

Hometown Economic Ties and the Appointment of Chinese Ambassadors

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University of Houston
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CHINA

176 COUNTRIES / TERRITORIES
274 CITIES
274 POSTS

RANKING

OVERALL G20 OECD ASIA

RANK TREND COUNTRY / TERRITORY POSTS

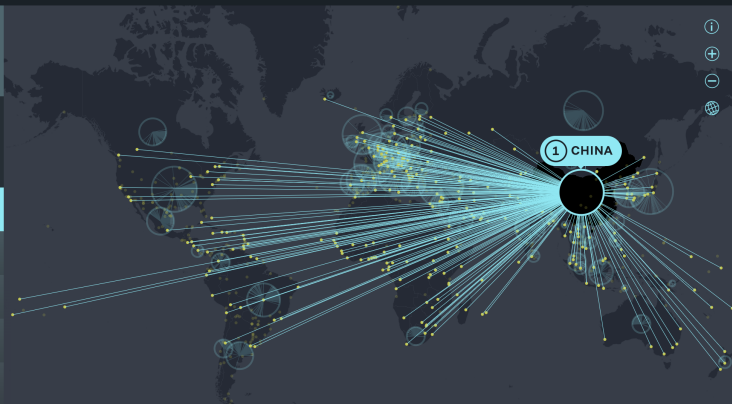
1 — CHINA 274

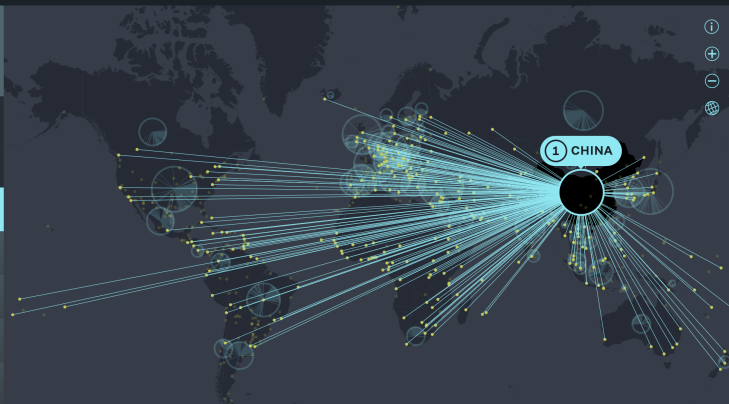
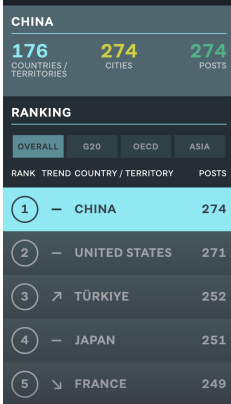
2 — UNITED STATES 271

3 ↗ TÜRKIYE 252

4 — JAPAN 251

5 ↘ FRANCE 249





Question:

- ▶ How does China use its diplomatic tools & diplomatic personnel to advance its foreign policy objectives?
- ▶ What can we learn about China's objectives, from observing its diplomatic appointments?

Preview of Results

Analyzing Chinese ambassadorial appointments and city-level trade, 2002–2016:

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- ▶ China is more likely to appoint an ambassador to a country when that ambassador's hometown *imports* from the country
- ▶ But no relationship between hometown *exports* and appointment

Preview of Results

Analyzing Chinese ambassadorial appointments and city-level trade, 2002–2016:

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- ▶ But no relationship between hometown *exports* and appointment

Consistent with China seeking to exert *diplomatic leverage*, rather than seeking friendly/equal relations

Motivation

Major challenge in studying authoritarian foreign policy:

- ▶ Lack of transparency

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In democratic systems:

- ▶ freedom of information legislation
(Colaresi 2012, 2014; Nam 2012; Vzuffova 2020)
- ▶ public debates, hearings, investigations etc. in legislatures
(Schultz 1998; Ramsay 2024; Fowler 2015)
- ▶ leaks, memoirs, oral histories from govt. officials
(Joseph et al. 2022; Thrall 2024)

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In authoritarian systems:

