Bringing Home the Bacon:

Politician Ambassadors and Home State Trade

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Abstract

Ambassadors promote domestic exports to a host country and represent the interests of their home country at large. However, are trade benefits equally distributed domestically? In the United States, a substantial number of ambassadors are former governors or legislators ("politician ambassadors"). We argue that politician ambassadors are particularly equipped with knowledge and incentives to promote exports from their home states to host countries. Leveraging the biographic information of 164 ambassadors and US state-level exports to 30 major export destinations from 2002 to 2020, we find that the home states of politician ambassadors, compared to other states, on average enjoy a 10 percentage point increase in exports to host countries. The home-state effect is particularly apparent in countries where the US exports the most in dollar values, and in industries that export final goods. The past career path and future career aspirations of ambassadors can shape how the benefits of diplomacy are distributed domestically.

Keywords: Ambassadors; Diplomacy; Trade; Distributive Politics

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Ambassadors, as official envoys and the highest-ranking diplomats accredited to another sovereign country or an international organization, represent the government of their country of origin. Existing studies consistently find that ambassadors as heads of foreign missions facilitate international trade and promote export performance (Rose, 2007; Malis, 2021; Ahmed and Slaski, 2022). Similarly, ambassadors help domestic firms resolve disputes with a host country behind closed doors (Gertz, 2018; Gray and Potter, 2020). The literature suggests that ambassadors promote commercial diplomacy by representing their country as a whole.

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

We argue that the home states of politician ambassadors enjoy disproportionately more export benefits compared to the other states, which we refer to as the "home-state effect." In other words, politician ambassadors can "bring home the bacon" from abroad. To identify the home-state effect, we collect monthly export data from US states to the 30 major export destinations from 2002 to 2020. US exports to the 30 countries comprise around 85% of total US exports. We also collect a unique dataset comprising biographic information of 164 US ambassadors who served in these 30 countries during the period.

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

To assess the home-state effect for different types of ambassadors, we employ an interaction model with multiple fixed effects. Recognizing that US states export different products to different countries, we include country-state fixed effects. We also account for demand and supply shocks in international trade by including country-time and state-time fixed effects. In this within-country-state analysis, we estimate average changes in logged dollar values that a US state exports to a host country before and after an ambassador holds office. In our research design, the identification comes from one state being the home state of an ambassador designated to a specific country at a particular time, and no other state identified as such. Essentially, we adopt a differences-in-differences design for each ambassador using the country-state fixed effects, and pool the home-state effects of the ambassadors by ambassadorial types.

We find that home states accrue more export benefits when politician ambassadors hold office. Our analysis shows that the home states of politician ambassadors on average experience a 10-percentage point increase in exports compared to other states. The pattern is unique to politician ambassadors who previously served a local constituency before working as an ambassador. The 10-percentage point increase in home-state exports is substantial, given that the pattern we identify is particularly apparent in countries where the US exports the most in dollar values. At the industry level, we find that the home-state effect of politician ambassadors is particularly apparent in industries that export final goods such as beverages and tobacco products as well as electrical equipment. In contrast, the presence of politician ambassadors does not increase home-state exports in industries that heavily rely on global value chains, such as forestry products and oil and gas. The findings together illuminate the opportunities and limits of commercial diplomacy through ambassadors.

Regarding the question of why we observe the home-state effect, we propose two mechanisms. The first mechanism is based on information. Home states export more goods because politician ambassadors are familiar with the business environment of their home states. The second mechanism is based on electoral incentives. Politician ambassadors promote their

home states to gain support from home-state exporters when they run for elections after their ambassadorial terms. We provide evidence for both the information and electoral incentive mechanisms. Using politician ambassadors' length of experience as a proxy of information, we find that a longer past career in the home-state government is associated with a larger home-state effect. To test the electoral incentive mechanism, we leverage the age of ambassadors at the time of their nominations. If electoral incentives drive the home-state effect, older ambassadors who are about to retire should be less motivated to promote exports from their home states. Consistent with the electoral incentive mechanism, we find that younger politician ambassadors bring larger export benefits to their home states.

Our findings yield three implications. First, our analyses demonstrate that an ambassador's performance is contingent on their professional background. We demonstrate that the professional background of ambassadors can shape commercial diplomacy. The finding complements Jost et al. (2022) by showing that individual characteristics of bureaucrats can shape who benefits more from trade. Our finding extends the literature on the effect of a leader's personal characteristics on policy outcomes. Where a leader was born (Dreher et al., 2019), raised (Dafoe and Caughey, 2016) and educated (Gift and Krcmaric, 2017), as well as the predisposition (Colgan, 2013), and previous professional experience of a leader (Horowitz and Stam, 2014; Saunders, 2017) can explain how that person handles foreign policy. In other words, the career trajectory of bureaucrats can shape how foreign policy is implemented.

Second, we show that the career incentives of bureaucrats can shape decisions on diplomacy. We provide evidence in support of the electoral incentive mechanism, suggesting that ambassadors' consideration for their future career paths can lead a particular domestic audience to disproportionately benefit from diplomacy. This aligns with the literature in American politics that attends to career concerns of legislators and judges (Thomas, 1985; Stratmann, 2000; Huber and Gordon, 2004), as well as the recent studies that delve into ways in which career incentives of bureaucrats affect foreign policy outcomes (Poulsen and

Aisbett, 2016; Altman and Lee, 2022; Kim, 2024). In addition to bureaucrats' pursuit of promotions within their organizations, their anticipation of future careers outside of the organization can also shape foreign policy outcomes.

Last, our findings introduce distributive consequences from ambassadors. We unpack the effect of commercial diplomacy at the US state level and demonstrate that some domestic constituencies benefit more from their ambassadors' export promotions. The home-state effect indicates that appointing a politician as an ambassador can generate a relative winner and loser in exports even within regions with similar comparative advantages. Ambassadors in office promote exports in aggregate (Rose, 2007; Malis, 2021; Ahmed and Slaski, 2022), and their past career paths and future career aspirations can tilt that export promotion in favor of a particular domestic audience.

The paper proceeds as follows. The first section explains the topic of US ambassadors, including the nomination process, tasks as export promoters, and whom they represent. Next, the theory section offers our typology of US ambassadors. We then discuss the home-state effect and introduce two potential mechanisms. In the following section, we present the data and illustrate the home-state effect using the case of Terry Branstad, a former US ambassador to China. We then discuss the estimation strategy and present our main results along with a discussion on the heterogeneity of the home-state effect across industries and countries. The information and electoral incentive mechanisms are tested in the subsequent section. The final section concludes and discusses the implications of our findings.

Ambassadors of the United States

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

Appointment of Ambassadors

Most commonly, ambassadors are appointed by progressing through a career track that requires working as a career diplomat in the Foreign Service for, on average, over 20 years. Among 8,000 foreign service officers working at the State Department, those who are in the senior ranks[2] are considered for ambassadorial nominations.[3]

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

Nominees on both tracks undergo a process of selection, clearance, and confirmation. A committee composed of high-level State Department officials recommends a list of candidates on the career track to the president. White House officials and informal advisors provide a list of candidates who are not on the career track to the president. Once the president approves the nominees, candidates on both tracks undergo clearance and confirmation procedures. The State Department's Bureau of Security conducts security checks, and nominations that pass the security checks are sent to the Senate. The Senate Foreign Relations Committee

[2]The senior ranks include counselor, minister counselor, career minister, and career ambassador.

[3]There are six ranks below the senior ranks. Ambassadorial nominees in the senior ranks begin their careers in the lower ranks and are promoted to the senior ranks. According to 2020 State Department statistics (Department of State, 2020), a foreign service officer takes about 21.3 to enter the senior ranks.

then holds confirmation hearings. After obtaining a majority of votes in the Senate, the nominees may begin their terms as ambassadors.[4]

While the two-track system is often used to explain how ambassadors are appointed, the dichotomous distinction overshadows the career trajectories of ambassadors. Whereas career-track ambassadors are homogeneous in their service at the Department of State, non-career-track ambassadors vary in their career trajectories. We consider the pattern that some US ambassadors are former businesspersons or lawyers while others previously worked for a local government or as a member of Congress. Politically appointed ambassadors are often nominated because of their close ties with the president,[5] Yet their performance may vary depending on their past career paths and future career aspirations. Therefore, we suggest a new typology of US ambassadors to assess their performance, which we will discuss in detail in a later section.

Ambassadors as Export Promoters

One important goal of US ambassadors is to promote trade and investment between the US and the rest of the world (Malone, 2013). As chief of mission, they "have a principal duty to promote the United States goods and services for export to such country."[6] Consistent with the legal Foreign Service Act, recent studies confirm that ambassadors promote exports (Moons and van Bergeijk, 2017; Malis, 2021; Ahmed and Slaski, 2022). The export promotion directly benefits domestic firms by increasing their sales and employment (Munch and Schaur, 2018). Ambassadors also help domestic firms resolve conflicts with a host country behind closed doors, thereby reducing domestic firms' burden of reliance on costly legal dispute settlement (Gertz, 2018; Gray and Potter, 2020).

What makes an ambassador successful in export promotion? One conventional answer

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

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

[6]Section 3927 (c) of the Foreign Service Act.

is experience. Put simply, those who are experienced perform better as ambassadors (Arias, 2023). This logic justifies that career diplomats are more competent than ambassadors appointed under the non-career track (Scoville, 2019). As an extension, The American Academy of Diplomacy (2015, p.10) proposes to "reduce the total number of political appointees in order to allow Presidents to focus on those most important to policy leadership." Unlike experience, aiming for promotions does not seem to motivate ambassadors to perform better. Arias and Smith (2018) assess whether strong job performance results in ambassadors' promotions to more prestigious posts. They do not find evidence that strong performance is rewarded with reappointment or promotion and attribute this null finding to the design of foreign service institutions. At least in the US, "success is not highly rewarded and failure is not strongly punished" (Arias and Smith, 2018).

We challenge the existing literature on ambassadors by showing that some ambassadors can be locally successful in export promotion. When their previous career background is combined with their expectation to run for an election in the near future, even if ambassadorial institutions do not reward good performance (Arias and Smith, 2018), ambassadors might be motivated to work harder for a particular audience. According to Section 101 of the Foreign Service Act of 1980, members of the Foreign Service "should be representative of the American people." While ambassadors are expected to represent the country as a whole, they do not represent all Americans equally if we seriously consider the institutional features of US ambassadors.

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

The distributive politics literature provides insights and informs our argument and analysis. If some US ambassadors had previously worked for a local government or as a member of Congress, they may use their discretion as ambassadors to favor their local constituencies. While previous studies on distributive politics examine the behavior of elected officials, to our knowledge, this is the first paper that explains the behavior of non-elected officials. An intention to run for office in the future can motivate non-elected officials to be attentive to parochial interests.

Typology of Ambassadors and Distributive Consequences

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

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

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

politicians and non-politicians. We define politician ambassadors as individuals who had ever worked for a local government or as a member of Congress before their ambassadorial nominations.[7] Non-politician ambassadors are the remaining political appointees. Many of them are businesspersons or lawyers who have close ties with the current president. Thus, we categorize US ambassadors into three types – politicians, non-politicians, and career diplomats. Online Table A.1 presents the distribution of ambassadorial types by country. Among 164 ambassadors to 30 major export destinations in the last 19 years (2002–2020), 23 were politician ambassadors, 79 were non-politicians, and the remaining 62 were career diplomats.

Having a local constituency before an ambassadorial nomination is the key that distinguishes politician ambassadors from non-politician ambassadors. Local business groups provide information to politicians representing their districts to further their interests. The information provided by the local business groups is what could pave the way for the home-state effect. Therefore, we operationalize politician ambassadors strictly to those who served their home states prior to their ambassadorial employment. Prior experience in politics at the federal level might impact how ambassadors promote exports, but it is unlikely that the impact would have distributive consequences. This means those who served in the military, political parties, and fundraising are classified as non-politician ambassadors. According to the classification, Terry Branstad, the former governor of Iowa, would be classified as a politician ambassador while David Jacobson, the former fundraiser for Barack Obama's presidential campaign, would be classified as a non-politician ambassador.

In which countries do we see politician ambassadors? While past research informs that career diplomats compared to presidential appointees are sent to less developed countries (Jett, 2014; Hollibaugh, 2015), it is not obvious where politician ambassadors are sent. From the descriptive analysis, we find that politician ambassadors are often sent to the countries

[7] As will be explained in the following paragraph, a previous career background outside of foreign service is a necessary but insufficient condition to be classified as a politician ambassador. Politician ambassadors are thus a subset of political appointees.

to which the US exports the most in dollar values. In the Appendix, we present a plot that shows the distribution of the three types of US ambassadors to all countries based on their appointment information from 2002 to 2020 (Online Figure A.1). The figure shows that politician ambassadors are generally sent to big export markets. The pattern contrasts with non-politician ambassadors who are more likely to be sent to diplomatic posts popular with tourists (Online Figure A.2).

Home-State Effect of Politician Ambassadors

We have demonstrated that a substantial portion of US ambassadors are former politicians. Unlike career diplomats, politician ambassadors have served their home constituencies, and they have options to continue serving their constituencies after finishing their terms as ambassadors. Together, all these features unlock possibilities for distributive consequences. Some would benefit from seizing more export opportunities than others. Our intuition is that home constituencies of politician ambassadors would particularly benefit by obtaining greater access to the ambassador's host country market. We term the export benefits that politician ambassadors create the "home-state effect."

We do not expect to see the home-state effect under the leadership of other types of ambassadors because non-politician ambassadors and career diplomats possess less understanding of their home states' economics than politician ambassadors. While non-politician ambassadors and career diplomats also could be politically ambitious, politician ambassadors, due to their previous experience serving local constituencies, know the industries in which their home states specialize. Politician ambassadors also understand whether the firms in these industries generally want more access to export markets or protection from foreign competition. This knowledge of local economic geography would generate the most apparent home-state effect under politician ambassadors.

We propose two main mechanisms for the home-state effect of politician ambassadors. The first mechanism is *information*. Where ambassadors get information can shape the

content of commercial diplomacy (Thrall, 2024). Politician ambassadors, among others, have rich contact points with local business groups due to their prior experience serving their local constituencies. This is because local business groups engage in informational lobbying, either to persuade politicians (Wright, 1996) or to subsidize like-minded politicians (Hall and Deardorff, 2006). Because of the information previously provided by local business groups, politician ambassadors, in comparison to other ambassadors, assume their office with better knowledge about the business environment of their home states.

