The Geoeconomics of Imports: Evidence from UN Security Council Elections

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Causal evidence on market access as statecraft is limited

- Trade long seen as geoeconomic statecraft (Hirschman 1945; Clayton, Maggiori & Schreger 2025)
- U.S. uniquely positioned — deep consumer market
- But causal evidence of deliberate geoeconomic use remains limited
- Acutely relevant — decoupling, sanctions, friend-shoring, tariffs

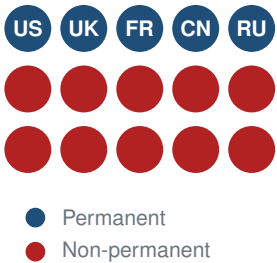
Does the U.S. redirect imports, how, and does it pay off?

1. Does the U.S. strategically reallocate imports toward geopolitically valuable countries?
2. How does the state align private firms with its geopolitical agenda without owning them?
3. Do the resulting import flows yield real geopolitical returns?

The UNSC is one of the most powerful international organizations

- One of six UN principal organs, charged with international peace and security
- Only UN body whose resolutions are legally binding on all 193 members
- Empowered to impose sanctions and authorize the use of force
- Even non-pivotal votes signal international legitimacy

Ten of fifteen seats rotate through costly elections



- 10 seats allocated by regions, staggered 2-year terms, 5 turn over each January
- Open to all 188 non-permanent members, no consecutive re-election
- Final secret ballot at UNGA, 2/3 supermajority to win
- Campaigns are costly — millions of dollars (Malone 2000)

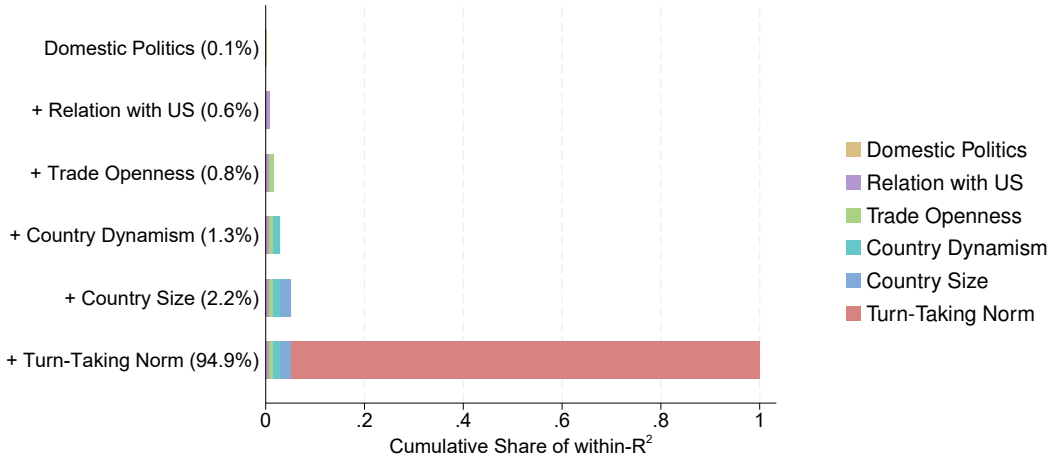
Rotating members' votes attract quid-pro-quo from major powers

- Substantive resolutions need 9 affirmative votes
- Members' voting power creates opportunities for vote trading
- Major powers exchange favors for votes — aid (Kuziemko & Werker 2006), finance (Dreher, Lang, Rosendorff & Vreeland 2022)
- Quid-pro-quo also justifies the high cost of UNSC campaigns

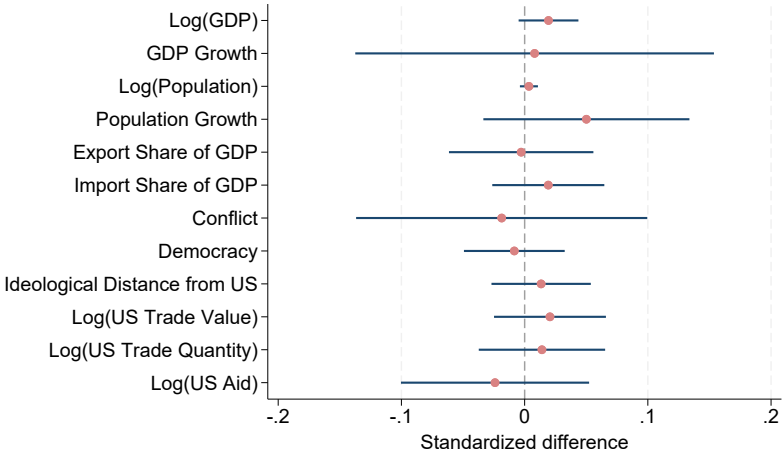
Variation is exogenous and the control group is comparable