- ▶ can infer interests and intentions from observable behavior

Motivation

Diplomats generally operate with substantial autonomy

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Bureaucrats in China have significant discretion, across issue areas

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Bureaucrats in China have significant discretion, across issue areas

(Lieberthal 1992; Landry 2008; Mertha 2009; Wang 2018; Chu et al 2021; Hou & Li 2023)

⇒ Selection of ambassadors is a strategically important choice, reflecting China's foreign policy interests and intentions

Theoretical Expectations

Hometown ties:

- ▶ Important form of political/social connection in China
(Fisman et al. 2018; 2020; Chu et al. 2021)
- ▶ as well as other authoritarian settings
(Hodler & Raschky 2014; Do et al. 2017)

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Assumption: even after being appointed, ambassadors

1. internalize the economic interests of their hometowns
2. maintain relationships with political & business elites from their hometowns

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Two ways Chinese govt. might incorporate hometown ties into appointment strategy:

- ▶ “Incentives” channel
- ▶ “Leverage” channel

“Incentives” Channel

Appointing an ambassador whose hometown *exports* to the host country:

- ▶ Creates incentive for ambassador to maintain positive relations with host country
- ▶ Agency concerns

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Why would this be desirable, from home govt. perspective?

- ▶ Theory from Lindsey (2017, 2023):
 - ▶ Diplomat with sympathy/bias towards host country:
 - ▶ more credible messenger of threats/demands
 - ▶ Home govt. loses on some minor issues, gains on bigger issues
 - ▶ favorable tradeoff, on balance

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 - ▶ more credible messenger of threats/demands
 - ▶ Home govt. loses on some minor issues, gains on bigger issues
 - ▶ favorable tradeoff, on balance
- ▶ Empirically:
 - ▶ Ideological sympathies strongly predict amb. appointments
 - ▶ (U.S. intelligence profiles of 1,300+ foreign amb., 1964–1969)

“Incentives” Channel

Specific to Chinese context:

- ▶ Recent rhetoric emphasizing “win-win cooperation”, “mutual respect”, “inclusive globalization” (McConnell & Woon 2023)
- ▶ “Community of common destiny for mankind”

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Prediction:

↑ city o exports to country d

⇒ ↑ Pr(appoint Amb. from city o to country d)

“Leverage” Channel

Alternatively, if ambassador's hometown *imports* from the host country:

- ▶ And if host country perceives ambassador to wield influence with hometown importing firms
 - ▶ \implies potential to restrict imports
- ▶ Gives amb. greater bargaining leverage vis-a-vis host govt

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 - ▶ \implies potential to restrict imports
- ▶ Gives amb. greater bargaining leverage vis-a-vis host govt

Less directly:

- ▶ Ambassador's presence serves as a “reminder” of host country's dependence on China
 - ▶ what they stand to lose from any downturn in relations

“Leverage” Channel

Specific to Chinese context:

- ▶ “Major Country Diplomacy with Chinese Characteristics”
 - ▶ explicitly asserting hierarchical relationship with diplomatic partners

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- ▶ Counteracting the diplomatic corps’ reputation for weakness/disloyalty (Chang-Liao 2022)

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- ▶ “Major Country Diplomacy with Chinese Characteristics”
 - ▶ explicitly asserting hierarchical relationship with diplomatic partners
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↑ city o imports from country d

⇒ ↑ Pr(appoint Amb. from city o to country d)

Data

Original dataset on Chinese ambassadors:

- ▶ 728 ambassadors, over 1169 appointments, 2001–2016
- ▶ of these, we identified the hometowns of 455 ambassadors (789 appointments)

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Table: Frequency of Ambassador Hometowns

Rank	City	Province	Freq.	Percent
1	Shanghai	Shanghai	50	12.8
2	Beijing	Beijing	46	11.8
3	Tianjing	Tianjing	18	4.6
4	Baoding	Hebei	13	3.3
4	Nanjing	Jiangsu	13	3.3
4	Suzhou	Jiangsu	13	3.3
7	Wuhan	Hubei	12	3.1
8	Wuxi	Jiangsu	10	2.6
9	Harbin	Heilongjiang	7	1.8
10	Ningbo	Zhejiang	6	1.5
10	Changchun	Jilin	6	1.5

