

# The Geoeconomics of Imports: Evidence from the United Nations Security Council\*

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## Abstract

We find that U.S. public companies increase imports from countries newly elected to the United Nations Security Council (UNSC) by approximately 1.8%. This pattern is unique to the U.S. relative to other developed countries and appears geopolitically motivated: the increase is concentrated in products where elected countries lack comparative advantage, follows an inverse U-shape with ideological distance, and is stronger when the elected country holds greater agenda-setting power. We further identify two channels through which the U.S. advances geopolitical importing. First, imports from newly elected countries face lower duty rates, while general trade costs and goods prices remain unchanged. Federal procurement also shifts toward contractors and products from these countries. Second, the increase is disproportionately driven by rent-seeking firms—those whose overseeing senators serve concurrently on the Foreign Relations Committee and the committees relevant to the firms' top lobbying issues—with effects intensifying with senator seniority. These firms exhibit lower operational efficiency yet higher valuation subsequently. Countries experiencing larger trade increases during their UNSC term also exhibit greater voting alignment with the U.S., even after conditioning on prior ideological distance.

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*“U.S. diplomats are hinting at greater trade if Chile backs the United States.”*

Barry Renfrew, Associated Press (2003)

*“Togo happens to be on the UN Security Council. Going there, making the personal investment, has a real strategic purpose ... When you look at ... the voting dynamics in key international institutions, you start to understand the value of paying attention to these places.”*

Hilary Clinton (2012)

*“These nations that take our money and then they vote against us at the Security Council ... We’re watching those votes.”*

Donald Trump (2017)

## **1. Introduction**

Since 1945, the United Nations Security Council (UNSC) has been the world’s most powerful international organization, entrusted with questions of global peacemaking and empowered to invoke sanctions and use force. Ten of its fifteen seats are reserved for rotating members serving two-year terms, with five elected each year. Although these members are nominally committed to advocating for global good, evidence suggests their votes are often influenced by major powers (Kuziemko and Werker 2006; Dreher, Lang, Rosendorff, and Vreeland 2022). These concerns have become more acute amid escalating geopolitical tensions, particularly the Russia-Ukraine and Israel-Gaza conflicts, as the UNSC remains the central forum for conventional conflict resolution. Its geopolitical importance and vulnerability to influence make it a natural setting to study geoeconomic statecraft (Hirschman 1945; Baldwin 1985; Clayton, Maggiori, and Schreger 2025b).

This paper shows how the U.S. leverages imports as a new channel to influence the UNSC’s independent impact on world affairs.<sup>1</sup> With the world’s largest consumer markets and dominant currency, the U.S. can use expanded market access as diplomatic lever with rotating members. Greater access to U.S. markets delivers multiple economic gains—including higher economic growth,

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<sup>1</sup> Trade policy has long served as a key instrument of geopolitical influence. For example, in 1806, the Napoleonic blockade sought to cut off British access to European markets. More recently, several U.S. regional trade agreements were signed or concluded while the partner country was serving on the UN Security Council: the U.S.-Chile Free Trade Agreement (June 6, 2003), the U.S.-Peru Trade Promotion Agreement (April 12, 2006), and the U.S.-Panama Trade Promotion Agreement (June 28, 2007).

employment, dollar inflows, and exchange rate stability—that translate into domestic political capital for incumbent leaders in those countries (Key 1966; Kramer 1971). Deepening trade dependency also creates an implicit threat of future restriction, providing a complementary “stick” in negotiations. Although redirecting trade flows may impose economic costs, the U.S. gains influence over votes on critical international geopolitical matters. Importantly, while economic distortions are borne broadly by consumers and taxpayers, some of the benefits are captured by U.S. politicians and interest groups.

Unlike foreign aid or multilateral financing (Kuziemko and Werker 2006; Dreher et al. 2022), U.S. imports flow mostly through non-state-controlled firms. This creates tension for geopolitical importing but also offers a setting to study domestic political arrangements that align firms’ interests with those of the government. Recent studies show that geopolitical factors increasingly shape firms’ supply chain decisions (Ayyagari, Gao, and Ma 2025; Charoenwong, Peng, and Wu 2025; Kempf, Luo, and Tsoutsoura 2025), largely attributing them to firms’ perception of geopolitical risk. We argue instead that firms reconfigure their supply chain to accumulate political capital. By expanding imports from rotating UNSC members, firms help U.S. politicians exert influence on foreign countries and advance geopolitical goals, and in return, they expect favorable treatment in domestic regulation. Therefore, we focus on public firms’ import behavior, which allows us to credibly link geopolitical sourcing to political participation.

We use the S&P Panjiva database, which links U.S. Customs and Border Protection Bills of Lading to corporate entities and provides country of origin, Harmonized System (HS) product codes, importer identity, and transaction-level quantities and values. We match importers’ ultimate parent firms to Compustat and restrict the sample to public firms with meaningful import exposure. We then form a balanced panel, construct two-year event windows around each UNSC rotation, and stack these cohorts. To mitigate potential selection bias arising from differences between elected and non-elected countries, we restrict the control group to countries that formally declared UNSC candidacy during 2007–2023 but were never elected. Because competing for a UNSC seat is costly (Malone 2000), formal candidates provide a more comparable counterfactual. Our final dataset covers roughly 900 firms across 17 rotation cohorts, yielding about 700,000 cohort-origin-product-firm-quarter observations.

Employing a stacked difference-in-differences design (Baker, Larcker, and Wang 2022), we find that U.S. public firms significantly increase the share of their imports sourced from treated countries as they rotate onto the UNSC. This effect appears across shipment counts, volumes, weights, and values, and is driven by both the extensive and intensive margins. The magnitude is economically meaningful: after standardization, the estimates imply a 1.8–1.9% increase in import shares for elected countries relative to failed candidates following rotation, and a back-of-the-envelope calculation indicates that roughly \$36 million of public-firm imports are reallocated each year for diplomatic considerations.

We benchmark the magnitude against two related literatures. First, relative to Kuziemko and Werker’s (2006) seminal evidence that U.S. and U.N. aid rise by 59% and 8% during UNSC service, our effects are smaller in percentage terms but larger in absolute value. Second, in the emerging literature on the geopolitics of global supply chains, Ayyagari et al. (2025) find a 17 % decline in imports for a one-standard-deviation increase in ideological distance between countries, and Charoenwong et al. (2025) document approximately 10% import decline following foreign elections that increase the ideological distance from focal firms. While our baseline estimates are smaller, our import-share specification captures reallocation within products and firms across different exporter countries. Using similar raw-import specifications, we recover a comparable magnitude.

Next, we examine whether the increase reflects import reallocation rather than improvements in exporters’ fundamentals. This is an important alternative explanation because UNSC rotation may raise a country’s visibility and access to foreign aid or financing, potentially enhancing productivity. We therefore compare the U.S. with other major developed countries that play similar roles in global supply chains but lack incentives to influence UNSC votes. These countries are not permanent members of the UNSC, cannot formally propose or sponsor draft resolutions, and are not viewed as pursuing strong geoeconomic policies. Using the BACI dataset on bilateral trade flows, we find that the import increase is unique to the U.S. This pattern suggests that the effects we document are attributable to strategic reallocation by U.S. firms rather than exporters’ general performance improvements.

We then provide evidence that the import increase is geopolitically driven. We examine heterogeneity along three dimensions that capture geopolitical incentives. First, following Berger, Easterly, Nunn, and Satyanath (2013), we show that the increase is concentrated in products where

rotating member countries have a comparative disadvantage. This pattern contradicts standard trade theory, which predicts specialization along comparative advantage and expanded exports in relatively efficient sectors. Importing products in which partners are inefficient offers little economic justification absent non-market considerations. However, it is fully consistent with our mechanism: UNSC rotation strengthens countries' voting power, and the U.S. leverages market access to support the export of goods these countries would otherwise struggle to sell.

Second, we examine how import responses vary with *ex ante* ideological alignment between rotating members and the U.S. Using Bailey, Strezhnev, and Voeten's (2017) latent ideal points estimated from United Nations General Assembly (UNGA) voting, which capture both vote agreement and resolution-level ideology content and are comparable over time, we find a non-monotonic inverse U-shape. Specifically, import responses increase with ideological distance first, peak for moderately divergent nations, and then fade and eventually turn negative for countries with extreme ideological differences. This pattern supports a geopolitical mechanism: economic inducements are most valuable for "swing" countries that are not automatically aligned but potentially movable through market access.

Third, we exploit variation in agenda-setting power. Each UNSC member holds the one-month rotating presidency once or twice during its two-year term, in alphabetical order. Although the presidency carries no extra votes, it provides significant control over the agenda. For example, when Russia serves as the president, the Council focuses on the Israel-Gaza conflicts rather than the Ukraine conflicts. If the U.S. aims to influence which issues reach the Council floor, it has stronger incentives to strategically expand trade with newly elected members who preside more than once. Consistent with this mechanism, the import increase appears only for countries with greater agenda-setting power.

Having shown that the U.S. strategically leverages its consumer market to advance geopolitical goals, we next examine the underlying channels. First, we examine policy concessions. Motivated by evidence that the U.S. offers or withholds preferential trade agreements during UNSC terms, we test whether effective duty rates change after rotation. Duty rates are the most direct target of trade policy and capture enforcement intensity. Using calculated duty rates from the U.S. Census and aggregating them to the origin-product-port-year level (Schott 2008), we find a significant reduction for newly

elected countries. By contrast, import charges and goods prices show no significant declines.<sup>2</sup> This pattern suggests that trade policy adjustments, rather than general changes in trade costs, drive our baseline results. We also examine federal procurement and find higher procurement shares and a greater likelihood of forming new contracts with contractors from treated countries. Measuring foreign procurement instead by product origin (regardless of contractor nationality) yields consistent results.

Second, we examine which firms' incentives are aligned with the U.S. government and therefore reconfigure their supply chains accordingly, potentially at the expense of economic efficiency. While private firms have limited incentives (or ability) to influence U.S. geopolitical legitimacy (Davis, Fuchs, and Johnson 2019), they are highly motivated to shape the domestic regulatory environment. When lawmakers value geopolitical outcomes, firms may assist them by strategically expanding imports and, in return, expect regulatory favor. Such non-monetary influencing strategies are well documented in prior literature (Akey, Gupta, and Lewellen 2025; Bombardini and Trebbi 2025). To test this channel, we follow Bertrand, Bombardini, and Trebbi (2014) and Bertrand, Bombardini, Fisman, and Trebbi (2020) to identify settings where the expected returns to lobbying through strategic importing vary.

Our identification exploits the institutional structure of the U.S. Senate, where senators can serve on multiple committees. We focus on firms with senators who simultaneously sit on both the committee overseeing the firm's top lobbying issues and the Foreign Relations Committee. The Foreign Relations Committee advises and consents on the appointment of the U.S. representative to the United Nations (UN), controls funding and oversight related to the UN, and closely tracks UNSC decisions as signals of international legitimacy. Senators on this Committee gain substantial political returns from the success of geopolitical policy, such as career progression (Lindsay 1994), reputation (Chapman 2007; Carter and Scott 2009), and credit claiming to certain interest groups (Haney and Vanderbush 1999; Haney 2017). This structure creates a strong alignment of incentives: firms support lawmakers' geopolitical objectives by strategically importing, and lawmakers reward these firms with regulatory favors on issues central to their business.

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<sup>2</sup> Import charges represent the total cost of all freight, insurance, and other expenses (excluding U.S. import duties) incurred to move the merchandise from alongside the carrier at the port of exporter to alongside the carrier at the first port of entry in the U.S.

Consistent with our theoretical framework, import responses are significantly stronger for firms connected to these cross-sitting senators. We further exploit the institutional hierarchy of the U.S. Senate, where seniority confers both procedural advantages and informal influence. As senators gain tenure, their capacity to shape domestic policy, and thus firms' incentives to adjust supply chains, increases. In line with this channel, the baseline effect is amplified when the dual-seated senator is more senior. Moreover, firms that engage in geopolitical importing experience weaker operating performance yet higher market valuation, indicating that supply-chain reconfiguration imposes real economic costs but yields non-market rewards.

Finally, we examine the diplomatic consequences of the import increases. If the trade expansion is geopolitically motivated, countries receiving larger increases should vote more closely with the U.S. in the UNSC. Three endogeneity concerns remain. First, we cannot observe the counterfactual voting behavior absent the import increase. We mitigate this by conditioning on prior ideological distance. Second, UNSC agendas are strategically curated, which may attenuate the relationship. We address this by including resolution fixed effects and estimating within-resolution variation. Third, reverse causality may arise if the U.S. rewards supporting votes with trade. Nonetheless, establishing a robust association is sufficient to validate the geoeconomic mechanism. Consistent with our prediction, countries experiencing larger import increases vote more similarly with the U.S., and the magnitude is economically meaningful.

We subject our findings to several robustness checks. First, dynamic analyses for the baseline specification and additional tests support the parallel-trend assumption and show no pre-trends. Second, the results are robust to different estimation methods. In particular, we implement the midpoint growth method with weighted least squares, which has ideal aggregation properties (Matray, Müller, Xu, and Kabir 2025). Third, we validate that firms in industries with higher relationship specificity exhibit weaker import responses to UNSC rotations (Nunn 2007). Fourth, we expand the control group to include all U.S. trade partners that never served on the UNSC during 2007–2024 and find consistent results. Although these countries are less comparable, this test enhances the external validity of our findings. Fifth, we exploit Saudi Arabia's unexpected refusal of its UNSC seat in 2013. Jordan's replacement provides a plausibly exogenous case and yields results that align with our broader evidence.

This paper relates to three strands of existing work. First, we contribute to the emerging literature on geoeconomics. Built on Hirschman's (1945) seminal insights, recent studies develop the theoretical foundations of geoeconomic power, analyze optimal trade policy, construct empirical measures, and document new evidence (Kastner 2016; Davis et al. 2019; Aiyar, Malacrino, and Presbitero 2024; Thoenig 2024; Becko, Grossman, and Helpman 2025; Clayton, Maggiori, and Schreger 2025a; Mohr and Trebesch 2025). Broner, Martin, Meyer, and Trebesch (2025) find that hegemons account for a disproportionate share of treaty-signings. Clayton, Coppola, Maggiori, and Schreger (2025) use large language models to identify the application of and response to geoeconomic pressure. Liu and Yang (2025) study how asymmetric import dependence can be a source of coercive power. We provide causal evidence that access to the U.S. consumer market functions as an instrument of geoeconomic statecraft, exploiting UNSC rotations as an exogenous shift in a country's geopolitical value and examining subsequent UNSC voting as the outcome.

Leveraging the same setting, prior studies examine the role of foreign aid or multilateral financing (Kuziemko and Werker 2006; Dreher, Sturm, and Vreeland 2015; Dreher et al. 2022). We extend their insights to trade, a channel that imposes real economic distortions on the U.S. and operates through private firms. While Davis et al. (2019) find that U.S. trade is rarely politicized because of low levels of state ownership, we show that rent-seeking firms adjust their imports to accumulate political capital. In doing so, we also connect research that examines the interaction between foreign and domestic politics by documenting how domestic political design shapes firms' geopolitically driven importing.

Second, we expand the literature on the amount of money in politics and its influence. Tullock (1972) first noted the puzzle that the returns to political influence far exceed its observable costs when measured using lobbying expenditures and political contributions. This puzzle remains central in the literature (Ansolabehere, de Figueiredo, and Snyder Jr 2003; Zingales 2017; Akey et al. 2025; Bombardini and Trebbi 2025). A key explanation is that firms rely on less traceable forms of influence to avoid public scrutiny. Hertel-Fernandez (2017) shows that companies build political power by mobilizing employees in elections, and Bertrand, Bombardini, Fisman, and Trebbi (2020) show that charitable disbursements can serve as a conduit for political engagement. Our paper highlights another concealed channel: firms can appeal to politicians by strategically reallocating imports toward

diplomatically valuable countries, thereby supporting U.S. geopolitical goals. Considering the economic magnitude of estimates, conventional measures of political influence likely understate both the resources devoted to, and the welfare losses associated with, political rent-seeking. Our findings thus lend support to Bebchuk et al.'s (2011) petition that the SEC “develop rules to require public companies to disclose to shareholders the use of corporate resources for political activities.”<sup>3</sup>

Third, rising geopolitical tensions and newly available data have enabled new research on the geopolitics of the supply chain. Ayyagari et al. (2025) find that firms led by CEOs politically aligned with the U.S. administration reduce imports substantially more from countries that become ideologically distant from the U.S. Charoenwong et al. (2025) and Kempf, Luo, and Tsoutsoura (2025) utilize foreign elections to show that increases in ideological distance between foreign countries and firms significantly reduce import propensity. Jing, Liu, and Tian (2024) use text-based measures of geopolitical risk and find that firms are more likely to terminate relationships with suppliers located in regions experiencing rising geopolitical tensions. These studies attribute supply-chain adjustments to firms' perceptions and preferences regarding geopolitical risks. In contrast, this paper links supply-chain adjustments to firms' incentives to strengthen political connections with the U.S. government by supporting its geopolitical objectives. In our setting, the relevant variation is not ideology (mis)alignment or geopolitical risk, but shifts in a country's voting power on international matters.