- Dreher, Gould, Rablen & Vreeland (2014): outcomes shaped by a turn-taking norm
  - e.g., Germany serves roughly every 8 years
- Our control = declared-but-unelected candidates — costly candidacy makes them comparable

Turn-taking explains 94.9% of UNSC election variation



All pre-treatment standardized differences < 0.2 and insignificant



Q1

Are imports political?

Stacked DiD isolates within-unit sourcing shifts

$$\text{Import Share}_{copit} = \beta_1 \, Treat_{co} \times Post_{ct} + u_{copi} + v_{ctpi} + \varepsilon_{copit}$$

$$\text{where} \quad \text{Import Share}_{copit} = \frac{\text{Imports}_{copit}}{\sum_o \text{Imports}_{copit}}$$

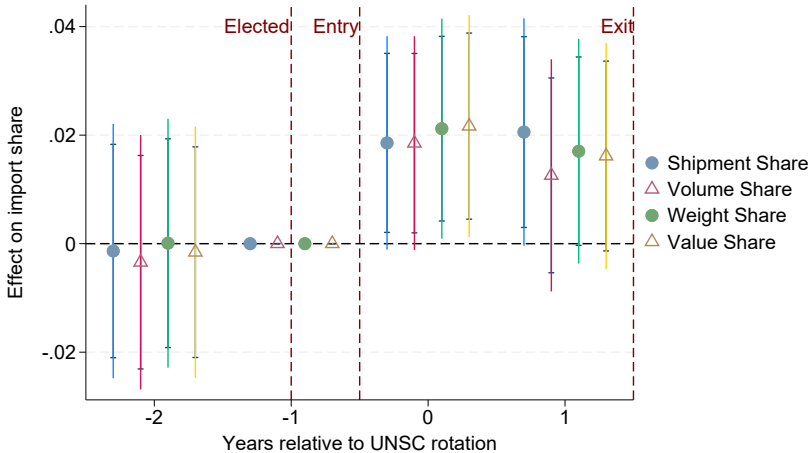
- Sample: 2008–2024, 17 cohorts, two-year event windows $[-2, +2]$
  - Treated: countries newly rotating onto UNSC
  - Control: declared candidacy 2007–2023, never elected
- DV: share of firm i's product-p imports sourced from origin o in time t (cohort c) $\rightarrow$ within-unit substitution across origins
- u_{copi}: cohort×origin×product×firm FE $\rightarrow$ absorbs sourcing relationships
- v_{ctpi}: cohort×time×product×firm FE $\rightarrow$ absorbs firm–product demand shocks

Import shares from rotated countries rise across all four measures

Dep. Var.	*Shipment*	*Volume*	*Weight*	*Value*
Treat × *Post*	0.018**	0.019**	0.019***	0.019**
	(0.008)	(0.008)	(0.007)	(0.007)
Cohort×Origin×Product×Firm FE	Yes	Yes	Yes	Yes
Cohort×Time×Product×Firm FE	Yes	Yes	Yes	Yes
Observations	707,604	707,604	707,604	707,604
Adj. R^2	0.464	0.432	0.430	0.412

- Driven by new sourcing relationships (extensive margin), not larger orders from existing ones ▸ App.
- Log-level specification: $+16\%$ in import value $\approx$ ~$100M per country-year ▸ App.

