

# DISCUSSION PAPER SERIES

DP18037

**TRADE LIBERALIZATION, ECONOMIC  
ACTIVITY, AND POLITICAL VIOLENCE IN  
THE GLOBAL SOUTH: EVIDENCE FROM  
PTAS**

Francesco Amodio, Leonardo Baccini, Giorgio  
Chiovelli and Michele Di Maio

**DEVELOPMENT ECONOMICS,  
INTERNATIONAL TRADE AND  
REGIONAL ECONOMICS AND  
POLITICAL ECONOMY**

**CEPR**

# TRADE LIBERALIZATION, ECONOMIC ACTIVITY, AND POLITICAL VIOLENCE IN THE GLOBAL SOUTH: EVIDENCE FROM PTAS

*Francesco Amodio, Leonardo Baccini, Giorgio Chiovelli and Michele Di Maio*

Discussion Paper DP18037

Published 29 March 2023

Submitted 14 March 2023

Centre for Economic Policy Research  
33 Great Sutton Street, London EC1V 0DX, UK  
Tel: +44 (0)20 7183 8801  
[www.cepr.org](http://www.cepr.org)

This Discussion Paper is issued under the auspices of the Centre's research programmes:

- Development Economics
- International Trade and Regional Economics
- Political Economy

Any opinions expressed here are those of the author(s) and not those of the Centre for Economic Policy Research. Research disseminated by CEPR may include views on policy, but the Centre itself takes no institutional policy positions.

The Centre for Economic Policy Research was established in 1983 as an educational charity, to promote independent analysis and public discussion of open economies and the relations among them. It is pluralist and non-partisan, bringing economic research to bear on the analysis of medium- and long-run policy questions.

These Discussion Papers often represent preliminary or incomplete work, circulated to encourage discussion and comment. Citation and use of such a paper should take account of its provisional character.

Copyright: Francesco Amodio, Leonardo Baccini, Giorgio Chiovelli and Michele Di Maio

# TRADE LIBERALIZATION, ECONOMIC ACTIVITY, AND POLITICAL VIOLENCE IN THE GLOBAL SOUTH: EVIDENCE FROM PTAS

## Abstract

This paper investigates the impact of agricultural trade liberalization on economic activity and political violence in emerging countries. We use data on all Preferential Trade Agreements (PTAs) signed between 25 low- and middle-income countries and their high-income trade partners between 1995 and 2013. We exploit the implied reduction in agricultural tariffs over time combined with variation within countries in their suitability to produce liberalized crops to find that economic activity increases differentially in affected areas. We also find strong positive effects on political violence, and present evidence consistent with both producer- and consumer-side mechanisms: violence increases in more urbanized areas that are suitable to produce less labor-intensive crops as well as crops that are consumed locally. Our estimates imply that economic activity and political violence would have been around 2% and 7% lower, respectively, across countries in our sample had the PTAs not been signed.

JEL Classification: D22, D24, F51, N45, O12

Keywords: agriculture

Francesco Amodio - francesco.amodio@mcgill.ca  
*Mcgill University and CEPR*

Leonardo Baccini - leonardo.baccini@mcgill.ca  
*Mcgill University*

Giorgio Chiovelli - gchiovelli@um.edu.uy  
*Universidad de Montevideo*

Michele Di Maio - michele.dimaio@uniroma1.it  
*Sapienza University of Rome*

## Acknowledgements

We thank Juan Martin Facal for superb research assistance. Amodio and Baccini gratefully acknowledge the support of McGill Internal SSH Development Grants. Errors remain our own.

# Trade Liberalization, Economic Activity, and Political Violence in the Global South: Evidence from PTAs\*

Francesco Amodio    Leonardo Baccini    Giorgio Chiovelli    Michele Di Maio

March 7, 2023

## Abstract

This paper investigates the impact of agricultural trade liberalization on economic activity and political violence in emerging countries. We use data on all Preferential Trade Agreements (PTAs) signed between 25 low- and middle-income countries and their high-income trade partners between 1995 and 2013. We exploit the implied reduction in agricultural tariffs over time combined with variation within countries in their suitability to produce liberalized crops to find that economic activity increases differentially in affected areas. We also find strong positive effects on political violence, and present evidence consistent with both producer- and consumer-side mechanisms: violence increases in more urbanized areas that are suitable to produce less labor-intensive crops as well as crops that are consumed locally. Our estimates imply that economic activity and political violence would have been around 2% and 7% lower, respectively, across countries in our sample had the PTAs not been signed.