The distinct information sources of politician ambassadors allow them to better match home-state sellers and buyers in their host countries. Ambassadors in the host countries can "choose which events to attend" and have "different talking points that can influence export outcomes" (An interview with a government official who previously worked at the Department of Commerce, March 4, 2022). Ambassadors are usually assigned to new posts every four years, and they have limited time in the office to promote exports. Given the time constraint, politician ambassadors may choose to attend events and to discuss topics with which they are already familiar. During the process, politician ambassadors may disproportionately represent the interests of local business groups, thereby unintentionally bringing the bacon to their home states.

The second mechanism is *electoral incentives*. Some politician ambassadors run for an election after completing their ambassadorial terms.[8] If politician ambassadors consider returning to their home states for re-election in the future, they would be inclined to favor exporters from their home states while serving as ambassadors. By helping home-state exporters to export more, politician ambassadors may expect quid-pro-quo electoral support from home-state exporters in the future. According to the electoral incentive mechanism, ambassadors' proactive assistance to local business groups is what drives the home-state effect.

[8] Online Table A.2 presents a list of politician ambassadors who ran for elected office after completing their ambassadorial terms. Among 62 politician ambassadors sent to all countries from the Bush administration to the Trump administration, more than a quarter ran for elected office. This is a conservative estimate, as the remaining politician ambassadors could declare their candidacy in future elections.

Whereas the information mechanism emphasizes politician ambassadors' distinct sources of information, the electoral incentive focuses on politician ambassadors' consideration for future career paths. Politician ambassadors are no different from other types of ambassadors when they assume office, but their efforts during their incumbency may lead their home states to accrue more export opportunities. This would be especially true when export promotion is the government's broad policy goal, and ambassadors have autonomy in specific activities to achieve that goal. In that sense, politician ambassadors under the electoral mechanism intentionally bring the bacon to their home states.

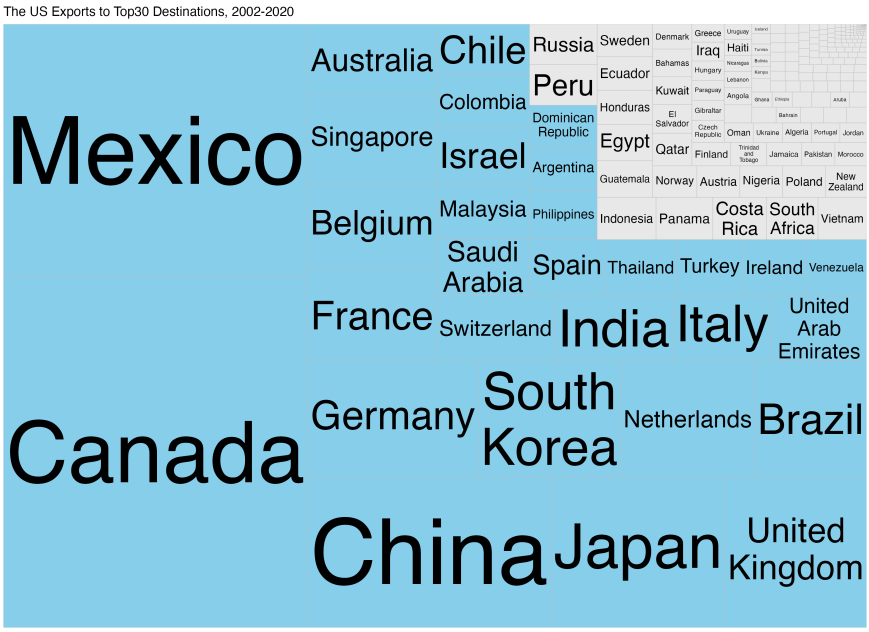
Data

We first collect monthly export data from the US Census Bureau. The data include exports from 50 states and Washington, DC to the US's top 30 export destinations from 2002 to 2020. We construct a monthly panel dataset in which each row is a US state and a country dyad. US exports to these 30 countries comprise 84.2% of total US exports, based on the average annual export shares from 2002 to 2020. The monthly export data has 348,840 observations (50 states plus Washington, DC $\times$ 30 countries $\times$ 19 years $\times$ 12 months). In Figure 1, the blue cells present the extent to which the United States exports to these 30 countries. The larger a cell's size, the larger the export amount in dollar terms. We also collect the monthly export data at the industry level and present an assessment following the main analysis. The industry information is recorded at the level of 3-digit North American Industry Classification System (NAICS) codes.

Along with the monthly export data, we produce an original dataset of biographic information about 164 US ambassadors who served in the 30 major export destination countries from 2002 to 2020. We identify the home state of each ambassador based on where the ambassador resided at the time of their nomination.[9] We retrieve the ambassadors' residence

[9]Online Table A.3 presents the distribution of ambassadors' home states. Among the 164 ambassadors in our dataset, 33 states and Washington, DC have been identified as ambassadors' home states at least once.

Figure 1: Top 30 Export Markets of the United States, 2002-2020



Source: The US Census Bureau.

information from Congress's website (www.congress.gov), which discloses ambassadors' home states. It is worth noting that the home states of politician ambassadors are the states where they once served in elected office. For instance, Dan Coats's home state is coded as Indiana. Prior to his ambassadorship in Germany, Dan Coats served as Indiana's House Representative from 1981 to 1989. The home states of non-politician ambassadors are often where their corporate headquarters or their law firms are located. The home states of career diplomats are based on their domestic residential addresses.

The Case of Terry Branstad

In this section, we illustrate the home-state effect by focusing on the case of Terry Branstad, the US ambassador to China under the Trump administration. After serving as the governor of Iowa for 22 years, Terry Branstad was intentionally nominated by President-elect Donald

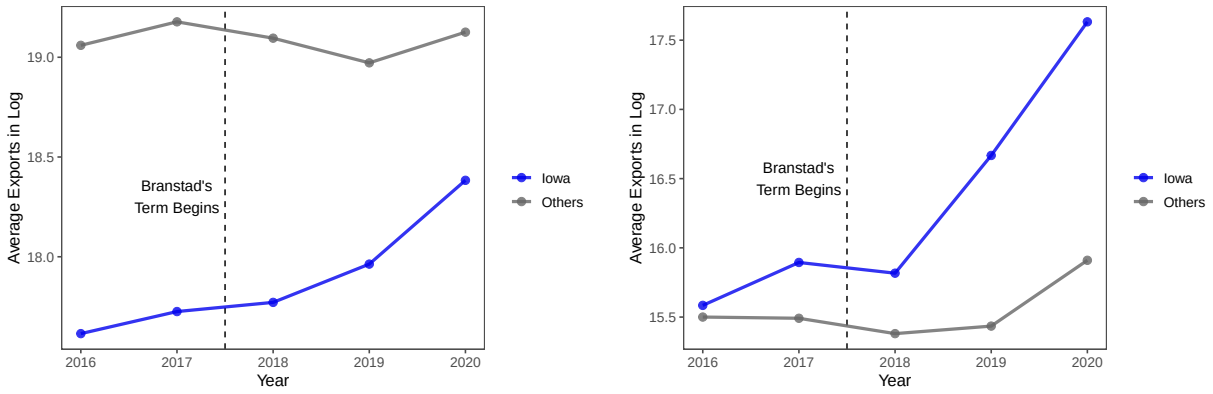
Trump to be the US ambassador to China in December 2016. Branstad arrived in Beijing to assume his post on July 12, 2017. He did not work in any federal office prior to his ambassadorial appointment because, as he said, "I love Iowa. This is where I could best serve" (Opsahl, 2020). Iowa, Terry Branstad's home state, mainly exports grains and meat products to China. In 2017, Iowa exported 1.6 billion dollars worth of grains and 58 million dollars worth of meat products to China (U.S. China Business Council, 2018).

In the same month that the Trump Administration nominated Terry Branstad to be an ambassador, the Iowa delegation, including Terry Branstad, visited China to promote Iowa's trade relations with China. In an interview with a local newspaper in December 2016, Branstad noted that Iowa-based companies, such as Trans Ova Genetics and Hy-Line International, signed memorandums of understanding during the visit.[10] Signing memorandums of understanding itself does not guarantee an increase in exports, but this anecdote explains how a politician ambassador can provide a rich network of customers to firms from his or her home state. A year later, Branstad warmly welcomed another trade mission from Iowa. Branstad invited the traveling representatives from Iowa to the ambassadorial residence; they also met high-ranking government officials and industry partners in China (Boshart, 2017). Those two examples indicate that an ambassador can actively connect domestic exporters with host-country importers, and in particular, businesses in an ambassador's home state can accrue benefits.

Figure 2(a) shows Iowa's total export values to China compared to that of other states from 2016 to 2020. Although the total export volume from Iowa to China is smaller than the average export volume from other states to China, during Branstad's term, Iowa experienced a noticeable surge in exports to China compared to the average of other states. More remarkably, about six months after Branstad was sworn in on July 12, 2017, Iowa's food exports to China skyrocketed. Figure 2(b) demonstrates Iowa's food-related exports to

[10]Trans Ova Genetics exports cattle embryos, and Hy-Line International raises and sells commercial and industrial laying chickens. Please see, https://www.desmoinesregister.com/story/news/politics/2016/12/19/china-investors-tourists-eyeing-iowa/95613100/

Figure 2: Exports to China from Branstad's Home State vs. Other States



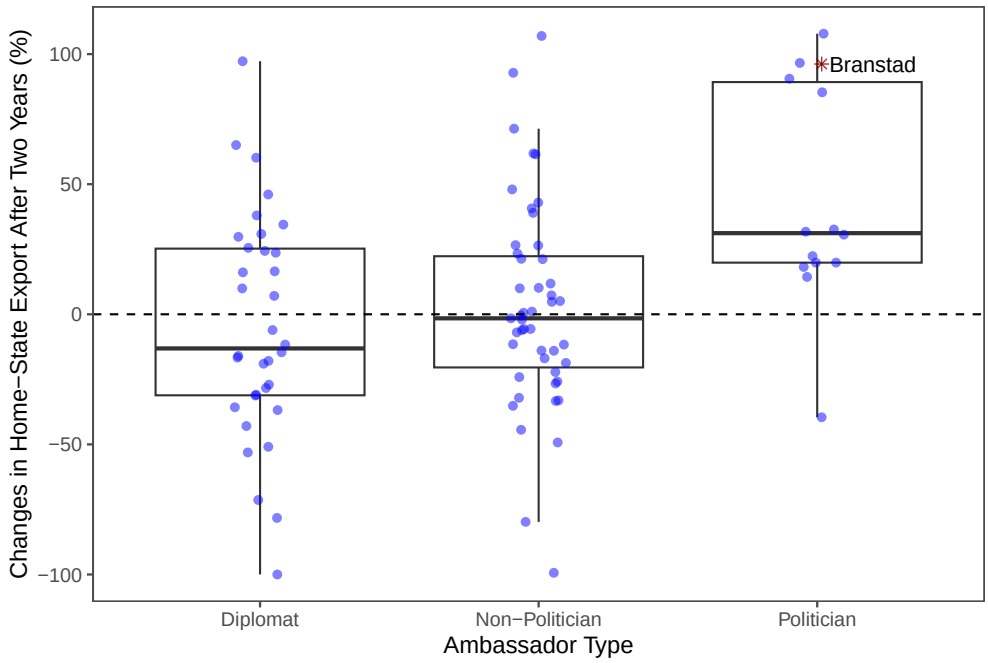
(a) Total Exports **(b) Food-related Exports (NAICS 311)**

China compared to the average of other states. This is striking given that the average dollar amount of food exported to China by other states slightly decreased until 2018 and recovered modestly afterward.[11]

Terry Branstad was an exemplary politician ambassador, but he is not the sole contributor to the home-state effect. Figure 3 presents the changes in home-state exports by ambassadorial types. Each dot represents an ambassador and marks the change in the percentage of home-state exports to the host country after two years of his or her ambassadorial service. The three boxplots present the changes in the distribution of home-state exports by types of ambassadors. Among ambassadors who are career diplomats, there is a negative change in home-state exports after two years of service for the median, but the dots are scattered with high variance. As for non-politician ambassadors, the dots have a median of around zero. Politician ambassadors, however, exhibit a different pattern. Not only Terry Branstad (highlighted with a red asterisk), but all other politician ambassadors except one consistently boosted exports from their home states. The descriptive comparison suggests the possibility of politician ambassadors bringing home the bacon.

[11]In addition, we replicate this exercise to all politician ambassadors and further present both pre- and post-trends in Online Table A.6. In most cases, it is easy to observe that exports from the home states of politician ambassadors enjoy a disproportionate increase compared to other states during ambassadors' tenures and drop in a meaningful way after their departures.

Figure 3: Changes in Home-state Exports by Ambassador Types



Note: We collect the export data from 2002 to 2020. Among 164 ambassadors, we omit 52 who do not have corresponding export data for two full years (N=112) because they were appointed closer to 2002 and 2020.

In this section, we have exemplified the home-state effect of politician ambassadors through the case study of Terry Branstad. However, it only focuses on the export change in home states, and does not consider the counterfactual. We now proceed to describe the details of our estimation strategy and the results it yields.

Estimation Strategy

To test the home-state effect, we run regressions of the following form:

$$Log(\text{Export}_{c,s,t} + 1) = \beta_1 \text{Home State}_{c,s,t} + \alpha_{c,s} + \delta_{c,t} + \gamma_{s,t} + \epsilon_{c,s,t}, \quad (1)$$

where the subscript c refers to destination countries, s represents US states, and t denotes month-year. $Log(\text{Export}_{c,s,t}+1)$ is the logged monthly export value from a US state to a country in US dollars. $\text{Home State}_{c,s,t}$ is an indicator of the home state of the US ambassador designated to the country c while this ambassador is in service during the time t. $\alpha_{c,s}$ is country-state fixed effects, which account for all observable and unobservable time-invariant characteristics in a given country-state pair. To control time-variant characteristics, $\delta_{c,t}$ and $\gamma_{s,t}$ flexibly control secular changes in international trade over time. In specific, the country-time fixed effects, $\delta_{c,t}$, control for the exchange rate between countries and demand shock in international trade. The state-time fixed effects, $\gamma_{s,t}$, hold the state of origin supply shock constant.

