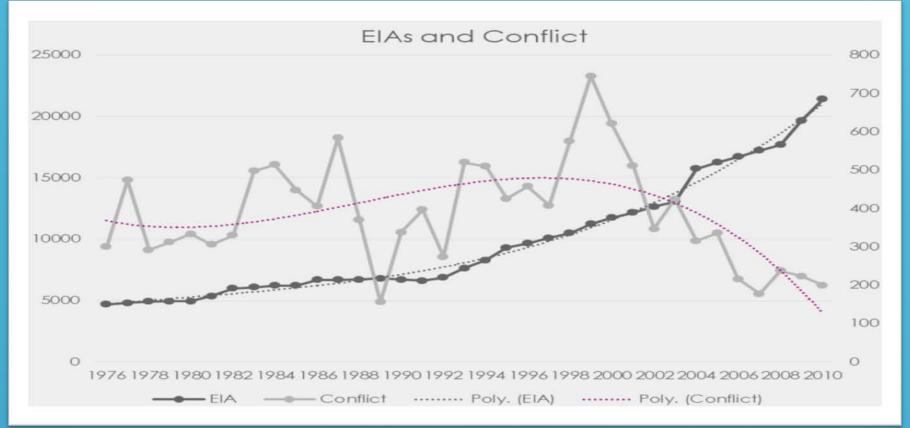
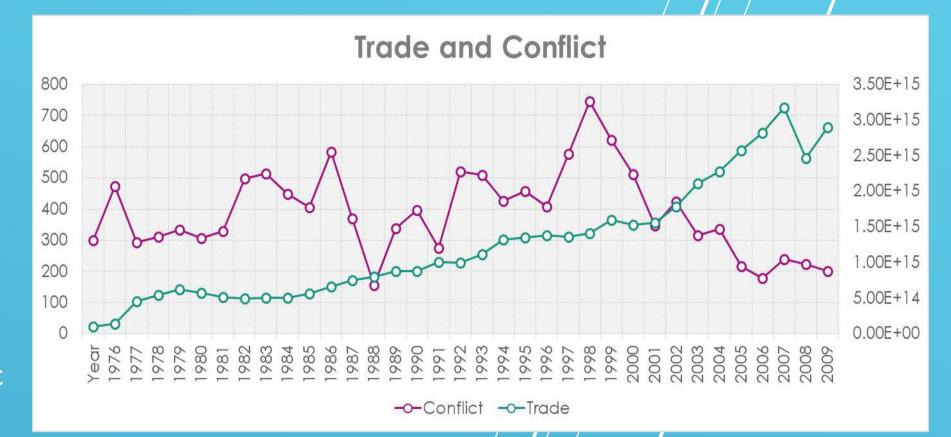
## THE POLITICAL ECONOMY OF INTERNATIONAL ECONOMIC INTEGRATION AND CONFLICT

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Hypothesis: Increased trade and economic integration decreases conflicts around the world



- ► No answer a first glance
- ► Upward trend in EIAs and Trade
- Conflict goes up and dramatically decreases
- ► What is there relationship?
- Recent event shows us that there might be a negative relationship between conflict and these economic variables.



Hostility Level	HOSTILITY <sub>ijt</sub>	HIACT <sub>it</sub>	Highest Action
No militarized action	1	0	No militarized action
Threat to use force	2	1 2 3 4 5 6	Threat to use forces Threat to blockade Threat to occupy territory Threat to declare war Threat to use CBR weapons Threat to join war
Display of force	3	7 8 9 10 11 12	Show of force Alert Nuclear alert Mobilization Fortify border Border violation
Use of force	4	13 14 15 16 17 18 19	Blockade Occupation of territory Seizure Attack Clash Declaration of war Use of CBR weapons
War	5	20 21	Begin interstate war Join interstate war

Formal Economic Integration Agreements (EIA): 1-Way Preferential Trade Agreement (1-way PTA) 2-Way Preferential Trade Agreement (2-way PTA) Free Trade Agreement (FTA) Customs Union Common Market **Economic Union** 

**Informal Economic Integration Actions:** Bilateral Trade Multilateral trade Monetary Integration - Exchange rate correlation Economic Integration - IRBC Correlation

Political Integration – UN Voting similarity

## RESULTS

	<b>G</b> : -	1.0					1.0. 0																
Table 2	$\frac{1}{1}$	$\frac{d \text{ Gravity}}{2}$	Model:	$\frac{\text{The impa}}{4}$	tct of Integ	$\frac{\text{gration ar}}{6}$	$\frac{1}{7}$	$\frac{\text{t on Trade}}{8}$	Tabl	le 3: Con	affict Grav	vity Fran	nework -	Levels A	nalysis			Table	4: Confli 2	ct Gravit	y Framew 4	ork - Pro 5	babili 6
	lImports_j	lImports_j	lImports_j	× v	•	•	*	1	EIA	HIACT -0.029***	HIACT -0.037***	HIACT	HIACT	HIACT -0.044***	HIACT -0.118***		ET A	Prob MID	Prob MID	Prob MID	Prob MID	Prob MID	Prob 1
EIA	$0.001^{***}$ (0.000)	$0.219^{***}$ (0.004)	$0.217^{***}$ (0.004)	$\begin{array}{c} 0.576^{***} \ (0.025) \end{array}$	$0.003^{***}$ $(0.000)$	$0.088^{***}$ (0.001)	$0.087^{***}$ (0.001)	$0.037^{***}$ (0.007)	EIA	(0.002)	(0.003)	-0.037*** (0.003)	(0.003)	(0.003)	(0.013)	/	EIA	-0.331*** (0.029)		-0.411*** (0.043)	-2.210*** (0.214)	0.718*** (0.029)	
Exchange Rate Corr		$0.006^{**}$ (0.003)	$0.006^{**}$ (0.003)			$-0.004^{***}$ (0.001)	$-0.004^{***}$ (0.001)		Exchange Rate Corr		-0.002** (0.001)	-0.002** (0.001)	$-0.002^{*}$ (0.001)	$-0.001^{*}$ (0.001)			Exchange Rate Corr		-0.015*** (0.004)	-0.015*** (0.004)			0.985 (0.00
Business Cycle Corr		$0.012^{*}$ (0.006)	$0.012^{*}$ (0.006)			$0.045^{***}$ (0.002)	$0.045^{***}$ (0.002)		Business Cycle Corr			-0.009*** (0.003)	-0.009*** (0.003)	-0.008*** (0.003)			Business Cycle Corr		-0.250*** (0.071)	$-0.186^{***}$ (0.071)			0.779 (0.07)
UN Voting Sim		0.386***	0.384***			-0.119***	-0.119***		UN Voting Similarity				$-0.047^{**}$ (0.020)	$-0.034^{*}$ (0.020)			UN Voting Similarity		-1.610*** (0.364)	0.122 (0.422)			$0.2^{*}$ (0.36