**Keywords:** political violence, trade, agriculture, preferential trade agreement.

**JEL Codes:** D22, D24, F51, N45, O12.

---

\*Amodio: Department of Economics and ISID, McGill University and CIREQ, [francesco.amodio@mcgill.ca](mailto:francesco.amodio@mcgill.ca); Baccini: Department of Political Science, McGill University and CIREQ, [leonardo.baccini@mcgill.ca](mailto:leonardo.baccini@mcgill.ca); Chiovelli: Universidad de Montevideo; [gchiovelli@um.edu.uy](mailto:gchiovelli@um.edu.uy); Di Maio: Department of Economics and Law, Sapienza University of Rome, [michele.dimaio@uniroma1.it](mailto:michele.dimaio@uniroma1.it). We thank Juan Martín Facal for superb research assistance. We are thankful to the Editor Mathias Thoenig and two anonymous Referees for their insightful comments. Amodio and Baccini gratefully acknowledge the support of McGill Internal SSH Development Grants. Errors remain our own.

# 1 Introduction

Trade liberalization creates winners and losers (Autor et al., 2013; Atkin, 2016). Recent papers show that the resulting distributional tensions increase political polarization and instability in high-income countries (Colantone and Stanig, 2017; Autor et al., 2020; Baccini and Weymouth, 2021; Dippel et al. 2022). Little is known, however, about these issues in low- and middle-income countries. Contrary to the prediction of standard trade models, globalization has not reduced inequality in emerging economies (Goldberg and Pavcnik, 2007; Dix-Carneiro and Kovak 2023), where political institutions are typically fragile and the state is weak. In these contexts, the uneven gains from trade and the distributional conflict for their appropriation can trigger political violence.

This paper investigates the effects of trade liberalization on economic activity and political violence in emerging countries. We use data on all Preferential Trade Agreements (PTAs) signed between 1995 and 2013 involving 25 low- and middle-income countries and their high-income trade partners. We focus on agricultural goods, and combine variation in the size and timing of tariff cuts with variation within and across countries in their suitability to produce liberalized crops. We find that economic activity increases differentially in those areas within countries that are more suitable to produce liberalized crops. We also find a positive, strong, and robust differential effect on political violence.

To measure exposure to the agricultural tariff cuts mandated by PTAs, we use estimates of potential crop yields elaborated by the Food and Agriculture Organization's Global Agro-Ecological Zones (FAO-GAEZ) project. Those are derived solely on the basis of local soil and weather characteristics, and therefore independent from actual agricultural production and its trend. The very fine spatial resolution of these data, combined with the exogeneity of the measure, make them an ideal source to capture differences both within and across countries in their suitability to produce liberalized crops. The difference in the identity of partners, timing, and tariff reduction schedules across the different PTAs in our sample further contributes to the variation that we exploit for identification.

We present three sets of results. First, we show that, following the PTA signature, economic activity increases differentially in those areas within countries that are more suitable to produce liberalized crops. A one standard deviation increase in export exposure at the county level yields a 7% increase in economic activity, as measured by nighttime luminosity. Second, we show that political violence increases differentially in affected areas by about 4%, with the effect being concentrated in more urbanized coun-

ties. Third, we show that this effect materializes through both producer- and consumer-side mechanisms. It is driven by crops whose production process is less labor-intensive, and by crops that are also consumed locally. We interpret these findings as revealing a struggle for redistribution of the gains from trade between land and capital owners on the one hand, and the rest of the population – agricultural workers and consumers of liberalized crops – on the other hand. Our estimates imply that overall economic activity and political violence would have been around 2% and 7% lower, respectively, across countries in our sample had the PTAs not been signed.