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Trade data from Chinese Customs Database

- ▶ originally at firm-product-country-year level
- ▶ aggregated to city-country-year level

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Dataset for analysis:

- ▶ 918,276 city-country-year observations, 2001–2016
- ▶ 354 cities, 167 countries (59,118 city-country dyads)
- ▶ Outcome: $\mathbb{1}[\text{Amb. in country } d \text{ in year } t \text{ is from city } o]$

	mean	sd	min	max	% non-zero
$\ln \text{Exports}_{o,d,t-1}$	6.42	7.08	0.00	25.16	0.47
$\ln \text{Imports}_{o,d,t-1}$	2.62	5.59	0.00	24.52	0.19

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$\ln \text{Imports}_{o,d,t-1}$	2.62	5.59	0.00	24.52	0.19

Estimation:

- ▶ OLS with various FE; SE clustered by city and by country

DV: Ambassadorial Appointment _{o,d,t} (coefs × 1000, for interpretability)		
	OLS	Logit
	(1)	
In Exports _{o,d,t-1}	-0.011 (0.016)	
In Imports _{o,d,t-1}	0.089* (0.042)	
In Exports _{o,t-1}	0.024* (0.011)	
In Imports _{o,t-1}	-0.025* (0.012)	
Num.Obs.	918 276	
Country-Year FE		
City-Year FE		
Year FE	X	
Country FE	X	
City FE	X	
Outcome mean	0.0025	
p-value for $\beta_1 = \beta_2$	0.05	

Note: City-country-year observations, for city o , country d , year t . "Imports" and "exports" from the city's perspective. Column (5) restricted to city-years that are current ambassador hometowns. Standard errors clustered two ways, by city and by country. + $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

	DV: Ambassadorial Appointment _{o,d,t} (coefs × 1000, for interpretability)		
	OLS		Logit
	(1)	(2)	
In Exports _{o,d,t-1}	-0.011 (0.016)	-0.013 (0.017)	
In Imports _{o,d,t-1}	0.089* (0.042)	0.088* (0.042)	
In Exports _{o,t-1}	0.024* (0.011)	0.024* (0.011)	
In Imports _{o,t-1}	-0.025* (0.012)	-0.025* (0.012)	
Num.Obs.	918 276	918 276	
Country-Year FE		X	
City-Year FE			
Year FE	X		
Country FE	X		
City FE	X	X	
Outcome mean	0.0025	0.0025	
p-value for $\beta_1 = \beta_2$	0.05	0.05	

Note: City-country-year observations, for city o , country d , year t . "Imports" and "exports" from the city's perspective. Column (5) restricted to city-years that are current ambassador hometowns. Standard errors clustered two ways, by city and by country. + $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

DV: Ambassadorial Appointment _{o,d,t} (coefs × 1000, for interpretability)				
	OLS			Logit
	(1)	(2)	(3)	
In Exports _{o,d,t-1}	-0.011 (0.016)	-0.013 (0.017)	-0.009 (0.017)	
In Imports _{o,d,t-1}	0.089* (0.042)	0.088* (0.042)	0.105** (0.040)	
In Exports _{o,t-1}	0.024* (0.011)	0.024* (0.011)		
In Imports _{o,t-1}	-0.025* (0.012)	-0.025* (0.012)		
Num.Obs.	918 276	918 276	918 276	
Country-Year FE		X		
City-Year FE			X	
Year FE	X			
Country FE	X		X	
City FE	X	X		
Outcome mean	0.0025	0.0025	0.0025	
p-value for $\beta_1 = \beta_2$	0.05	0.05	0.02	

Note: City-country-year observations, for city o , country d , year t . "Imports" and "exports" from the city's perspective. Column (5) restricted to city-years that are current ambassador hometowns. Standard errors clustered two ways, by city and by country. + $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