lGDP_0	0.953***	(0.041) $0.989^{***}$	$(0.041)$ $0.990^{***}$	$0.956^{***}$	-0.024***	$(0.010)$ - $0.020^{***}$	$(0.010)$ - $0.020^{***}$	-0.027***	lTrade ROW	-0.012*** (0.003)	-0.008** (0.004)	-0.008** (0.004)	-0.008** (0.004)	-0.015*** (0.004)	-0.019*** (0.002)		lTrade ROW	-0.796*** (0.057)	-0.904*** (0.104)	-0.803*** (0.102)	-0.773*** (0.058)	0.451*** (0.057)	0.405
	(0.002)	(0.004)	(0.004)	(0.002)	(0.000)	(0.001)	(0.001)	(0.000)	lDistance	-0.053*** (0.003)	-0.061*** (0.005)	-0.062*** (0.005)	-0.069*** (0.005)	-0.072*** (0.005)	$-0.056^{***}$ (0.003)		lDistance	-1.004*** (0.049)	-0.921*** (0.079)	-1.130*** (0.078)	-1.196*** (0.055)	0.366**** (0.049)	0.39
lGDP_d	$\begin{array}{c} 0.741^{***} \\ (0.002) \end{array}$	$0.769^{***}$ (0.003)	$0.770^{***}$ (0.003)	$0.722^{***}$ (0.002)	$\begin{array}{c} 0.870^{***} \\ (0.000) \end{array}$	$\begin{array}{c} 0.891^{***} \\ (0.001) \end{array}$	$\begin{array}{c} 0.891^{***} \\ (0.001) \end{array}$	$0.857^{***}$ (0.000)	MCLo MCLd	0.021*** (0.002)	0.016*** (0.002)	$0.016^{***}$ (0.002) $0.016^{***}$	$0.016^{***}$ (0.002) $0.015^{***}$				Difference in MCI	0.259***	0.358***	0.253***	0.238***	(0.045) 1.295*** (0.047)	1.43
ldistance	$-1.318^{***}$ (0.004)	$-1.195^{***}$ (0.007)	$-1.198^{***}$ (0.007)	$-1.112^{***}$ (0.005)	$-0.026^{***}$ (0.001)	$-0.004^{**}$ (0.002)	$-0.006^{***}$ (0.002)	$0.020^{***}$ (0.001)	lTrade	0.009*** (0.001) -0.007***	0.016*** (0.002) -0.008***	(0.002) -0.008***	(0.002) -0.008***	-0.008***	-0.008***		lTrade	(0.047) -0.077***	(0.075) -0.123***	(0.066) -0.100***	(0.048) -0.084***	0.926***	(0.0) 0.88
Contiguity	$0.826^{***}$ (0.021)	$0.632^{***}$ (0.028)	$0.687^{***}$ (0.028)	$1.008^{***}$ (0.033)	$-0.205^{***}$ (0.006)	$-0.236^{***}$ (0.008)	$-0.212^{***}$ (0.008)	$-0.201^{***}$ (0.010)	lCapital	(0.001)	(0.001)	(0.001) -0.015***	(0.001) -0.018***	(0.001) -0.020***	(0.001) -0.009***		lCapital	(0.019) 0.045	(0.026) -0.048	(0.027) -0.142	(0.019) 0.051	(0.019) 1.046	(0.0)
Colony	$0.865^{***}$ (0.016)	$0.818^{***}$ (0.022)	$0.828^{***}$ (0.022)	$1.046^{***}$ $(0.019)$	$0.042^{***}$ (0.005)	$0.056^{***}$ (0.008)	$0.060^{***}$ (0.008)	0.003 (0.007)	TFP	(0.003)	(0.004) -0.025***	(0.004) -0.026***	(0.004) -0.033***	(0.006) -0.044***	(0.003) -0.027***		TFP	(0.090) -1.015***	(0.145) -1.606***	(0.127) -1.787***	(0.090) -0.938***	(0.090) $0.363^{***}$	(0.14 0.20)
Religion	-0.015	-0.076***	-0.079***		-0.056***	-0.031***	-0.032***	-0.082***		(0.005)	(0.006)	(0.007)	(0.007)	(0.007)	(0.005)			(0.158)	(0.296)	(0.284)	(0.157)	(0.158)	(0.29)
	(0.012)	(0.017)	(0.017)	(0.014)	(0.003)	(0.004)	(0.004)	(0.004)	lGDP_0	0.013*** (0.002)	0.017*** (0.003)	0.017*** (0.003)	0.020*** (0.003)	0.035*** (0.003)	0.016*** (0.003)		lGDP_0	$0.649^{***}$ (0.046)	0.722*** (0.069)	$0.824^{***}$ (0.071)	0.655*** (0.046)	$1.913^{***}$ (0.046)	2.058 (0.0
Language	$\begin{array}{c} 0.733^{***} \\ (0.009) \end{array}$	$\begin{array}{c} 0.744^{***} \\ (0.014) \end{array}$	$0.746^{***}$ (0.014)	$\begin{array}{c} 0.488^{***} \\ (0.010) \end{array}$	$\begin{array}{c} 0.073^{***} \\ (0.003) \end{array}$	0.003 (0.004)	$0.003 \\ (0.004)$	$\begin{array}{c} 0.121^{***} \\ (0.003) \end{array}$	lGDP_d	0.018*** (0.002)	$(0.015^{***})$ (0.003)	$0.015^{***}$ (0.003)	0.020*** (0.003)	0.033*** (0.002)	$(0.027^{***})$ (0.001)		lGDP_d	0.519*** (0.038)	$0.506^{***}$ (0.063)	0.603*** (0.064)	0.509*** (0.038)	$1.68^{***}$ (0.038)	1.659 (0.06