To test the home-state effect for different types of ambassadors, we add interaction terms in the model. We categorize ambassadors into three types—career diplomats, politicians, and non-politicians—and we set career diplomats as the baseline in the interaction model. The specification is as follows:

$$\begin{aligned} Log(\text{Export}_{c,s,t}+1) =& \beta_1 \text{Home State}_{c,s,t} + \\ & \beta_2 \text{Home State}_{c,s,t} \times \text{Politician}_{c,t} + \\ & \beta_3 \text{Home State}_{c,s,t} \times \text{Non-Politician}_{c,t} + \\ & \alpha_{c,s} + \delta_{c,t} + \delta_{s,t} + \epsilon_{c,s,t}. \end{aligned} \tag{2}$$

The interaction terms are the main variables of interest. The baseline group is career diplomats, so β_1 is the home-state effect of career diplomats. β_2 is the home-state effect difference between politician ambassadors and career diplomatics, and β_3 reveals the home-state effect difference between non-politician ambassadors and career diplomatics. We are more interested in the home-state effect for each type of ambassador, rather than comparing the effect between types. Therefore, for the clarity of the presentation, we present the home-state effect of career diplomat (β_1), politician ($\beta_1+\beta_2$), and non-politician ($\beta_1+\beta_3$) ambassadors in the regression tables. Note that the two constitutive terms of this interaction model,

Politician$_{c,t}$ and Non-Politician$_{c,t}$, are subsumed in $\delta_{c,t}$. The months when there is no US ambassador on duty are also subsumed in $\delta_{c,t}$.

Substantially, the interaction term (β_2) captures the marginal effectiveness of export promotion activities of politician ambassadors within the country-state, compared with career diplomats, and controlling for demand and supply shocks in international trade. Politician ambassadors can promote exports by inviting a trade mission from a particular state to a host country, helping firms in a particular state to sign a memorandum with firms in a host country, or helping firms in a particular state overcome technical barriers to trade in a host country. If those activities indeed increase exports of the home states under politician ambassadors, the interaction term would be positive and statistically significant.

In estimating the coefficients, we use a Weighted Least Squares (WLS) regression, a regression weighted by the total export values of a country-state pair. We use a WLS regression for two reasons. First, a higher volume of exports is substantively more significant, so put more weight on the dyads where there is a high volume of trade. For example, a 50% increase from a large baseline is more important than a 50% increase from a small baseline. Second, we use a WLS regression because of heteroskedasticity: the error terms of large country-state pairs are systematically different from the error terms of small country-state pairs. From the residual plot, we see that the country-state pairs with small trade volumes have larger residuals (Online Figure A.4). For example, in an unweighted OLS regression, the Wyoming-Turkey pair—the pair with small trade volumes—has a much larger residual than the Texas-Mexico pair—the pair with large trade volumes. Thus, we adjust the non-constant residual variance by assigning a weight according to the total export value.[12]

In estimating the uncertainty, we implement two-way clustered standard errors at the country-state and month-year levels (Chiang et al., 2023; Sun et al., 2018). Clustering the standard errors at the country-state level corrects the possibility that the treatment

[12]As a robustness check, we also weight the model by the total export values of the country-state-year pair in Online Table A.5. We confirm that the result is robust to an alternative weight specification. Furthermore, we present the results using an Ordinary Least Squares (OLS) regression without the weight in Online Table A.6. We present the OLS regressions in the Appendix for transparency.

assignment is correlated within each country-state dyad. Independent of the possibility of the treatment being correlated within each country-state dyad, the treatment could be correlated within time. For instance, politician ambassadors might divert exports away from some countries into others, leading to error terms correlated within time. This is plausible when home states, anticipating a greater export market, shift their exports to politician ambassadors' home states from original destinations. Therefore, we additionally cluster standard errors at the month-year level.

We use a differences-in-differences design in which the identification comes from one state being the home state of an ambassador designated to a specific country at a time and the others not. Intuitively, we adopt a differences-in-differences design for each ambassador using the country-state fixed effects, and pool the home-state effects by ambassador types. The parallel trend assumption is that the export trend from an ambassador's home state to her destination country would be expected to be similar to the export trend from the remaining states to her destination country. In the Online Figure A.6, we present the results of an event study for politician ambassadors, which lend further credibility to the parallel trends assumption. In most cases, we find no evidence of differential trends in export volume between each ambassador's home state and other states before the arrival of each ambassador.

Our research design can rule out the possibility of the home-state effect driven by the president choosing politician ambassadors to signal policy initiatives. The president can signal their policy initiatives by choosing an ambassador who has expertise in the priority policy areas (Interview with a retired diplomat, February 2, 2024). If the president intends to boost exports of eggs, for example, we should observe an increase in egg exports to a host country from all states that excel in egg production (Iowa, Indiana, Ohio, Pennsylvania, and Texas), and not solely a home state of a politician ambassador. Thus, our estimate is conservative because if other states also benefited from the president's intent to boost exports of eggs, the interaction term (β_2) in Equation 2 is less likely to be positive and statistically significant.

Admittedly, our research design cannot entirely rule out the possibility of selection specifically tied to the home states of politician ambassadors. The president could choose a politician ambassador precisely to reward a particular state or to boost exports of a product whose production happens to be dominated by a single state. We address this concern by conducting two additional analyses. First, we control for an electoral calculation of the president. One important reason the president rewards a particular state would be to win an election. The president would allocate more resources to swing and core states to satisfy swing voters and co-partisans (Kriner and Reeves, 2015). Similarly, the president could appoint politician ambassadors to deliver more export benefits to swing and core states. We estimate the home-state effect controlling for presidents' swing and core states and confirm that the alternative model specification does not alter the main results (Online Table A.7).

Second, we conduct a placebo test by leveraging an instance in which a former politician declined an ambassadorship offered by the president. Intuitively, if the president intends to reward a particular state, then we should continue to see the home-state effect even after the nominated politician turns down the offer. We find a case where David Wilkins, a state legislator from South Carolina, declined President Bush's offer of ambassadorship to Chile in 2001 (Windsor Star Ontario, 2005). The position was taken by a career diplomat named William R. Brownfield from Texas. The export trend from South Carolina to Chile, in comparison to the export trend from other states to Chile, largely remained the same during the term of William R. Brownfield (Online Figure A.5). We further examine it in regression and find that Wilkins' home state (South Carolina) does not enjoy a disproportionate export increase (Online Table A.8). Collectively, the evidence suggests that selections specifically tied to the home states of politician ambassadors are not likely to drive the home-state effect.

Results

We find the home-state effect among politician ambassadors. Column 1 of Table 1 shows that the home states of ambassadors, on average, export more than other states by 4.1 percentage points. The coefficient of Column 1 is the estimate that pools all types of ambassadors. Column 2 of Table 1 presents the home-state effect for each type of ambassador. We find that the home-state effect identified in Column 1 is driven by politician ambassadors. Column 2 indicates that the home states of politician ambassadors, in comparison to the other states, enjoy around a 10-percentage point increase in monthly exports to host countries.[13] On the contrary, the estimated home-state effects for career diplomats and non-politician ambassadors are not distinguishable from zero.[14]

The 10-percentage point increase in monthly exports is substantial in dollar values. Consider that in 2010, for the top 30 trade partners included in our analysis, the average monthly export value from a US state to a host country was around 55 million US dollars. Applying the 10% monthly increase in exports, the home states of politician ambassadors would enjoy an export increase worth roughly 5.5 million dollars in a given month, compared to the other states.[15]

As a result of the export benefits that the home states of politician ambassadors enjoy, other states might receive fewer export benefits. We aggregate the data to country-time level and test whether politician ambassadors, in comparison to other types of ambassadors, increase US exports as a whole to the assigned host country. After controlling for host-country-specific characteristics, we do not find evidence that politician ambassadors, among

[13]The dependent variable in log transformation allows us to interpret coefficients approximately as proportionate changes. From the definition of the natural log, the exact predicted proportionate change is $exp(\beta)-1$, so the exact proportionate change for the politician ambassador's home state is $exp(0.95)-1 = 0.0997$, which is equivalent to around 10 percentage points.

[14]The result holds after excluding career diplomats from the analysis, and only comparing politician and non-politician ambassadors. See Online Table A.9.

[15]Note that a sizeable number of ambassadors are from Virginia, Maryland, and Washington D.C. (37 out of 164 ambassadors) whose local economies rely less on exports. If we exclude ambassadors from these three locations, we observe a similar home-state effect, with a slightly larger point estimate. See Online Table A.10.

Table 1: Home-State Effect and Ambassador Types

	Dependent Variable:	
	Logged Export Value	
	(1)	(2)
Home State	0.041*	
	(0.024)	
Diplomat's Home State		0.008
		(0.035)
Politician's Home State		0.092*
		(0.052)
Non-politician Home State		0.015
		(0.023)
Country-State FE	✓	✓
Country-Time FE	✓	✓
State-Time FE	✓	✓
Observations	348,840	348,840
R^2	0.959	0.959

*Notes: Point estimates are calculated by WLS regressions, weighted by the total export values of a country-state pair. Two-way cluster-robust standard errors are calculated by country-state pair as well as by month-year, in parentheses. *p<0.1; **p<0.05; ***p<0.01.*

others, excel in export promotion in general (Online Table A.11). The result suggests that instead of enlarging the size of the pie, politician ambassadors divert a larger slice of the pie to their home states.

A politician ambassador's tie with their local constituency supports the home-state effect. We conduct additional tests to confirm whether the home-state effect is also found among ambassadors who did not previously serve local constituencies by creating two alternative measurements of politician ambassadors. The first alternative measurement expands politician ambassadors to those with any experience working for the federal government, military, or political parties. The second alternative measurement further includes business-minded

ambassadors, capturing those who have experience in business before their ambassadorial nominations. We do not find the home-state effect with these alternative measurements of politician ambassadors (Online Table A.12), suggesting that it is an ambassador's previous tie with the local constituency that drives the home-state effect.

The home-state effect is particularly apparent in countries to which the US exports the most in dollar values. We estimate the home-state effect by country ranked in order of export values. Table 2 shows that the home-state effect is strongest among the US's top export destinations. Columns 1 to 6 present the home-state effects for each type of ambassador estimated in the sub-samples of the top 5, top 10, top 15, top 20, top 25, and top 30 export destinations of the US. We find that the home-state effect for politician ambassadors is particularly acute among the ambassadors who are assigned to countries that receive larger export volumes from the United States.[16] The estimated home-state effect for politician ambassadors ranges from 8 percent to 15 percentage points. The largest home-state effect of 15 percentage points is found in the sub-sample of the top ten export destinations. As we include more countries in the analysis, the home-state effect for politician ambassadors decreases in magnitude. Table 1 and 2 together indicate that there is a home-state effect among politician ambassadors and the pattern is strong and consistent, particularly among superstar export destinations.

It is worth noting that we do not find the home-state effect for career diplomats or non-politician ambassadors regardless of the number of countries being considered. For the two remaining types of ambassadors, we continue to find null results with point estimates that hover around zero. This is consistent with our expectations that ambassadors who are career diplomats, on average, do not bring home the bacon, nor do non-politician ambassadors who are friends and allies of presidents. Only politician ambassadors who previously served their

[16]Note that the home-state effect is no longer statistically significant when observations are not weighted by trade volume (Online Table A.6). Table 2 and Online Table A.6 together suggest that the home-state effect only appears in high-trade contexts, and the home-state effect holds after addressing the issue of heteroskedasticity. In other words, the home-state effect we identify is conditional on giving greater weight to country-state pairs with sizable trade volumes, the country-state pairs that produce smaller variances.

Table 2: Home-State Effect Across Different Cutoffs of Export Partners

	Dependent Variable: Logged Export Value					
	Top 5	Top 10	Top 15	Top 20	Top 25	Top 30
	(1)	(2)	(3)	(4)	(5)	(6)
Diplomat's Home State	0.052	0.020	0.017	0.031	0.008	0.008
	(0.083)	(0.044)	(0.042)	(0.045)	(0.038)	(0.035)
Politician's Home State	0.131**	0.146**	0.109**	0.081	0.089*	0.092*
	(0.066)	(0.059)	(0.054)	(0.054)	(0.053)	(0.052)
Non-politician's Home State	−0.003	0.012	0.008	0.009	0.013	0.014
	(0.033)	(0.024)	(0.023)	(0.023)	(0.023)	(0.023)
Country-State FE	✓	✓	✓	✓	✓	✓
Country-Time FE	✓	✓	✓	✓	✓	✓
State-Time FE	✓	✓	✓	✓	✓	✓
Observations	58,140	116,280	174,420	232,560	290,700	348,840
R^2	0.981	0.975	0.967	0.963	0.962	0.959

*Notes: Point estimates are calculated by WLS regressions, weighted by the total export values of a country-state pair. Two-way cluster-robust standard errors are calculated by country-state pair as well as by month-year, in parentheses. *p<0.1; **p<0.05; ***p<0.01.*

home constituencies deliver disproportionate export benefits to their home states.

Home-State Effect by Industry

One question that can arise from the previous analyses is whether every industry equally benefits from the home-state effect. To answer the question, we retrieve the US export data from the US Census Bureau at the industry level. We leverage the information at the level of 3-digit NAICS codes, with a total of 30 sectors.[17] We pull the export data for each of the 30 sectors and then separately estimate the home-state effect by sector, focusing on the top 10 export destinations that exhibit the strongest home-state effect in Table 2. We use the

[17]We exclude NAICS 990 (Other Special Classification Provisions), NAICS 980 (Goods returned, exports for Canada only), NAICS 920 and NAICS 930 (Used or Second-hand Merchandise), because it is challenging to capture industry characteristics based on their names.

industry-specific export values of a country-state pair as the weight for the WLS estimation. Standard errors of the estimates are clustered at the country-state level.

We find that the politician ambassador's home-state effect is driven by industries that export final goods. Figure 4 is the coefficient plot showing the politician ambassador's home-state effect for each of the 30 industries. The industries in the figure are ranked in the order of the magnitude of the home-state effect. We find that goods often exported as final products mainly drive the home-state effect. These are the goods whose destinations can be adjusted quickly depending on the ambassadors in the office.