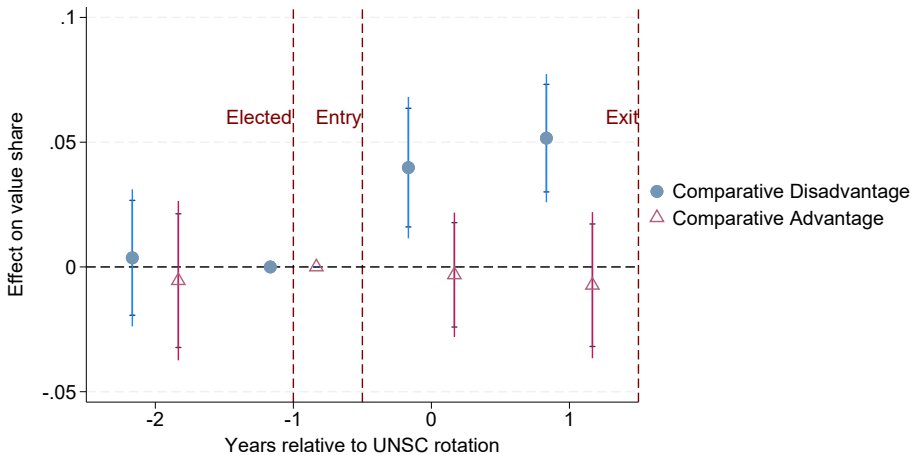
Import shares rise sharply after rotation, with no pre-trends



Comparative advantage separates economic forces from political ones

- Baseline results allow for alternative explanations:
  - Visibility
  - Economic growth
- Following Berger, Easterly, Nunn & Satyanath (2013): partition on comparative advantage
  - *Economic* forces $\rightarrow$ surge in comparative-advantage industries
  - *Political* forces $\rightarrow$ surge in comparative-disadvantage industries

Surge appears only in comparative-disadvantage industries



Economic inducements should peak for "swing" countries

- Inducements most effective for "swing" countries — not automatically aligned, but persuadable (Vreeland & Dreher 2014)
- U.S. ally–to–enemy is a continuous spectrum $\rightarrow$ expect an inverse-U relation

Effects peak for moderately distant "swing" countries

Dep. Var.	*Shipment*	*Volume*	*Weight*	*Value*
Treat × *Post* × *Distance*	0.138**	0.111*	0.110*	0.145**
	(0.062)	(0.061)	(0.063)	(0.064)
Treat × *Post* × *Distance*^{2}	−0.026**	−0.022*	−0.021*	−0.029**
	(0.012)	(0.012)	(0.012)	(0.013)
Cohort×Origin×Product×Firm FE	Yes	Yes	Yes	Yes
Cohort×Time×Product×Firm FE	Yes	Yes	Yes	Yes
Observations	705,864	705,864	705,864	705,864
Adj. R^2	0.463	0.432	0.429	0.412

- *Distance* measured from ex-ante UNGA voting records (Bailey, Strezhnev & Voeten 2017)
- ∼50% of observations sit past the turning point ▸ App.

Q2

How is it done?

Two channels close the politician–firm preference gap

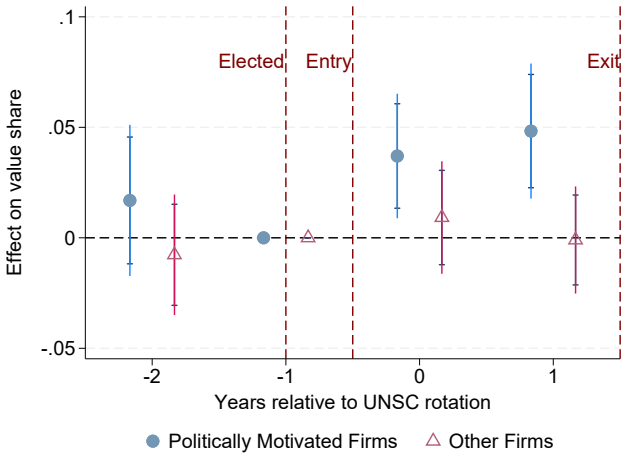
- Politicians care about UNSC resolutions — firms generally do not (Davis, Fuchs & Johnson 2019)
- But firms are responsive to domestic regulation
  - Explicit Policies: government adjusts duties
  - Implicit Political Arrangement: firms use sourcing as a lobbying instrument