Legal	$0.350^{***}$ (0.007)	$\begin{array}{c} 0.334^{***} \ (0.011) \end{array}$	$0.333^{***}$ (0.011)	$0.342^{***}$ (0.007)	$-0.048^{***}$ (0.002)	$-0.027^{***}$ (0.003)	$-0.027^{***}$ (0.003)	$-0.043^{***}$ (0.002)	Contiguity	0.877*** (0.040)	$0.891^{***}$ (0.051)	$0.905^{***}$ (0.051)	$0.936^{***}$ (0.054)	$0.944^{***}$ (0.055)	$1.348^{***}$ (0.015)		Contiguity	$2.210^{***}$ (0.114)	$2.541^{***}$ (0.196)	2.563*** (0.181)	1.963*** (0.132)	$9.112^{***}$ (0.114)	12.69 (0.1)
HIACT			$-0.054^{***}$ (0.006)				$-0.023^{***}$ (0.002)		Colony	$0.169^{***}$ (0.024)	$(0.174^{***})$ (0.030)	$0.175^{***}$ (0.031)	$(0.169^{***})$ (0.032)	0.165*** (0.032)	$(0.123^{***})$ (0.012)		Colony	1.003*** (0.105)	$1.040^{***}$ (0.155)	$1.064^{***}$ (0.153)	$0.927^{***}$ (0.145)	2.727*** (0.105)	2.83 (0.1)
${\rm EIA}_{-}{\rm dist}$				$-0.042^{***}$ (0.003)				$0.008^{***}$ (0.001)	Religion	-0.028*** (0.007)	-0.026*** (0.009)	-0.026*** (0.009)	-0.030*** (0.009)	-0.036*** (0.009)	-0.016*** (0.006)		Religion	-0.085 (0.134)	0.138 (0.196)	0.020 (0.192)	0.131 (0.151)	0.919 (0.134)	1.1
${ m EIA}_{- m cont}$				-0.205***				0.003	Language	0.022*** (0.006)	0.010 (0.008)	0.010 (0.008)	$0.016^{*}$ (0.008)	0.018** (0.008)	$(0.017^{***})$		Language	0.548***	0.510*** (0.118)	0.662***	0.552*** (0.098)	(0.101) 1.729*** (0.079)	1.66
EIA_colony				(0.012) - $0.206^{***}$				(0.004) $0.044^{***}$	Difference in MCI					0.008*** (0.002)	0.007*** (0.001)		EIA_dist	(0.079)	(0.118)	(0.121)	0.266***	(0.079)	(0.1
				(0.013)				(0.004)	EIA x Distance						$(0.014^{***})$ (0.002)		EIA_cont				(0.027) 0.250***		
EIA_relig				$-0.117^{***}$ (0.008)				$0.022^{***}$ (0.002)	EIA x Contiguity						-0.202*** (0.006)		EIA_colony				(0.067) -0.010		
EIA_lang				$\begin{array}{c} 0.342^{***} \\ (0.006) \end{array}$				-0.098*** (0.002)	EIA x Colony						$(0.044^{***})$ (0.007)						(0.061)		
l Trade with ROW_o	$0.422^{***}$ (0.003)	$0.354^{***}$ (0.006)	$0.352^{***}$ (0.006)	$0.415^{***}$ (0.003)					EIA x Religion						-0.024*** (0.004)		EIA_relig				-0.316*** (0.097)		
Constant	-25.409***	-26.846***	-26.839***	-26.745***	2.649***	1.827***	1.828***	2.577***	EIA x Language						0.015*** (0.003)		EIA_lang				-0.034 (0.047)		
Pair FE Voor FE	$\frac{(0.065)}{\text{No}}$	(0.118) No	(0.118) No	(0.069) No	(0.018) No	(0.027) No	(0.027) No	(0.020) No	Constant	0.419*** (0.077)	0.538*** (0.106)	0.545*** (0.107)	0.492*** (0.121)	-0.118 (0.090)	-0.235*** (0.050)		Constant	-4.834*** (1.232)	-0.771 (2.014)	-7.083*** (2.107)	-3.936*** (1.274)	0.008*** (1.232)	0.4 (2.0
Year FE Adjusted R2 Obs	$0.646 \\ 554193.000$	$0.662 \\ 231252.000$	$0.662 \\ 231252.000$	0.652 553857.000	0.917 ) 554194.000	0.929 231252.000	0.929 231252.000	$0.919 \\553858.000$	Pair FE Year FE Adjusted R2	No Yes 0.035	No Yes 0.041	No Yes 0.042	No Yes 0.044	No Yes 0.043	No Yes 0.040		Odds Ratio Pseudo R2 Obs	No 0.2684	No 0.3216	No 0.3417	No 0.2753 365115.000	Yes 0.2684	Ye 0.32
Standard errors in paren									Obs Standard errors in parent		203472.000	199906.000	185921.000	185921.000	365115.000				169100.000	160921.000	303113.000	303113.000	199190
Standard errors in paren * $p < .10$ , ** $p < .05$ , ***									Standard errors in parentl * $p < .10$ , ** $p < .05$ , *** $p$	heses							Standard errors in parentl * $p < .10$ , ** $p < .05$ , *** $p$						