## **2. Institutional Background**

The United Nations (UN) was established with the signing of the UN Charter on June 26, 1945. It serves as a center for coordinating state actions to maintain international peace and security, foster friendly relations among nations, and promote international cooperation. Today, the UN consists of 193 member states and two observer states and is widely viewed as a leader of global peace and human development. The UN includes six principal organs, and our analysis focuses on the UN General Assembly (UNGA) and the UN Security Council (UNSC).

The UNGA operates under Chapter IV of the UN Charter. It oversees the UN budget, elects non-permanent members to the Security Council, appoints the secretary-general, receives reports from other

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<sup>3</sup> The petition has received over one million comments and, although later reinforced by Nelson, Bebchuk, Jackson, and Tallarita (2018), it remains pending.

UN bodies, and issues recommendations through resolutions. It is the only UN organ in which all member states have equal representation. Member states vote on resolutions by a simple or two-thirds majority, but UNGA resolutions are not legally binding. As a result, UNGA voting is less susceptible to capture and more likely to reflect countries' underlying ideological positions (Bailey et al. 2017).<sup>4</sup>

The UNSC is the UN's primary organ responsible for maintaining international peace and security. It is widely viewed as the most powerful body, as Chapter VII of the UN Charter authorizes it to identify threats and to mandate responses, including sanctions and the use of force. It is also the only UN organ whose resolutions are legally binding on member states.

The UNSC consists of five permanent members (China, France, Russia, the United Kingdom, and the United States) and, since 1965, ten non-permanent members. Non-permanent members are elected by the UNGA to two-year terms beginning on January 1, with elections staggered so that five seats turn over each year. Candidates face no formal restrictions aside from a prohibition on immediate re-election, but securing a seat requires support from at least two-thirds of the votes cast.<sup>5</sup> Seats are allocated by regional groups: five to Africa and Asia, one to Eastern Europe, two to Latin America and the Caribbean, and two to Western Europe, Canada, Australia, and New Zealand (Malone 2000).

Observational evidence suggests that regional powers, such as Japan and Brazil, serve more frequently than less influential states, and Malone (2000) argues that countries invest significant resources in campaigns to demonstrate commitment, secure votes, and build networks with future colleagues. However, prior research indicates that, from an ex post perspective, election to the UNSC is plausibly exogenous to a country's economic or political standing (Dreher, Gould, Rablen, and Vreeland 2014). Instead, membership is robustly predicted by the norm of turn-taking. For example, the African group explicitly maintains a system of rotation within sub-regional groups to ensure equitable access.

The presidency of the council is held by each of the members in turn for one month, following the English alphabetical order of the member states' names. The president is responsible for setting the

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<sup>4</sup> A counterargument is that such votes constitute low-cost signals and lack meaningful commitment (Flores-Macías and Kreps 2013).

<sup>5</sup> The only exception is the 2016 UNSC election, in which neither Italy nor the Netherlands secured the required two-thirds majority, and they subsequently agreed to split the term, with each serving one year.

agenda, presiding at its meetings, and overseeing any crisis. The UNSC members can vote for each resolution by Yes, No, or Abstain. Security Council decisions on all substantive matters require the affirmative votes of nine (i.e., three-fifths) of the members, but the permanent members have veto power even if the resolution has received the required votes.

The Security Council presidency rotates monthly among members in English alphabetical order. The president sets the agenda, presides over meetings, and manages crisis responses. Because fifteen countries serve over a two-year cycle, some non-permanent members hold the presidency twice during their term, while others serve only once. On each resolution, members may vote Yes, No, or Abstain.<sup>6</sup> Substantive decisions require at least nine affirmative votes, but any permanent member can unilaterally block a measure through its veto, regardless of majority support.

### **3. Data and Sample Selection**

Our analysis draws on four primary sources: (i) UN data at the election and resolution levels; (ii) transaction-level Bills of Lading (BoL) data from S&P Panjiva; (iii) Aggregate trade and calculated duty data at the *Origin*  $\times$  *Product*  $\times$  *Destination*  $\times$  *Time* level; and (iv) U.S. political data on firm lobbying and Senate committee assignments.

#### **3.1 UN Data**

We assemble data on UNSC rotations, presidencies, and voting from official archives supplemented with manual coding of media reports. First, we hand-collect each year's non-permanent members from UN records and identify unsuccessful candidates using official documents and contemporaneous media coverage. Countries defeated in UNSC elections appear in General Assembly voting records, while publicly declared candidates that later withdrew are typically reported in the press. Appendix A provides the full list of elected and failed candidates. Second, we obtain presidential information from the UN archive. Third, we use the voting dataset from Dreher et al. (2022), compiled from the UN Library in Geneva using UN web pages and verbatim meeting minutes. This dataset includes all recorded UNSC proposals and votes, regardless of outcome.<sup>7</sup>

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<sup>6</sup> In rare cases, members may also choose to “not participate”, casting no active vote.

<sup>7</sup> Another common data source, the UN Bibliographic Information System, records only adopted resolutions.

We also use the ideological distance measures from Bailey, Strezhnev, and Voeten (2017), which are derived from UNGA voting patterns. In their model, each country’s vote on a resolution is a probabilistic outcome influenced by (i) the country’s policy preferences, or “ideal point” ( $\theta$ ), and (ii) the resolution’s characteristics, such as its degree of polarization.<sup>8</sup> Based on observed votes, the algorithm uncovers the hidden parameters, including  $\theta$ , using Markov Chain Monte Carlo (MCMC) simulations. Ideal points are estimated at the session level and averaged within a year. A country’s ideological distance from the U.S. is then defined as the absolute difference between its ideal point and that of the U.S. By construction, the measure is comparable across years.

### 3.2 BoL Data

We obtain BoL data from S&P Panjiva from 2007 (the first year data is available) to 2024. Panjiva collects BoLs from U.S. Customs and Border Protection and constructs additional standardized variables. In particular, it links consignee information to corporate entities, maps product descriptions to HS codes, imputes shipment volume in twenty-foot equivalent units (TEUs), and estimates the transaction’s value in U.S. dollars. For each transaction, Panjiva provides the shipment origin, arrival date, consignee entity, HS codes, and quantity measures. Due to data limitations, Panjiva only covers maritime trade.<sup>9</sup>

We follow Charoenwong et al. (2025) to link Panjiva data to Compustat drop observations without a valid *GVKEY*. We then apply several sample construction procedures: (i) we retain only firms that import in more than 50% of quarters; (ii) we exclude firms in the finance and utilities industry (SIC first digit = 6 or SIC first two digits = 49). (iii) to limit sparsity, we drop origin-firm-product pairs that appear less than 5% of the sample period, which also helps restrict the analysis to economically meaningful import relationships; (iv) we construct a balanced panel at the origin-product-firm-quarter level by imputing zeros for missing observations;<sup>10</sup> (v) We remove origins that never claimed candidacy for the

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<sup>8</sup> For example, some votes concern procedural matters and convey little ideological information.

<sup>9</sup> This limitation is unlikely to materially bias our estimates for two reasons. First, maritime shipments represent the majority of U.S. imports, exceeding 50% of the total import value. Second, there is no clear reason for firms or origin countries to strategically substitute across transportation modes around UNSC rotations. Consistent with this view, our results remain robust when excluding Canada and Mexico, where non-maritime imports are disproportionately concentrated.

<sup>10</sup> This imputation does not introduce bias or measurement error because a missing BoL corresponds to no shipment, and thus no imports.

UNSC election during our sample period; (vi) for each cohort, we require at least one non-zero observation in the event window for each origin-firm-product pair and require each firm-product to have at least one observation for the treated and control countries.

Given the high frequency of the raw data, we aggregate data by origin, 2-digit HS products, *GVKEY*, year, and quarter. Using quarterly frequency allows us to capture more granular variation in firms' import decisions within a year. After aggregation, we obtain four measures of import quantity: the total number of shipments, total volume in TEUs, total weight in kilograms, and total value in U.S. dollars. We convert these into import shares, defined as the import from a specific *origin* divided by total imports at the *Firm*  $\times$  *Product*  $\times$  *Quarter* (*Year*) level:

$$Import\ Share_{opit} = \frac{Imports_{opit}}{\sum_o Imports_{opit}},$$

where  $o$  represents an origin,  $p$  a product,  $i$  a firm and  $t$  the time. This measure captures within-unit reallocation and reflects both the extensive and intensive margins, with a natural decomposition into each margin

### 3.3 Aggregate Trade Data

We construct bilateral trade flows at the origin-product-year level from the BACI dataset maintained by CEPII. BACI harmonizes UN COMTRADE data, eliminates double-reporting, and reports trade values in free-on-board (FOB) terms. It covers roughly 200 countries and 5,000 products at the HS 6-digit level annually. We use the HS07 classification to maintain comparability with the BoL data, covering 2007–2023. For tractability, we focus on nine developed countries other than the U.S.: Australia, Canada, Switzerland, Germany, Denmark, Spain, Finland, Japan, and New Zealand. These countries occupy similar positions in international trade as the U.S. but are not permanent members in the UNSC.

From BACI data, we also calculate the exporter's revealed comparative advantage (RCA) for a product from an origin in a certain year. Following UN Trade and Development guidance, a country is said to have a revealed comparative advantage in a given product when the ratio of its exports of that product to its total exports of all goods (products) exceeds the same ratio for the world as a whole.

$$RCA_{op} = \frac{\frac{X_{op}}{\sum_{q \in P} X_{oq}}}{\frac{X_{wp}}{\sum_{q \in P} X_{wq}}} \geq 1,$$

where  $w$  indicates the world and  $P$  is the set of all products. We compute RCA annually to capture time-varying productivity patterns and use the lagged RCA in our regressions to mitigate endogeneity concerns.

We acquire duty, price, and charges data from Schott (2008), who processes raw U.S. Census Bureau data and aggregates them at the HS10-year-origin-Port level. The U.S. extends HS codes to ten digits for tariff administration. Each observation reports import value, quantity, charges, and duties. Charges include freight, insurance, and all other costs—excluding U.S. import duties—incurred to move the merchandise from alongside the carrier at the port of export to alongside the carrier at the first U.S. port of entry.

### 3.4 Political Data

We obtain firm lobbying data from LobbyView (Kim 2018). We use three datasets: (i) the Clients dataset, which reports firms annual lobbying expenditures and can be matched to Compustat via *GVKEY*; (ii) the Reports dataset, which links each client (company) to corresponding congressional Lobbying Disclosure Act reports; (iii) the *Issues* dataset, which identifies the specific issues covered in a given report. Linking these datasets allows us to observe how much a firm spends each year to lobby on a given issue.

Next, we identify the issues on which firms concentrate their lobbying efforts by summing expenditures across all reports that reference a given issue (Bertrand et al. 2020). We focus on the top issue or issues with the highest total expenditure for each firm-year. When a report lists multiple issues, we allocate its expenditure evenly across them. We then use the crosswalk in Bertrand, Bombardini, and Trebbi (2014) to map reported issues to the corresponding congressional committees. This procedure links each firm to the committee or committees most relevant to its lobbying activity.

Finally, we obtain senator committee assignments and seniority data from Charles Stewart III's website.<sup>11</sup> We focus on senators who simultaneously serve on the committee relevant to a given firm and on the Foreign Relations Committee, as they can both gain political returns from diplomatic outcomes and provide regulatory benefits to firms. To mitigate endogeneity concerns, we exclude firms whose primary lobbying target is the Foreign Relations Committee itself, since firms heavily importing from geopolitically important countries may be directly motivated to lobby on diplomatic issues.

We combine the three sources of information to construct an indicator of political motivation for each firm, equal to one if at least one senator simultaneously serves on both the committee overseeing the firm's relevant issues and the Foreign Relations Committee. Specifically, we define:

$$Politically\ Motivated_{ft} = \sum_c \sum_i l_{fit} x_{ic} Membership_{ct},$$

where:

$$l_{fit} = \begin{cases} 1 & \text{if issue } i \text{ is a top issue for firm } f \text{ lobbying in year } t \\ 0 & \text{otherwise,} \end{cases}$$

$$x_{ic} = \begin{cases} 1 & \text{if issue } i \text{ is overseen by committee } c \\ 0 & \text{otherwise,} \end{cases}$$

$$Membership_{ct} = \begin{cases} 1 & \text{if Senator in } c \text{ sits on the Foreign Relations Committee in year } t \\ 0 & \text{otherwise.} \end{cases}$$

We also construct a seniority measure defined as the maximum seniority among cross-seated senators on the committee overseeing the firm's top lobbying issue.

To align the firm-year measure with the stacked difference-in-differences design, we aggregate them to the firm-cohort level.<sup>12</sup> For each cohort  $c$ , we define:

$$Political_{fc} = 1 \left( \sum_{t \in Post_c} Politically\ Motivated_{ft} > 0 \right),$$

where  $Post_c$  represents the periods after the UNSC rotation for each cohort. We convert the seniority measure in the same manner.

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<sup>11</sup> See Stewart III and Woon (2016)

<sup>12</sup> Without this transformation, the political-motivation measure would vary across firms and years within a cohort, complicating interpretation. Our analysis focuses on cross-sectional differences across firms within each cohort, rather than within-firm time-series variation.

## 4. Main Results

### 4.1 Research Design and Basic Data Facts

We adopt a stacked difference-in-differences design to estimate the effects of UNSC rotation on firm imports:

$$Import\ Share_{copit} = \beta_1 Treat_{co} \times Post_{ct} + u_{copi} + v_{cpit} + \varepsilon_{cipot}, \quad (1)$$

where  $u_{copi}$  denotes the *cohort*  $\times$  *origin*  $\times$  *product*  $\times$  *firm* fixed effects, and  $v_{cpit}$  denotes *cohort*  $\times$  *product*  $\times$  *firm*  $\times$  *time* fixed effects. The coefficient of interest is  $\beta_1$ , which captures the effect of UNSC rotation on imports from newly elected countries relative to control countries. The stand-alone effect of *Treat* and *Post* is absorbed by fixed effects. Standard errors are double-clustered by origin-year and product-year.

For each cohort, treated countries are those newly rotating onto the UNSC. The control group consists of countries that formally declared candidacy during 2007–2023 (corresponding to terms 2008–2025) but were never elected. We restrict the control sample to unsuccessful candidates to mitigate potential selection bias arising from differences between elected countries and the broader set of non-elected countries. Because UNSC membership tends to correlate with regional political influence, elections may not be fully random. Mounting a credible UNSC campaign requires substantial diplomatic and financial resources (Malone 2000), so countries that officially declare candidacy presumably have a reasonable chance of winning. These candidate countries provide a more appropriate counterfactual to elected members than the full set of non-elected countries.

$Post_{ct}$  indicates periods after a country formally rotates onto the UNSC on January 1. We construct two-year event windows ( $[-2, +2]$ ) around each rotation and stack these cohorts. Because the UNSC allows for non-immediate re-election, some countries appear more than once in the treated group. Since there is no established econometric guidance for handling repeated treatments in stacked designs, we restrict the sample to cohorts with no prior treatment in the preceding six years to ensure stable pre-treatment performance.