Duties fall after rotation while trade costs and prices stay flat

Dep. Var.	*Log(Duty+1)* (1)	*Log(Charges+1)* (2)	*Log(Value+1)* (3)
Treat × *Post*	−0.066***	0.005	−0.002
	(0.016)	(0.005)	(0.012)
Value/Quantity controls	Yes	Yes	Yes
Cohort×Origin×Product×Port	Yes	Yes	Yes
Cohort×Time×Product×Port	Yes	Yes	Yes
Observations	5,736,810	5,736,810	5,736,810
Adj. R^2	0.906	0.839	0.856

- Port-level data from Schott (2008), based on U.S. Census Bureau data

The response concentrates in firms tied to Foreign Relations senators

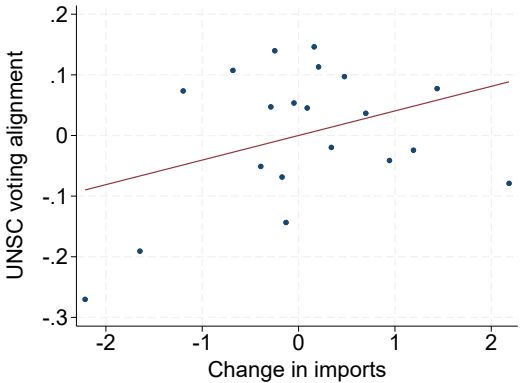


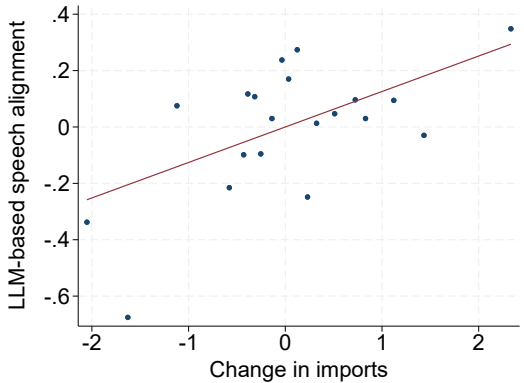
- Politically-motivated firm: top lobbying-issue senator also on Senate Foreign Relations Committee → direct UNSC stake
  - Effect rises with senator seniority ▸ App.
- Weaker performance, higher valuations ▸ App.

Q3

Does it pay off?

Trade increases predict closer voting and rhetoric alignment





- Pattern robust to adding fixed effects and controls ▸ App.
- Effect strengthens at high-relevance meetings ▸ App.

Baseline robust to alternative specifications and samples

- Alternative specifications
  - **Midpoint growth** (Matray, Müller, Xu & Kabir 2025): consistent under OLS and WLS App.
  - **Relationship specificity** (Nunn 2007): weaker responses in higher-specificity industries App.
- Alternative samples
  - **Expanded control**: never-elected countries 2007–2023, consistent App.
  - **Saudi Arabia 2013**: surprise refusal of seat, Jordan replaces → consistent App.

U.S. consumer market access is a tool of geoeconomic statecraft

1. Imports causally reallocated toward UNSC entrants for geopolitical motives
2. Two channels:
   - Explicit Policies: duties
   - Implicit Political Arrangement: firms tied to Foreign Relations Committee
3. Reallocation earns closer voting and rhetoric alignment at the UNSC

Any questions or feedback welcome

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Paper

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Appendix: Data sources

Source	Coverage	Key Variables
UN Archives	2007–2024	UNSC rotations, presidencies, votes
S&P Panjiva (BoL)	2007–2024	Firm-level maritime imports
BACI (CEPII)	2007–2023	Bilateral trade flows
U.S. Census/Schott	2007–2023	Duty rates, charges, prices
Federal Open Data Portal	2008–2024	Contract value, awardee, origin
LobbyView	2007–2018	Firm lobbying expenditures (by topic)
Stewart III	2007–2018	Senate committee assignments
Sakamoto & Matsuoka	2007–2024	UNSC verbatim records (speeches)

- $\sim$900 public firms linked to 17 UNSC rotations
- $\sim$700,000 observations at cohort-origin-product-firm-quarter level

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Appendix: Summary statistics (Table 1)