Table 2	: Standard	d Gravity	y Model:	The impa	tet of Inte	gration ar	nd Conflic	et on Trade	Tabl	e 3: Con	nflict Gra	vity Fran	nework -	Levels A	nalysis			Table	4: Confli	ct Gravit	ty Framew	vork - Pro	obabili
	1 lImports_j	2 lImports_j	3 lImports_j	4 lImports_j	5 lImports_h	6 lImports_h	7 lImports_h	8 lImports_h		1 HIACT	2 HIACT	3 HIACT	4 HIACT	5 HIACT	6 HIACT			Prob MID	2 Prob MID	3 Prob MID	4 Prob MID	ə Prob MID	Prob 1
EIA		$\frac{0.219^{***}}{(0.004)}$	$\frac{0.217^{***}}{(0.004)}$						EIA	-0.029*** (0.002)	-0.037*** (0.003)	-0.037*** (0.003)	-0.040*** (0.003)	$-0.044^{***}$ (0.003)	$-0.118^{***}$ (0.013)	/	EIA	-0.331*** (0.029)		$-0.411^{***}$ (0.043)	-2.210**** (0.214)	$0.718^{***}$ (0.029)	
Exchange Rate Corr		$0.006^{**}$ (0.003)	$0.006^{**}$ (0.003)			$-0.004^{***}$ (0.001)	$-0.004^{***}$ (0.001)		Exchange Rate Corr		-0.002** (0.001)	$-0.002^{**}$ (0.001)	$-0.002^{*}$ (0.001)	$-0.001^{*}$ (0.001)			Exchange Rate Corr		$-0.015^{***}$ (0.004)	$-0.015^{***}$ (0.004)			0.985 (0.00
Business Cycle Corr		$0.012^{*}$ (0.006)	$0.012^{*}$ (0.006)			$0.045^{***}$ (0.002)	$0.045^{***}$ (0.002)		Business Cycle Corr			-0.009*** (0.003)	-0.009*** (0.003)	-0.008*** (0.003)			Business Cycle Corr		-0.250*** (0.071)	-0.186*** (0.071)			0.779 (0.07
UN Voting Sim		0.386***	0.384***			-0.119***	-0.119***		UN Voting Similarity ITrade ROW	-0.012***	-0.008**	-0.008**	-0.047** (0.020) -0.008**	-0.034* (0.020) -0.015***	-0.019***		UN Voting Similarity		$-1.610^{***}$ (0.364)	$\begin{array}{c} 0.122\\ (0.422) \end{array}$			$0.2^{*}$ (0.36
lGDP_0	0.953***	(0.041) 0.989***	(0.041) $0.990^{***}$	0.956***	-0.024***	(0.010) -0.020***	(0.010) -0.020***	-0.027***	lDistance	(0.003)	(0.004)	(0.004) -0.062***	(0.004)	(0.004) -0.072***	(0.002) -0.056***		lTrade ROW	-0.796*** (0.057)	$-0.904^{***}$ (0.104)	-0.803*** (0.102)	-0.773*** (0.058)	$0.451^{***}$ (0.057)	0.405 (0.10
GDP_d	(0.002) $0.741^{***}$	(0.004) $0.769^{***}$	(0.004) $0.770^{***}$	(0.002) $0.722^{***}$	(0.000) $0.870^{***}$	(0.001) $0.891^{***}$	(0.001) $0.891^{***}$	(0.000) $0.857^{***}$	MCL <sub>0</sub>	(0.003) 0.021***	(0.005) $0.016^{***}$	(0.005) 0.016***	(0.005) $0.016^{***}$	(0.005)	(0.003)		lDistance	-1.004*** (0.049)	$-0.921^{***}$ (0.079)	-1.130*** (0.078)	-1.196*** (0.055)	$0.366^{***}$ (0.049)	0.398 (0.07
istance	(0.002)-1.318***	(0.003)-1.195***	(0.003)-1.198***	(0.002)-1.112***	$(0.000)$ - $0.026^{***}$	(0.001) - $0.004^{**}$	$(0.001)$ - $0.006^{***}$	(0.000) $0.020^{***}$	MCI_d	(0.002) 0.009***	(0.002) 0.016***	(0.002) 0.016***	(0.002) 0.015***				Difference in MCI	0.259*** (0.047)	$0.358^{***}$ (0.075)	0.253*** (0.066)	0.238*** (0.048)	$1.295^{***}$ (0.047)	1.43 (0.07)
Contiguity	(0.004) $0.826^{***}$	(0.007) $0.632^{***}$	(0.007) $0.687^{***}$	(0.005) $1.008^{***}$	(0.001) -0.205***	(0.002) -0.236***	(0.002) -0.212***	(0.001) -0.201***	lTrade	(0.001) -0.007*** (0.001)	(0.002) -0.008*** (0.001)	(0.002) -0.008*** (0.001)	(0.002) -0.008*** (0.001)	$-0.008^{***}$ (0.001)	-0.008*** (0.001)		lTrade	-0.077*** (0.019)	-0.123*** (0.026)	-0.100*** (0.027)	-0.084*** (0.019)	$0.926^{***}$ (0.019)	0.883
	(0.021)	(0.028)	(0.028)	(0.033)	(0.006)	(0.008)	(0.008)	(0.010)	lCapital	-0.006** (0.003)	-0.014*** (0.004)	-0.015*** (0.004)	-0.018*** (0.004)	-0.020*** (0.006)	-0.009*** (0.003)		lCapital	0.045 (0.090)	-0.048 (0.145)	-0.142 (0.127)	0.051 (0.090)	1.046 (0.090)	0.9 (0.1-