We successfully link approximately 900 firms to 17 distinct UNSC rotations. The final regression sample contains around 700,000 observations at the cohort-origin-product-firm-time level. Table 1

reports summary statistics for the stacked sample. Treated (Post) and Control (Pre) groups are well balanced. On average, firms record about four shipments per origin-product-quarter, corresponding to 8 TEUs, 168,556 kg in weight, and an estimated value of \$926,906. About 37% of observations involve positive imports, and each country represents approximately 7% of total imports. Twenty-nine percent of observations correspond to politically motivated firms, and the dual-seated senators associated with these firms have an average seniority of 17 years.

#### **4.2 Public Firms' Reaction**

We estimate specification (1) on the universe of active public importers and present the results in Table 2. Import shares are constructed using the four BoL-based measures—total shipments, total volume, total weight, and total value—and standardized for ease of interpretation. We find that import shares from newly rotated countries increase by roughly 1.8% of a standard deviation following their entry onto the UNSC. The effect is consistent across measures in both statistical significance and magnitude. A back-of-the-envelope calculation suggests that approximately \$36 million of public-firm imports (about 5.7% of imports from a given country) are reallocated each year for diplomatic reasons.<sup>13</sup>

We decompose import shares into extensive and intensive margins and report the results in Table C1. These estimates should be interpreted with caution because the intensive margin is inherently endogenous (Angrist and Pischke 2009). We find significant effects along both margins. The extensive margin is more robust, reflecting a clearer signal of economic support, especially given that the imports affected are concentrated in products where exporting countries lack a comparative advantage. To facilitate comparison with prior work, we follow Ayyagari et al. (2025) and re-estimate the specification using the log of total imports. The results, reported in Table C2, indicate a 14.8% increase in import value following a country's rotation onto the UNSC.

We also estimate dynamic effects around the UNSC rotation using an event-time specification:

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<sup>13</sup> The raw estimate of the treatment effect on value share is 0.003645, and the average total value of imports per year is about \$9.94 billion, implying that roughly \$36 million of public-firm imports are reallocated. This is a lower-bound estimate given our focus on public firms and the sample selection process. The average import per origin-year is about \$628 million, so the \$36 million corresponds to roughly 5.7% of public-firm imports from a given country.

$$Import\ Share_{copit} = \sum_{k=-1}^{2(9)} \beta_k Treat_{co} \times 1_{t=t_c+k} + u_{copi} + v_{cpit} + \varepsilon_{cipot}, \quad (2)$$

where  $k$  indicates event time in years or quarters,  $c$  indicates a cohort, and  $t_c$  is the year before rotation for each cohort (or the three quarters before rotation in the quarterly design).<sup>14</sup> Parameter  $1_{t=t_c+k}$  is an indicator equal to one if period  $t$  falls  $k$  periods from  $t_c$ .

Figure 1 plots the dynamic effects at the quarterly and annual frequencies. For the quarterly analysis, we use the three quarters before rotation as the base period, as election results are typically announced around June or October of the preceding year. Setting this period to zero allows us to capture any incremental effects of the election prior to formal entry (Kuziemko and Werker 2006). We find no evidence of pre-trends, a modest increase following the election, and a pronounced rise after formal entry, consistent with the parallel-trends assumption. The annual results show a similar pattern.

### 4.3 Aggregate Import for the U.S.

Next, we turn to the aggregate-level trade analysis. This test serves two purposes: First, it provides evidence that the import increase is not driven by our importer (firms) selection criteria. Second, it allows us to assess whether the effect is unique to the U.S. relative to other developed countries. These countries occupy similar positions in global supply chains but lack comparable geopolitical incentives to influence UNSC voting, as only UNSC members can formally sponsor resolutions. We estimate:

$$\begin{aligned} Import\ Share_{copdt} &= \beta_1 Treat_{co} \times Post_{ct} + \beta_2 Treat_{co} \times Post_{ct} \times USA_d + u_{copd} + v_{cpdt} \\ &+ \varepsilon_{copdt}, \quad (3) \end{aligned}$$

where  $d$  denotes destination (importer) country and  $USA$  is an indicator equal to one if the importer is the U.S. The coefficient of interest is  $\beta_2$ , which captures the incremental effect of UNSC rotation on U.S. import allocation relative to other developed countries. We also estimate specification (1) at the country level separately for the U.S. and for other countries.

Table 4 reports the results using standardized dependent variables. In column (1), we find robust evidence that the U.S. increases import shares from rotated countries, with an economic magnitude

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<sup>14</sup> Election results are typically announced in June (post-2016) or October (pre-2016).

similar to our baseline estimates. In column (2), we find no significant evidence of a comparable increase among other developed countries. In column (3), the triple-interaction specification shows a significantly positive coefficient, indicating that the difference in effects between the U.S. and other countries is itself statistically meaningful.

These results help rule out key alternative explanations. We consider two possibilities. First, rotation onto the UNSC may increase an exporter's general visibility. Second, rotation may coincide with increases in foreign aid or multilateral financing that raise exporter productivity (Kuziemko and Werker 2006; Dreher et al. 2022). However, any visibility or productivity effects should apply uniformly across importing countries, particularly among developed economies with similar positions in global trade. The absence of effects for non-U.S. countries is inconsistent with these stories, while the significant triple-interaction term indicates that the U.S. increases imports from rotated countries for reasons specific to the U.S. Similarly, we estimate dynamic effects for the U.S. and other countries separately and plot them in Figure 2. We find no evidence of pre-trends for either group. The effects of UNSC rotation on import shares are significantly positive for the U.S. but remain insignificant for non-U.S. countries.

## **5. Mechanism**

In this section, we attribute the increase in imports to geopolitical motivations. We use three approaches to isolate incentives related to influencing geopolitical outcomes in the UNSC, and all three consistently indicate that the increase in imports is geopolitically driven. We discuss each approach in turn.

### **5.1 Revealed Comparative (Dis)Advantage**

We follow Berger, Easterly, Nunn, and Satyanath (2013) and interact our baseline specification with revealed comparative advantage. Although our earlier tests rule out general visibility and productivity channels, concerns may remain about changes in supplier fundamentals specific to the U.S. If the import increase were driven by standard economic forces, Ricardian trade models would imply stronger growth in products where exporting countries hold a comparative advantage. By contrast, increases in goods where exporters have a comparative disadvantage typically indicate non-market motives. In our setting, such patterns would reflect the U.S. providing expanded market access to newly elected countries precisely in products they struggle to sell elsewhere.

Table 5 presents the regression result. Across all measures of import shares, we find a significantly positive coefficient for  $Treat \times Post$  and a significantly negative coefficient on  $Treat \times Post \times RCA$ . This pattern indicates that the increase in imports is concentrated in products where newly rotated UNSC countries lack a comparative advantage, consistent with geopolitically motivated trade. Figure 3 plots the dynamic effects separately for products with comparative advantage and disadvantage. For each measure, we observe no pre-trends in either subsample. The post-rotation increase appears only for products in which exporters hold a comparative disadvantage.

## 5.2 Ideological Distance

We follow Ayyagari et al. (2025) and Liu and Yang (2025) in measuring countries' prior ideological differences using UNGA voting patterns from Bailey et al. (2017). If the baseline import response is geopolitically driven, both the magnitude and sign of the effect should depend on prior ideological distance. The incentive for politically motivated importing reflects two forces: the probability of influencing a country's votes and the value of doing so. The probability of influence decreases with ideological distance, while the potential reward from shifting a more distant country's position increases with distance. Together, these forces imply an inverse U-shaped relationship between effect size and ideological distance.

This prediction aligns with intuition. Countries that are ideologically very close to the U.S. (e.g., Canada) generally vote with the U.S. regardless, giving the U.S. little incentive to increase imports. At the opposite extreme, countries that are ideologically distant are unlikely to be swayed by economic inducements, so the U.S. has little reason to target them either. By contrast, countries at moderate ideological distance are neither automatic allies nor unreachable. Their votes are more contestable, and import increases may meaningfully shift their positions. Thus, it is optimal for the U.S. to target these "swing" countries, much like politicians focus on swing regions in domestic politics.

We estimate the inverse U-shaped relationship using a quadratic specification and report the results in Table 6. The coefficient on  $Treat \times Post \times Distance$  is significantly positive, while the coefficient on  $Treat \times Post \times Distance^2$  is significantly negative, indicating that the baseline effects initially increase with ideological distance but decline beyond the turning point. Roughly 25–50% of

observations lie to the right of the turning point, consistent with a meaningful inverse U-shape. Figure C1 plots the simulated relationship.

### 5.3 Agenda Setting Power

Although all non-permanent members of the UNSC have equal voting rights, their agenda-setting power varies. In particular, the Council president holds disproportionate influence over which issues are placed on the agenda. For example, when Russia holds the presidency, discussions rarely focus on the Russia-Ukraine conflict but instead emphasize other topics, such as the Israel-Gaza conflict. The presidency rotates monthly among all fifteen members in English alphabetical order. Because fifteen members share these rotations over two years, some serve as president twice during their term while others serve only once. In our sample, roughly 75% of treated observations correspond to countries that serve two presidencies.

We partition the treated sample based on presidency frequency and construct two indicators,  $Treat1_{co}$  and  $Treat2_{co}$ , which equal one when the treated country serves as Council president once or twice, respectively. We then estimate the following specification:

$$\begin{aligned} & ImportShare_{copdt} \\ & = \beta_1 Treat1_{co} \times Post_{ct} + \beta_2 Treat2_{co} \times Post_{ct} + u_{copd} + v_{cpdt} + \varepsilon_{copdt} \quad (4) \end{aligned}$$

The coefficients of interest are  $\beta_1$  and  $\beta_2$ , which capture the effect of UNSC rotation on imports for cohort-countries that serve one and two presidencies separately. The estimated effect is identical to those obtained from separate regressions that include only  $treat1_{co}$  or  $treat2_{co}$  included. A weighted average of  $\beta_1$  and  $\beta_2$  also matches the baseline estimation. Table 7 reports the results. Across all measures of import shares, we find significant effects only for the cohort-countries that serve two presidential terms.

## 6. Channels

In this section, we examine the channels through which the U.S. facilitates geopolitical importing. We focus on two channels. First, we assess whether the U.S. adopts favorable trade policies or directives toward member countries. Second, we study whether firms' incentives to influence domestic policy also motivate them to increase imports from these countries.

## 6.1 Policy Concessions

Trade policies have substantial effects on import flows and are frequently used by hegemony to exert influence on foreign countries. Historical examples include the 1806 Napoleonic blockade, which sought to cut Britain off from European markets. As motivating evidence, several regional trade agreements were signed or renewed when counterpart countries served on the UNSC: the U.S.-Chile Free Trade Agreement (June 6, 2003), the U.S.-Peru Trade Promotion Agreement (April 12, 2006), and the U.S.-Panama Trade Promotion Agreement (June 28, 2007). In addition, the United States reportedly offered “promises of rich rewards” to secure support in the lead-up to the 2003 Iraq invasion.

Because formal trade policy changes are relatively infrequent, we focus instead on effective duty rates. Duty rates are the most common policy instrument affecting imports; for example, President Trump recently threatened broad-based tariff increases. Governments may also implement implicit directives through differential enforcement of trade policies, which would likewise be reflected in effective duty rates.

We obtain duty-rate data at the *origin*  $\times$  *product*  $\times$  *year*  $\times$  *port* level from the U.S. Census Bureau following Schott (2008). We do not aggregate beyond the port level to avoid bias arising from variation in port-specific charges and customs administration. U.S. duty rates are set at the 10-digit HS level and may be based on value (ad valorem), quantity (specific), or combined. Because we cannot separately identify the duty type, we estimate the following specification:

$$\begin{aligned} \text{Calculated Duty}_{copdt} &= \beta_1 \text{Treat}_{co} \times \text{Post}_{ct} + \beta_2 \text{Value}_{copdt} + \beta_3 \text{Quantity}_{copdt} + u_{copd} + v_{cpt} \\ &+ \varepsilon_{copdt}, \quad (5) \end{aligned}$$

where  $d$  denotes the unloading district (port), *Value* is the value of imports, and *Quantity* is the quantity of imports. *Quantity* is measured at 10-digit HS level in the units associated with each HS10 code.

We find that the calculated duties are significantly lower for treated countries after the UNSC rotation, both with and without conditioning on the value and quantity of imports. These results indicate that treated countries face systematically reduced duty collections. In Columns (3)–(6), we repeat the

analysis for charges (freight, insurance, and other non-duty costs) and for prices, and we cannot reject the null that neither charges nor prices change. Figure C2 presents the corresponding dynamic estimates. In Table C2, we also show that both the extensive and intensive margins of duty rates are significantly negative. In addition, we include the triple interaction term  $Treat \times Post \times \log(Value + 1)$  and find that the sensitivity of calculated duties to import value (and quantity) decreases after the UNSC rotation for treated countries.

We also examine the federal procurement as an alternative form of policy concession. We obtain federal procurement data for 2008–2024 from the official archive.<sup>15</sup> We restrict the sample to newly signed contracts (excluding modifications to prior contracts) where the U.S. is the primary performance location.<sup>16</sup> Aggregating the data to the cohort-origin-product-award type level, we find both higher procurement shares and a greater likelihood of new contracts formation for contractors from newly elected countries after the UNSC rotation. Alternatively, we use the source origin of the products or services being contracted, regardless of the contractor’s nationality, and we find consistent results. We present the results in Table C4.

## 6.2 Politically Motivated Firms

Imports are ultimately channeled through firms that lack both the incentives and the capacity to influence the UNSC votes. Davis et al. (2019) argue that U.S. trade is not politicized because low levels of state ownership in the economy limit the government’s ability to align firm behavior with geopolitical goals. However, we notice that private firms are strongly motivated to shape the domestic regulatory environment. This rent-seeking incentive, combined with U.S. political arrangements, can create motives for politicized importing. Domestic lawmakers care about geopolitical goals and also wield regulatory authority. By importing more from newly elected UNSC countries, firms help politicians exert influence abroad and, in turn, improve their prospects for favorable domestic regulation.

To test this channel, we identify situations where the returns to lobbying through importing vary across firms. We follow Bertrand et al. (2014, 2020) to map firms' lobbying expenditures to key issues

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<sup>15</sup> [https://www.usaspending.gov/download\\_center/award\\_data\\_archive](https://www.usaspending.gov/download_center/award_data_archive)

<sup>16</sup> In some cases, the U.S. government signs procurement contracts with foreign countries to support U.S. entities abroad, such as embassies. Because these contracts are endogenous to diplomatic proximity and do not affect imports, we exclude them.

and then to corresponding Senate committees.<sup>17</sup> We then merge this with Senate assignments data from Charles Stewart III's website, yielding a measure that links firms to senators who oversee their top lobbying issues. Our identification strategy exploits the institutional structure of the U.S. Senate, where senators can serve on multiple committees. We focus on senators who also sit on the Foreign Relations Committee, because they can gain political return from U.S. diplomatic success. We construct the variable  $Political_{ft}$  as defined in Section 3.4 and estimate the baseline specification augmented with its interaction term.

We present the results in Table 8. Across all measures of import shares, the effects are concentrated among firms with political motivations. This finding supports our argument that firms adjust their supply chain decisions in response to geopolitical considerations, driven by incentives to capture domestic policy. Figure 4 shows the dynamic effects: we observe no pre-trends for either subsample, but only politically motivated firms exhibit a significantly positive post-rotation

We also exploit the well-documented institutional hierarchy of the U.S. Senate, where tenure confers both procedural advantages and informal influence. The more senior senators within a committee hold disproportionately greater sway over regulatory outcomes and have stronger capabilities for influencing domestic policy. We therefore predict that firms' incentives to adjust suppliers increase with the seniority of the relevant senator. We estimate the specification with the triple interaction term  $Treat \times Post \times Log(Seniority)$  and present the result in Table 9. We address missing committee-seniority values for non-politically motivated firms in two ways: Panel A assigns them a seniority of zero, while Panel B excludes them. Across both approaches, we find consistent evidence that the baseline effect is stronger when the dual-seated senator is more senior.

In Table C4, we use an alternative measure of political motivation. We argue that firms headquartered in the same state as the Foreign Relations Committee Chair may also have incentives to import strategically. Two considerations motivate this prediction. First, even if the state's senator does not oversee the firm's top lobbying issue, they may exert substantial influence over state-level regulation. Second, senators shape the broader regulatory environment, and the returns to lobbying are

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<sup>17</sup> Due to data limitations, we can only test cohorts up to 2018.

greater for in-state firms, to whom senators pay closer attention. We find consistent results for this alternative group, although the statistical significance of the effects is weaker.