Variable	N	Mean	Std	P25	P50	P75	P99
Panel A: Treatment structure							
Treat	707,604	0.41					
Post	707,604	0.50					
Panel B: Trade							
Shipment	707,604	4.16	14.14	0.00	0.00	2.00	106.00
Value ($)	707,604	926,906	4,508,588	0	0	70,800	37,429,566
Have Import	707,604	0.37	0.48				
Panel C: Politics & ideology							
Ideological Distance	705,984	2.20	1.00	1.48	2.21	3.06	3.96
Political	657,024	0.32	0.47				
Seniority (yrs)	210,256	15.97	7.23	11	15	18	35
Panel D: UNSC votes & rhetoric							
Same Vote	7,450	0.97	0.17				
Rhetoric (Stripped)	13,837	66.68	11.50	63.33	70.00	75.00	85.00

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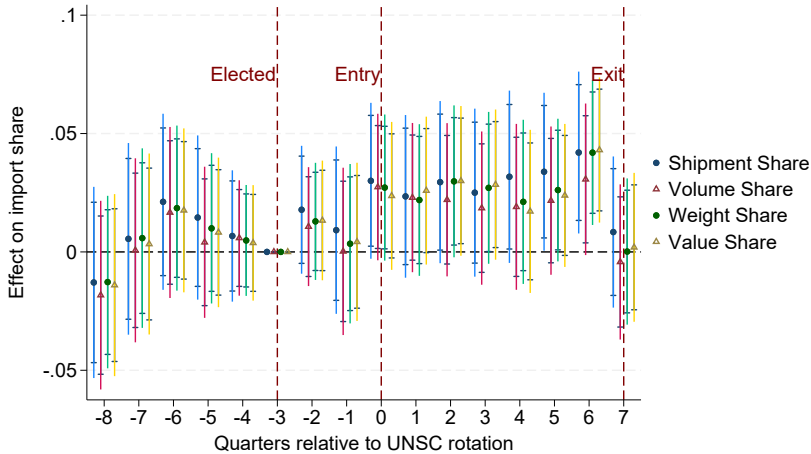
Appendix: Quarterly event-study panel



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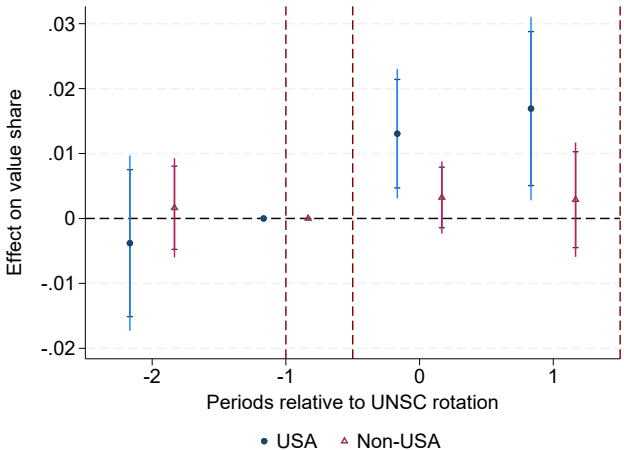
The surge is U.S.-specific, absent for peers and the other P5



- Significant for U.S., not for comparable developed countries
- Rules out general-visibility and exporter-productivity stories
- U.S. uniquely able and motivated to deploy market access

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Appendix: P5 placebo test

Dep. Var.	*Value Share*			
	U.K.	France	China	Russia
Treat × *Post*	0.002	0.003	0.004	−0.003
	(0.005)	(0.009)	(0.005)	(0.021)
Cohort×Destination×Product×Origin FE	Yes	Yes	Yes	Yes
Cohort×Time×Destination×Product FE	Yes	Yes	Yes	Yes
Observations	132,939	146,629	134,917	116,733
Adj. R^2	0.943	0.955	0.930	0.868

- Replicates baseline separately for each P5 importer
- No significant Treat × Post in any P5 country

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Appendix: U.S. export response (placebo)

Dep. Var.	*Shipment*	*Volume*	*Weight*	*Value*
Treat × *Post*	0.011	0.002	−0.001	−0.006
	(0.011)	(0.012)	(0.010)	(0.011)
Cohort×Firm×Product×Destination FE	Yes	Yes	Yes	Yes
Cohort×Time×Firm×Product FE	Yes	Yes	Yes	Yes
Observations	346,084	346,084	346,084	346,084
Adj. R^2	0.395	0.366	0.370	0.361