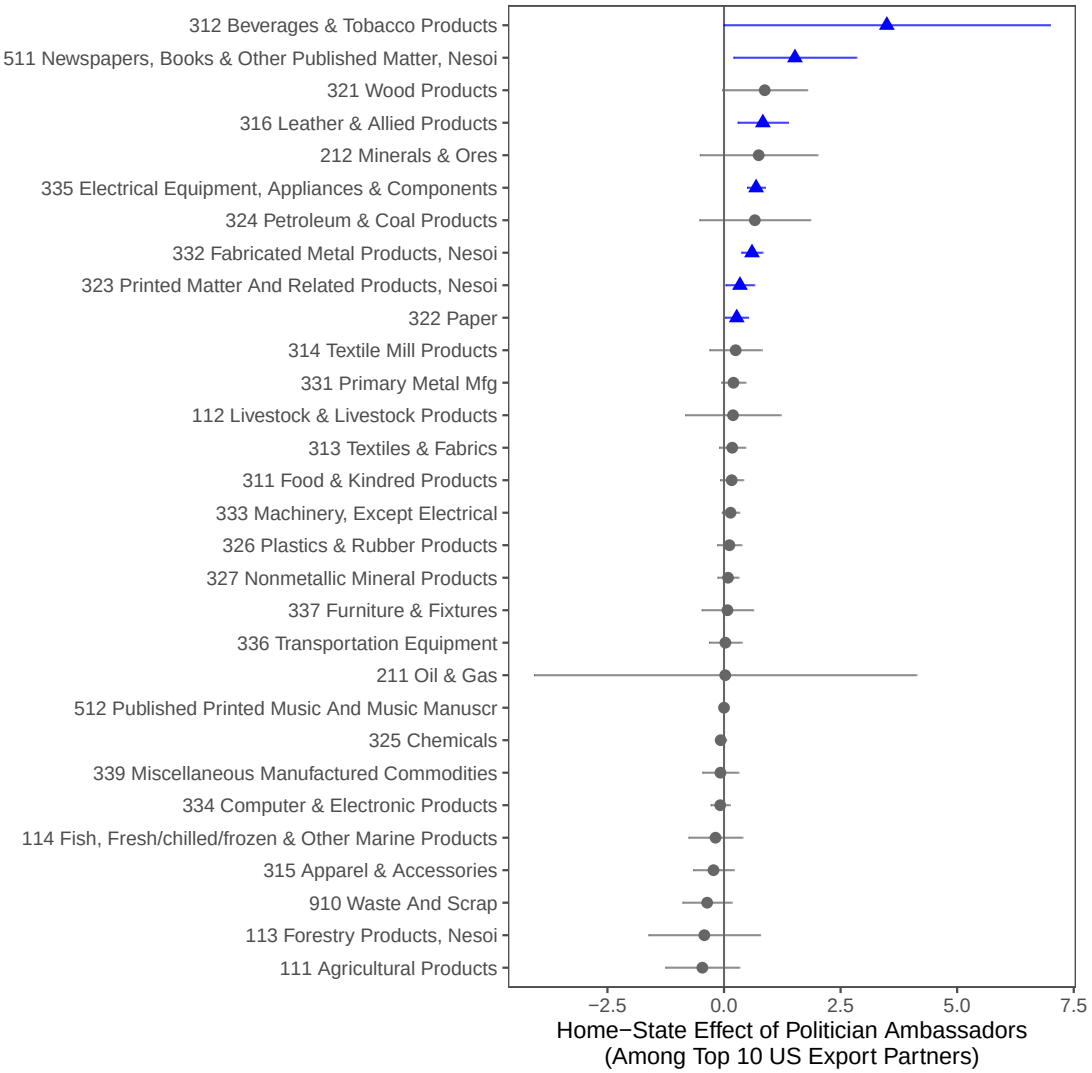
To further investigate the relationship between the home-state effect and industry characteristics, we use the measure of industry upstreamness—-the producer's average distance from final use (Antràs et al., 2012)—in US production. If industries are low in upstreamness (downstream industries), almost all of their outputs go directly to the end user. Downstream industries mostly produce final goods. If industries are high in upstreamness (upstream industries), most of their outputs go to intermediary producers. Upstream industries tend to be involved in processing raw materials.

If the home-state effect is salient in industries that export final goods, we should see a negative relationship between industry upstreamness and the home-state effect. To test the relationship, we leverage the measure of industry upstreamness in US production from Antràs et al. (2012), which is recorded at the level of the six-digit United States Input-Output industry. Therefore, we first aggregate the upstreamness measure to the level of the three-digit NAICS by taking the average of each industry's measure.[18] We then match the aggregated upstreamness measure to the home-state effect estimated at the industry level. After the matching, we plot a bivariate correlation plot.

We find a negative relationship between industry upstreamness and the home-state effect. The Pearson correlation coefficient is -0.291 ($p\text{-}value = 0.103$). Figure 5 shows that downstream industries, such as beverage and tobacco products (NAICS 312) and electrical

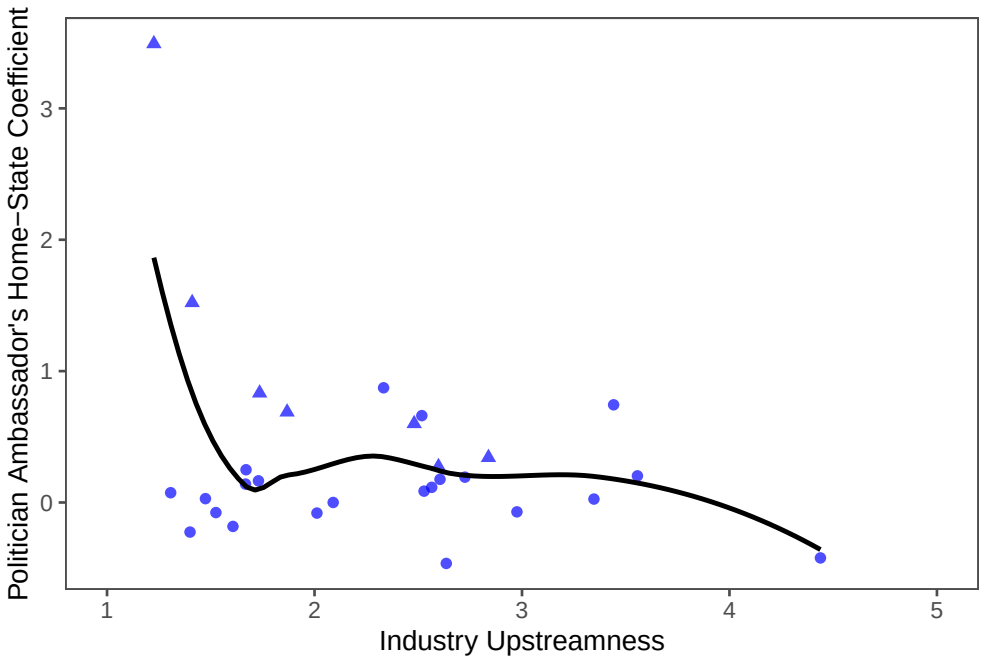
[18]Table A.14 provides a list of industry upstreamness at the level of the three-digit NAICS.

Figure 4: Politician Ambassador's Home-State Effect by Industry



Note: Each point refers to the home-state effect of politician ambassadors, and the error bars are 95% confidence intervals. The blue triangles highlight the industries that statistically benefit from the home-state effect of politician ambassadors. Four industries are omitted from the coefficient plot, including NAICS 990 (Other Special Classification Provisions), NAICS 980 (Goods returned, exports for Canada only), NAICS 920, and NAICS 930 (both labeled as Used or Second-hand Merchandise), as it is difficult to capture industry characteristics based on their names. The regression results for each of the 30 industries are available in Appendix Table A.13a–A.13b.

Figure 5: Home-State Effect and Industry Upstreamness



Note: Each dot refers to a three-digit NAICS industry. N=29. Waste and Scrape (NAICS 910) does not have the industry upstreamness information and is omitted from the analysis. The triangles highlight the industries that benefit from the home-state effect (p-value < 0.05*). The fit line is drawn by LOESS. Table A.14 presents a table that ranks industry upstreamness in US production.*

equipment (NAICS 335), benefit the most from the home-state effect.[19] On the contrary, the home-state effect does not apply to upstream industries that produce intermediary goods such as forestry products (NAICS 113) and oil and gas (NAICS 211).

The findings illuminate both the opportunities and limits of commercial diplomacy through ambassadors. Ambassadors can create opportunities for exporting products that are clearly "Made in the USA." However, the opportunities do not extend to products that are assembled across borders. At the same time, industry-level heterogeneity raises the question of why we observe the home-state effect exclusively among politician ambassadors. In the following

[19]Firms in the electrical equipment industry(NAICS 335) produce products such as household appliance and electric lighting equipment.

section, we test the validity of the information and electoral incentive mechanisms—the two mechanisms that can explain the home-state effect.

Mechanisms: Information and Electoral Incentives

In this section, we test the information and electoral incentive mechanisms. While these two mechanisms are not mutually exclusive and do not comprise the whole universe of possible explanations, they encompass some salient possibilities.

To test the information mechanism, we use the experience of politician ambassadors serving their home states as the proxy of information. If the information mechanism drives the home-state effect, more experienced former politicians should bring further benefits to their home states. The longer politician ambassadors serve home constituencies as governors or legislators, the more they will be familiar with the local business environment. Thus, politician ambassadors' length of experience should amplify the home-state effect.

We measure politician ambassadors' length of experience by counting their total years of service until the beginning of their ambassadorial terms.[20] According to our measure, Paul Cellucci, for instance, has 26 years of experience as Governor, Lieutenant Governor, and a member of both the House and Senate in Massachusetts before being nominated as Ambassador to Canada. We then compare that with career diplomats' length of experience by counting their total years in foreign service until the beginning of their ambassadorial terms. We rely on the Department of State archive to retrieve biographies of career diplomats.

Note that non-politician ambassadors are excluded from the analysis to facilitate a cleaner comparison. Most non-politician ambassadors did not hold government positions before becoming ambassadors, and the measure of how much information non-politician ambassadors

[20]We acknowledge that the duration of service of politician ambassadors in their home states could also be a rough proxy for their general political skill or sophisticated understanding of the electoral opportunities in their home states. Long-time politicians may be better able to navigate the complex bureaucracies of an embassy in a way that helps them bring home the bacon. Assuming politician ambassadors' incentives to run for an elected office in the future remain constant, seasoned politicians, among others, may have a better grasp of how to meet the needs of their constituencies.

have varies greatly depending on how we define the experience. The exclusion of non-politician ambassadors reduces the number of observations in the regression analysis, but the setting allows us to neatly examine whether the professional background serving a particular audience in a home-state government versus a general audience in the State Department generates differences in the way ambassadors promote home-state exports.[21]

If electoral incentives generate the home-state effect, politician ambassadors would have more incentives to promote exports from their home states if they are more likely to return to their home states after completing their ambassadorial terms. If electoral incentives are the main driver, the desire to hold an elected office in the future should independently determine the intensity of the home-state effect regardless of ambassadors' observed performance in promoting exports.

We use the age of ambassadors as a proxy for electoral incentives. If politician ambassadors plan ahead to run for an elected office in the future, the home-state effect should be particularly apparent among younger politician ambassadors. Contrariwise, the home-state effect would be less apparent among relatively old ambassadors, as they are more likely to either retire or enter the private sector as consultants after their ambassadorial terms. Rather than using politician ambassadors who actually ran for an elected office, we use age as a proxy because those who performed well as ambassadors could select to run for an election later.[22] Descriptively, we compare the ages of politician ambassadors who did and did not run for an election; we find that those who ran for an election are younger than those who did not by 4.8 years (Online Figure A.7).

[21] We partially recover the number of lost observations by tracing the experience of non-politician ambassadors in their disclosure documents. All ambassadors by law must submit their disclosure documents (OGE Form 278e), and those submitted after 2016 can be downloaded from the US Office of Government Ethics website (https://www.oge.gov). A disclosure document records information about a filer's positions held outside of the US government, along with a detailed description of the name of the affiliated organization, the physical location of the organization, and the start and end dates of each position. Using the disclosure documents submitted after 2016, we retrieve the experience of nine non-politician ambassadors. Our result is robust even after incorporating the experience of those nine non-politician ambassadors into the analysis.

[22] While using age as a proxy helps address the selection issue, we recognize that age might also reflect other characteristics of politician ambassadors beyond their electoral incentives. For example, the diplomatic skills and energy of younger politician ambassadors might enable them to better bring home the bacon, regardless of their future ambitions to seek elected office.

One concern is that the measure of information and electoral incentives are highly correlated. However, the age of ambassadors and their lengths of service are two different features. An ambassador who started their career earlier than the others has more lengthy job experience. Moreover, if a politician ambassador worked for a long period of time in other sectors before serving in the home-state government, their length of experience serving the home-state government would be relatively short compared to peer politician ambassadors. Online Tables A.4a–A.4b present the career trajectory of politician ambassadors, including their age, experience, and career before and after serving as ambassadors. In our dataset, ambassadorial age is positively correlated with their length of experience (0.36), but the correlation is not statistically significant at the 0.05 level.

We investigate the two mechanisms by running triple interaction regressions. To estimate the marginal effect on experience, we run a triple interaction regression that consists of the ambassadorial type, the home state of an ambassador, and their length of experience. To estimate the marginal effect on age, we run a triple interaction term that consists of the ambassadorial type, the home-state indicator, and the ambassador's age at the time of nomination. For both analyses, the dependent variable is the logged export value of the top 10 export destinations—those countries exhibiting the strongest home-state effect in the earlier analyses (Table 2). As described previously, we exclude non-politician ambassadors for a cleaner comparison when testing the information mechanism. Therefore, the regression model that tests the marginal effect of experience has a smaller number of observations (45,237 observations instead of 96,849 observations).

We find suggestive evidence in support of the information mechanism. Table 3 presents the marginal home-state effect conditional on the experience and age of ambassadors. In Column 1, the coefficient of *Home State* $\times$ *Politician* $\times$ *Experience* is positive (0.029) and statistically significant at the 0.1 level. This indicates that a stronger home-state effect is observed among ambassadors with longer experience serving home constituencies. In substantive terms, among politician ambassadors, one more year of working experience in

Table 3: Home-State Effect by Ambassadorial Experience and Age

	Dependent Variable:	
	Logged Export Value (Top 10)	
	(1)	(2)
Home State	0.433	0.335
	(0.315)	(0.213)
Home State × Politician	−0.624*	0.626*
	(0.348)	(0.349)
Home State × Experience	−0.015	
	(0.012)	
Home State × Politician × Experience	0.029*	
	(0.016)	
Home State × Age		−0.005
		(0.004)
Home State × Politician × Age		−0.012*
		(0.007)
Country-State FE	✓	✓
Country-Time FE	✓	✓
State-Time FE	✓	✓
Observations	45,237	96,849
R^2	0.986	0.976

*Notes: Point estimates are calculated by WLS regressions, weighted by the total export values of a country-state pair. Two-way cluster-robust standard errors are calculated by country-state pair as well as by month-year, in parentheses. *p<0.1; **p<0.05; ***p<0.01.*

the home-state government yields around a 3-percentage point increase in the home-state effect. The coefficient of *Home State* × *Experience* is not distinguishable from zero, which indicates that the information mechanism does not work for other types of ambassadors but only applies to politician ambassadors.