Colony	$\begin{array}{c} 0.865^{***} \\ (0.016) \end{array}$	$\begin{array}{c} 0.818^{***} \\ (0.022) \end{array}$	$\begin{array}{c} 0.828^{***} \\ (0.022) \end{array}$	$1.046^{***}$ (0.019)	$\begin{array}{c} 0.042^{***} \\ (0.005) \end{array}$	$0.056^{***}$ (0.008)	$0.060^{***}$ (0.008)	0.003 (0.007)	TFP	-0.006 (0.005)	-0.025*** (0.006)	-0.026*** (0.007)	-0.033**** (0.007)	-0.044*** (0.007)	-0.027*** (0.005)		TFP	-1.015*** (0.158)	-1.606*** (0.296)	-1.787*** (0.284)	-0.938*** (0.157)	$0.363^{***}$ (0.158)	(0.20)
Religion	-0.015 (0.012)	$-0.076^{***}$ (0.017)	$-0.079^{***}$ (0.017)	$0.009 \\ (0.014)$	$-0.056^{***}$ (0.003)	$-0.031^{***}$ (0.004)	$-0.032^{***}$ (0.004)	$-0.082^{***}$ (0.004)	lGDP_0	0.013*** (0.002)	0.017*** (0.003)	0.017*** (0.003)	0.020*** (0.003)	0.035*** (0.003)	0.016*** (0.003)		lGDP_0	$0.649^{***}$ (0.046)	0.722*** (0.069)	$0.824^{***}$ (0.071)	0.655*** (0.046)	1.913**** (0.046)	2.058
Language	$0.733^{***}$ (0.009)	$0.744^{***}$ (0.014)	$0.746^{***}$ (0.014)	$0.488^{***}$ (0.010)	$0.073^{***}$ (0.003)	$0.003 \\ (0.004)$	$0.003 \\ (0.004)$	$0.121^{***}$ (0.003)	lGDP_d	0.018*** (0.002)	$0.015^{***}$ (0.003)	$0.015^{***}$ (0.003)	0.020*** (0.003)	0.033*** (0.002)	$0.027^{***}$ (0.001)		lGDP_d	0.519*** (0.038)	0.506*** (0.063)	0.603*** (0.064)	0.509*** (0.038)	1.68*** (0.038)	1.659
Legal	$0.350^{***}$ (0.007)	$0.334^{***}$ (0.011)	$0.333^{***}$ (0.011)	$0.342^{***}$ (0.007)	$-0.048^{***}$ (0.002)	$-0.027^{***}$ (0.003)	$-0.027^{***}$ (0.003)	$-0.043^{***}$ (0.002)	Contiguity	0.877*** (0.040)	$0.891^{***}$ (0.051)	$0.905^{***}$ (0.051)	$0.936^{***}$ (0.054)	$0.944^{***}$ (0.055)	$1.348^{***}$ (0.015)		Contiguity	2.210*** (0.114)	2.541*** (0.196)	2.563*** (0.181)	1.963*** (0.132)	9.112**** (0.114)	12.69 (0.19
HIACT			$-0.054^{***}$ (0.006)				$-0.023^{***}$ (0.002)		Colony	$0.169^{***}$ (0.024)	$0.174^{***}$ (0.030)	$0.175^{***}$ (0.031)	$0.169^{***}$ (0.032)	$0.165^{***}$ (0.032)	$0.123^{***}$ (0.012)		Colony	1.003*** (0.105)	1.040*** (0.155)	1.064*** (0.153)	0.927*** (0.145)	2.727*** (0.105)	
${ m EIA}_{-}{ m dist}$			()	$-0.042^{***}$ (0.003)			()	$0.008^{***}$ (0.001)	Religion	-0.028*** (0.007)	-0.026*** (0.009)	-0.026*** (0.009)	-0.030*** (0.009)	-0.036*** (0.009)	-0.016*** (0.006)		Religion	-0.085 (0.134)	0.138 (0.196)	0.020 (0.192)	0.131 (0.151)	0.919 (0.134)	1.1
EIA_cont				-0.205***				0.003	Language	0.022*** (0.006)	0.010 (0.008)	0.010 (0.008)	$0.016^{*}$ (0.008)	0.018** (0.008)	0.017*** (0.004)		Language	0.548*** (0.079)	0.510*** (0.118)	0.662*** (0.121)	0.552*** (0.098)	(0.134) 1.729*** (0.079)	1.66 (0.1
EIA_colony				(0.012) - $0.206^{***}$				(0.004) $0.044^{***}$	Difference in MCI EIA x Distance					0.008*** (0.002)	$0.007^{***}$ (0.001) $0.014^{***}$		EIA_dist	(0.013)	(0.110)	(0.121)	0.266***	(0.013)	(0.1
EIA_relig				$(0.013)$ - $0.117^{***}$				(0.004) $0.022^{***}$	EIA x Distance						(0.002) -0.202***		EIA_cont				(0.027) 0.250***		
				(0.008)				(0.002)	EIA x Colony						(0.006) 0.044***		EIA_colony				-0.010		
EIA_lang				$\begin{array}{c} 0.342^{***} \\ (0.006) \end{array}$				$-0.098^{***}$ (0.002)	EIA x Religion						(0.007) -0.024***		EIA_relig				(0.061) -0.316***		
lTrade with ROW_o	$\begin{array}{c} 0.422^{***} \\ (0.003) \end{array}$	$0.354^{***}$ (0.006)	$\begin{array}{c} 0.352^{***} \\ (0.006) \end{array}$	$\begin{array}{c} 0.415^{***} \\ (0.003) \end{array}$					EIA x Language						(0.004) 0.015***		EIA_lang				(0.097) -0.034		