DV: Ambassadorial Appointment _{o,d,t} (coefs × 1000, for interpretability)					
	OLS				Logit
	(1)	(2)	(3)	(4)	
In Exports _{o,d,t-1}	-0.011 (0.016)	-0.013 (0.017)	-0.009 (0.017)	-0.011 (0.018)	
In Imports _{o,d,t-1}	0.089* (0.042)	0.088* (0.042)	0.105** (0.040)	0.104** (0.040)	
In Exports _{o,t-1}	0.024* (0.011)	0.024* (0.011)			
In Imports _{o,t-1}	-0.025* (0.012)	-0.025* (0.012)			
Num.Obs.	918 276	918 276	918 276	918 276	
Country-Year FE		X		X	
City-Year FE			X	X	
Year FE	X				
Country FE	X		X		
City FE	X	X			
Outcome mean	0.0025	0.0025	0.0025	0.0025	
p-value for $\beta_1 = \beta_2$	0.05	0.05	0.02	0.02	

Note: City-country-year observations, for city o , country d , year t . "Imports" and "exports" from the city's perspective. Column (5) restricted to city-years that are current ambassador hometowns. Standard errors clustered two ways, by city and by country. + $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

DV: Ambassadorial Appointment _{o,d,t} (coefs × 1000, for interpretability)						
	OLS					Logit
	(1)	(2)	(3)	(4)	(5)	
In Exports _{o,d,t-1}	-0.011 (0.016)	-0.013 (0.017)	-0.009 (0.017)	-0.011 (0.018)	-0.064 (0.122)	
In Imports _{o,d,t-1}	0.089* (0.042)	0.088* (0.042)	0.105** (0.040)	0.104** (0.040)	0.347* (0.157)	
In Exports _{o,t-1}	0.024* (0.011)	0.024* (0.011)				
In Imports _{o,t-1}	-0.025* (0.012)	-0.025* (0.012)				
Num.Obs.	918 276	918 276	918 276	918 276	160 713	
Country-Year FE		X		X	X	
City-Year FE			X	X	X	
Year FE	X					
Country FE	X		X			
City FE	X	X				
Outcome mean	0.0025	0.0025	0.0025	0.0025	0.014	
p-value for $\beta_1 = \beta_2$	0.05	0.05	0.02	0.02	0.07	

Note: City-country-year observations, for city *o*, country *d*, year *t*. "Imports" and "exports" from the city's perspective. Column (5) restricted to city-years that are current ambassador hometowns. Standard errors clustered two ways, by city and by country. + $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

DV: Ambassadorial Appointment _{o,d,t} (coefs × 1000, for interpretability)						
	OLS					Logit
	(1)	(2)	(3)	(4)	(5)	(6)
In Exports _{o,d,t-1}	-0.011 (0.016)	-0.013 (0.017)	-0.009 (0.017)	-0.011 (0.018)	-0.064 (0.122)	0.000 (0.013)
In Imports _{o,d,t-1}	0.089* (0.042)	0.088* (0.042)	0.105** (0.040)	0.104** (0.040)	0.347* (0.157)	0.023* (0.009)
In Exports _{o,t-1}	0.024* (0.011)	0.024* (0.011)				
In Imports _{o,t-1}	-0.025* (0.012)	-0.025* (0.012)				
Num.Obs.	918 276	918 276	918 276	918 276	160 713	124 932
Country-Year FE		X		X	X	X
City-Year FE			X	X	X	X
Year FE	X					
Country FE	X		X			
City FE	X	X				
Outcome mean	0.0025	0.0025	0.0025	0.0025	0.014	0.018
p-value for $\beta_1 = \beta_2$	0.05	0.05	0.02	0.02	0.07	0.18

Note: City-country-year observations, for city o , country d , year t . "Imports" and "exports" from the city's perspective. Column (5) restricted to city-years that are current ambassador hometowns. Standard errors clustered two ways, by city and by country. + $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

DV: Ambassadorial Appointment_{o,d,t} (coefs × 1000, for interpretability)

(1)

In Exports_{o,d,t-1} -0.011
 (0.018)

In Imports_{o,d,t-1} 0.104**
 (0.040)