In Table C5, we conduct a consequence test for these firms. If firms maximize profitability, we expect higher market valuations when their import patterns align with government preferences. We find that firms' operational performance declines and that this effect is driven by higher cost of goods sold, indicating that strategic global sourcing is not operationally optimal. However, these firms exhibit higher valuations, as measured by the market-to-book ratio, suggesting they are rewarded along other dimensions. Further analysis indicates that these firms experience lower perceived domestic political risk, consistent with the benefits of lobbying. We note two limitations of this test. First, it is endogenous because firms' responses to UNSC elections are not exogenous to their performance or political risk. Second, because the shock is not at the firm level, the firm-level panel is less clean than the baseline import panel.

## 7. Consequences

In this section, we examine the consequences of geopolitically driven imports using UNSC voting records. Consistent with our mechanism, we expect countries experiencing a larger increase in imports to vote more similarly to the U.S. We measure similarity in two ways. First, we construct a variable  $Same\ Vote_{or}$ , which equals 1 if a country  $o$  casts the same vote as the U.S. on resolution  $r$ . Second, we code each vote as Yes = 1, Abstain = 0, and No = -1, and define  $Vote\ Distance_{or}$  as the absolute difference between a country's vote and the U.S. vote. For example, if a country votes Yes while the U.S. votes No, the distance is 2; if the U.S. Abstains, 1; and if the U.S. also votes Yes, 0.

We use the BACI dataset to compute the change in trade value between the two-year post-rotation period and the two-year pre-rotation period. We then normalize the trade changes in two ways. First, we scale the change by the pre-period average trade value to obtain  $Scaled\ Change_{ot}$ . Second, for each year, we sort trade changes into quintiles and construct two variables:  $TradeQtl_{ot}$ , the raw quintile rank of trade changes, and  $Large\ Trade_{ot}$ , an indicator equal to 1 if the trade change falls in the top quintile and 0 if it falls in the bottom quintile.

In Figure 5, we present binned scatter plots of trade-change quintiles and voting similarity. We observe a clear and consistent pattern: that larger trade changes are positively associated with greater voting alignments with U.S. votes, whether measured by *Same Vote* or by *Vote Distance*. To conduct a more stringent test, we estimate:

$$Vote\ Similarity_{or} = \beta_1 Trade\ Changes_{ot} + \beta_2 Distance_{ot-1} + u_r + \varepsilon_{or}, \quad (5)$$

where  $r$  denotes resolution, *Vote Similarity* represents the similarity measures described above, *Trade Changes* represents the normalized trade changes, and *Distance* is the ideological distance between an origin country and the U.S. in the previous year, calculated from Bailey, Strezhnev, and Voeten (2017).

We control for prior ideological distance to address the endogeneity concern that U.S. trade responses vary systematically with ideological proximity, as documented in Section 5.2. Prior distance also serves as a proxy for the counterfactual voting similarity absent trade responses, which cannot be observed ex post (Kuziemko and Werker 2006). We also include resolution fixed effects to estimate within-resolution effects, thereby mitigating the endogeneity from strategic agenda setting.<sup>18</sup> Moreover, any endogenous agenda-setting bias works against finding significant results.

We obtain official UNSC voting records from Dreher et al. (2022), which contain each country's votes on every resolution regardless of whether it passes. We standardize the dependent variables to facilitate interpretation. Table 10 shows that larger trade responses are robustly associated with greater voting similarity after conditioning on prior ideological distance. Moving up one trade-change quintile is associated with a 1.8% increase in voting similarity.

Finally, we clarify the interpretation of this result. Although we document a significantly positive association between trade changes and vote similarity, we cannot identify the direction of causality. Non-permanent members may first signal support through their votes, with the U.S. subsequently increasing imports, or both sides may adjust simultaneously in a strategic setting if they understand each other's incentives. Importantly, our argument does not require a causal relationship. The strong association alone is consistent with the geoeconomic mechanism.

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<sup>18</sup> Agenda setters typically know the preferences of each member before bringing a resolution to a vote. This likely explains why most Security Council resolutions pass unanimously and why failed resolutions are rare.

## 8. Robustness

In this section, we provide numerous additional analyses, assessing the robustness and validity of our findings across alternative samples and research designs.

### 8.1 Midpoint Growth

We follow Matray, Müller, Xu, and Kabir (2025) and measure import changes using midpoint growth, defined as

$$\Delta Import_{copft} = \frac{Import_{copft} - Imopr_{copf,-1}}{0.5(Import_{copft} + Imopr_{copf,-1})}$$

The midpoint growth measure accommodates zero trade flows naturally and is bounded at (-)2 to account for entry (exit). When combined with weighted least squares, it also has a nice aggregation property that estimates remain comparable across different levels of saturation. To assign greater importance to firms with larger import value (and thus greater influence on allocation), we define the weights as

$$\frac{(ImportValue_{copft} + ImportValue_{copf,-1})}{\sum_{o,p}(ImportValue_{copft} + ImportValue_{copf,-1})}$$

We present the results in Table C6. We find consistent evidence that midpoint growth is significantly associated with UNSC rotation under both ordinary least squares and weighted least squares.

### 8.2 Relationship Specificity

We validate that our results are stronger for firms operating in industries with lower relationship specificity. We use the industry-level relationship-specificity index from Nunn (2007), which is based on the share of inputs that are not traded on organized exchanges and/or not reference priced, as classified by Rauch (1999). Inputs that are traded on exchanges or reference priced entail lower search and contracting costs, and therefore lower relationship specificity. Table C7 shows that the effects are significantly weaker in industries with higher relationship specificity, consistent with findings in the trade and supply-chain literature.

### 8.3 Alternative Control Sample

In the baseline and subsequent analyses, we restrict the control group to countries that unsuccessfully contested UNSC elections between 2007 and 2023. This choice improves comparability between treated

and control units but limits external validity. As an alternative, we expand the control group to include all countries that did not serve on the UNSC during 2007–2024 and re-estimate the specification. Table C8 reports the results.

#### **8.4 Case Studies**

We examine a case where the change in UNSC membership was largely unexpected. Saudi Arabia was elected to a 2014–2015 non-permanent but unexpectedly declined the position in October 2013, citing the “double standards” in UNSC resolutions. Jordan was subsequently elected as the replacement member. Because Saudi Arabia’s withdrawal was unanticipated, Jordan’s entry was less likely to be shaped by U.S. influence. We analyze this episode using BACI data. Table C9 reports the results.

#### **9. Conclusion**

This paper establishes causal evidence that the United States strategically leverages its consumer market to influence United Nations Security Council voting. As geopolitical tensions intensify, understanding how hegemons convert economic dominance into geopolitical influence within key international organizations is crucial for evaluating corporate strategy and economic policy.

Utilizing large-scale, granular datasets on firm imports, we find that U.S. public companies increase imports from countries newly elected to the UNSC. By contrast, we do not observe similar patterns for other developed countries. The import increase also exhibits heterogeneity consistent with geopolitical motives. First, it is concentrated in products where elected countries lack a comparative advantage, contradicting standard trade theory. Second, it follows an inverse U-shape with ideological distance, peaking for “swing” countries that are moderately aligned with the U.S. Third, it is stronger when the elected country holds greater agenda-setting power, as determined by the exogenous rotation of the UNSC presidency.

We further identify two channels through which the U.S. advances geopolitical importing. First, the U.S. adopts policy concessions toward newly elected countries. Imports from these countries face significantly lower duty rates, while general charges and prices do not change. Federal procurement also shifts toward contractors or goods from the newly elected countries. Second, the import increase is disproportionately driven by firms seeking domestic regulatory advantages. These firms assist politicians in achieving geopolitical goals through strategic importing, and politicians reward them with

favorable policies. Using lobbying disclosures and Senate committee assignments, we identify rent-seeking firms as those with senators serving on both the committees overseeing their top lobbying issues and the Foreign Relations Committee. These firms drive the results, with stronger effects when the relevant senators are more senior. Finally, we validate our geoeconomics mechanism by showing that countries experiencing larger trade increases during their UNSC term vote more similarly with the U.S., even after conditioning on prior ideological distance.

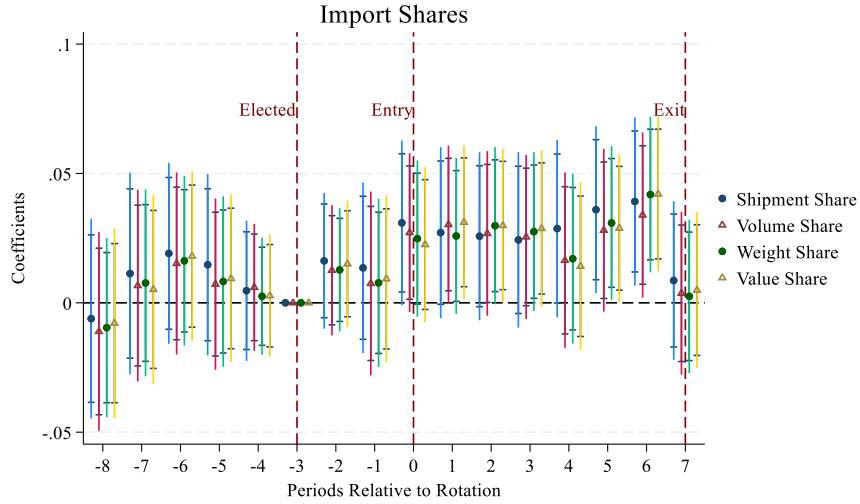
Our findings have two implications. First, they highlight access to the U.S. consumer market as a tool of statecraft through which the U.S. exerts influence on foreign countries to achieve geopolitical goals. Second, they suggest that domestic political arrangements can induce firms to adjust supply chains based on geopolitical considerations, even at the expense of operational efficiency.

Several promising directions for future research remain. A natural next step is to explore how the economic rents are allocated within exporting countries, testing whether politically connected firms there disproportionately benefit from increased U.S. imports. Another is to examine how multiple hegemony deploy geoeconomic tools simultaneously, potentially leading to fragmentation within international organizations.

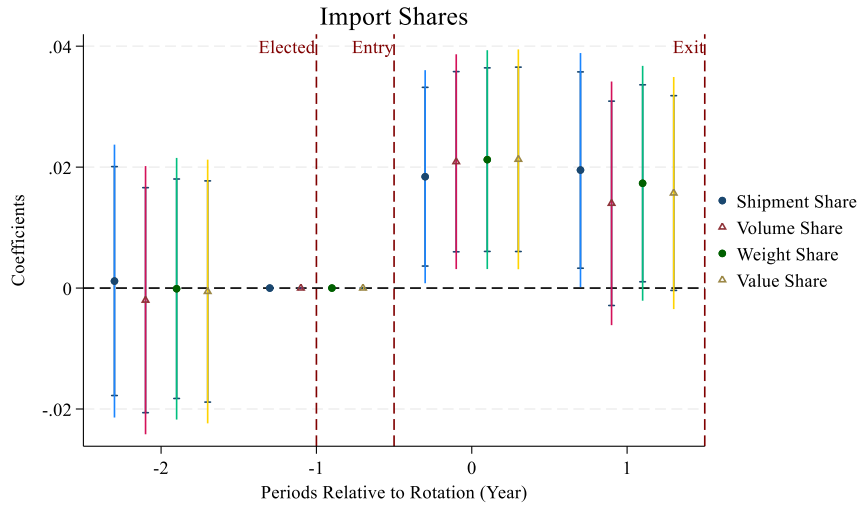
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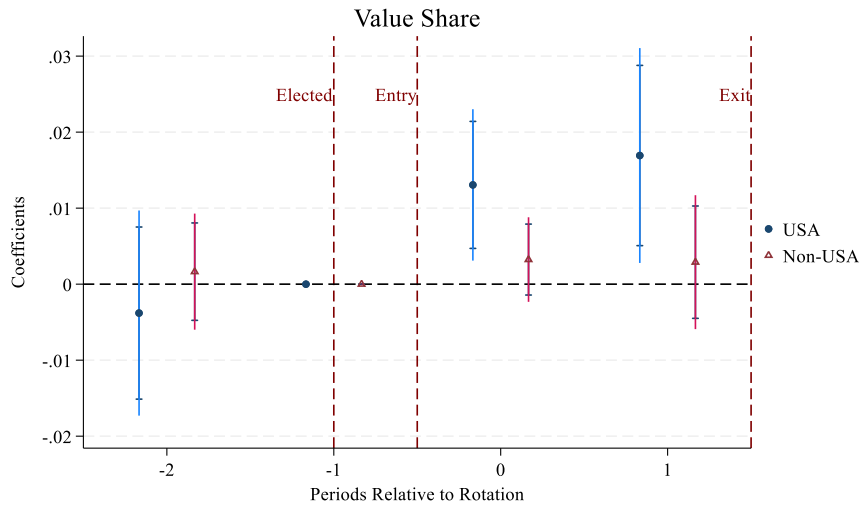


Panel A: Quarterly Design

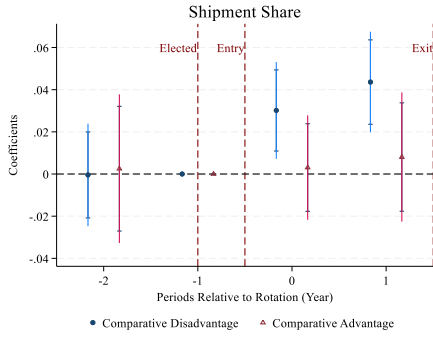


Panel B: Yearly Design

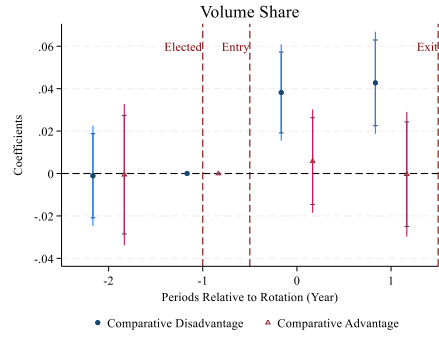
**Figure 1: Dynamic Effects of UNSC Rotation.** This figure plots the result from dynamic analyses for the baseline regression, examining the effects of UNSC rotation on U.S. firm imports. In Panel A, we adopt a quarterly design, and the benchmark period is two quarters before rotation (normalized to zero), when the election results come out. In Panel B, we adopt a yearly design, and the benchmark period is the year before UNSC rotation (normalized to zero). The blue dots represent the coefficient estimates from the triple interaction term  $Treat_{co} \times Post_{ct} \times 1_{t=t_c+k}$  regarding the import decision of *Shipment Share* from Equation (2). The red triangles, green dots, and yellow triangles represent the coefficient estimate regarding *Volume Share*, *Weight Share* and *Value Share*, respectively. The inner capped bars are 90% confidence intervals, and the outer uncapped bars are 95% confidence intervals for each import share measure.



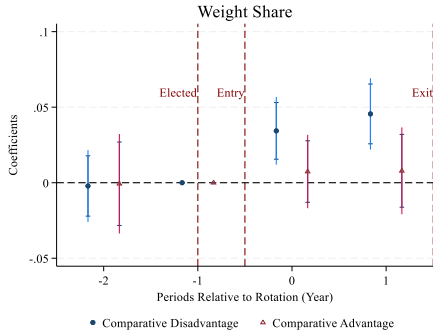
**Figure 2: Dynamic Analysis for Aggregate Trade Patterns.** This figure plots the result from dynamic analyses for the effects of UNSC rotation on aggregate-level trade for the U.S. and other developed countries. The benchmark period is the year before UNSC rotation (normalized to zero). Event time is  $\tau = t - t_c$ , where  $t_c$  is the rotation year for the cohort  $c$ . The dependent variable is the share of the total value of imports for a product from an origin. The blue dots (red triangles) represent coefficient estimates for the U.S. and other developed countries, respectively. The inner capped bars are 90% confidence intervals, and the outer uncapped bars are 95% confidence intervals for each import share measure.