Constant	$-25.409^{***}$ (0.065)	$-26.846^{***}$ (0.118)	$-26.839^{***}$ (0.118)	$-26.745^{***}$ (0.069)	(0.018)	$\frac{1.827^{***}}{(0.027)}$	$\frac{1.828^{***}}{(0.027)}$	$2.577^{***} \\ (0.020)$	Constant	0.419***	0.538***	0.545***	0.492***	-0.118	(0.003) -0.235***		Constant	-4.834***	-0.771	-7.083***	(0.047) -3.936***	0.008***	0.4
Pair FE Year FE	No	No	No	No	No	No	No	No	Pair FE	(0.077) No	(0.106) No	(0.107) No	(0.121) No	(0.090) No	(0.050) No			(1.232)	(2.014)	(2.107)	(1.274)	(1.232)	(2.0
Adjusted R2 Obs		0.662 231252.000	0.662 231252.000	$0.652 \\ 553857.000$	0.917 ) 554194.000	0.929 ) 231252.000	0.929 231252.000	$0.919 \\ 553858.000$	Year FE Adjusted R2 Obs	Yes 0.035 365115.000	Yes 0.041	Yes 0.042	Yes 0.044 185921.000	Yes 0.043	Yes 0.040		Odds Ratio Pseudo R2 Obs	No 0.2684 365115.000	No 0.3216 189756.000	No 0.3417 185921.000	No 0.2753 365115.000	Yes 0.2684 365115.000	Ye 0.32 ) 18975
									Standard errors in parentl	ieses							Standard errors in parent						
ObsStandard errors in paren* $p < .10, ** p < .05, ***$	theses	231252.000	231252.000	553857.000	) 554194.000	) 231252.000	231252.000	553858.000	Obs	365115.000 teses							Obs	365115.000 theses					

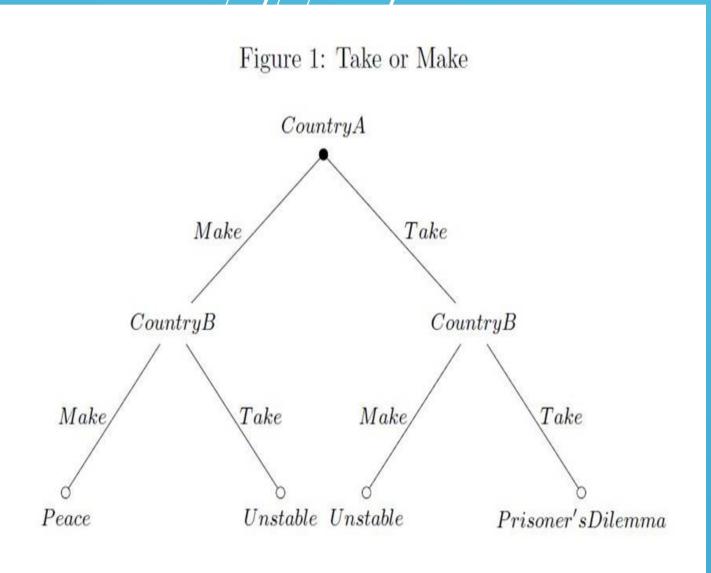


Table 2: St	tandard	Gravity	Model: 7	The impac	et of Integ	ration a	nd Conflic	et on Trade	Table	e 3: Con	flict Grav	vity Fram	nework -	Levels A	nalysis			Table	4: Confli	ct Gravit	Framew	ork - Prol	bability A	nalysis	
11,	1 mports_j	2 IImports i	3 lImports_j	4 lImports_j	5 Ilmports h	6 IImports h	7 lImports_h	8 IImports h		1 HIACT	2 HIACT	3 HIACT	4 HIACT	5 HIACT	6 HIACT			1 Prob MID	2 Prob MID	3 Prob MID	4 Prob MID	5 Prob MID	6 Prob MID	7 Prob MID	8 Prob MI
EIA 0	0.001*** (0.000)	11mports_j 0.219*** (0.004)	$\frac{0.217^{***}}{(0.004)}$	$\frac{0.576^{***}}{(0.025)}$	0.003*** (0.000)	0.088*** (0.001)	$\frac{0.087^{***}}{(0.001)}$	0.037*** (0.007)	EIA	-0.029*** (0.002)	-0.037*** (0.003)	-0.037*** (0.003)	-0.040*** (0.003)	-0.044*** (0.003)	-0.118*** (0.013)	/	EIA	-0.331*** (0.029)	1100 1110	-0.411*** (0.043)	-2.210*** (0.214)	0.718*** (0.029)	1100 1110	0.663*** (0.043)	0.109*** (0.214)
Exchange Rate Corr		$0.006^{**}$ (0.003)	$0.006^{**}$ (0.003)			$-0.004^{***}$ (0.001)	$-0.004^{***}$ (0.001)		Exchange Rate Corr		-0.002** (0.001)	$-0.002^{**}$ (0.001)	$-0.002^{*}$ (0.001)	$-0.001^{*}$ (0.001)			Exchange Rate Corr		-0.015*** (0.004)	-0.015*** (0.004)			$0.985^{***}$ (0.004)	$0.985^{***}$ (0.004)	
Business Cycle Corr		$0.012^{*}$ (0.006)	$0.012^{*}$ (0.006)			$0.045^{***}$ (0.002)	$0.045^{***}$ (0.002)		Business Cycle Corr			-0.009*** (0.003)	-0.009*** (0.003)	-0.008*** (0.003)			Business Cycle Corr		-0.250*** (0.071)	$-0.186^{***}$ (0.071)			$0.779^{***}$ (0.071)	$0.83^{***}$ (0.071)	
UN Voting Sim		(0.000) $(0.386^{***})$ (0.041)	(0.000) $(0.384^{***})$ (0.041)			-0.119*** (0.010)	$-0.119^{***}$ (0.010)		UN Voting Similarity ITrade ROW	-0.012***	-0.008**	-0.008**	-0.047** (0.020) -0.008**	-0.034* (0.020) -0.015***	-0.019***		UN Voting Similarity		-1.610*** (0.364)	0.122 (0.422)			$0.2^{***}$ (0.364)	1.13 (0.422)	