- Symmetric spec on U.S. *export* shares
- All coefficients indistinguishable from zero, signs mixed

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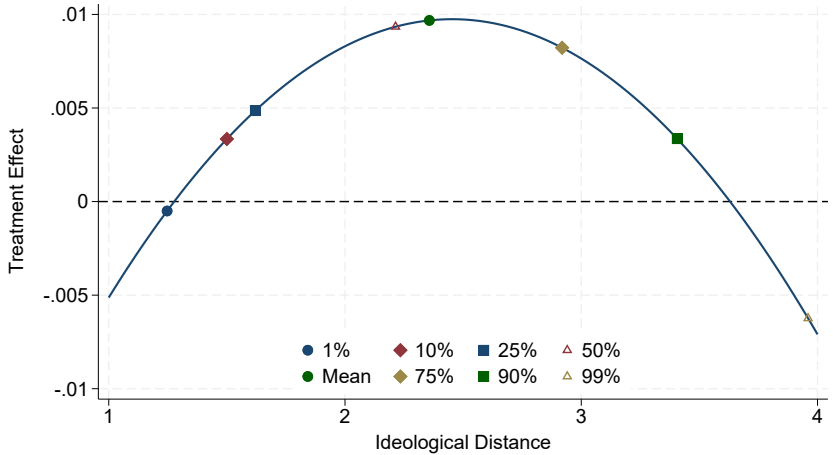
Appendix: Simulated U-shape over ideological distance



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Appendix: Effects emerge only with two UNSC presidencies

Dep. Var.	*Shipment*	*Volume*	*Weight*	*Value*
$Treat_1 \times Post$	0.007	0.001	0.004	0.004
	(0.010)	(0.011)	(0.011)	(0.011)
$Treat_2 \times Post$	0.023**	0.025***	0.025***	0.024***
	(0.009)	(0.009)	(0.009)	(0.009)
Cohort×Origin×Product×Firm FE	Yes	Yes	Yes	Yes
Cohort×Time×Product×Firm FE	Yes	Yes	Yes	Yes
Observations	707,604	707,604	707,604	707,604

- ∼75% of treated observations are two-presidency cohorts

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Federal procurement also shifts toward rotated countries

Dep. Var.	*By Contractor*		*By Product Origin*	
	Value Share (1)	*Have Proc.* (2)	*Value Share* (3)	*Have Proc.* (4)
Treat × *Post*	0.100**	0.064**	0.071***	0.015
	(0.050)	(0.027)	(0.024)	(0.013)
Cohort×Origin×Product×Type FE	Yes	Yes	Yes	Yes
Cohort×Time×Product×Type FE	Yes	Yes	Yes	Yes
Observations	6,174	6,174	34,655	34,655
Adj. R^2	0.133	−0.096	0.197	0.113

- U.S. government itself redirects resources — higher procurement value and probability of contracting with elected countries

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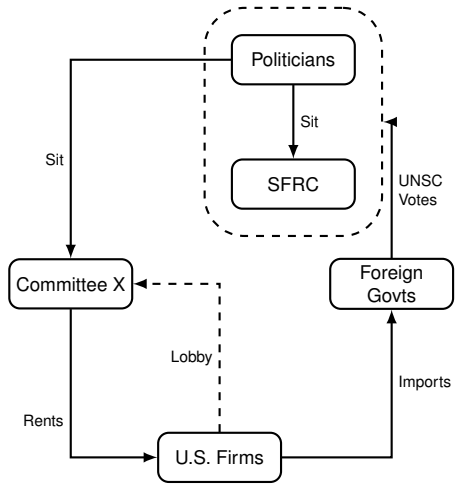
Firm rent-seeking: defining politically motivated firms

$$Political_{ft} = \sum_{c} \sum_{i} l_{fit}\, x_{ic}\, Membership_{ct}$$

where

- $l_{fit} = 1$ if issue i is a top lobbying issue for firm f in year t
- $x_{ic} = 1$ if issue i is overseen by committee c
- $Membership_{ct} = 1$ if a senator on c also sits on the Foreign Relations Committee in t