In Exports_{o,d,t-2}

In Imports_{o,d,t-2}

In Exports_{o,d,t-4}

In Imports_{o,d,t-4}

Amb Appoint_{o,d,t-4}

Num.Obs. 918 276

Country-Year FE X

City-Year FE X

City-Country FE

Note: City-country-year observations, for city o , country d , year t . "Imports" and "exports" from the city's perspective. Standard errors clustered two ways, by city and by country. + $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

	DV: Ambassadorial Appointment _{o,d,t} (coefs × 1000, for interpretability)	
	(1)	(2)
In Exports _{o,d,t-1}	-0.011 (0.018)	-0.013 (0.014)
In Imports _{o,d,t-1}	0.104** (0.040)	-0.011 (0.024)
In Exports _{o,d,t-2}		
In Imports _{o,d,t-2}		
In Exports _{o,d,t-4}		
In Imports _{o,d,t-4}		
Amb Appoint _{o,d,t-4}		
Num.Obs.	918 276	918 276
Country-Year FE	X	X
City-Year FE	X	X
City-Country FE		X

Note: City-country-year observations, for city o , country d , year t . "Imports" and "exports" from the city's perspective. Standard errors clustered two ways, by city and by country. + $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

	DV: Ambassadorial Appointment _{o,d,t} (coefs × 1000, for interpretability)		
	(1)	(2)	(3)
In Exports _{o,d,t-1}	-0.011 (0.018)	-0.013 (0.014)	-0.006 (0.014)
In Imports _{o,d,t-1}	0.104** (0.040)	-0.011 (0.024)	0.059* (0.027)
In Exports _{o,d,t-2}			-0.011 (0.015)
In Imports _{o,d,t-2}			0.066* (0.029)
In Exports _{o,d,t-4}			
In Imports _{o,d,t-4}			
Amb Appoint _{o,d,t-4}			
Num.Obs.	918 276	918 276	859 158
Country-Year FE	X	X	X
City-Year FE	X	X	X
City-Country FE		X	

Note: City-country-year observations, for city o , country d , year t . "Imports" and "exports" from the city's perspective. Standard errors clustered two ways, by city and by country. + $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

	DV: Ambassadorial Appointment _{o,d,t} (coefs × 1000, for interpretability)			
	(1)	(2)	(3)	(4)
In Exports _{o,d,t-1}	-0.011 (0.018)	-0.013 (0.014)	-0.006 (0.014)	-0.003 (0.012)
In Imports _{o,d,t-1}	0.104** (0.040)	-0.011 (0.024)	0.059* (0.027)	0.049* (0.022)
In Exports _{o,d,t-2}			-0.011 (0.015)	-0.021 (0.014)
In Imports _{o,d,t-2}			0.066* (0.029)	0.067* (0.026)
In Exports _{o,d,t-4}				
In Imports _{o,d,t-4}				
Amb Appoint _{o,d,t-4}				123.583*** (14.200)
Num.Obs.	918 276	918 276	859 158	682 158
Country-Year FE	X	X	X	X
City-Year FE	X	X	X	X
City-Country FE		X		

Note: City-country-year observations, for city o , country d , year t . "Imports" and "exports" from the city's perspective. Standard errors clustered two ways, by city and by country. + $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

	DV: Ambassadorial Appointment _{o,d,t} (coefs × 1000, for interpretability)				
	(1)	(2)	(3)	(4)	(5)
In Exports _{o,d,t-1}	-0.011 (0.018)	-0.013 (0.014)	-0.006 (0.014)	-0.003 (0.012)	
In Imports _{o,d,t-1}	0.104** (0.040)	-0.011 (0.024)	0.059* (0.027)	0.049* (0.022)	
In Exports _{o,d,t-2}			-0.011 (0.015)	-0.021 (0.014)	
In Imports _{o,d,t-2}			0.066* (0.029)	0.067* (0.026)	
In Exports _{o,d,t-4}					0.001 (0.023)
In Imports _{o,d,t-4}					0.107* (0.045)
Amb Appoint _{o,d,t-4}				123.583*** (14.200)	
Num.Obs.	918 276	918 276	859 158	682 158	740 922
Country-Year FE	X	X	X	X	X
City-Year FE	X	X	X	X	X
City-Country FE		X			