	).953***	0.989***	0.990***	$0.956^{***}$	$-0.024^{***}$	(0.010) $-0.020^{***}$ (0.001)	-0.020***	-0.027***	lDistance	(0.003) -0.053***	(0.004) -0.061***	(0.004) -0.062***	(0.004) -0.069***	(0.004) -0.072***	(0.002) -0.056***		lTrade ROW	-0.796**** (0.057)	$-0.904^{***}$ (0.104)	-0.803*** (0.102)	-0.773*** (0.058)	$0.451^{***}$ (0.057)	$0.405^{***}$ (0.104)	$0.448^{***}$ (0.102)	0.461* (0.058
lGDP_d 0	(0.002) $(0.741^{***})$	(0.004) $0.769^{***}$	(0.004) $0.770^{***}$	(0.002) $0.722^{***}$	(0.000) $0.870^{***}$	0.891***		(0.000) $0.857^{***}$	MCI_0	(0.003) 0.021*** (0.002)	(0.005) 0.016*** (0.002)	(0.005) 0.016*** (0.002)	(0.005) 0.016*** (0.002)	(0.005)	(0.003)		lDistance	$-1.004^{***}$ (0.049)	-0.921*** (0.079)	-1.130*** (0.078)	-1.196**** (0.055)	$0.366^{***}$ (0.049)	$0.398^{***}$ (0.079)	$0.323^{***}$ (0.078)	0.302* (0.055
distance -1	(0.002) $1.318^{***}$	(0.003) -1.195***	(0.003) -1.198***	(0.002) -1.112***	(0.000) -0.026***	(0.001) -0.004**	(0.001) -0.006***	(0.000) 0.020***	MCLd	(0.002) 0.009*** (0.001)	(0.002) 0.016*** (0.002)	(0.002) 0.016*** (0.002)	(0.002) 0.015*** (0.002)				Difference in MCI	0.259*** (0.047)	$0.358^{***}$ (0.075)	0.253*** (0.066)	0.238*** (0.048)	$1.295^{***}$ (0.047)	$1.43^{***}$ (0.075)	1.288**** (0.066)	$1.268^{*}$ (0.048)
	(0.004) $0.826^{***}$	(0.007) $0.632^{***}$	(0.007) $0.687^{***}$	(0.005) $1.008^{***}$	$(0.001)$ - $0.205^{***}$	$(0.002)$ - $0.236^{***}$	(0.002) -0.212***	$(0.001)$ - $0.201^{***}$	lTrade	-0.007*** (0.001)	-0.008*** (0.001)	-0.008*** (0.001)	-0.008*** (0.001)	-0.008*** (0.001)	-0.008*** (0.001)		lTrade	-0.077*** (0.019)	-0.123*** (0.026)	-0.100*** (0.027)	-0.084*** (0.019)	$0.926^{***}$ (0.019)	$0.885^{***}$ (0.026)	0.905*** (0.027)	$0.919^{*}$ (0.019
	(0.021) $0.865^{***}$	(0.028) $0.818^{***}$	(0.028) $0.828^{***}$	$(0.033)$ $1.046^{***}$	(0.006) $0.042^{***}$	(0.008) $0.056^{***}$	(0.008) $0.060^{***}$	(0.010) 0.003	lCapital	-0.006** (0.003)	$-0.014^{***}$ (0.004)	$-0.015^{***}$ (0.004)	-0.018*** (0.004)	-0.020*** (0.006)	-0.009*** (0.003)		lCapital	0.045 (0.090)	-0.048 (0.145)	-0.142 (0.127)	0.051 (0.090)	1.046 (0.090)	0.953 (0.145)	0.868 (0.127)	1.053 (0.090
U	(0.016)	(0.022)	(0.022)	(0.019)	(0.005)	(0.008)	(0.008)	(0.007) -0.082***	TFP	-0.006 (0.005)	-0.025**** (0.006)	-0.026*** (0.007)	-0.033*** (0.007)	-0.044*** (0.007)	-0.027*** (0.005)		TFP	(0.158)	-1.606*** (0.296)	-1.787*** (0.284)	-0.938**** (0.157)	$0.363^{***}$ (0.158)	$0.201^{***}$ (0.296)	$0.167^{***}$ (0.284)	0.392 (0.15
(	(0.012)	(0.017)	(0.017)	(0.014)	(0.003)	(0.004)	(0.004)	(0.004)	lGDP_0	$0.013^{***}$ (0.002)	0.017*** (0.003)	$0.017^{***}$ (0.003)	0.020*** (0.003)	0.035*** (0.003)	$0.016^{***}$ (0.003)		lGDP_0	$0.649^{***}$ (0.046)	$0.722^{***}$ (0.069)	$\begin{array}{c} 0.824^{***} \\ (0.071) \end{array}$	0.655*** (0.046)	$1.913^{***}$ (0.046)	$2.058^{***}$ (0.069)	$2.28^{***}$ (0.071)	1.926 (0.04
(	(0.009)	$\begin{array}{c} 0.744^{***} \\ (0.014) \end{array}$	$(0.746^{***})$	$(0.488^{***})$	$(0.073^{***})$	(0.003) $(0.004)$	0.003 (0.004)	$\begin{array}{c} 0.121^{***} \\ (0.003) \end{array}$	lGDP_d	0.018*** (0.002)	$0.015^{***}$ (0.003)	0.015*** (0.003)	0.020*** (0.003)	0.033*** (0.002)	0.027*** (0.001)		lGDP_d	$0.519^{***}$ (0.038)	$0.506^{***}$ (0.063)	$0.603^{***}$ (0.064)	0.509*** (0.038)	$1.68^{***}$ (0.038)	$1.659^{***}$ (0.063)	1.828*** (0.064)	1.664 (0.03