Our analysis also validates the electoral incentive mechanism. In Column 2, the coefficient of *Home State* × *Politician* × *Age* is negative (−0.012) and statistically significant at the

0.1 level. Substantively, among politician ambassadors, those who are one year younger than their peers bring a 1.2 percentage point increase in export benefits to the home state. Substantively, as shown in the marginal figures (Online Figure A.8) in the Online Appendix, a home state enjoys a statistically significant increase in its exports to the host country when a politician ambassador is younger than 52 years old. Again, the coefficient of *Home State* $\times$ *Age* is statistically insignificant, indicating that the electoral incentive mechanism applies uniquely to politician ambassadors.

Comparative Case Study

To complement a small number of politician ambassadors in the regression analyses, we additionally conduct a comparative case study of the US ambassadors to Japan. Host countries vary in their distribution of politician ambassadors, and Japan is the host country to which the US has appointed multiple politician ambassadors. Among the five US ambassadors to Japan from 2002 to 2020, three were politician ambassadors. By comparing the three politician ambassadors sent to one country, we can examine how experience and electoral incentives can affect politician ambassadors' performance in promoting home-state exports. The comparative case study is beneficial because a country-specific factor is no longer a confounder in explaining observed changes in exports.

The three ambassadors sent to Japan varied in their experience, age, and career choice after ambassadorial service. Bill Hagerty began serving as an ambassador to Japan at the age of 58. Previously, he worked in the Tennessee state government as the Commissioner of Economic and Community Development. After finishing his term as an ambassador, Hagerty competed for a US Senate seat in his home state of Tennessee and won the election. Tom Schieffer also began serving as an ambassador to Japan at the age of 58. Similar to Bill Hagerty, Tom Schieffer competed in an election after finishing his term as an ambassador. Unlike Bill Hagerty, however, Tom Schieffer failed to win the gubernatorial election. Howard Baker, the oldest among the three, became an ambassador to Japan at the age of

76. Howard Baker did not launch any campaign for public office after completing his duty as an ambassador.

We estimate the home-state effect of each politician ambassador assigned to Japan. Online Table A.15 shows the result. Ambassador Hagerty performed the best among the three in terms of promoting home-state exports. The coefficient of *Home State* $\times$ *Politician* is 0.26 (p-*value* < 0.01). This contrasts with the case of Ambassador Schieffer, who failed to be elected. The coefficient of *Home State* $\times$ *Politician* is -0.41 (p-*value* < 0.01), indicating that the home-state exports to Japan decreased during Ambassador Schieffer's term.

By comparing the three politician ambassadors, we can better understand information and electoral incentives as potential mechanisms. Although this is just one case, the fact that Ambassador Baker did not run for an election after finishing his duties in Japan indicates that an older ambassador is indeed less likely to run for office after finishing an ambassadorial term. This supports our usage of age as a proxy for electoral incentives. Also, the comparative case study between Ambassador Hagerty and Ambassador Schieffer hints that promoting home-state exports could help ambassadors garner support from their constituencies.

Conclusion

The United States employs both career diplomats and political appointees as ambassadors. Among political appointees, many previously worked as governors or members of Congress. Using US state-level export data to 30 major export destinations from 2002 to 2020, we demonstrate that these politician ambassadors disproportionately promote exports from their home states. When politician ambassadors work in foreign missions, their home states export more. We suggest information and electoral incentives as two potential mechanisms behind the home-state effect and find empirical support for both mechanisms.

The evidence supporting the information mechanism illuminates the importance of knowing bureaucrats' past career paths to understand foreign policy outcomes. Focusing on the

performance of the president, existing studies offer evidence that where a leader was born (Dreher et al., 2019), raised (Dafoe and Caughey, 2016), and educated (Gift and Krcmaric, 2017), as well as their predisposition (Colgan, 2013), and accumulated experience (Horowitz and Stam, 2014; Saunders, 2017) matter in explaining how foreign policy is crafted. Similarly, our findings indicate that the professional background of a bureaucrat can explain how foreign policy is implemented. Whereas Jost et al. (2022) establishes this point by examining bureaucrats' advisory role in national security strategy, we look at bureaucrats' role in promoting domestic commercial interests in another sovereign country.

The result in support of the electoral incentive mechanism suggests the importance of understanding bureaucrats' future career aspirations in foreign policy outcomes. Strong performance as an ambassador might not be directly rewarded with a more prestigious ambassadorial post (Arias and Smith, 2018), but some ambassadors who consider exiting foreign service in the future may have incentives to exhibit strong performance targeted at a particular domestic audience. This finding contributes to the growing literature that connects bureaucrats' careerist motivations to their implementation of foreign policy (Poulsen and Aisbett, 2016; Altman and Lee, 2022; Kim, 2024).

One promising avenue of future research based on our findings is to examine who interacts with politician ambassadors, and how the interactions can amplify the home-state effect. The two mechanisms examined in this paper—information and electoral incentives—are centered around the knowledge and career incentives of politician ambassadors. Future research could investigate the role of actors other than politician ambassadors in amplifying the home-state effect. Host governments and home-state firms, for example, are the two actors worthy of further investigation. Knowing that election-seeking politician ambassadors care about promoting home-state exports, host governments may import more products from home states of politician ambassadors as part of a political deal.[23] Being optimistic about their

[23]Put differently, a bargain between a host country and a politician ambassador is conditional on the electoral incentives of politician ambassadors. For a political deal to be made, the host country should believe—at the beginning of the relationship—that politician ambassadors, unlike other types of ambassadors, have incentives to boost home-state trade.

prospects in the export market, home-state firms may increase the production of their goods under politician ambassadors. The mechanisms could potentially clarify the extent to which relevant actors, taking advantage of the information and electoral incentives of politician ambassadors, promote home-state exports.

More broadly, our analyses disaggregate the effect of commercial diplomacy, unlike previous research in which it was studied at the level of a country as a whole (Rose, 2007; Gertz, 2018; Malis, 2021; Ahmed and Slaski, 2022). We show that politician ambassadors can bring home the bacon by increasing their home states' exports to a host country. The home-state effect is substantial as the pattern is salient among those countries to which the US exports the most. When analyzed at the industry level, the home-state effect is driven by industries that export final goods, the kinds of industries that can directly benefit their local economies. Together, the findings indicate that politician ambassadors may direct resources to better serve the interests of their home states. By attending to the past career paths and future career aspirations of ambassadors, we can better understand how the benefits of diplomacy are distributed domestically.

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Bringing Home the Bacon: Politician Ambassadors and Home State Trade

Minju Kim and Shu Fu

Supplemental Materials

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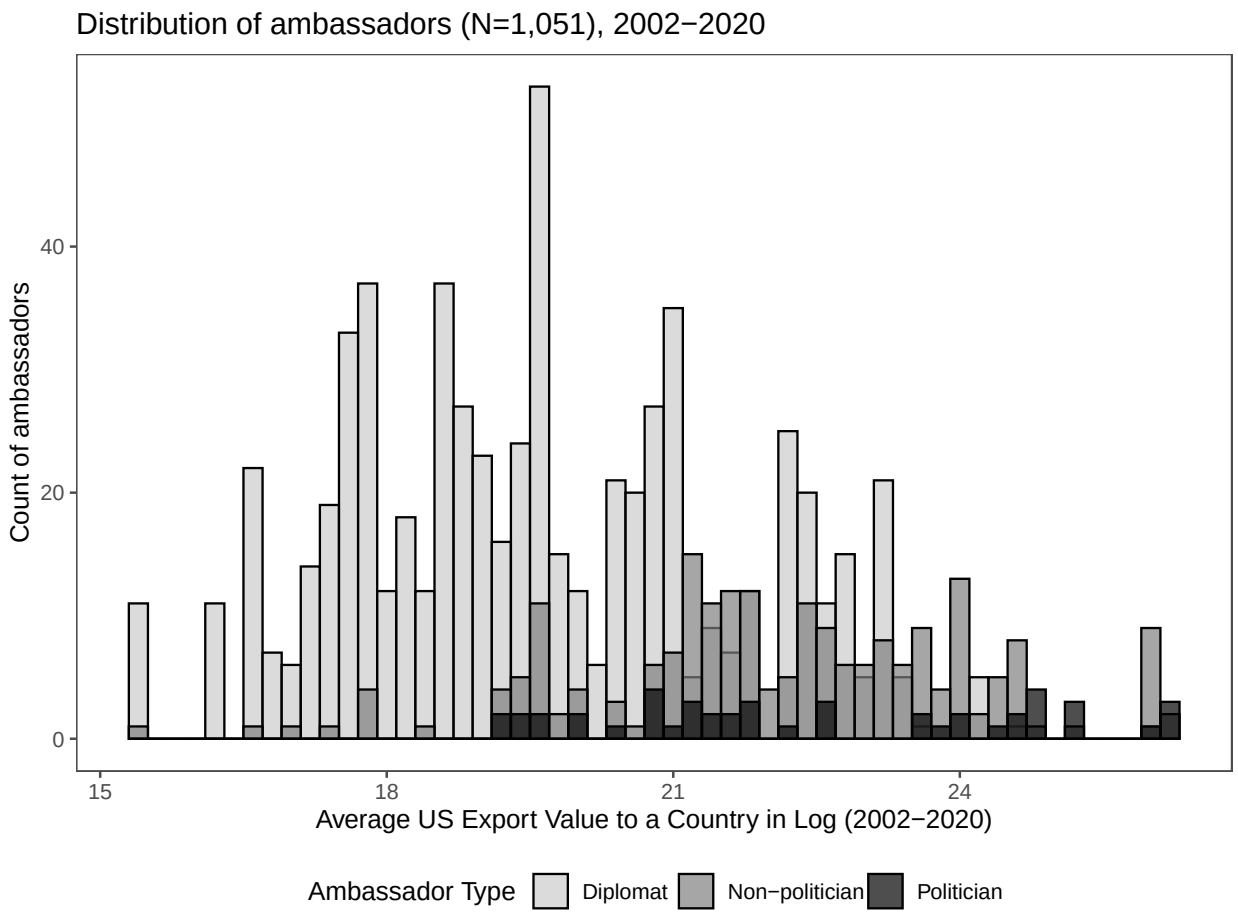
Table A.1: Background of Ambassadors, 2002–2020

	Country	Politician	Non-politician	Career Diplomat	Total
1	Canada	2	3	1	6
2	Mexico	1	2	3	6
3	China	4	1	0	5
4	Japan	3	2	0	5
5	United Kingdom	0	5	0	5
6	Germany	2	3	0	5
7	South Korea	0	2	5	7
8	Netherlands	1	5	0	6
9	Brazil	0	2	5	7
10	France	0	5	0	5
11	Belgium	1	5	0	6
12	Singapore	1	3	0	4
13	Australia	2	3	0	5
14	Switzerland	2	4	0	6
15	India	1	3	1	4
16	Italy	0	5	0	5
17	United Arab Emirates	0	1	5	6
18	Saudi Arabia	0	6	0	6
19	Malaysia	0	0	6	6
20	Israel	0	2	3	5
21	Colombia	0	0	5	5
22	Chile	0	0	6	6
23	Spain	1	4	0	5
24	Thailand	0	1	5	6
25	Turkey	0	0	6	6
26	Ireland	0	6	0	6
27	Venezuela	0	0	4	4
28	Philippines	0	0	5	5
29	Argentina	1	2	2	5
30	Dominican Republic	1	4	0	5
	Total	**23**	**79**	**62**	**164**

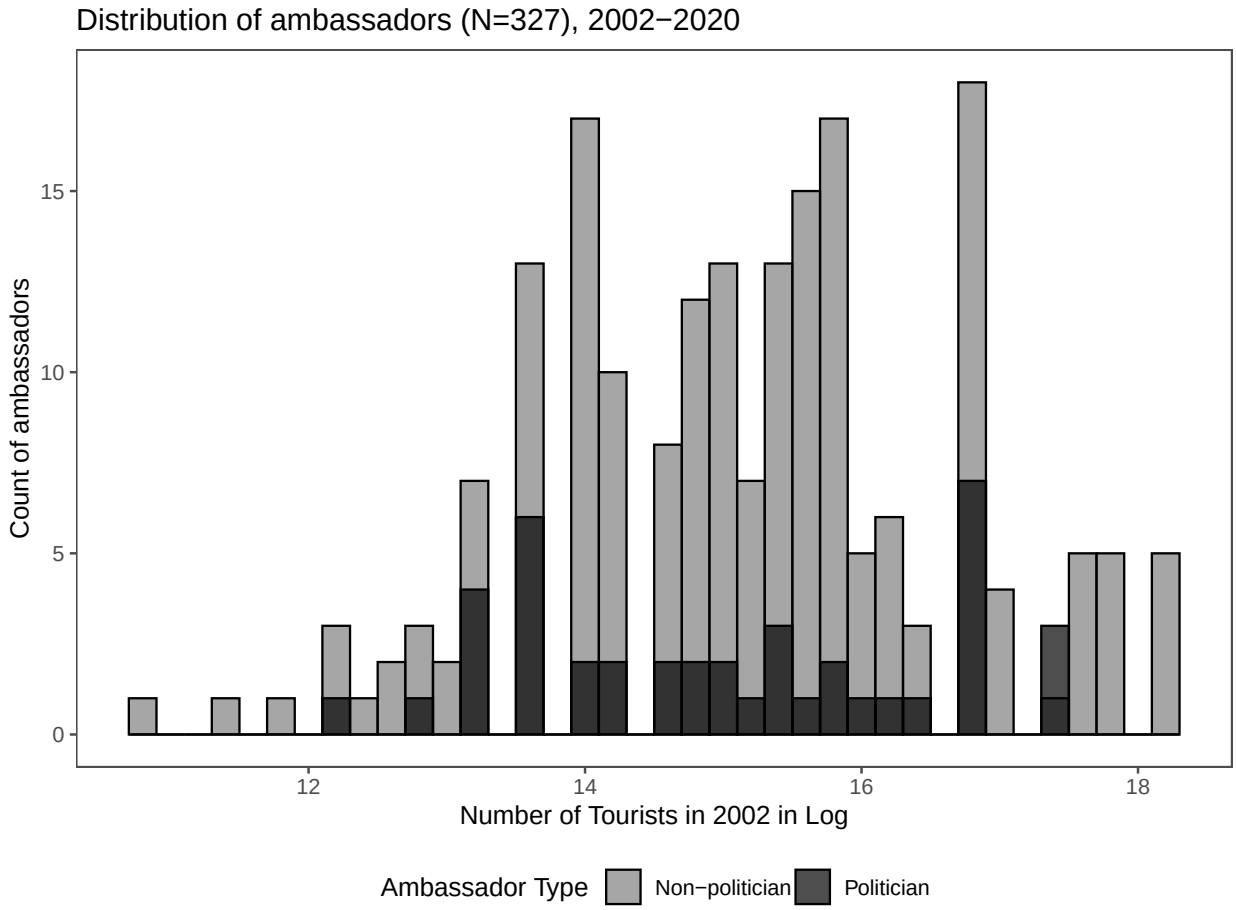
Note: Interim ambassadors are excluded from the count. The countries listed are the top 30 U.S. export destinations.

