Solutions)
8 Howard Baker	Japan	Tennessee	76	19	Senator	Non-profit (Bipartisan Policy Center)
9 Bill Hagerty	Japan	Tennessee	58	4	Commissioner	Ran for senator for the first time, elected
10 Tom Schieffer	Japan	Texas	58	7	Member of the House	Declared running for governor, later withdrew from the race
11 Dan Coats	Germany	Indiana	58	9	Member of the House	Ran for senator for the first time, elected
12 Philip Murphy	Germany	New Jersey	52	1	NJ Benefits Task Force	Ran for governor for the first time, elected
13 Pete Hoekstra	Netherlands	Michigan	65	19	Member of the House	Private Sector (Dickstein Shapiro LLC)

*Note:* Age is based on the year of ambassadorial nomination.

**Table A.4: Ambassadorial Home-State Effect in Exports (Relaxed Model)**

	<i>Dependent Variable:</i>
	Logged Export Value
	(1)
Ambassador Home State	-0.028 (0.077)
Politician	0.111*** (0.022)
Non-Politician	-0.047*** (0.015)
Ambassador Home State × Politician	0.236** (0.110)
Ambassador Home State × Non-Politician	0.016 (0.086)
Core State in Non-Vacant Months	-0.037** (0.019)
Swing State in Non-Vacant Months	-0.005 (0.018)
GDP of Host Countries (in log)	0.657*** (0.034)
Population of Host Countries (in log)	1.968*** (0.430)
Country-State-Industry FE	✓
Country-Time FE	
State-Time FE	✓
Industry-Time FE	✓
Observations	3,953,520
R <sup>2</sup>	0.816

*Note:* Standard errors are clustered at the level of country-state. \*p<0.1; \*\*p<0.05; \*\*\*p<0.01

**Table A.5: Marginal Home State Effects on Ambassadorial Experience and Age**

	<i>Dependent variable:</i>	
	Logged Export Value	
	(1)	(2)
Ambassador Home State	-0.667 (0.483)	1.011* (0.535)
Ambassador Home State × Politician	0.818* (0.453)	0.430** (0.198)
Ambassador Home State × Experience	-0.026* (0.014)	
Ambassador Home State × Politician × Experience	0.026* (0.015)	
Ambassador Home State × Age		-0.008** (0.003)
Ambassador Home State × Politician × Age		-0.014 (0.009)
Country-State-Industry FE	✓	✓
Country-Time FE	✓	✓
State-Time FE	✓	✓
Industry-Time FE	✓	✓
Observations	1,538,058	3,292,866
R <sup>2</sup>	0.831	0.817

*Note:* Standard errors are clustered at the level of country-state. \*p<0.1; \*\*p<0.05; \*\*\*p<0.01