	(0.007)	$\begin{array}{c} 0.334^{***} \\ (0.011) \end{array}$	$0.333^{***}$ (0.011)	$\begin{array}{c} 0.342^{***} \\ (0.007) \end{array}$	$-0.048^{***}$ (0.002)	$-0.027^{***}$ (0.003)	$-0.027^{***}$ (0.003)	-0.043*** (0.002)	Contiguity	0.877*** (0.040)	0.891*** (0.051)	0.905*** (0.051)	0.936*** (0.054)	$0.944^{***}$ (0.055)	1.348*** (0.015)		Contiguity	$2.210^{***}$ (0.114)	$2.541^{***}$ (0.196)	$2.563^{***}$ (0.181)	$1.963^{***}$ (0.132)	$9.112^{***}$ (0.114)	$12.691^{***}$ (0.196)	$12.972^{***}$ (0.181)	$7.12^{*}$ (0.13)
			$-0.054^{***}$ (0.006)				$-0.023^{***}$ (0.002)		Colony	0.169*** (0.024) -0.028***	0.174*** (0.030) -0.026***	0.175*** (0.031) -0.026***	0.169*** (0.032) -0.030***	0.165*** (0.032) -0.036***	0.123*** (0.012) -0.016***	/	Colony	1.003*** (0.105)	$1.040^{***}$ (0.155)	$1.064^{***}$ (0.153)	$0.927^{***}$ (0.145)	2.727*** (0.105)	$2.83^{***}$ (0.155)	$2.897^{***}$ (0.153)	2.528 (0.14)
ist				$-0.042^{***}$ (0.003)				$0.008^{***}$ (0.001)	Religion	(0.007) (0.022***	(0.009) 0.010	(0.009)	(0.009) 0.016*	(0.009) 0.018**	(0.006) 0.017***		Religion	-0.085 (0.134)	$0.138 \\ (0.196)$	$\begin{array}{c} 0.020 \\ (0.192) \end{array}$	$0.131 \\ (0.151)$	0.919 (0.134)	$1.148 \\ (0.196)$	1.021 (0.192)	1.1 (0.1
cont				$-0.205^{***}$ (0.012)				0.003 (0.004)	Difference in MCI	(0.006)	(0.008)	(0.008)	(0.008)	(0.008) 0.008***	(0.004) 0.007***		Language	$0.548^{***}$ (0.079)	$0.510^{***}$ (0.118)	$0.662^{***}$ (0.121)	0.552*** (0.098)	$1.729^{***}$ (0.079)	$1.666^{***}$ (0.118)	1.938*** (0.121)	1.737 (0.09
olony				$-0.206^{***}$ (0.013)				$0.044^{***}$ (0.004)	EIA x Distance					(0.002)	(0.001) 0.014***		$EIA_{dist}$				0.266*** (0.027)				1.30(0.0)
lig				-0.117*** (0.008)				0.022*** (0.002)	EIA x Contiguity						(0.002) =0.202*** (0.006)		EIA_cont				0.250*** (0.067)				1.284 (0.00
				0.342***				-0.098***	EIA x Colony						0.044*** (0.007)		EIA_colony				-0.010 (0.061)				0.9 (0.06
with ROW_0 0	).422***	$0.354^{***}$	0.352***	(0.006) $0.415^{***}$				(0.002)	EIA x Religion						-0.024*** (0.004)		EIA_relig				-0.316*** (0.097)				0.729 (0.09
	(0.003) $25.409^{***}$	(0.006) -26.846***	(0.006) -26.839***	(0.003)-26.745***	2.649***	$1.827^{***}$	$1.828^{***}$	2.577***	EIA x Language						0.015*** (0.003)		EIA_lang				-0.034 (0.047)				0.96
air FE	(0.065) No	(0.118) No	(0.118) No	(0.069) No	(0.018) No	(0.027) No	(0.027) No	(0.020) No	Constant	0.419*** (0.077)	0.538*** (0.106)	0.545*** (0.107)	0.492*** (0.121)	-0.118 (0.090)	-0.235*** (0.050)		Constant	-4.834*** (1.232)	-0.771 (2.014)	-7.083*** (2.107)	-3.936**** (1.274)	0.008*** (1.232)	0.463 (2.014)	0.001*** (2.107)	0.02*
- J	0.646 54193.000	0.662 231252.000	0.662 231252.000	0.652 553857.000	$0.917 \\ 554194.000$	0.929 231252.000	0.929 231252.000	0.919 553858.000	Pair FE Year FE Adjusted R2	No Yes 0.035	No Yes 0.041	No Yes 0.042	No Yes 0.044	No Yes 0.043	No Yes 0.040		Odds Ratio Pseudo R2 Obs	No 0.2684	No 0.3216	No 0.3417 185921.000	No 0.2753	Yes 0.2684 365115.000	Yes 0.3216	Yes 0.3417 185921.000	Ye 0.27
Standard errors in parenthese									Obs Standard errors in parenth	365115.000	203472.000	199906.000	185921.000	185921.000	365115.000		Standard errors in parentl		109730.000	165521.000	303113.000	303113.000	109750.000	100921.000	30311

## CONCLUSION

Both Trade and International Economic Integration decreases bilateral conflict Formal EIAs are aided using Informal Integration Actions measurements Both Bilateral and Multilateral Trade decreases bilateral conflict Research Hypothesis holds