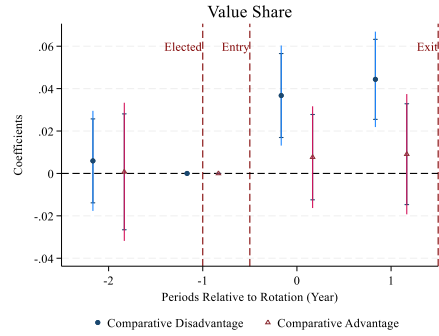
Panel A: Shipment Share



Panel B: Volume Share

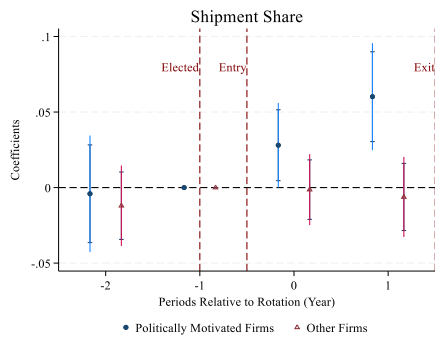


Panel C: Weight Share

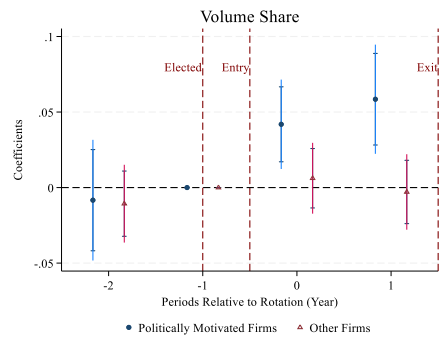


Panel D: Value Share

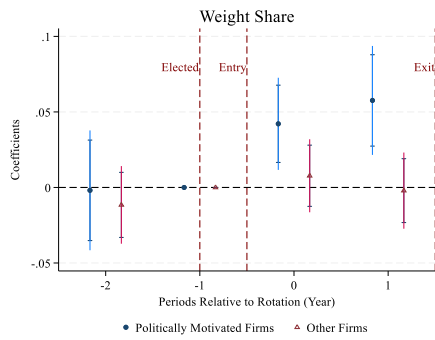
**Figure 3: Different Effects for RCA and non-RCA Products.** This figure plots the heterogeneous effects of UNSC rotation on U.S. firm imports regarding the product's comparative advantage. The Comparative (Dis)Advantage refers to the goods that an origin country has a revealed comparative (dis)advantage in a given product in the previous year. An origin is said to have a revealed comparative advantage in a given product when its ratio of exports of that product to its total exports of all goods (products) exceeds the same ratio for the world as a whole, and the origin is considered to have an export strength in that product. The benchmark period is the year before UNSC rotation (normalized to zero). Each panel presents the results for an import decision: Shipment Share, Volume Share, Weight Share, and Value Share, respectively. The blue dots (red triangles) represent coefficient estimates for the goods without (with) comparative advantage from the triple interaction term  $Treat_{co} \times Post_{ct} \times 1_{t=t_c+k}$  from Equation (2), respectively. The inner capped bars are 90% confidence intervals, and the outer uncapped bars are 95% confidence intervals for each import share measure.



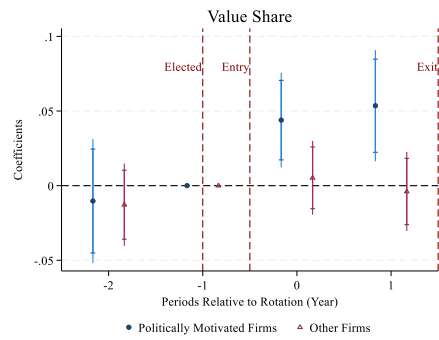
Panel A: Shipment Share



Panel B: Volume Share

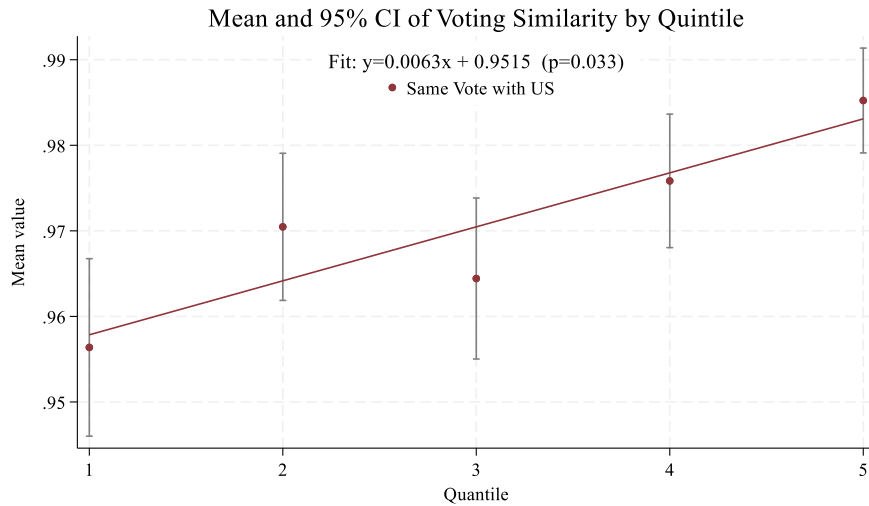


Panel C: Weight Share

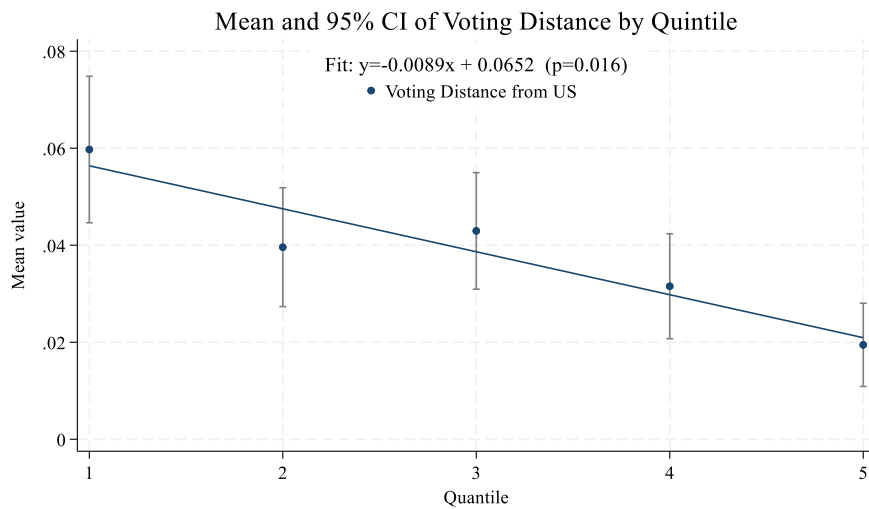


Panel D: Value Share

**Figure 4: Different Effects for Politically Motivated Firms and Other Firms.** This figure plots the heterogeneous effects of UNSC rotation on U.S. firm imports regarding the firm’s political motivation. Politically Motivated Firms refers to firms that are politically motivated in at least one year during the post-period for each cohort. A firm is said to be politically motivated when there is a senator cross-seat on both the committee overseeing its top lobbying issue and the Foreign Relations Committee. The benchmark period is the year before UNSC rotation (normalized to zero). Each panel presents the results for an import decision, *Shipment Share*, *Volume Share*, *Weight Share*, and *Value Share*, respectively. The blue dots (red triangles) represent coefficient estimates for the firms with (without) political motivation from the triple interaction term  $Treat_{co} \times Post_{ct} \times 1_{t=t_c+k}$  from Equation (2), respectively. The inner capped bars are 90% confidence intervals, and the outer uncapped bars are 95% confidence intervals for each import share measure.



Panel A: Same Vote



Panel B: Vote Distance

**Figure 5: Binscatter Plot of Trade Increases and Vote Similarity.** This figure plots the relation between UNSC vote similarity and changes in imports from two years pre-rotation to two years at the resolution level. Panel A measures vote similarity by an indicator of the same vote with the U.S., and Panel B measures vote similarity by assigning 1 (0, -1) to Yes (Abstain, No) and calculating the absolute distance. The x-axis indicates the changes in raw import value between an origin and the U.S., and the y-axis indicates the vote similarity of an origin and the U.S. The dots represent the average vote similarity for each quintile of import changes, the capped bars are 95% confidence intervals for the average value, and the solid line represents the fitted regression line between the two variables.

**Table 1: Descriptive Statistics**

This table presents summary statistics for the main variables, including treatment structure, trade quantity measures, firm politics variables, and UNSC vote dynamics. The unit of observation is cohort-origin-product-firm-time for Panels A–C, and at the resolution level for Panel D. Detailed variable definitions are provided in Appendix B.

<b>Panel A: Treatment Structure</b>								
Variable	N	Mean	Std	P1	P25	P50 (Median)	P75	P99
<i>Treat</i>	707604	0.41						
<i>Post</i>	707604	0.50						
<i>Presidency Count</i>	291788	1.73	0.44					

<b>Panel B: Trade Data</b>								
Variable	N	Mean	Std	P1	P25	P50 (Median)	P75	P99
<i>Shipment</i>	707604	4.16	14.14	0.00	0.00	0.00	2.00	106.00
<i>Volume</i>	707604	8.11	31.73	0.00	0.00	0.00	1.66	240.00
<i>Weight</i>	707604	168556.31	976763.69	0.00	0.00	0.00	8873.50	8759129.25
<i>Value</i>	707604	926905.84	4508587.59	0.00	0.00	0.00	70800.00	37429566.00
<i>Have Import</i>	707604	0.37	0.48					
<i>Shipment Share</i>	707604	0.07	0.18	0.00	0.00	0.00	0.03	1.00
<i>Volume Share</i>	707604	0.07	0.19	0.00	0.00	0.00	0.01	1.00
<i>Weight Share</i>	707604	0.07	0.19	0.00	0.00	0.00	0.01	1.00
<i>Value Share</i>	707604	0.07	0.19	0.00	0.00	0.00	0.01	1.00

<b>Panel C: RCA, Ideological Distance, and Firm Politics</b>								
Variable	N	Mean	Std	P1	P25	P50 (Median)	P75	P99
<i>RCA</i>	690440	2.65	6.81	0.01	0.54	1.01	1.60	37.46
<i>Ideological Distance</i>	705984	2.20	1.00	0.12	1.48	2.21	3.06	3.96
<i>Lobby</i>	414816	0.29	0.45					
<i>Seniority</i>	119824	17.08	8.71	5	11	13	25	35

<b>Panel D: UNSC Votes</b>								
Variable	N	Mean	Std	P1	P25	P50 (Median)	P75	P99
<i>Pass</i>	745	0.95						
<i>Same Vote</i>	7450	0.97	0.17					
<i>Vote Distance</i>	7450	0.04	0.23					

**Table 2: Firms' Import Patterns Following UNSC Rotation**

This table reports the effects of UNSC rotation on U.S. public firms' import decisions. The sample is a stacked event sample at the cohort-origin-product-firm-time level. *Shipment Share* refers to the total number of shipments of products imported by the firm from an origin country in a quarter, scaled by the total number of shipments of products imported by the firm in that quarter. *Volume Share*, *Weight Share* and *Value Share* are defined similarly. *Treat* is an indicator that turns to one if the origin country rotates on the UNSC in a cohort and zero if the origin country was a candidate that withdrew from or was defeated in UNSC elections during 2007–2023. *Post* indicates time periods after the rotation of each cohort. See Appendix A for variable definitions. Standard errors are reported in parentheses and are heteroskedasticity robust and double clustered by Origin×Year and Product×Year. \*, \*\*, and \*\*\* indicate statistical significance at the 10%, 5%, and 1%, respectively.

Dep. Var.	<i>Shipment Share</i> (1)	<i>Volume Share</i> (2)	<i>Weight Share</i> (3)	<i>Value Share</i> (4)
<i>Treat</i> × <i>Post</i>	0.018** (0.008)	0.019** (0.008)	0.019*** (0.007)	0.019** (0.007)
Cohort×Firm×Product×Origin	Yes	Yes	Yes	Yes
Cohort×Firm×Product×Time	Yes	Yes	Yes	Yes
Observations	707,604	707,604	707,604	707,604
Adjusted R-squared	0.464	0.432	0.430	0.412

**Table 3: Aggregate Trade Patterns Following UNSC Rotation**

This table reports the effects of UNSC rotation on the U.S. and other developed countries (Australia, Canada, Switzerland, Germany, Denmark, Spain, Finland, Japan, and New Zealand) aggregate import decisions. The sample is a stacked event sample at the cohort-origin-product-destination-time level. The sample in column (1) includes U.S. imports, the sample in column (2) includes other developed countries' imports, and the sample in column (3) includes both U.S. and other countries' imports with a triple interaction term  $Treat \times Post \times USA$ . *Value Share* refers to the total free-on-board value of products imported by the destination country from an origin country in a quarter, scaled by the total free-on-board value of products imported by the destination country in that quarter. *Treat* is an indicator that turns to one if the origin country rotates on the UNSC in a cohort and zero if the origin country was a candidate that withdrew from or was defeated in UNSC elections during 2007–2023. *Post* indicates time periods after the rotation of each cohort. *USA* is an indicator that turns to one if the destination country is the U.S. See Appendix A for variable definitions. Standard errors are reported in parentheses and are heteroskedasticity robust and double clustered by Origin×Year and Product×Year. \*, \*\*, and \*\*\* indicate statistical significance at the 10%, 5%, and 1%, respectively.

Dep. Var	<i>Value Share</i>		
	USA (1)	Non USA (2)	All (3)
<i>Treat × Post</i>	0.017*** (0.005)	0.002 (0.003)	0.002 (0.003)
<i>Treat × Post × USA</i>			0.014*** (0.004)
Cohort×Destination×Product×Origin	Yes	Yes	Yes
Cohort×Destination×Product×Time	Yes	Yes	Yes
Observations	144,770	1,074,410	1,219,180
Adjusted R-squared	0.983	0.937	0.947

**Table 4: Effect of Revealed Comparative Advantage**

This table reports the effects of UNSC rotation on U.S. public firms' import decisions for goods with a comparative advantage compared to those with a comparative disadvantage. The sample is a stacked event sample at the cohort-origin-product-firm-time level. *Shipment Share* refers to the total number of shipments of products imported by the firm from an origin country in a quarter, scaled by the total number of shipments of products imported by the firm in that quarter. *Volume Share*, *Weight Share* and *Value Share* are defined similarly. *RCA* is an indicator that equals one if the goods of an origin country have a revealed comparative advantage in a given product in the previous year. An origin is said to have a revealed comparative advantage in a given product when its ratio of exports of that product to its total exports of all goods (products) exceeds the same ratio for the world as a whole. *Treat* is an indicator that turns to one if the origin country rotates on the UNSC in a cohort and zero if the origin country was a candidate that withdrew from or was defeated in UNSC elections during 2007–2023. *Post* indicates time periods after the rotation of each cohort. See Appendix A for variable definitions. Standard errors are reported in parentheses and are heteroskedasticity robust and double clustered by Origin×Year and Product×Year. \*, \*\*, and \*\*\* indicate statistical significance at the 10%, 5%, and 1%, respectively.

Dep. Var.	<i>Shipment Share</i> (1)	<i>Volume Share</i> (2)	<i>Weight Share</i> (3)	<i>Value Share</i> (4)
<i>Treat</i> × <i>Post</i>	0.030*** (0.009)	0.034*** (0.009)	0.032*** (0.009)	0.029*** (0.009)
<i>RCA</i>	-0.029 (0.019)	-0.030 (0.019)	-0.038* (0.020)	-0.036* (0.020)
<i>Treat</i> × <i>RCA</i>	0.057 (0.035)	0.069* (0.038)	0.059 (0.036)	0.052 (0.037)
<i>Post</i> × <i>RCA</i>	0.020*** (0.007)	0.025*** (0.007)	0.022*** (0.007)	0.021*** (0.007)
<i>Treat</i> × <i>Post</i> × <i>RCA</i>	-0.028** (0.013)	-0.033*** (0.013)	-0.029** (0.013)	-0.026** (0.013)
Cohort×Firm×Product×Origin	Yes	Yes	Yes	Yes
Cohort×Firm×Product×Time	Yes	Yes	Yes	Yes
Observations	690,440	690,440	690,440	690,440
Adjusted R-squared	0.469	0.438	0.435	0.418

**Table 5: The Non-monotonic Effect of Ideological Distance**

This table reports the effects of UNSC rotation on U.S. public firms' import decisions for origins with different ideological distances. The sample is a stacked event sample at the cohort-origin-product-firm-time level. *Shipment Share* refers to the total number of shipments of products imported by the firm from an origin country in a quarter, scaled by the total number of shipments of products imported by the firm in that quarter. *Volume Share*, *Weight Share* and *Value Share* are defined similarly. *Distance* is the ideological distance between an origin country and the U.S. in the year before the rotation for each cohort, calculated from Bailey, Strezhnev, and Voeten (2017). *Treat* is an indicator that turns to one if the origin country rotates on the UNSC in a cohort and zero if the origin country was a candidate that withdrew from or was defeated in UNSC elections during 2007–2023. *Post* indicates time periods after the rotation of each cohort. See Appendix A for variable definitions. Standard errors are reported in parentheses and are heteroskedasticity robust and double clustered by Origin×Year and Product×Year. \*, \*\*, and \*\*\* indicate statistical significance at the 10%, 5%, and 1%, respectively.