Figure A.1: Appointment of Ambassadors by the Size of Export Markets



Note: The data include all 1,051 US ambassadors sent to all diplomatic posts from 2002 to 2020. We obtain the export data from the US Census Bureau. Diplomatic posts to international organizations are excluded because they are not matched with export data.

Figure A.2: Appointment of Ambassadors by the Number of Tourists



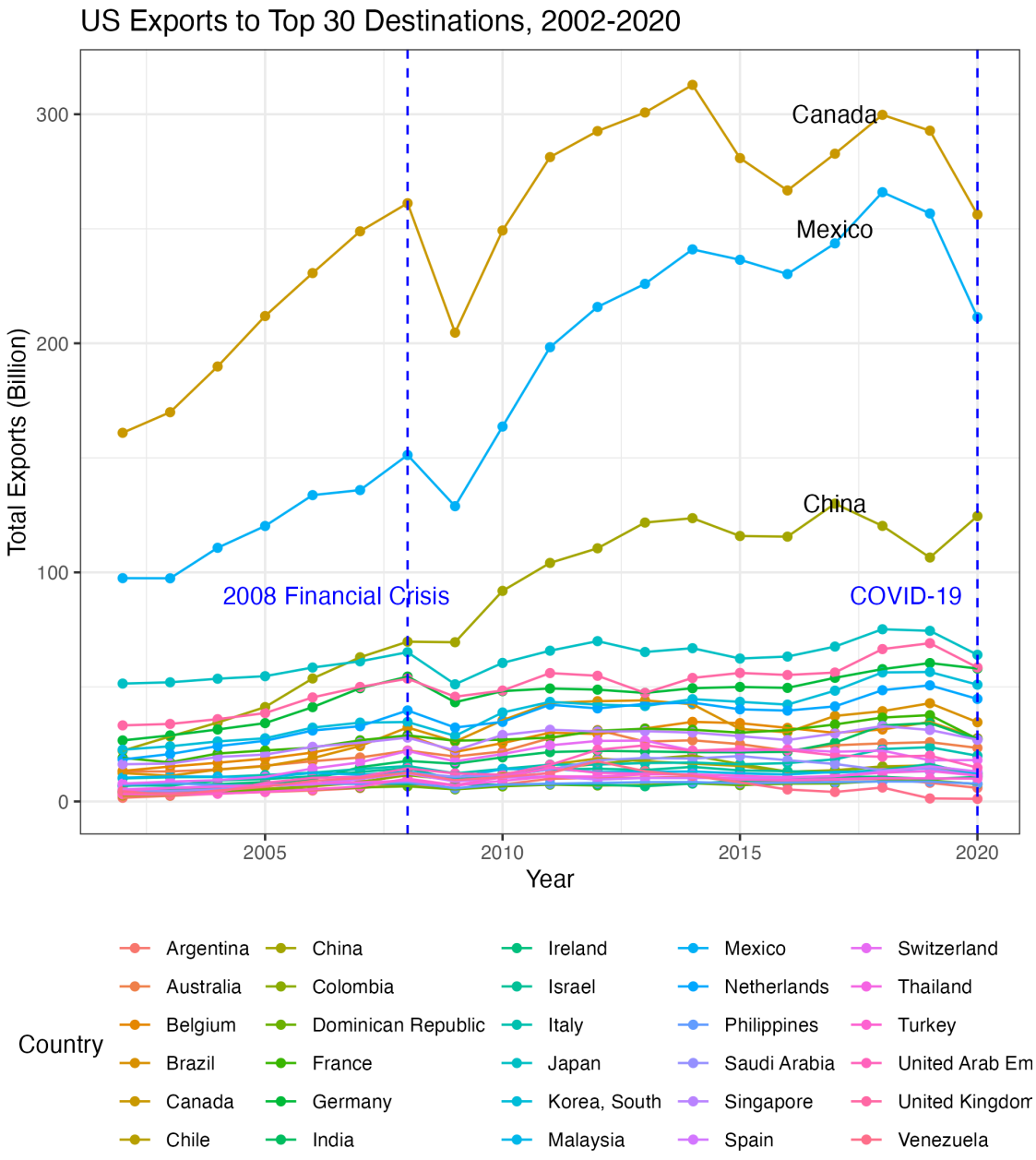
Note: TThe data includes information on 327 US ambassadors from 2002 to 2020. Career diplomats are excluded when comparing politician and non-politician ambassadors. We obtain the tourist data from the United Nations World Tourism Organization. Diplomatic posts to international organizations are excluded because they do not match the tourist data.

Table A.2: Politician Ambassadors Who Ran for Political Offices Later

President	Country	Ambassador Name	Type	Home State	Ran for Office	Elected
Trump	Canada	Kelly Knight Craft	Politician	Kentucky	1	0
Trump	Denmark	Carla Sands	Politician	Pennslyvania	1	0
Trump	Japan	William Francis Hagerty IV	Politician	Tennessee	1	1
Trump	United Nations	Kelly Knight Craft	Politician	Kentucky	1	0
Obama	Denmark	Rufus Gifford	Politician	Massachusetts	1	0
Obama	Germany	Philip D. Murphy	Politician	Massachusetts	1	1
Obama	Hungary	Eleni Tsakopoulos Kounalakis	Politician	California	1	1
Obama	OSCE	Daniel Brooks Baer	Politician	Colorado	1	0
G.W Bush	Australia	J. Thomas Schieffer	Politician	Texas	1	0
G.W Bush	Estonia	Aldona Wos	Politician	North Dakota	1	1
G.W Bush	Germany	Daniel R. Coats	Politician	Indiana	1	1
G.W Bush	Holy See	Francis Rooney	Politician	Florida	1	1
G.W Bush	Jamaica	Sue McCourt Cobb	Politician	Florida	1	1
G.W Bush	Luxembourg	Ann L. Wagner	Politician	Missouri	1	1
G.W Bush	Slovakia	Ronald Weiser	Politician	Michigan	1	1
G.W Bush	Tanzania	Mark Green	Politician	Tennessee	1	1

Note: This is a subset of data for all US ambassadors from 2002 to 2020. More than a quarter of the 62 politician ambassadors ran for political office in later years.

Figure A.3: Export Trend by Year and Country



Source: The US Census Bureau.

Table A.3: Distribution of Ambassadors' Home States in Top 30 Export Markets, N=164

	Home State	Frequency
1	California	23
2	Virginia	16
3	Texas	15
4	Maryland	13
5	New York	12
6	Illinois	9
7	D.C.	8
8	Florida	7
9	Massachusetts	7
10	Missouri	5
11	Ohio	5
12	Connecticut	4
13	Tennessee	4
14	Washington	4
15	Georgia	3
16	Indiana	3
17	New Jersey	3
18	South Carolina	3
19	Iowa	2
20	Kentucky	2
21	Michigan	2
22	Montana	2
23	Arizona	1
24	Maine	1
25	Nebraska	1
26	Nevada	1
27	New Hampshire	1
28	New Mexico	1
29	North Carolina	1
30	Oregon	1
31	Pennsylvania	1
32	Puerto Rico	1
33	Rhode Island	1
34	Utah	1

Table A.4a: Career Path of Politician Ambassadors in Top 30 Export Destinations

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

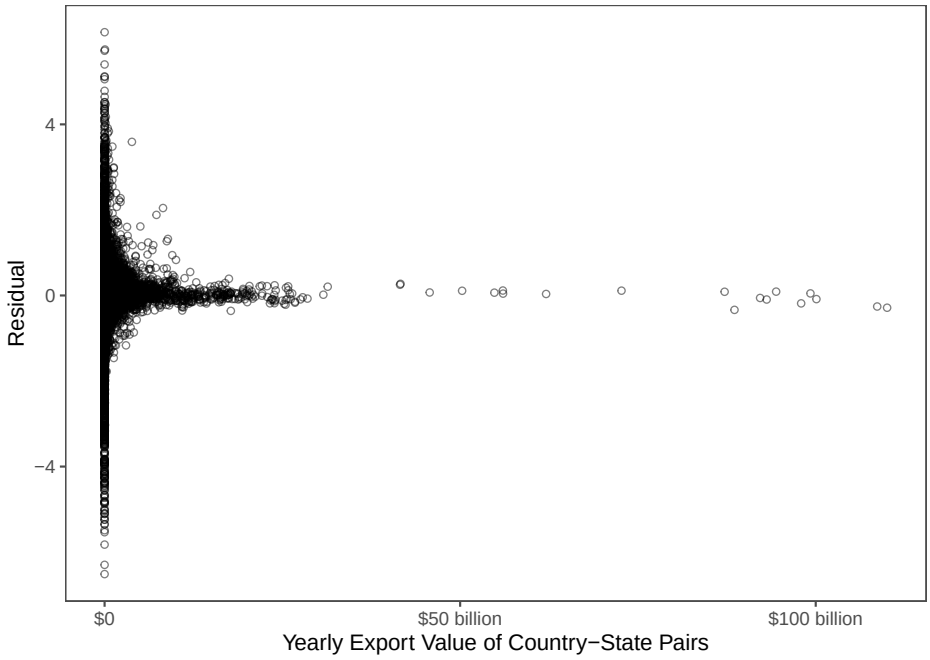
Note: Age is based on the year of ambassadorial nomination.

Table A.4b: Career Path of Politician Ambassadors in Top 30 Export Destinations (continued)

	Name	Country	Home State	Age	Experience	Prior Career	Post Career
14	Timothy Roemer	India	Indiana	53	13	Member of the House	Private Sector (APCO Worldwide)
15	Ronald Gidwitz	Belgium	Illinois	73	13	Chairman of Illinois State Board of Education	Acting US Ambassador to the EU
16	Patricia Herbold	Singapore	Washington	64	9	City Mayor	NA
17	Thomas Schieffer	Australia	Texas	53	6	Texas House Member	Declared gubernatorial candidacy, later withdrew
18	John Berry	Australia	Maryland	54	12	Maryland Senate Finance Committee	President of American Australian Association
19	Peter Coneway	Switzerland	Texas	62	6	Board of Regents of the Univ Texas System	Private Sector (Riverstone Holdings LLC)
20	Donald Beyer	Switzerland	Virginia	59	12	Lieutenant Governor of Virginia	Member of the House
21	Eduardo Aguirre	Spain	Texas	59	NA	Board of Regents of the Univ Houston System	NA
22	Noah Mamet	Argentina	California	46	NA	California Democratic Party	Private Sector (H Code Media)
23	Robert Fannin	Dominican Republic	Arizona	72	4	Chairman, Arizona Republican Party	NA

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

Figure A.4: Heteroskedasticity of the Unweighted OLS



Note: The residuals are calculated in the unweighted OLS regression $Log(\text{Export}_{c,s,t}+1) = \beta_1 \text{Home State}_{c,s,t} + \alpha_{c,s} + \delta_{c,t} + \delta_{s,t} + \epsilon_{c,s,t}$. The dots demonstrate the average residuals for the yearly export value of country-state pairs. The country-state pairs with small trade volumes have larger residuals. The pattern indicates the need to use Weighted Least Squares (WLS) regression.

Table A.5: Home-State Effect by Alternative Weights

	Dependent Variable: Logged Export Value					
	Top 5	Top 10	Top 15	Top20	Top 25	Top 30
	(1)	(2)	(3)	(4)	(5)	(6)
Diplomat's Home State	0.006	0.004	−0.005	0.010	−0.003	−0.005
	(0.078)	(0.044)	(0.044)	(0.044)	(0.035)	(0.032)
Politician's Home State	0.141**	0.141**	0.111**	0.083	0.093*	0.092*
	(0.061)	(0.056)	(0.051)	(0.052)	(0.051)	(0.050)
Non-politician's Home States	0.010	0.008	−0.003	−0.010	−0.004	0.002
	(0.031)	(0.023)	(0.023)	(0.023)	(0.023)	(0.022)
Country-State FE	✓	✓	✓	✓	✓	✓
Country-Time FE	✓	✓	✓	✓	✓	✓
State-Time FE	✓	✓	✓	✓	✓	✓
Observations	58,140	116,280	174,420	232,560	290,700	348,840
R^2	0.981	0.975	0.967	0.964	0.961	0.960

*Notes: Points estimates are based on WLS regressions, weighted by the total export values of a country-state-year pair. Two-way cluster-robust standard errors are calculated by country-state pair and by month-year pair, in parentheses. *p<0.1; **p<0.05; ***p<0.01.*

Table A.6: Home-State Effect by Ordinary Least Square (OLS) Regression

	Dependent Variable: Logged Export Value					
	Top 5	Top 10	Top 15	Top20	Top 25	Top 30
	(1)	(2)	(3)	(4)	(5)	(6)
Diplomat's Home State	−0.196***	0.096	0.081	0.029	−0.046	−0.027
	(0.067)	(0.149)	(0.129)	(0.078)	(0.093)	(0.097)
Politician's Home State	0.107	−0.009	−0.050	−0.068	−0.082	−0.065
	(0.088)	(0.069)	(0.055)	(0.054)	(0.052)	(0.049)
Non-politician's Home States	−0.101	−0.027	−0.009	−0.037	−0.031	−0.026
	(0.063)	(0.035)	(0.052)	(0.047)	(0.044)	(0.046)
Country-State FE	✓	✓	✓	✓	✓	✓
Country-Time FE	✓	✓	✓	✓	✓	✓
State-Time FE	✓	✓	✓	✓	✓	✓
Observations	58,140	116,280	174,420	232,560	290,700	348,840
R^2	0.946	0.912	0.873	0.850	0.840	0.831

