Extended Abstract Please do not add your name or affiliation

Paper/Poster Title	Global wheat exports and UN voting

Abstract prepared for presentation at the 97th Annual Conference of the Agricultural Economics Society, The University of Warwick, United Kingdom

27th – 29th March 2023

Abstract		200 words max	
This paper investigates whether countries that import food from a major exporter and world power (e.g. USA, Russia, EU, China) vote in a similar way in United Nations (UN) voting. Focus is on wheat trade intended for human consumption. The contribution of this paper over existing work is that we (i) take a long-run perspective, (ii) consider wheat trade from multiple global powers, and (iii) consider two-way causality between wheat trade and UN voting. Limited dependent variable models and gravity equations are estimated to investigate whether a relation between wheat trade and UN voting exists and what the direction of such a relation is. Data is combined from various sources (e.g. Voeten's data on UN voting and Comtrade data on trade), and models are estimated using panel data econometric techniques. Specific focus will be on Russian wheat exports giving its rising prominence in the global wheat market and the current Russian invasion in Ukraine and the international tensions this led to.			
Keywords	Wheat trade, UN voting, gravity model		
JEL Code	Q17, F5, C33		
Introduction		100 – 250 words	
During the time of the Russian invasion in Ukraine, food prices rose dramatically and many food-import dependent countries were hurt by that. This often led to allegations that Russia, a major exporter of wheat, abused this situation to put pressure on their trading partners to align with their interests. In fact, at several occasions high-level Russian government officials threatened that they would only supply wheat to 'friends' (Reuters, 2022). The question is of course how credible such threats are given that economic factors also weigh heavily (e.g. need for trade revenues). On the other hand, also other major powers may apply such a food aid/trade, political alignment reciprocity (Neumayer, 2005; Dreher et al, 2008; Flores-Macias & Kreps, 2013). This paper investigates whether countries that import wheat from a major exporter and world power (e.g. USA, Russia, EU, China) vote in a similar way in UN sessions. Focus is on wheat trade intended for human consumption. The contribution of this paper over existing work is that we (i) take a long-run perspective, (ii) consider wheat trade from multiple global powers, and (iii) consider two-way causality between wheat trade and UN voting (e.g. as opposite to the recent study by Farzanegan & Fereidouni (2022) who only focus on Russia and using recent data only, or Dreher et al. (2008) who focused on the US only).			



Methodology

100 – 250 words

There is potentially two-way causality in this problem. Countries that import wheat from a major power may as a result align their UN votes with that power. This is a limited dependent variable problem with wheat imports as endogenous covariate. Vice versa, it could be that wheat exports are directed towards countries that vote in line with the exporter. This is analysed with a gravity equation for wheat trade, which besides relevant economic, food-security, and traditional variables included in trade models such as distance and fuel costs, also includes a UN voting similarity measure. Data on UN voting is obtained from Erik Voeten's dataverse page and is available from many years. Based on this data Bailey et al. (2017) developed a novel indicator for alignment of UN voting that is superior to traditional S-curve measures on voting alignment. Wheat trade data is obtained from Comtrade. Both equations are estimated individually and as a system using panel data estimation techniques to account for country-specific heterogeneity.

Results

100 – 250 words

First, the paper provides descriptive background on historical wheat trade flows between major exporters and importers. Moreover, some basic statistics on similarity in UN voting are presented in a descriptive way.

The econometric estimation results show whether wheat trade has a statistically significant effect on UN voting, conditional on other political variables such as institutional and governance characteristics, and formal political and economic ties. Moreover, the empirical results show whether similarity in UN voting matters in wheat trade, next to traditional trade variables such as distance, transportation costs, economic ties, etc. Results will be presented for wheat trade in general and also specifically for Russian wheat exports in the light of the invasion of Russia in Ukraine and the global tensions that arose after this.

Discussion and Conclusion

100 – 250 words

The paper will allow for a methodological discussion on the importance of political variables in agricultural trade modelling and more specifically on how to define such



political variables. Methodological discussion is also expected on the econometric models and methods used.

Generally, the results provide insight in the importance (or absence) of food trade in international politics. Policy makers and political thinktanks in the West have often argued that food trade could be abused in the international political arena, but the question is whether this argument holds, or that in the end economic factors remain the main drivers in food trade. The results also provide insight in whether such relation is present or not for various main exporters.