Dep. Var.	<i>Shipment Share</i> (1)	<i>Volume Share</i> (2)	<i>Weight Share</i> (3)	<i>Value Share</i> (4)
<i>Treat</i> × <i>Post</i>	-0.144* (0.074)	-0.105 (0.072)	-0.108 (0.075)	-0.143* (0.078)
<i>Post</i> × <i>Distance</i>	-0.032** (0.014)	-0.031** (0.015)	-0.034** (0.015)	-0.034** (0.014)
<i>Treat</i> × <i>Post</i> × <i>Distance</i>	0.138** (0.062)	0.111* (0.061)	0.110* (0.063)	0.145** (0.064)
<i>Post</i> × <i>Distance</i> <sup>2</sup>	0.010*** (0.004)	0.009** (0.004)	0.010*** (0.004)	0.010*** (0.004)
<i>Treat</i> × <i>Post</i> × <i>Distance</i> <sup>2</sup>	-0.026** (0.012)	-0.022* (0.012)	-0.021* (0.012)	-0.029** (0.013)
Cohort×Firm×Product×Origin	Yes	Yes	Yes	Yes
Cohort×Firm×Product×Time	Yes	Yes	Yes	Yes
Observations	705,864	705,864	705,864	705,864
Adjusted R-squared	0.463	0.432	0.429	0.412

**Table 6: The Effect of Agenda-Setting Power**

This table reports the effects of UNSC rotation on U.S. public firms' import decisions for elected origins with different presidency service terms. The sample is a stacked event sample at the cohort-origin-product-firm-time level. *Shipment Share* refers to the total number of shipments of products imported by the firm from an origin country in a quarter, scaled by the total number of shipments of products imported by the firm in that quarter. *Volume Share*, *Weight Share* and *Value Share* are defined similarly.  $Treat_1$  is an indicator that turns to one if the origin country rotates on the UNSC and serves presidency once in a cohort, and zero if the origin country was a candidate that withdrew from or is defeated in UNSC elections during 2007–2023.  $Treat_2$  is an indicator that turns to one if the origin country rotates on the UNSC and serves a presidency twice in a cohort, and zero if the origin country was a candidate that withdrew from or is defeated in UNSC elections during 2007–2023. *Post* indicates time periods after the rotation of each cohort. See Appendix A for variable definitions. Standard errors are reported in parentheses and are heteroskedasticity robust and double clustered by Origin×Year and Product×Year. \*, \*\*, and \*\*\* indicate statistical significance at the 10%, 5%, and 1%, respectively.

Dep. Var.	<i>Shipment Share</i> (1)	<i>Volume Share</i> (2)	<i>Weight Share</i> (3)	<i>Value Share</i> (4)
$Treat_1 \times Post$	0.007 (0.010)	0.001 (0.011)	0.004 (0.011)	0.004 (0.011)
$Treat_2 \times Post$	0.023** (0.009)	0.025*** (0.009)	0.025*** (0.009)	0.024*** (0.009)
Cohort×Firm×Product×Origin	Yes	Yes	Yes	Yes
Cohort×Firm×Product×Time	Yes	Yes	Yes	Yes
Observations	707,604	707,604	707,604	707,604
Adjusted R-squared	0.464	0.432	0.430	0.412

**Table 7: Trade Costs Following the UNSC Rotation**

This table reports the effects of UNSC rotation on U.S. calculated duties, general charges, and price. The sample is a stacked event sample at the cohort-origin-product-port-time level. *Duty* is the total value of calculated duty for a product imported from an origin country to a port in a year. *Charges* is the total cost of all freight, insurance, and other charges (excluding U.S. import duties) incurred in bringing a product from an origin country to a port in a year. *Value* is the total value of shipments for products imported from an origin country to a port in a year. *Quantity* is the total quantity of shipments for products imported from an origin country to a port in a year. *Treat* is an indicator that turns to one if the origin country rotates on the UNSC in a cohort and zero if the origin country was a candidate that withdrew from or was defeated in UNSC elections during 2007–2023. *Post* indicates time periods after the rotation of each cohort. See Appendix A for variable definitions. Standard errors are reported in parentheses and are heteroskedasticity robust and double clustered by Origin×Year and Product×Year. \*, \*\*, and \*\*\* indicate statistical significance at the 10%, 5%, and 1%, respectively.

Dep. Var.	<i>Log(Duty + 1)</i>		<i>Log(Charges + 1)</i>		<i>Log(Value + 1)</i>	
	(1)	(2)	(3)	(4)	(5)	(6)
<i>Treat × Post</i>	-0.049*** (0.016)	-0.066*** (0.016)	0.032** (0.014)	0.005 (0.005)	0.027** (0.012)	-0.002 (0.012)
<i>Log(Value + 1)</i>		0.510*** (0.010)		0.800*** (0.005)		
<i>Log(Quantity + 1)</i>		0.066*** (0.005)		0.110*** (0.004)		0.517*** (0.011)
Cohort×Product×Origin×Port	Yes	Yes	Yes	Yes	Yes	Yes
Cohort×Product×Port×Time	Yes	Yes	Yes	Yes	Yes	Yes
Observations	5,736,810	5,736,810	5,736,810	5,736,810	5,736,810	5,736,810
Adjusted R-squared	0.876	0.906	0.674	0.839	0.752	0.856

**Table 8: Effects of Firm Political Incentives**

This table reports the effects of UNSC rotation on U.S. public firms' import decisions for firms (importers) with political motivation compared to other firms. The sample is a stacked event sample at the cohort-origin-product-firm-time level. *Shipment Share* refers to the total number of shipments of products imported by the firm from an origin country in a quarter, scaled by the total number of shipments of products imported by the firm in that quarter. *Volume Share*, *Weight Share* and *Value Share* are defined similarly. *Political* is an indicator variable equal to one if the firm is politically motivated in at least one year during the post-period for each cohort. A firm is said to be politically motivated when there is a senator who sits on both the committee overseeing its top lobbying issue and the Foreign Relations Committee. *Treat* is an indicator that turns to one if the origin country rotates on the UNSC in a cohort and zero if the origin country was a candidate that withdrew from or was defeated in UNSC elections during 2007–2023. *Post* indicates time periods after the rotation of each cohort. See Appendix A for variable definitions. Standard errors are reported in parentheses and are heteroskedasticity robust and double clustered by Origin×Year and Product×Year. \*, \*\*, and \*\*\* indicate statistical significance at the 10%, 5%, and 1%, respectively.

Dep. Var.	<i>Shipment Share</i> (1)	<i>Volume Share</i> (2)	<i>Weight Share</i> (3)	<i>Value Share</i> (4)
<i>Treat × Post</i>	0.002 (0.009)	0.007 (0.009)	0.008 (0.009)	0.007 (0.009)
<i>Treat × Post × Political</i>	0.044*** (0.016)	0.047*** (0.015)	0.042*** (0.014)	0.047*** (0.015)
Cohort×Firm×Product×Origin	Yes	Yes	Yes	Yes
Cohort×Firm×Product×Time	Yes	Yes	Yes	Yes
Observations	414,816	414,816	414,816	414,816
Adjusted R-squared	0.468	0.429	0.431	0.417

**Table 9: Effects of Senator Seniority**

This table reports the effects of UNSC rotation on U.S. public firms' import decisions for firms (importers) with political motivation compared to other firms. The sample is a stacked event sample at the cohort-origin-product-firm-time level. *Shipment Share* refers to the total number of shipments of products imported by the firm from an origin country in a quarter, scaled by the total number of shipments of products imported by the firm in that quarter. *Volume Share*, *Weight Share* and *Value Share* are defined similarly. *Seniority* is the maximum committee seniority of the senator who cross-sits on both the committee overseeing its top lobbying issue and the Foreign Relations Committee. In Panel A (B), we set  $\text{Log}(\text{Seniority})$  to 0 (missing) when *Seniority* is missing. *Treat* is an indicator that turns to one if the origin country rotates on the UNSC in a cohort and zero if the origin country was a candidate that withdrew from or was defeated in UNSC elections during 2007–2023. *Post* indicates time periods after the rotation of each cohort. See Appendix A for variable definitions. Standard errors are reported in parentheses and are heteroskedasticity robust and double clustered by  $\text{Origin} \times \text{Year}$  and  $\text{Product} \times \text{Year}$ . \*, \*\*, and \*\*\* indicate statistical significance at the 10%, 5%, and 1%, respectively.

**Panel A**

Dep. Var.	<i>Shipment Share</i> (1)	<i>Volume Share</i> (2)	<i>Weight Share</i> (3)	<i>Value Share</i> (4)
<i>Treat</i> × <i>Post</i>	0.001 (0.009)	0.006 (0.009)	0.007 (0.009)	0.006 (0.009)
<i>Treat</i> × <i>Post</i> × $\text{Log}(\text{Seniority})$	0.018*** (0.006)	0.019*** (0.005)	0.017*** (0.005)	0.019*** (0.005)
Cohort×Firm×Product×Origin	Yes	Yes	Yes	Yes
Cohort×Firm×Product×Time	Yes	Yes	Yes	Yes
Observations	414,816	414,816	414,816	414,816
Adjusted R-squared	0.468	0.429	0.431	0.417

**Panel B**

Dep. Var.	<i>Shipment Share</i> (1)	<i>Volume Share</i> (2)	<i>Weight Share</i> (3)	<i>Value Share</i> (4)
<i>Treat</i> × <i>Post</i>	-0.058 (0.059)	-0.048 (0.061)	-0.049 (0.063)	-0.057 (0.066)
<i>Treat</i> × <i>Post</i> × $\text{Log}(\text{Seniority})$	0.039* (0.021)	0.038* (0.022)	0.037* (0.022)	0.041* (0.024)
Cohort×Firm×Product×Origin	Yes	Yes	Yes	Yes
Cohort×Firm×Product×Time	Yes	Yes	Yes	Yes
Observations	119,824	119,824	119,824	119,824
Adjusted R-squared	0.467	0.420	0.424	0.401

**Table 10: Vote Similarity Following Import Increase to the U.S.**

This table reports the effects of trade changes on the origin country's vote similarity with the U.S. The sample is panel data at the origin-resolution level. *Same Vote* is an indicator equal to one if an origin country has the same vote type as the U.S. *Vote Distance* represents the absolute distance between an origin country's vote and the U.S. vote. (Yes, Abstain, and No are assigned values of 1, 0, and -1, respectively.) *Scaled Changes* are the changes in the total free-on-board value of products imported by the destination country from an origin country in two years after rotation from two years before, scaled by the pre-period value of trade. *Trade Qtl* represents the quintile rank of the changes in the total free-on-board value of products imported by the destination country from an origin country in two years after rotation from two years before. *Large Trade* is an indicator equal to one if *Trade Qtl* = 5, and equals zero if *Trade Qtl* = 1. *Distance* is the ideological distance between an origin country and the U.S. in the previous year, calculated from Bailey, Strezhnev, and Voeten (2017). See Appendix A for variable definitions. Standard errors are reported in parentheses and are heteroskedasticity robust and double clustered by Resolution. \*, \*\*, and \*\*\* indicate statistical significance at the 10%, 5%, and 1%, respectively.

Dep. Var.	<i>Same Vote</i>			<i>Vote Distance</i>		
	(1)	(2)	(3)	(4)	(5)	(6)
<i>ScaledChange</i>	0.101*** (0.036)			-0.114*** (0.032)		
<i>TradeQtl</i>		0.018*** (0.006)			-0.020*** (0.005)	
<i>LargeTrade</i>			0.083*** (0.025)			-0.073*** (0.022)
<i>Distance</i>	-0.120*** (0.018)	-0.117*** (0.017)	-0.119*** (0.020)	0.110*** (0.017)	0.106*** (0.016)	0.133*** (0.024)
Resolution	Yes	Yes	Yes	Yes	Yes	Yes
Observations	7,450	7,450	2,980	7,450	7,450	2,980
Adjusted R-squared	0.487	0.487	0.463	0.568	0.568	0.504

## Appendix

### Appendix A List of Successful and Failed Candidates (2007–2023)

<b>Election Year</b>	<b>Elected Countries</b>	<b>Defeated or Withdrawn Countries</b>
<b>2007</b>	Burkina Faso; Costa Rica; Croatia; Libyan Arab Jamahiriyah; Viet Nam	Czech Republic; Dominican Republic
<b>2008</b>	Austria; Japan; Mexico; Turkey; Uganda	Iran; Iceland; Mongolia
<b>2009</b>	Bosnia and Herzegovina; Brazil; Gabon; Lebanon; Nigeria	Poland; Serbia; Sierra Leone; Togo; Democratic Republic of Congo
<b>2010</b>	Colombia; Germany; India; Portugal; South Africa	Kazakhstan; Canada
<b>2011</b>	Azerbaijan; Guatemala; Morocco; Pakistan; Togo	Fiji; Hungary; Kyrgyzstan; Mauritania; Slovenia
<b>2012</b>	Argentina; Australia; Republic of Korea; Luxembourg; Rwanda	Bhutan; Finland; Cambodia
<b>2013</b>	Chile; Jordan; Lithuania; Nigeria; Chad	Georgia; Gambia; Saudi Arabia; Senegal
<b>2014</b>	Angola; Spain; Malaysia; New Zealand; Venezuela (Bolivarian Republic of)	Fiji; Turkey
<b>2015</b>	Egypt; Japan; Senegal; Ukraine; Uruguay	Bangladesh
<b>2016</b>	Bolivia (Plurinational State of); Ethiopia; Italy; Kazakhstan; Sweden	Thailand; Kenya; Seychelles
<b>2017</b>	Côte d'Ivoire; Equatorial Guinea; Kuwait; Netherlands; Peru; Poland	Bulgaria
<b>2018</b>	Belgium; Germany; Dominican Republic; Indonesia; South Africa	Maldives; Israel
<b>2019</b>	Estonia; Niger; Tunisia; Saint Vincent and the Grenadines; Viet Nam	Romania; El Salvador
<b>2020</b>	India; Ireland; Kenya; Mexico; Norway	Canada; Djibouti; Ghana
<b>2021</b>	Albania; United Arab Emirates; Brazil; Gabon; Ghana	Democratic Republic of Congo
<b>2022</b>	Switzerland; Ecuador; Japan; Malta; Mozambique	-
<b>2023</b>	Algeria; Guyana; Republic of Korea; Sierra Leone; Slovenia	Belarus; Tajikistan