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Firm rent-seeking: effect strengthens with senator's seniority

Dep. Var.	*Shipment*	*Volume*	*Weight*	*Value*
Treat × *Post*	−0.099*	−0.137**	−0.129**	−0.130**
	(0.059)	(0.058)	(0.058)	(0.061)
Treat × *Post* × *Log(Seniority)*	0.052**	0.066***	0.064***	0.065***
	(0.021)	(0.021)	(0.021)	(0.022)
Cohort×Origin×Product×Firm FE	Yes	Yes	Yes	Yes
Cohort×Time×Product×Firm FE	Yes	Yes	Yes	Yes
Observations	210,256	210,256	210,256	210,256

- Senate seniority brings procedural advantages and informal influence → greater regulatory sway
- Firms' sourcing incentives rise with the relevant senator's seniority

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Firm rent-seeking: weaker operations but higher valuations

Dep. Var.	*COGS*	*Operational Margin*	*Market-to-Book*	*Political Risk*
Importer × *Post*	0.015**	−0.035**	0.024*	−0.022
	(0.008)	(0.015)	(0.013)	(0.017)
Cohort×Firm FE	Yes	Yes	Yes	Yes
Cohort×Time FE	Yes	Yes	Yes	Yes
Observations	79,290	79,270	78,188	67,723
Adj. R^2	0.939	0.720	0.837	0.247

- Operating performance declines, driven by higher cost of goods sold
- Higher market-to-book ratios post-rotation
- Lower perceived domestic political risk (Hassan, Hollander, van Lent & Tahoun 2019) → regulatory upside

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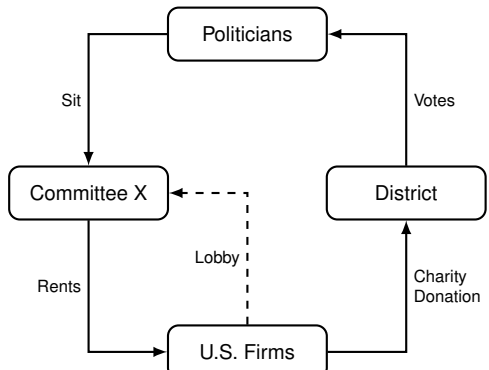
Appendix: Bertrand et al. (2020) precedent

$$\textit{IssuesCovered}_{fdt} = \sum_{c} \sum_{i} l_{fit}\, x_{ic}\, \textit{Membership}_{cdt}$$

where

- $l_{fit} = 1$ if issue i is a top lobbying issue for firm f in cycle t
- $x_{ic} = 1$ if issue i is overseen by committee c
- $\textit{Membership}_{cdt} = 1$ if a Rep. in district d sits on c in t



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Appendix: Alignment intensifies at high-relevance settings

Dep. Var.	*Voting alignment*		*Rhetoric alignment*	
	(1)	(2)	(3)	(4)
Scaled Change	0.033***	−0.001	0.052***	0.028**
	(0.012)	(0.007)	(0.009)	(0.014)
Scaled Change × *High Relevance*		0.088***		0.040**
		(0.030)		(0.019)
Distance	−0.120***	−0.117***	−0.298***	−0.298***
	(0.018)	(0.017)	(0.012)	(0.012)
FE	Resolution	Resolution	Meeting	Meeting
Observations	7,450	7,450	13,837	13,837
Adj. R^2	0.487	0.489	0.310	0.310

- High Relevance = above-median US words at the meeting

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Appendix: Voting alignment regression (Panel A)

Dep. Var.	*Same Vote*		*Vote Distance*	
	(1)	(2)	(3)	(4)
Scaled Change	0.033^{***}	-0.001	-0.037^{***}	0.002
	(0.012)	(0.007)	(0.010)	(0.006)
Scaled Change $\times$ *US Relevance*		0.088^{***}		-0.101^{***}
		(0.030)		(0.028)
Distance	-0.120^{***}	-0.117^{***}	0.110^{***}	0.106^{***}
	(0.018)	(0.017)	(0.017)	(0.017)
Resolution FE	Yes	Yes	Yes	Yes
Observations	7,450	7,450	7,450	7,450
Adj. R^2	0.487	0.489	0.568	0.570