Note: City-country-year observations, for city o , country d , year t . "Imports" and "exports" from the city's perspective. Standard errors clustered two ways, by city and by country. + $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

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	(1)	(2)	(3)	(4)	(5)	(6)
In Exports _{o,d,t-1}	-0.011 (0.018)	-0.013 (0.014)	-0.006 (0.014)	-0.003 (0.012)		
In Imports _{o,d,t-1}	0.104** (0.040)	-0.011 (0.024)	0.059* (0.027)	0.049* (0.022)		
In Exports _{o,d,t-2}			-0.011 (0.015)	-0.021 (0.014)		
In Imports _{o,d,t-2}			0.066* (0.029)	0.067* (0.026)		
In Exports _{o,d,t-4}					0.001 (0.023)	-0.008 (0.022)
In Imports _{o,d,t-4}					0.107* (0.045)	0.092* (0.039)
Amb Appoint _{o,d,t-4}				123.583*** (14.200)		123.581*** (14.199)
Num.Obs.	918 276	918 276	859 158	682 158	740 922	682 158
Country-Year FE	X	X	X	X	X	X
City-Year FE	X	X	X	X	X	X
City-Country FE		X				

Note: City-country-year observations, for city o , country d , year t . "Imports" and "exports" from the city's perspective. Standard errors clustered two ways, by city and by country. + $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Robustness:

- ▶ Dropping two most common hometowns (Shanghai, Beijing)

Robustness:

- ▶ Dropping two most common hometowns (Shanghai, Beijing)
- ▶ $\mathbb{1}[\text{Imports}_{o,d,t-1} > 0]$, rather than $\ln(\text{Imports}_{o,d,t-1} + 1)$

Robustness:

- ▶ Dropping two most common hometowns (Shanghai, Beijing)
- ▶ $\mathbb{1}[\text{Imports}_{o,d,t-1} > 0]$, rather than $\ln(\text{Imports}_{o,d,t-1} + 1)$
- ▶ Randomly discarding 95% of obs. with zero outcome (rare events logit)

Robustness:

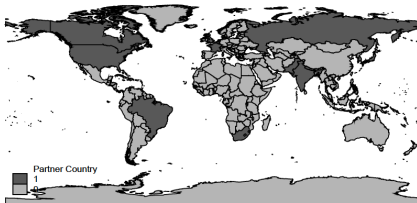
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 - ▶ separately for each year $t = 2002, \dots, 2015$:
 - ▶ $X = \ln$ total imports_{*o,d*} prior to year t
 - ▶ $Y =$ total # ambassadors_{*o,d*} after year t

Robustness:

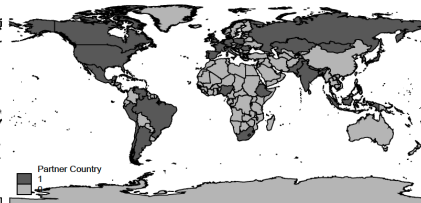
- ▶ Dropping two most common hometowns (Shanghai, Beijing)
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 - ▶ separately for each year $t = 2002, \dots, 2015$:
 - ▶ $X = \ln$ total imports_{*o,d*} prior to year t
 - ▶ $Y =$ total # ambassadors_{*o,d*} after year t
- ▶ Permutation inference:
 - ▶ take all appointments in a given year, count # with positive hometown–host country trade volumes
 - ▶ scramble the appointments, compare realized trade connections to null distribution
 - ▶ realized imports are 99.96 pctl, realized exports are 51 pctl