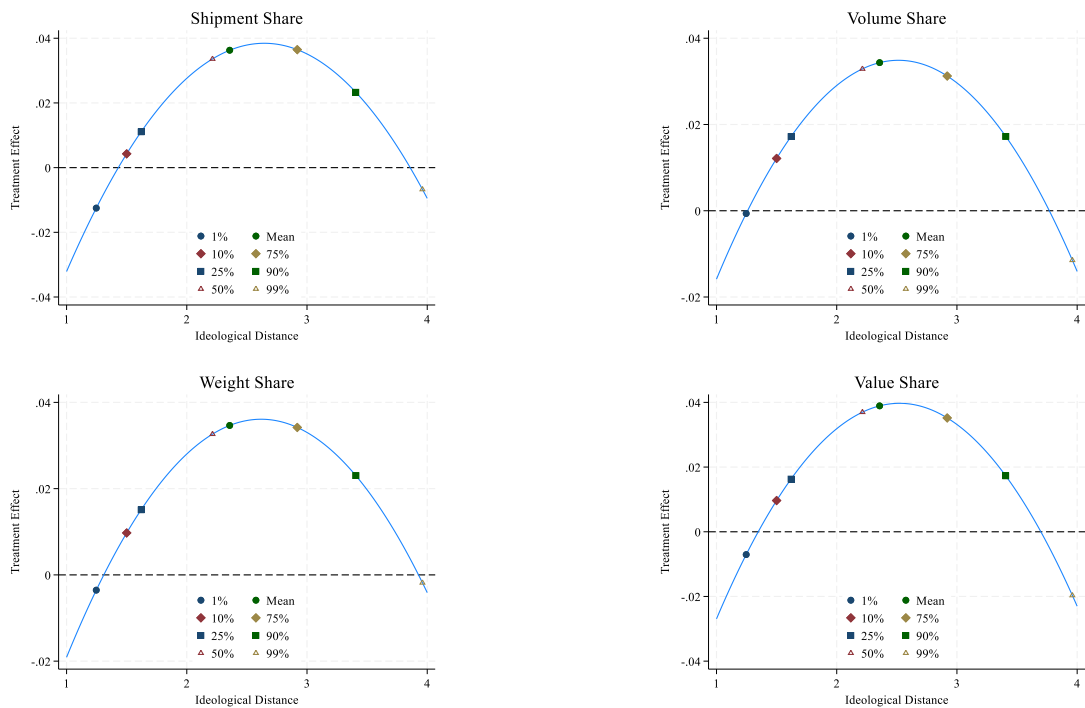
## Appendix B Variable Definition

- *Treat*: An indicator equal to one if the origin country of trade rotates on the UNSC in a cohort, and zero if the origin country formally declared candidacy but withdrew from or was defeated in UNSC elections during 2007–2023
- *Treat*<sub>1</sub> (*Treat*<sub>2</sub>): An indicator equal to one if the origin country of trade rotates on the UNSC in a cohort and serves the presidency for once (twice), and zero if the origin country was a candidate that withdrew from or is defeated in UNSC elections during 2007–2023
- *Presidency Count*: The number of times the country serves as the UNSC president in a cohort.
- *Post*: An indicator equal to one for the time periods after the rotation in each cohort.
- *Shipment*: The total number of shipments of a product imported by a firm from a source country during a quarter. If the firm does not import the product from a country and quarter, the number of shipments is set to zero. The variable is winsorized at the 1% and 99% levels.
- *Volume*: The total volume of shipments (in TEUs) of a product imported by a firm from a source country during a quarter. If the firm does not import the product from a country and quarter, the shipment volume is set to zero. The variable is winsorized at the 1% and 99% levels.
- *Weight*: The total weight of shipments (in kilograms) of a product imported by a firm from a source country during a quarter. If the firm does not import the product from a country and quarter, the shipment weight is set to zero. The variable is winsorized at the 1% and 99% levels.
- *Value*: The total value of shipments (in USD) of a product imported by a firm from a source country during a quarter. If the firm does not import the product from a country and quarter, the shipment value is set to zero. The variable is winsorized at the 1% and 99% levels.
  - In Table 7, *Value* is the total value of shipments of a product from a source country to a port during a year. The variable is winsorized at the 1% and 99% levels.
- *Have Import (Have Share)*: An indicator equal to one if the firm has a positive import for a product from an origin country in a quarter.
- *Shipment Share*: The total number of shipments of products imported by the firm from an origin country in a quarter, scaled by the total number of shipments of products imported by the firm in that quarter. If the firm does not import the product from a country and quarter, the *Shipment Share* is set to zero. The variable is winsorized at the 1% and 99% levels.
- *Volume Share*: The total volume of shipments of products imported by the firm from an origin country in a quarter, scaled by the total volume of shipments of products imported by the firm in that quarter. If the firm does not import the product from a country and quarter, the *Volume Share* is set to zero. The variable is winsorized at the 1% and 99% levels.
- *Weight Share*: The total weight of shipments of products imported by the firm from an origin country in a quarter, scaled by the total weight of shipments of products imported by the firm in that quarter. If the firm does not import the product from a country and quarter, the *Weight Share* is set to zero. The variable is winsorized at the 1% and 99% levels.
- *Value Share*: The total value of shipments of products imported by the firm from an origin country in a quarter, scaled by the total value of shipments of products imported by the firm in that quarter. If the firm does not import the product from a country and quarter, the *Value Share* is set to zero. The variable is winsorized at the 1% and 99% levels.
  - In Table 3, the *Value Share* is the total free-on-board value of products imported by the destination country from an origin country in a year, scaled by the total free-on-board value of products imported by the destination country in that year. The variable is winsorized at the 1% and 99%.
  - In Table C4, *Value Share* refers to the total value of procurement of federal agencies for a product from an origin under a certain contract type in a year, scaled by the total value of procurements of products under the contract type in that year.

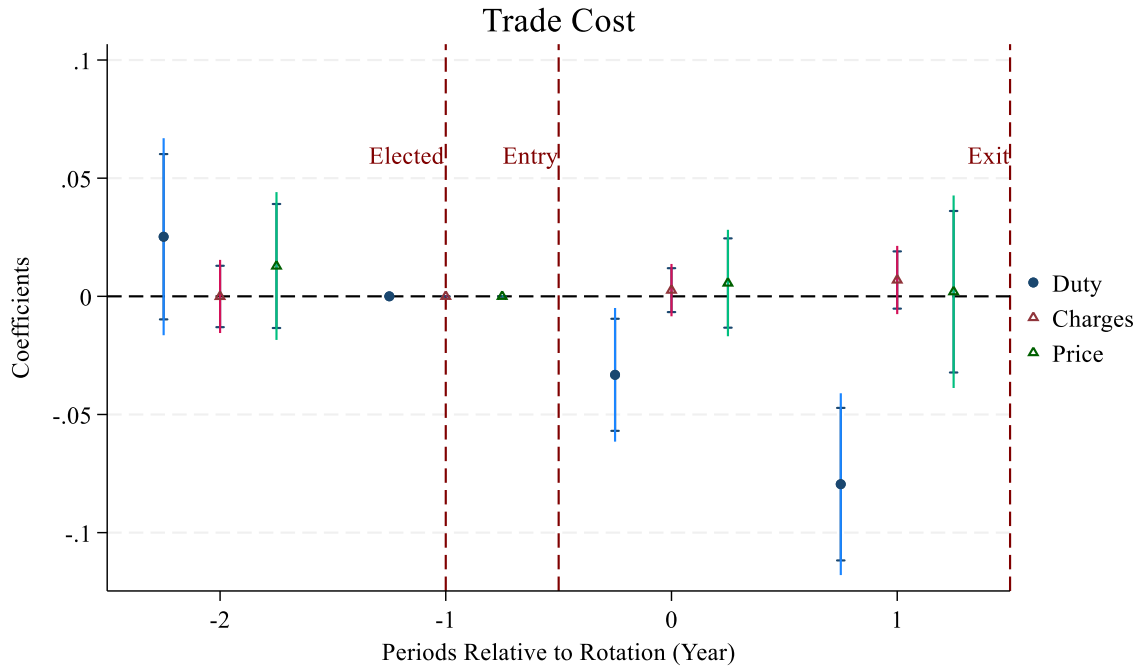
- *Shipment Share Int* : Intensive measure of *Shipment Share* . Equals to *Shipment Share* if  $Shipment\ Share > 0$ .
- *Volume Share Int*: Intensive measure of *Volume Share*. Equals to *Volume Share* if  $Volume\ Share > 0$ .
- *Weight Share Int*: Intensive measure of *Weight Share*. Equals to *Weight Share* if  $Weight\ Share > 0$ .
- *Value Share Int*: Intensive measure of *Value Share*. Equals to *Value Share* if  $Value\ Share > 0$ .
- *USA*: An indicator equal to one if the importer is the U.S. This variable is used in aggregate trade analysis.
- *RCA*: An indicator equal to one if an origin country has a revealed comparative advantage in a given product in the previous year. An origin country is said to have a revealed comparative advantage in a given product when its ratio of exports of that product to its total exports of all goods (products) exceeds the same ratio for the world as a whole.
- *Distance*: Ideological distance between an origin country and the U.S. in the year before the rotation for each cohort. The raw ideological distance is from Bailey, Strezhnev, and Voeten (2017). The variable is winsorized at the 1% and 99% levels.
  - In Table 10, *Distance* is the ideological distance between an origin country and the U.S. in the previous year, calculated from Bailey, Strezhnev, and Voeten (2017).
- *Political*: An indicator equal to one if the firm is politically motivated in at least one year during the post-period for each cohort. A firm is said to be politically motivated when there is a senator who sits on both the committee overseeing its top lobbying issue and the Foreign Relations Committee.
- *Seniority*: The maximum committee seniority of the senator who cross-sits on both the committee overseeing its top lobbying issue and the Foreign Relations Committee. The variable is winsorized at the 1% and 99% levels.
- *Duty*: The total value of calculated duty for a product imported from an origin country to a port in a year. The variable is winsorized at the 1% and 99% levels.
- *Have Duty*: An indicator equal to one if  $Duty > 0$ .
- *Charges*: The total cost of all freight, insurance, and other charges (excluding U.S. import duties) incurred in bringing a product from an origin country to a port in a year. The variable is winsorized at the 1% and 99% levels.
- *Quantity*: The total quantity of shipments for products imported from an origin country to a port in a year, according to census data. The variable is winsorized at the 1% and 99% levels. This variable is only used in duty rate tests.
- *Have Procurement*: An indicator equal to one if there is a new contract of procurement of federal agencies for a product from an origin under a certain contract type in a year.
- *Importer*: An indicator equal to one if the firm has larger average import changes from countries that are UNSC members compared to other countries in a cohort. This variable is only used in firm consequence tests.
- *COGS*: Firm's cost of goods sold in quarter, scaled by the quarter's revenue. The variable is winsorized at the 1% and 99% levels. This variable is only used in firm consequence tests.
- *Operational Margin*: Firm's operating earnings after depreciation and amortization, scaled by the quarter's revenue. The variable is winsorized at the 1% and 99% levels. This variable is only used in firm consequence tests.
- *Market – to – Book*: Firm's market capitalization divided by book value of equity. This variable is only defined when the book value of equity is larger than zero. The variable is winsorized at the 1% and 99% levels. This variable is only used in firm consequence tests.

- *Political Risk*: Firm's political risk in a quarter, as revealed in their earnings calls from Hassan, Hollander, van Lent, and Tahoun (2019). The variable is winsorized at the 1% and 99% levels. This variable is only used in firm consequence tests.
- *Scaled Changes*: The changes in the total free-on-board value of products imported by the destination country from an origin country in two years after rotation from two years before, scaled by the pre-period value of trade. The variable is winsorized at the 1% and 99% levels. This variable is only used in vote consequence tests.
- *Trade Qtl*: Value 1–5 representing the quintile rank of the changes in the total free-on-board value of products imported by the destination country from an origin country in two years after rotation from two years before. This variable is only used in vote consequence tests.
- *Large Trade*: An indicator equal to one if  $Trade\ Qtl = 5$ , and equals zero if  $Trade\ Qtl = 1$ . This variable is only used in vote consequence tests.
- *Pass*: An indicator equal to one if the resolution is passed.
- *Same Vote*: An indicator equal to one if an origin country has the same vote type as the U.S. This variable is only used in vote consequence tests
- *Vote Distance*: Value 0–2 representing the absolute distance between an origin country's vote and the U.S. vote. Yes, Abstain, and No are assigned values of 1, 0, and -1, respectively. This variable is only used in vote consequence tests.
- $\Delta Shipment$ : The midpoint growth of the total number of shipments of a product imported by a firm from a source country during a quarter. The base period is the quarter before rotation. If the firm does not import the product from a country in both the focal quarter and the base quarter, the  $\Delta Shipment$  is set to zero. The variable is winsorized at the 1% and 99% levels.
- $\Delta Volume$ : The midpoint growth of the total volume of shipments of a product imported by a firm from a source country during a quarter. The base period is the quarter before rotation. If the firm does not import the product from a country in both the focal quarter and the base quarter, the  $\Delta Volume$  is set to zero. The variable is winsorized at the 1% and 99% levels.
- $\Delta Weight$ : The midpoint growth of the total weight of shipments of a product imported by a firm from a source country during a quarter. The base period is the quarter before rotation. If the firm does not import the product from a country in both the focal quarter and the base quarter, the  $\Delta Weight$  is set to zero. The variable is winsorized at the 1% and 99% levels.
- $\Delta Value$ : The midpoint growth of the total value of shipments of a product imported by a firm from a source country during a quarter. The base period is the quarter before rotation. If the firm does not import the product from a country in both the focal quarter and the base quarter, the  $\Delta Value$  is set to zero. The variable is winsorized at the 1% and 99% levels.
- $RS_1$ : The fraction of inputs not sold on the exchange for an industry from Nunn (2007). The variable is winsorized at the 1% and 99% levels.
- $RS_2$ : The fraction of inputs not sold on the exchange and not ref-priced for an industry from Nunn (2007). The variable is winsorized at the 1% and 99% levels.

## Appendix C Appendix Figures and Tables



**Figure C1: Non-monotonic Effect of Ideological Distance.** This figure plots the non-monotonic effects of Ideological Distance on the U.S. firm imports following UNSC rotation. Ideological Distance is measured as the ideological distance between an origin country and the U.S. in the year before the rotation for each cohort from Bailey, Strezhnev, and Voeten (2017). The quadratic curve is the simulated curve based on the estimation in Table 5. The markers represent the percentiles based on the treated countries.



**Figure C2 Dynamic Effects of UNSC Rotation on Trade Costs.** This figure plots the result from dynamic analyses for the effects of UNSC rotation on trade costs. The benchmark period is the year before UNSC rotation (normalized to zero). The blue dots represent the coefficient estimates from the triple interaction term  $Treat_{co} \times Post_{ct} \times 1_{t=t_c+k}$  regarding the calculated duty. The red triangle and green triangle represent the coefficient estimate regarding Charges and value, respectively. The estimation includes total value and quantity as control variables. The inner capped bars are 90% confidence intervals, and the outer uncapped bars are 95% confidence intervals for each import share measure.

### Table C1 Extensive & Intensive Margin

This table reports the effects of UNSC rotation on U.S. public firms' import decisions, decomposed into extensive and intensive margins. The sample is a stacked event sample at the cohort-origin-product-firm-time level. *Treat* is an indicator that turns to one if the origin country rotates on the UNSC in a cohort and zero if the origin country was a candidate that withdrew from or was defeated in UNSC elections during 2007–2023. *Post* indicates time periods after the rotation of each cohort. See Appendix A for variable definitions. Standard errors are reported in parentheses and are heteroskedasticity robust and double clustered by Origin×Year and Product×Year. \*, \*\*, and \*\*\* indicate statistical significance at the 10%, 5%, and 1%, respectively.

#### Panel A

Dep. Var	Extensive Margin		Intensive Margin		
	<i>Have Import</i>	<i>Log(Shipment)</i>	<i>Log(Volume)</i>	<i>Log(Weight)</i>	<i>Log(Value)</i>
	(1)	(2)	(3)	(4)	(5)
<i>Treat</i> × <i>Post</i>	0.011*** (0.004)	0.048*** (0.015)	0.051** (0.025)	0.049* (0.025)	0.037 (0.026)
Cohort×Firm×Product×Origin	Yes	Yes	Yes	Yes	Yes
Cohort×Firm×Product×Time	Yes	Yes	Yes	Yes	Yes
Observations	707,604	174,530	165,008	174,530	174,528
Adjusted R-squared	0.367	0.684	0.681	0.755	0.680

#### Panel B

Dep. Var	Extensive Margin		Intensive Margin		
	<i>Have Share</i>	<i>Shipment Share Int</i>	<i>Volume Share Int</i>	<i>Weight Share Int</i>	<i>Value Share Int</i>
	(1)	(2)	(3)	(4)	(5)
<i>Treat</i> × <i>Post</i>	0.011*** (0.004)	0.020*** (0.007)	0.011 (0.008)	0.010 (0.007)	0.010 (0.007)
Cohort×Firm×Product×Origin	Yes	Yes	Yes	Yes	Yes
Cohort×Firm×Product×Time	Yes	Yes	Yes	Yes	Yes
Observations	707,604	174,530	165,008	174,530	174,528
Adjusted R-squared	0.367	0.707	0.661	0.661	0.606

**Table C2: Baseline Regression with Log-transformation**

This table reports the effects of UNSC rotation on U.S. public firms' import decisions, using the log-transformation as the dependent variable. The sample is a stacked event sample at the cohort-origin-product-firm-time level. *Treat* is an indicator that turns to one if the origin country rotates on the UNSC in a cohort and zero if the origin country was a candidate that withdrew from or was defeated in UNSC elections during 2007–2023. *Post* indicates time periods after the rotation of each cohort. See Appendix A for variable definitions. Standard errors are reported in parentheses and are heteroskedasticity robust and double clustered by Origin×Year and Product×Year. \*, \*\*, and \*\*\* indicate statistical significance at the 10%, 5%, and 1%, respectively.