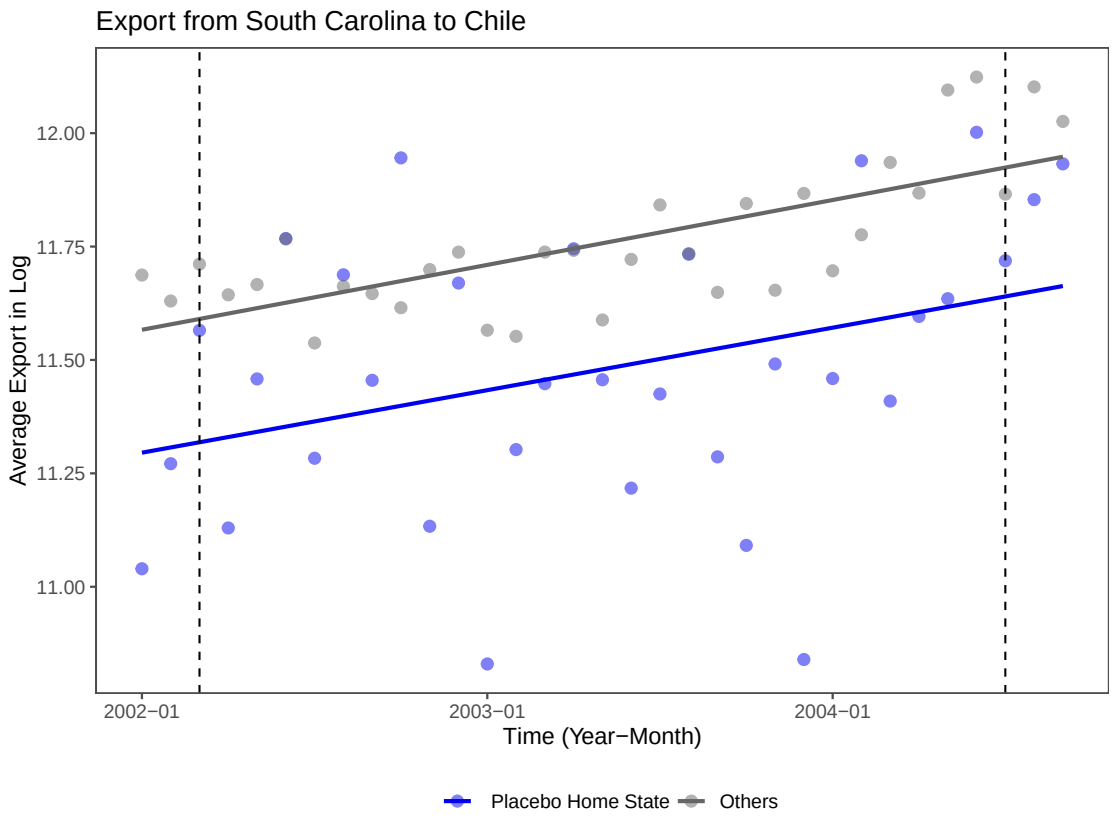
*Notes: Points estimates are based on WLS regressions, weighted by the total export values of a country-state-year pair. Two-way cluster-robust standard errors are calculated by country-state pair and by month-year pair, in parentheses. *p<0.1; **p<0.05; ***p<0.01.*

Table A.7: The Home State Effect and the President's Electoral Incentives

	Dependent variable:	
	Logged Export Value	
	(1)	(2)
Home State	0.040	
	(0.024)	
Diplomat's Home States		0.008
		(0.035)
Politician's Home States		0.091*
		(0.052)
Non-politician's Home States		0.014
		(0.023)
Swing State in Non-vacant Months	0.003	0.003
	(0.017)	(0.017)
Core State in Non-vacant Months	0.020	0.019
	(0.020)	(0.019)
Country-State FE	✓	✓
Country-Time FE	✓	✓
State-Time FE	✓	✓
Observations	348,840	348,840
R^2	0.959	0.959

*Note: A swing state is a state where the presidential vote share in the past presidential election is between 45% and 55%. A core state is a state where the presidential vote share in the past presidential election is above 55% (Kriner and Reeves, 2015). Non-vacant months are when a US ambassador is serving in the designated country. Points estimates are based on WLS regressions, weighted by the total export values of a country-state pair. Two-way cluster-robust standard errors are calculated by country-state pair and by month-year pair, in parentheses. *p<0.1; **p<0.05; ***p<0.01.*

Figure A.5: A Placebo Case of a Politician Ambassador Who Declined Offer



Note: David Wilkins, a state legislator from South Carolina, declined President Bush's offer of the ambassador to Chile in 2001. The position was taken by a career diplomat named William R. Brownfield from Texas. In the figure, each dot represents the monthly export from South Carolina to Chile (in blue) and the average monthly export from other states to Chile (in grey). The fit line is based on OLS regression. The area between the two dotted lines indicates when Brownfield served as ambassador in Chile.

Table A.8: A Placebo Analysis of a Politician Ambassador Who Declined Offer (Only Export to Chile)

	Dependent variable:
	Logged Export Value
Placebo Politician's Home State	−0.074
	(0.129)
Diplomat's Home State	−0.240
	(0.176)
State FE	✓
Time FE	✓
Observations	11,592
R^2	0.872

Notes: Placebo politician's home state refers to South Carolina (David Wilkins' home state) during William R. Brownfield's Ambassadorial term. This variable effectively identifies the potential presidential selection effect. Points estimates are based on WLS regressions, weighted by the total export values of a country-state-year pair. Two-way cluster-robust standard errors are calculated by country-state pair and by month-year pair, in parentheses. $^{*}p<0.1$; $^{**}p<0.05$; $^{***}p<0.01$.

Table A.9: Home-State Effect with Diplomats Excluded

	Dependent Variable:	
	Logged Export Value	
	All	Diplomats Excluded
	(1)	(2)
Diplomat's Home State	0.008	
	(0.035)	
Politician's Home State	0.092*	0.093*
	(0.052)	(0.051)
Non-politician Home State	0.015	0.019
	(0.023)	(0.021)
Country-State FE	✓	✓
Country-Time FE	✓	✓
State-Time FE	✓	✓
Observations	348,840	245,259
R^2	0.959	0.960

*Notes: Points estimates are based on WLS regressions, weighted by the total export values of a country-state-year pair. Two-way cluster-robust standard errors are calculated by country-state pair and by month-year pair, in parentheses. Convenient for comparison, Column (1) is the main result shown in Column (2) in Table 1 *p<0.1; **p<0.05; ***p<0.01.*

Table A.10: Home-State Effect with DC, VA, MD Excluded

	Dependent Variable:	
	Logged Export Value	
	All	DC, VA, MD Excluded
	(1)	(2)
Diplomat's Home State	0.008	0.021
	(0.035)	(0.038)
Politician's Home State	0.092*	0.093*
	(0.052)	(0.052)
Non-politician Home State	0.015	0.018
	(0.023)	(0.023)
Country-State FE	✓	✓
Country-Time FE	✓	✓
State-Time FE	✓	✓
Observations	348,840	328,320
R^2	0.959	0.960

*Notes: Points estimates are based on WLS regressions, weighted by the total export values of a country-state-year pair. Two-way cluster-robust standard errors are calculated by country-state pair and by month-year pair, in parentheses. Convenient for comparison, Column (1) is the main result shown in Column (2) in Table 1 *p<0.1; **p<0.05; ***p<0.01.*

Table A.11: Welfare Analysis of Politician Ambassadors on US Exports

	Dependent variable:	
	Logged Export Value	
	(1)	(2)
Diplomat	−0.006	0.034
	(0.055)	(0.038)
Politician	0.122**	0.033
	(0.050)	(0.052)
Non-Politician	0.001	−0.007
	(0.037)	(0.034)
Designated Country's GDP in Log		0.635***
		(0.159)
Designated Country's Population in Log		0.347
		(0.330)
Country FE	✓	✓
Time FE	✓	✓
Observations	6,840	6,840
R^2	0.938	0.957

*Note: Points estimates are based on OLS regressions. Standard errors, two-way clustered by country and month-year, are in parentheses. *p<0.1; **p<0.05; ***p<0.01.*

Table A.12: Home-State Effect with Alternative Measures of Politician Ambassadors

	Dependent Variable:		
	Logged Export Value		
	(1)	(2)	(3)
Diplomat's Home State	0.008	0.009	0.009
	(0.035)	(0.036)	(0.036)
Politician's Home State	0.092*		
	(0.052)		
Politician's Home State		0.053	
(Alt. 1: + politics in general)		(0.042)	
Politician's Home State			0.009
(Alt. 2: + politics in general & business)			(0.031)
Non-politician Home State	0.015	0.040	0.036
	(0.023)	(0.027)	(0.036)
Country-State FE	✓	✓	✓
Country-Time FE	✓	✓	✓
State-Time FE	✓	✓	✓
Observations	348,840	348,840	348,840
R^2	0.959	0.959	0.959

*Notes: Point estimates are based on WLS regressions, weighted by the total export values of a country-state pair. Two-way cluster-robust standard errors are based on country-state pair and by month-year pair, in parentheses. *p<0.1; **p<0.05; ***p<0.01.*

Convenient for comparison, Column (1) is the main result shown in Column (2) in Table 1; Column (2) expands politician ambassadors to those who have experience in politics in general; Column (3) shows a broader measure that additionally includes those who have experience in business before their ambassadorial nominations.

Table A.13a: Home-State Effect by Industry

	Dependent Variable: Logged Export Value				
	NAICS 336	NAICS 334	NAICS 325	NAICS 333	NAICS 339
	Transportation	Computer	Chemicals	Machinery	Manufactured
Diplomat's Home State	0.233***	−0.235***	−0.025	−0.025	0.067
	(0.087)	(0.085)	(0.057)	(0.079)	(0.146)
Politician's Home State	0.029	−0.081	−0.071	0.140	−0.077
	(0.178)	(0.105)	(0.060)	(0.095)	(0.197)
Non-politician's Home State	−0.022	−0.049	0.050	−0.021	0.123**
	(0.077)	(0.032)	(0.048)	(0.038)	(0.055)
Observations	116,280	116,280	116,280	116,280	116,280
R^2	0.897	0.969	0.919	0.942	0.899
	NAICS 324	NAICS 331	NAICS 111	NAICS 311	NAICS 335
	Petroleum	Metal	Agricultural	Food	Electrical
Diplomat's Home State	0.186	−0.225**	0.475**	0.210***	0.102
	(0.424)	(0.103)	(0.234)	(0.080)	(0.156)
Politician's Home State	0.661	0.203	−0.464	0.165	0.688***
	(0.606)	(0.132)	(0.404)	(0.126)	(0.097)
Non-politician's Home State	−0.231	−0.057	−0.222	0.014	0.055
	(0.314)	(0.090)	(0.235)	(0.054)	(0.069)
Observations	116,280	116,280	116,280	116,280	116,280
R^2	0.853	0.895	0.765	0.864	0.950
	NAICS 332	NAICS 326	NAICS211	NAICS 322	NAICS 910
	Metal	Plastics	Oil&Gas	Paper	Waste
Diplomat's Home State	−0.027	0.136	4.234***	0.025	0.985***
	(0.106)	(0.087)	(1.386)	(0.168)	(0.368)
Politician's Home State	0.600***	0.115	0.026	0.273**	−0.362
	(0.115)	(0.132)	(2.092)	(0.125)	(0.269)
Non-politician's Home State	−0.093	0.082*	−2.362**	−0.055	−0.400
	(0.060)	(0.047)	(1.128)	(0.087)	(0.281)
Observations	116,280	116,280	116,280	116,280	116,280
R^2	0.940	0.951	0.935	0.845	0.804

*Note: Points estimates are based on WLS regressions, weighted by the total export values of a country-state-year pair. Two-way cluster-robust standard errors are calculated by country-state pair and by month-year pair, in parentheses. *p<0.1; **p<0.05; ***p<0.01.*

Table A.13b: Home-State Effect by Industry (Continued)

	Dependent Variable: Logged Export Value				
	NAICS 212	NAICS 327	NAICS 313	NAICS 312	NAICS 323
	Minerals	Mineral	Textiles	BeverageTobacco	Printed
Diplomat's Home State	0.549	−0.224	−0.174	−0.773	0.502**
	(0.587)	(0.198)	(0.161)	(0.754)	(0.232)
Politician's Home State	0.743	0.086	0.176	3.492*	0.342**
	(0.644)	(0.115)	(0.143)	(1.785)	(0.156)
Non-politician's Home State	−0.301	−0.011	−0.247	−0.150	0.044
	(0.411)	(0.092)	(0.185)	(0.402)	(0.065)
Observations	116,280	116,280	116,280	116,280	116,280
R^2	0.644	0.863	0.909	0.841	0.860
	NAICS 321	NAICS 114	NAICS 315	NAICS 337	NAICS 316
	Wood	Fish	Apparel	Furniture	Leather
Diplomat's Home State	−0.548	0.215	0.119	0.097	−0.334
	(0.337)	(0.464)	(0.282)	(0.197)	(0.312)
Politician's Home State	0.873*	−0.182	−0.225	0.074	0.833***
	(0.465)	(0.295)	(0.222)	(0.282)	(0.275)
Non-politician's Home State	−0.318	0.239	0.156*	0.110	−0.032
	(0.195)	(0.278)	(0.080)	(0.134)	(0.181)
Observations	116,280	116,280	116,280	116,280	116,280
R^2	0.810	0.838	0.868	0.818	0.803
	NAICS 314	NAICS 113	NAICS 112	NAICS511	NAICS 512
	Mill	Forestry	Livestock	Books	Music
Diplomat's Home State	0.108	1.316**	0.338	−0.600	0.000
	(0.207)	(0.647)	(0.499)	(0.382)	(0.000)
Politician's Home State	0.249	−0.422	0.193	1.521**	0.000
	(0.287)	(0.611)	(0.522)	(0.672)	(0.000)
Non-politician's Home State	−0.021	0.107	−0.402	−0.126	0.000
	(0.092)	(0.419)	(0.393)	(0.184)	(0.000)
Observations	116,280	116,280	116,280	116,280	116,280
R^2	0.833	0.776	0.734	0.963	