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Appendix: Rhetoric alignment regression (Panel B)

Dep. Var.	*Rhetoric (Stripped)*		*Rhetoric (Raw)*	
	(1)	(2)	(3)	(4)
Scaled Change	0.052^{***}	0.028^{**}	0.053^{***}	0.021
	(0.009)	(0.014)	(0.009)	(0.014)
Scaled Change $\times$ *US Relevance*		0.040^{**}		0.054^{***}
		(0.019)		(0.018)
Distance	-0.298^{***}	-0.298^{***}	-0.457^{***}	-0.457^{***}
	(0.012)	(0.012)	(0.011)	(0.011)
Meeting FE	Yes	Yes	Yes	Yes
Observations	13,837	13,837	13,837	13,837
Adj. R^2	0.310	0.310	0.385	0.386

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Appendix: Silence margin (Table D10)

Dep. Var.	$\mathbf{1}(\textit{Spoke})$	
	(1)	(2)
Scaled Change	-0.008^{***}	-0.013^{***}
	(0.002)	(0.004)
Scaled Change $\times$ *US Relevance*		0.010^{**}
		(0.005)
Distance	-0.002	-0.002
	(0.003)	(0.003)
Meeting FE	Yes	Yes
Observations	18,102	18,102
Adj. R^2	0.607	0.607

- Less likely to speak $\rightarrow$ preserves hedging optionality
- Attenuates at high-relevance meetings $\rightarrow$ silence too costly

Appendix: Midpoint growth (Table D11)

Dep. Var.	Δ*Shipment*	Δ*Volume*	Δ*Weight*	Δ*Value*
Treat $\times$ *Post*	0.037***	0.037***	0.040***	0.038***
	(0.010)	(0.010)	(0.010)	(0.010)
Cohort$\times$Origin$\times$Product$\times$Firm FE	Yes	Yes	Yes	Yes
Cohort$\times$Time$\times$Product$\times$Firm FE	Yes	Yes	Yes	Yes
Observations	707,604	707,604	707,604	707,604
Adj. R^2	0.452	0.438	0.437	0.434

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Appendix: Relationship specificity (Table D12)

Dep. Var.	*Shipment*	*Volume*	*Weight*	*Value*
Treat × *Post*	0.064^{***}	0.048^{***}	0.059^{***}	0.068^{***}
	(0.019)	(0.018)	(0.018)	(0.017)
Treat × *Post* × RS_2	-0.068^{**}	-0.052^{*}	-0.065^{**}	-0.080^{***}
	(0.030)	(0.029)	(0.028)	(0.027)
Cohort×Origin×Product×Firm FE	Yes	Yes	Yes	Yes
Cohort×Time×Product×Firm FE	Yes	Yes	Yes	Yes
Observations	322,720	322,720	322,720	322,720
Adj. R^2	0.454	0.422	0.419	0.404

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Appendix: Alternative control sample (Table D13)

Dep. Var.	*Shipment Share*	*Volume Share*	*Weight Share*	*Value Share*
Treat × *Post*	0.035***	0.039***	0.040***	0.039***
	(0.010)	(0.009)	(0.009)	(0.009)
Cohort×Origin×Product×Firm FE	Yes	Yes	Yes	Yes
Cohort×Time×Product×Firm FE	Yes	Yes	Yes	Yes
Observations	1,878,456	1,878,456	1,878,456	1,878,456
Adj. R^2	0.473	0.438	0.437	0.419

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Appendix: Saudi Arabia–Jordan case (Table D14)

Dep. Var.	*Value Share*		
	USA (1)	*Non USA* (2)	*All* (3)
Treat × *Post*	0.009*	−0.005	−0.005
	(0.005)	(0.004)	(0.004)
Treat × *Post* × *USA*			0.014**
			(0.007)
Cohort×Destination×Product×Origin FE	Yes	Yes	Yes
Cohort×Destination×Product×Time FE	Yes	Yes	Yes
Observations	7,820	58,948	66,768
Adj. R^2	0.993	0.925	0.945

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