Dep. Var.	<i>Log(Shipment + 1)</i> (1)	<i>Log(Volume + 1)</i> (2)	<i>Log(Weight + 1)</i> (3)	<i>Log(Value + 1)</i> (4)
<i>Treat</i> × <i>Post</i>	0.025*** (0.009)	0.029*** (0.011)	0.127*** (0.041)	0.148*** (0.049)
Cohort×Firm×Product×Origin	Yes	Yes	Yes	Yes
Cohort×Firm×Product×Time	Yes	Yes	Yes	Yes
Observations	707,604	707,604	707,604	707,604
Adjusted R-squared	0.636	0.618	0.463	0.446

**Table C3: Additional test on Duty Rates**

This table reports the effects of UNSC rotation on trade costs. The sample is a stacked event sample at the cohort-origin-product-port-time level. Panel A presents the test of duty rates decomposed into extensive and intensive margins. Panel B presents the test of duty rates on triple interaction terms of  $Treat \times Post \times Log(Value + 1)$ .  $Treat$  is an indicator that turns to one if the origin country rotates on the UNSC in a cohort and zero if the origin country was a candidate that withdrew from or was defeated in UNSC elections during 2007–2023.  $Post$  indicates time periods after the rotation of each cohort. See Appendix A for variable definitions. Standard errors are reported in parentheses and are heteroskedasticity robust and double clustered by Origin×Year and Product×Year. \*, \*\*, and \*\*\* indicate statistical significance at the 10%, 5%, and 1%, respectively.

**Panel A**

Dep. Var.	Extensive Margin		Intensive Margin	
	<i>Have Duty</i> (1)	<i>Have Duty</i> (2)	<i>Log(Duty)</i> (3)	<i>Log(Duty)</i> (4)
<i>Treat × Post</i>	-0.006*** (0.002)	-0.007*** (0.002)	-0.013 (0.016)	-0.036*** (0.011)
<i>Log(Value + 1)</i>		0.009*** (0.000)		0.933*** (0.005)
<i>Log(Quantity + 1)</i>		0.004*** (0.000)		0.006*** (0.001)
Cohort×Product×Origin×Port	Yes	Yes	Yes	Yes
Cohort×Product×Port×Time	Yes	Yes	Yes	Yes
Observations	5,736,810	5,736,810	2,892,245	2,892,245
Adjusted R-squared	0.872	0.873	0.740	0.958

**Panel B**

Dep. Var.	<i>Log(Duty + 1)</i> (1)	Extensive Margin	Intensive Margin
		<i>Have Duty</i> (2)	<i>Log(Duty)</i> (3)
<i>Treat × Post</i>	0.044 (0.029)	-0.007* (0.004)	0.098*** (0.027)
<i>Log(Value + 1)</i>	0.513*** (0.013)	0.010*** (0.000)	0.926*** (0.006)
<i>Treat × Log(Value + 1)</i>	-0.007 (0.013)	-0.003*** (0.001)	0.017** (0.007)
<i>Post × Log(Value + 1)</i>	-0.002 (0.002)	-0.001*** (0.000)	0.009*** (0.001)
<i>Treat × Post × Log(Value + 1)</i>	-0.008*** (0.003)	0.000 (0.000)	-0.013*** (0.003)
<i>Log(Quantity + 1)</i>	0.068*** (0.006)	0.004*** (0.000)	0.006*** (0.002)
<i>Treat × Log(Quantity + 1)</i>	-0.008 (0.005)	-0.001 (0.000)	-0.002 (0.002)
<i>Post × Log(Quantity + 1)</i>	0.002 (0.002)	0.000 (0.000)	0.000 (0.001)
<i>Treat × Post × Log(Quantity + 1)</i>	-0.004 (0.002)	-0.000* (0.000)	0.002 (0.002)
Cohort×Product×ISO3×Port FE	Yes	Yes	Yes
Cohort×Product×Port×Time FE	Yes	Yes	Yes
Observations	5,736,810	5,736,810	2,892,245
Adjusted R-squared	0.906	0.873	0.958

**Table C4: Federal Foreign Procurement following the UNSC Rotation**

This table reports the effects of UNSC rotation on U.S. federal procurement to foreign firms and on foreign products. The sample is a stacked event sample at the cohort-origin-product-type-time level. Columns (1)–(2) measure origin based on the contractor (awardee) location, and columns (3)–(4) measure origin based on the ultimate origin country of the contracted product. *Value Share* refers to the total value of procurement of federal agencies for a product from an origin under a certain contract type in a year, scaled by the total value of procurements of products under the contract type in that year. *Have Procurement* is an indicator that equals one if there is a new contract of procurement of federal agencies for a product from an origin under a certain contract type in a year. *Treat* is an indicator that turns to one if the origin country rotates on the UNSC in a cohort and zero if the origin country was a candidate that withdrew from or was defeated in UNSC elections during 2007–2023. *Post* indicates time periods after the rotation of each cohort. See Appendix A for variable definitions. Standard errors are reported in parentheses and are heteroskedasticity robust and double clustered by Origin×Year and Product×Year. \*, \*\*, and \*\*\* indicate statistical significance at the 10%, 5%, and 1%, respectively.

Dep. Var	Country of Awardee Contractor		Country of Product Origin	
	<i>Value Share</i>	<i>Have Procurement</i>	<i>Value Share</i>	<i>Have Procurement</i>
	(1)	(2)	(3)	(4)
<i>Treat × Post</i>	0.100** (0.050)	0.064** (0.027)	0.071*** (0.024)	0.015 (0.013)
Cohort×Origin×Product×Type	Yes	Yes	Yes	Yes
Cohort×Product×Type×Time	Yes	Yes	Yes	Yes
Observations	6,174	6,174	34,655	34,655
Adjusted R-squared	0.133	-0.096	0.197	0.113

**Table C5: Alternative Political Motivation Measure**

This table reports the effects of UNSC rotation on U.S. public firms' import decisions for firms with political motivation compared to other firms. The sample is a stacked event sample at the cohort-origin-product-firm-time level. *Treat* is an indicator that turns to one if the origin country rotates on the UNSC in a cohort and zero if the origin country was a candidate that withdrew from or was defeated in UNSC elections during 2007–2023. *Post* indicates time periods after the rotation of each cohort. See Appendix A for variable definitions. Standard errors are reported in parentheses and are heteroskedasticity robust and double clustered by Origin×Year and Product×Year. \*, \*\*, and \*\*\* indicate statistical significance at the 10%, 5%, and 1%, respectively.

Dep. Var.	<i>Shipment Share</i> (1)	<i>Volume Share</i> (2)	<i>Weight Share</i> (3)	<i>Value Share</i> (4)
<i>Treat</i> × <i>Post</i>	0.018** (0.008)	0.018** (0.008)	0.018** (0.007)	0.018** (0.008)
<i>Treat</i> × <i>Post</i> × <i>Committee</i>	0.056 (0.050)	0.063 (0.050)	0.086 (0.052)	0.063 (0.049)
Cohort×Firm×Product×Origin	Yes	Yes	Yes	Yes
Cohort×Firm×Product×Time	Yes	Yes	Yes	Yes
Observations	707,604	707,604	707,604	707,604
Adjusted R-squared	0.464	0.432	0.430	0.412

### Figure C6 Firm Consequences

This table reports the effects of geopolitical importing decisions on firm performance. The sample is a stacked event sample at the cohort-firm-time level. *Importer* is an indicator equal to one if the firm has larger average import changes from countries that are UNSC members compared to other countries in a cohort. *Post* indicates time periods after the rotation of each cohort. See Appendix A for variable definitions. Standard errors are reported in parentheses and are heteroskedasticity robust and double clustered by Firm. \*, \*\*, and \*\*\* indicate statistical significance at the 10%, 5%, and 1%, respectively.

Dep. Var.	<i>COGS</i> (1)	<i>Operational Income</i> (2)	<i>Market-to-Book</i> (3)	<i>Political Risk</i> (4)
<i>Importer</i> × <i>Post</i>	0.015** (0.008)	-0.035** (0.015)	0.024* (0.013)	-0.022 (0.017)
Cohort×Firm	Yes	Yes	Yes	Yes
Cohort×Time	Yes	Yes	Yes	Yes
Observations	79,290	79,270	78,188	67,723
Adjusted R-squared	0.939	0.720	0.837	0.247

### Table C7 Midpoint Growth

This table reports the effects of UNSC rotation on U.S. public firms' import decisions, using midpoint growth as in Matray et al. (2025). The sample is a stacked event sample at the cohort-origin-product-firm-time level. Panel A presents the result from Ordinary Least Squares (OLS) and Panel B presents the result from Weighted Least Squares (WLS). *Treat* is an indicator that turns to one if the origin country rotates on the UNSC in a cohort and zero if the origin country was a candidate that withdrew from or was defeated in UNSC elections during 2007–2023. *Post* indicates time periods after the rotation of each cohort. See Appendix A for variable definitions. Standard errors are reported in parentheses and are heteroskedasticity robust and double clustered by Origin×Year and Product×Year. \*, \*\*, and \*\*\* indicate statistical significance at the 10%, 5%, and 1%, respectively.

#### Panel A: OLS

Dep. Var.	$\Delta\textit{Shipment}$ (1)	$\Delta\textit{Volume}$ (2)	$\Delta\textit{Weight}$ (3)	$\Delta\textit{Value}$ (4)
<i>Treat</i> × <i>Post</i>	0.037*** (0.010)	0.037*** (0.010)	0.040*** (0.010)	0.038*** (0.010)
Cohort×Firm×Product×Origin	Yes	Yes	Yes	Yes
Cohort×Firm×Product×Time	Yes	Yes	Yes	Yes
Observations	707,604	707,604	707,604	707,604
Adjusted R-squared	0.452	0.438	0.437	0.434

#### Panel B: WLS

Dep. Var.	$\Delta\textit{Shipment}$ (1)	$\Delta\textit{Volume}$ (2)	$\Delta\textit{Weight}$ (3)	$\Delta\textit{Value}$ (4)
<i>Treat</i> × <i>Post</i>	0.079*** (0.024)	0.058** (0.026)	0.070*** (0.027)	0.072** (0.028)
Cohort×Firm×Product×ISO3	Yes	Yes	Yes	Yes
Cohort×Firm×Product×Time	Yes	Yes	Yes	Yes
Observations	283,338	283,338	283,338	283,338
Adjusted R-squared	0.862	0.856	0.859	0.860

**Table C8: Relationship Specificity**

This table reports the effects of UNSC rotation on U.S. public firms' import decisions for firms in industries with different levels of relationship specificity. The sample is a stacked event sample at the cohort-origin-product-firm-time level. Panels A and B use different measures of relationship specificity following Nunn (2007), respectively. *Treat* is an indicator that turns to one if the origin country rotates on the UNSC in a cohort and zero if the origin country was a candidate that withdrew from or was defeated in UNSC elections during 2007–2023. *Post* indicates time periods after the rotation of each cohort. See Appendix A for variable definitions. Standard errors are reported in parentheses and are heteroskedasticity robust and double clustered by Origin×Year and Product×Year. \*, \*\*, and \*\*\* indicate statistical significance at the 10%, 5%, and 1%, respectively.

**Panel A**

Dep. Var.	<i>Shipment Share</i> (1)	<i>Volume Share</i> (2)	<i>Weight Share</i> (3)	<i>Value Share</i> (4)
<i>Treat</i> × <i>Post</i>	0.418*** (0.113)	0.287*** (0.108)	0.403*** (0.104)	0.426*** (0.104)
<i>Treat</i> × <i>Post</i> × <i>RS</i> <sub>1</sub>	-0.425*** (0.120)	-0.289** (0.116)	-0.409*** (0.112)	-0.435*** (0.112)
Cohort×Firm×Product×Origin	Yes	Yes	Yes	Yes
Cohort×Firm×Product×Time	Yes	Yes	Yes	Yes
Observations	322,720	322,720	322,720	322,720
Adjusted R-squared	0.476	0.444	0.440	0.422

**Panel B**

Dep. Var.	<i>Shipment Share</i> (1)	<i>Volume Share</i> (2)	<i>Weight Share</i> (3)	<i>Value Share</i> (4)
<i>Treat</i> × <i>Post</i>	0.072*** (0.021)	0.055*** (0.020)	0.067*** (0.019)	0.076*** (0.019)
<i>Treat</i> × <i>Post</i> × <i>RS</i> <sub>2</sub>	-0.088*** (0.032)	-0.065** (0.031)	-0.081*** (0.030)	-0.098*** (0.029)
Cohort×Firm×Product×Origin	Yes	Yes	Yes	Yes
Cohort×Firm×Product×Time	Yes	Yes	Yes	Yes
Observations	322,720	322,720	322,720	322,720
Adjusted R-squared	0.476	0.444	0.440	0.422

**Table C9: Alternative Control Sample**

This table reports the effects of UNSC rotation on U.S. public firms' import decisions using an alternative control sample. The sample is a stacked event sample at the cohort-origin-product-firm-time level. *Treat* is an indicator that turns to one if the origin country rotates on the UNSC in a cohort and zero if the origin country was not elected to the UNSC elections during 2007–2023. *Post* indicates time periods after the rotation of each cohort. See Appendix A for variable definitions. Standard errors are reported in parentheses and are heteroskedasticity robust and double clustered by Origin×Year and Product×Year. \*, \*\*, and \*\*\* indicate statistical significance at the 10%, 5%, and 1%, respectively.

Dep. Var.	<i>Shipment Share</i> (1)	<i>Volume Share</i> (2)	<i>Weight Share</i> (3)	<i>Value Share</i> (4)
<i>Treat</i> × <i>Post</i>	0.035*** (0.010)	0.039*** (0.009)	0.040*** (0.009)	0.039*** (0.009)
Cohort×Firm×Product×Origin	Yes	Yes	Yes	Yes
Cohort×Firm×Product×Time	Yes	Yes	Yes	Yes
Observations	1,878,456	1,878,456	1,878,456	1,878,456
Adjusted R-squared	0.473	0.438	0.437	0.419

**Table C10 Case Study**

This table reports the effects of UNSC rotation on U.S. public firms' import decisions using Saudi Arabia's refusal of its seat as a case study. The sample is a stacked event sample at the cohort-origin-product-destination-time level. *Treat* is an indicator that turns to one if the origin country is Jordan and zero if the origin country was a candidate that withdrew from or is defeated in UNSC elections during 2007–2023. *Post* indicates time periods after the rotation of each cohort. See Appendix A for variable definitions. Standard errors are reported in parentheses and are heteroskedasticity robust and double clustered by Origin×Year and Product×Year. \*, \*\*, and \*\*\* indicate statistical significance at the 10%, 5%, and 1%, respectively.

Dep. Var.	<i>Value Share</i>		
	USA (1)	non_USA (2)	All (3)
<i>Treat × Post</i>	0.009* (0.005)	-0.005 (0.004)	-0.005 (0.004)
<i>Treat × Post × USA</i>			0.014** (0.007)
Cohort×Destination×Product×Origin	Yes	Yes	Yes
Cohort×Destination×Product×Time	Yes	Yes	Yes
Observations	7,820	58,948	66,768
Adjusted R-squared	0.993	0.925	0.945