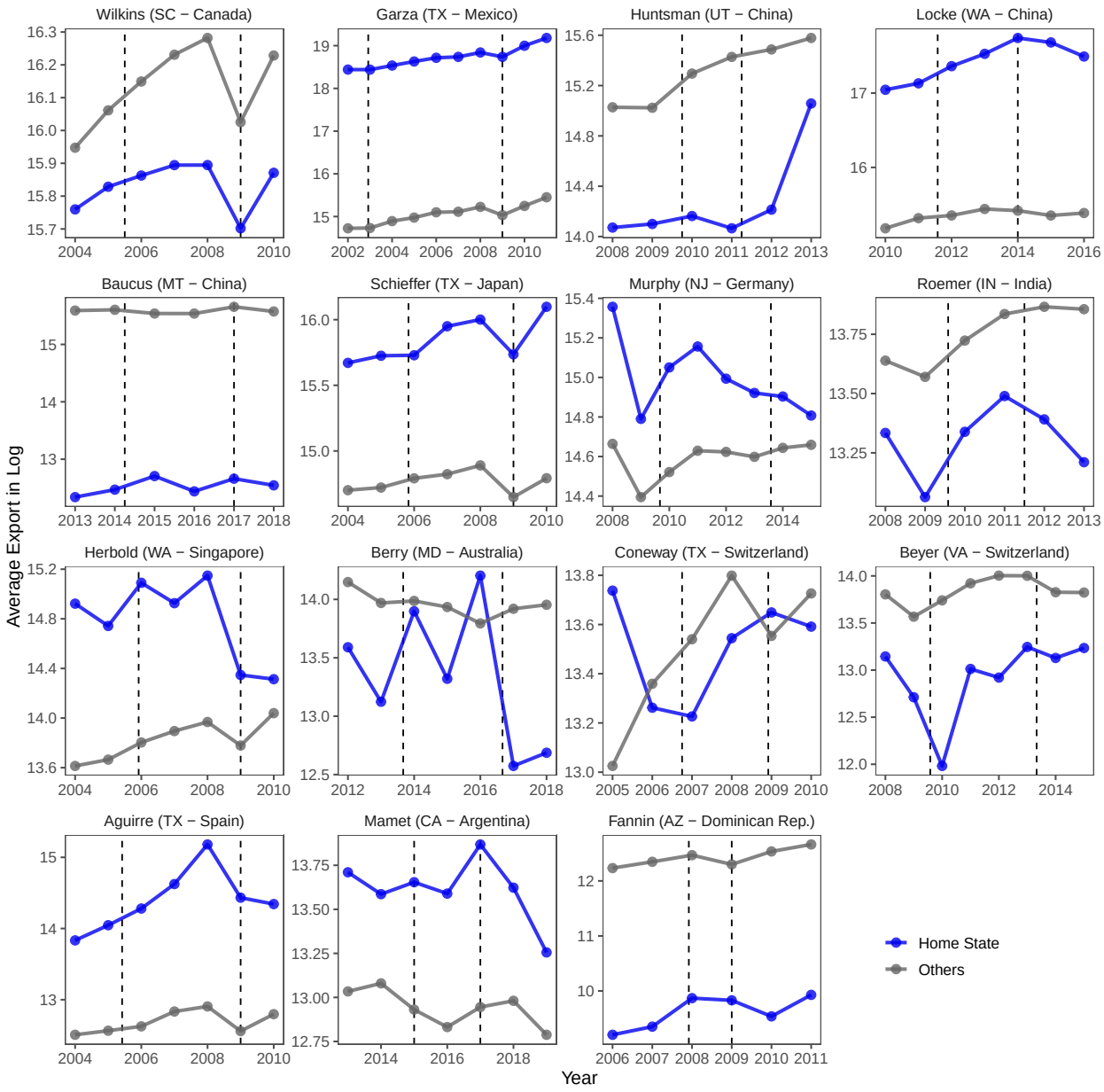
*Note: Points estimates are based on WLS regressions, weighted by the total export values of a country-state-year pair. Two-way cluster-robust standard errors are calculated by country-state pair and by month-year pair, in parentheses. *p<0.1; **p<0.05; ***p<0.01.*

Table A.14: Industry Upstreamness of US Production

	3-digit NAICS	Description	Upstreamness
1	113	113 Forestry Products, Nesoi	4.44
2	331	331 Primary Metal Mfg	3.56
3	212	212 Minerals & Ores	3.44
4	211	211 Oil & Gas	3.35
5	325	325 Chemicals	2.98
6	323	323 Printed Matter And Related Products, Nesoi	2.84
7	112	112 Livestock & Livestock Products	2.72
8	111	111 Agricultural Products	2.64
9	313	313 Textiles & Fabrics	2.60
10	322	322 Paper	2.60
11	326	326 Plastics & Rubber Products	2.56
12	327	327 Nonmetallic Mineral Products	2.53
13	324	324 Petroleum & Coal Products	2.52
14	332	332 Fabricated Metal Products, Nesoi	2.48
15	321	321 Wood Products	2.33
16	512	512 Published Printed Music And Music Manuscr	2.09
17	334	334 Computer & Electronic Products	2.01
18	335	335 Electrical Equipment, Appliances & Components	1.87
19	316	316 Leather & Allied Products	1.74
20	311	311 Food & Kindred Products	1.73
21	314	314 Textile Mill Products	1.67
22	333	333 Machinery, Except Electrical	1.67
23	114	114 Fish, Fresh/chilled/frozen & Other Marine Products	1.61
24	339	339 Miscellaneous Manufactured Commodities	1.52
25	336	336 Transportation Equipment	1.47
26	511	511 Newspapers, Books & Other Published Matter, Nesoi	1.41
27	315	315 Apparel & Accessories	1.40
28	337	337 Furniture & Fixtures	1.31
29	312	312 Beverages & Tobacco Products	1.23

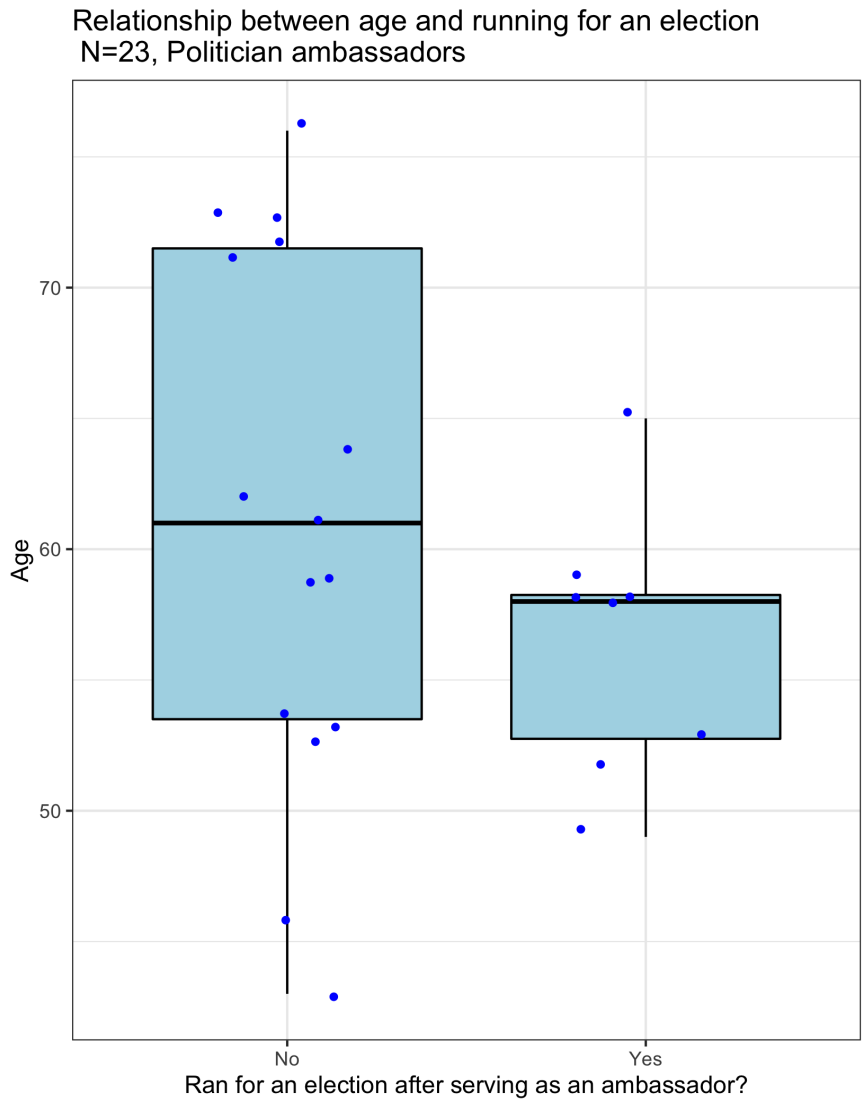
Note: Industry upstreamness information is retrieved from Antràs et al. (2012). The measure is based on the 2002 US benchmark Input-Output Table, which is available on the Bureau of Economic Analysis (BEA) website. Waste and Scrape (NAICS 910) does not have the industry upstreamness information and is omitted.

Figure A.6: Pre- and Post-Trend of the Home State Effect, Politician Ambassadors Only



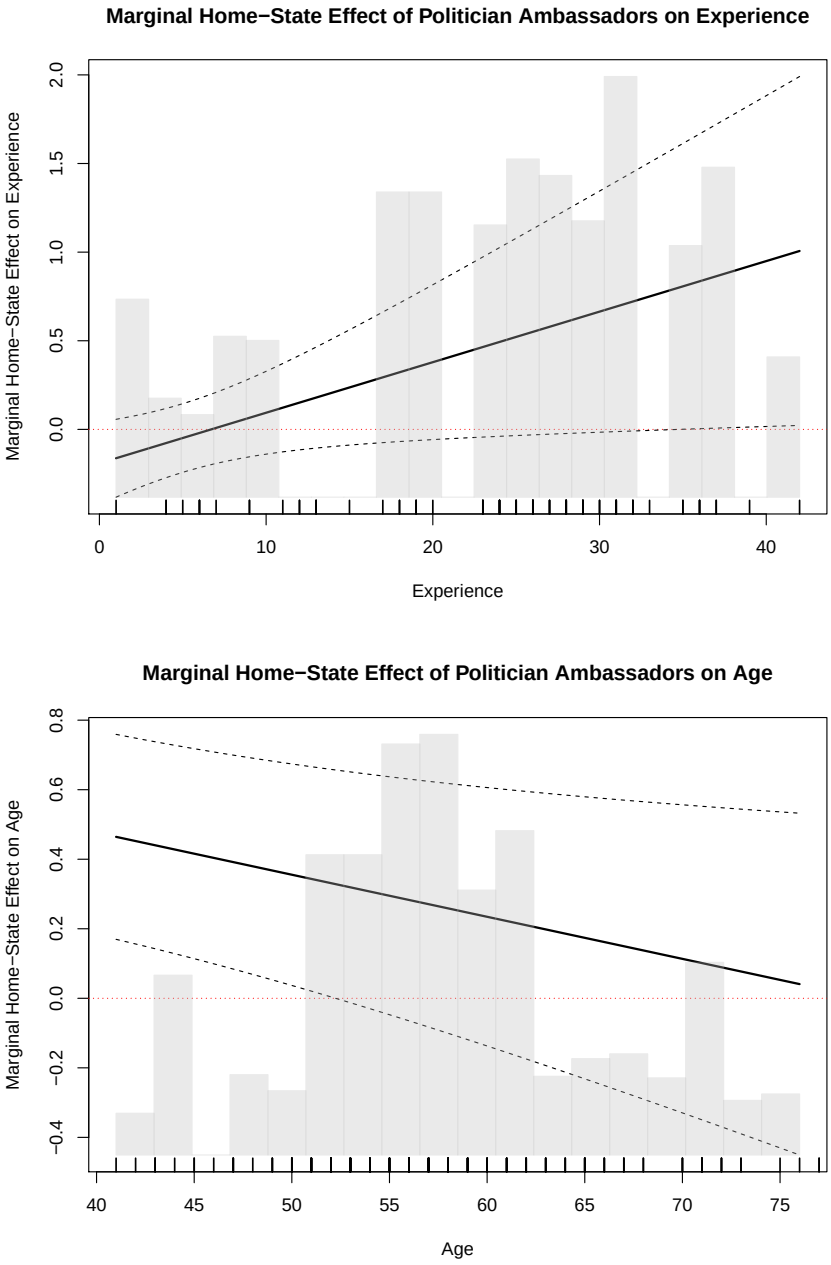
Note: Out of 23 politician ambassadors, eight politician ambassadors are omitted in the analysis. We omit those who do not have corresponding export data for two full years before and after their service. For each figure, the first dashed line marks the beginning, and the second dashed line marks the end of a politician ambassador's term.

Figure A.7: Age of Politician Ambassadors to Run for an Election



Note: Among 164 ambassadors in 30 countries, 23 of them are politician ambassadors.

Figure A.8: Marginal Plots of Home-State Effect on Experience and Age



Note: The dark black line indicates the marginal home-state effect on experience or age. The dashed black lines represent the 90% confidence interval. The histogram demonstrates the distribution of the experience and age in the data. The regression table is presented in Table 3.

Table A.15: Home-State Effect of Politician Ambassadors to Japan

	Dependent variable:
	Log Export Value
Hagerty's Home State	0.257^{***}
	(0.078)
Schieffer's Home State	-0.414^{***}
	(0.035)
Baker's Home State	-0.645^{***}
	(0.055)
State FE	✓
Time FE	✓
Observations	9,639
R^2	0.947

Note: State and Year-Month fixed effects are included. Points estimates are calculated by WLS regressions, weighted by the total export values of each state to Japan. Standard errors, two-way clustered by state and month-year, in parentheses. $^{*}p<0.1$; $^{**}p<0.05$; $^{***}p<0.01$.

Table A.16: Home-State Effect and Ambassador Types (Relaxed)

	Dependent variable:
	Loggged Export Value
	(1)
Politician	0.023
	(0.055)
Non-politician	-0.065^{*}
	(0.034)
Diplomat's Home State	0.017
	(0.079)
Politician's Home State	-0.081
	(0.057)
Non-politician's Home State	-0.004
	(0.027)
Designated Country's GDP in Log	0.481^{***}
	(0.102)
Designated Country's Population in Log	0.832^{***}
	(0.256)
Age	0.003
	(0.002)
Female	0.035
	(0.026)
LGBT	0.183^{**}
	(0.080)
Black	-0.189^{***}
	(0.030)
Hispanic	-0.012
	(0.027)
Asian	0.025
	(0.063)
Country-State FE	✓
Country-Time FE	
State-Time FE	✓
Observations	275,094
R^2	0.954

Note: Points estimates are calculated by WLS, weighted by the total export values of a country-state pair. Standard errors, two-way clustered by country-state and month-year, in parentheses. To control for macroeconomic factors that could affect the export-promotion performance of ambassadors, we collect macroeconomic indicators inside and outside the US. We retrieve information about the annual Gross Domestic Product (GDP) and population of host countries from the International Monetary Fund. For the categorical covariate on gender, the baseline is Male, and for the categorical covariate on race, the baseline is White. $^{*}p<0.1$; $^{**}p<0.05$; $^{***}p<0.01$.