“Partner” Countries

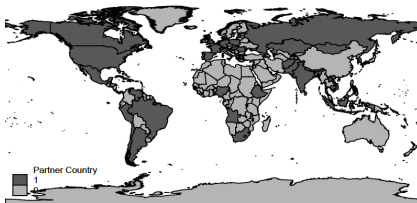
2000



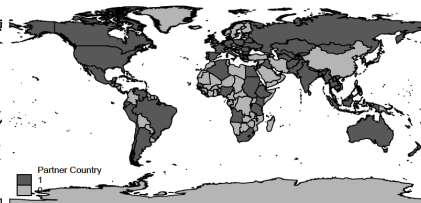
2005



2010



2015



- ▶ “cooperative partnerships”, “all-around cooperative partnerships”, “good neighborly partnerships”, “strategic partnerships”, “all-weather strategic cooperative partnerships”... increase from 9% to 48% of countries

DV: Ambassadorial Appointment_{*o,d,t*}
 (coefs × 1000, for interpretability)

(1)

In Exports_{*o,d,t-1*} -0.011
 (0.018)

In Imports_{*o,d,t-1*} 0.104**
 (0.040)

In Exports_{*o,d,t-1*}
 × Partner_{*d,t*}

In Imports_{*o,d,t-1*}
 × Partner_{*d,t*}

Sample	Full
Num.Obs.	918 276

Country-Year FE	X
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City-Year FE	X
--------------	---

Note: City-country-year observations, for city *o*, country *d*, year *t*. "Imports" and "exports" from the city's perspective. Standard errors clustered two ways, by city and by country.
 + $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

DV: Ambassadorial Appointment _{<i>o,d,t</i>} (coefs × 1000, for interpretability)		
	(1)	(2)
In Exports _{<i>o,d,t-1</i>}	-0.011 (0.018)	-0.024 (0.041)
In Imports _{<i>o,d,t-1</i>}	0.104** (0.040)	-0.005 (0.025)
In Exports _{<i>o,d,t-1</i>} × Partner _{<i>d,t</i>}		
In Imports _{<i>o,d,t-1</i>} × Partner _{<i>d,t</i>}		
Sample	Full	Partners
Num.Obs.	918 276	219 834
Country-Year FE	X	X
City-Year FE	X	X

Note: City-country-year observations, for city *o*, country *d*, year *t*. "Imports" and "exports" from the city's perspective. Standard errors clustered two ways, by city and by country.
+ $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

DV: Ambassadorial Appointment _{o,d,t} (coefs × 1000, for interpretability)			
	(1)	(2)	(3)
In Exports _{o,d,t-1}	-0.011 (0.018)	-0.024 (0.041)	-0.008 (0.021)
In Imports _{o,d,t-1}	0.104** (0.040)	-0.005 (0.025)	0.159* (0.066)
In Exports _{o,d,t-1} × Partner _{d,t}			
In Imports _{o,d,t-1} × Partner _{d,t}			
Sample	Full	Partners	Non-Partners
Num.Obs.	918 276	219 834	698 442
Country-Year FE	X	X	X
City-Year FE	X	X	X

Note: City-country-year observations, for city o , country d , year t . "Imports" and "exports" from the city's perspective. Standard errors clustered two ways, by city and by country.
+ $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

DV: Ambassadorial Appointment _{o,d,t} (coefs × 1000, for interpretability)				
	(1)	(2)	(3)	(4)
In Exports _{o,d,t-1}	-0.011 (0.018)	-0.024 (0.041)	-0.008 (0.021)	-0.025 (0.019)
In Imports _{o,d,t-1}	0.104** (0.040)	-0.005 (0.025)	0.159* (0.066)	0.156* (0.073)
In Exports _{o,d,t-1} × Partner _{d,t}				0.051* (0.023)
In Imports _{o,d,t-1} × Partner _{d,t}				-0.130 (0.085)
Sample	Full	Partners	Non-Partners	Full
Num.Obs.	918 276	219 834	698 442	915 682
Country-Year FE	X	X	X	X
City-Year FE	X	X	X	X

Note: City-country-year observations, for city o , country d , year t . "Imports" and "exports" from the city's perspective. Standard errors clustered two ways, by city and by country.
+ $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Conclusion

“Leverage” mechanism seems to dominate

- ▶ China asserting its economic power over other countries through ambassadorial appointments
- ▶ But only with non-partner countries

“Incentives” mechanism more prevalent among partner countries

- ▶ Countries viewed as more equal in status

Thank you!

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