These findings stand up to a battery of robustness checks. We control for possible time-varying confounders by augmenting the baseline specification for all outcomes with the full set of country  $\times$  year fixed effects, thus exploiting variation in export exposure across spatial units within countries in the same year. We also allow for differential trends within countries between ever-exposed and never-exposed areas, and further evaluate the robustness of results when controlling for future exposure.

Our study demonstrates how (agricultural) trade liberalization is both a boon and a curse for low- and middle-income countries: it brings about economic growth, but the uneven distribution of the gains from trade can increase political instability and violence. This is particularly important in contexts where inequality is high and the state lacks the capacity to put in place effective redistribution mechanisms. As such, our analysis highlights the importance for policymakers of taking into account and anticipating the distributional effects of trade liberalization and complementing it with other policies that can address potentially destabilizing imbalances (Atkin and Donaldson 2015; Dix-Carneiro and Kovak 2017, 2023; Autor et al 2020). Our findings suggest that these policies should target areas in which agricultural production is less labor-intensive and the share of the urban population is sizeable. Indeed, these are locations in which, on the one hand, the positive effects on agricultural economic activity are less likely to be accompanied by an increase in employment and, on the other hand, real income is likely to fall because of the positive effect of trade liberalization on crop prices.

**Related Literature and Contributions** Our paper is most related to the literature that studies the effect of trade liberalization on internal conflict and political violence.<sup>1</sup>

---

<sup>1</sup>A related, complementary strand of the literature focuses on the effect of trade agreements on interstate wars. The Liberal Peace view in political science argues that increasing trade flows (together with free markets and democracy) should limit the incentive to use military force in interstate relations (Schneider et al. 2003, Bussmann et al. 2006, and Schneider 2014). However, the empirical evidence is mixed (see for instance Barbieri 1996; Beck et al. 1998; Vicard, 2012). Martin et al. (2008b) study the effect of different trade agreements on the probability of military conflicts. Using data for the 1950-2000 period, they find that the probability of conflict escalation is lower for countries that trade more bilaterally

The key contribution of Martin et al. (2008a) shows that the effect of international trade on conflict is theoretically ambiguous. On one hand, international trade increases the opportunity costs of civil conflict because of the trade gains involved (for both the government and the rebels), especially if conflict puts those gains at risk. On the other hand, international trade may act as a substitute for internal trade during civil conflicts, reducing its opportunity cost and acting as an insurance mechanism. They conclude that trade openness may deter the most severe civil conflicts – those that destroy the largest amount of trade – but may increase the risk of lower-scale conflicts. The empirical evidence on trade-induced internal conflict is extremely limited. Focusing on Eastern African Countries only, Mayer and Thoenig (2016) find that, while decreasing the risk of inter-state conflict, regional trade agreements increase intra-state conflict. Amodio et al. (2021) provide microfounded evidence of how trade disruption increases political violence in the West Bank.

A richer body of economics and political science research investigates the association between economic conditions and political violence.<sup>2</sup> A large literature exploits changes in global commodity prices as a source of exogenous variation. Cross-country studies provide mixed evidence (see e.g. Besley and Persson 2008; Bruckner and Ciccone 2010; Fearon 2005; Bazzi and Blattman 2014). Other studies exploit variation at the sub-national level. Dube and Vargas (2013) show that the effect of export price variations on conflict intensity depends on the type of commodity. In Colombia, a reduction in the export price of coffee (a labor-intensive good) lowers wages and increases violence by reducing its opportunity cost, while the increase in the price of oil (a capital-intensive good) increases its value and thus violence through a rapacity effect.<sup>3</sup> Conducting a meta-analysis on 46 natural experiments, Blair et al. (2021) find that while on average commodity price changes have no effect on civil conflict, price increases for labor-intensive agricultural commodities reduce conflict, while increases in the price of oil, a capital-intensive commodity, provoke conflict. McGuirk and Burke (2020) distinguish between producer- and consumer-side effects and between types of

---

while countries more open to global trade have a higher probability of war.

<sup>2</sup>There is large cross-country evidence that low-income levels are associated with more conflict (Fearon and Laitin 2003; Collier and Hoeffler 2004; Justino 2009; Blattman and Miguel 2010; Buhaug et al. 2011). Following the seminal paper by Miguel et al. (2004) several contributions have documented the effect of economic shock on the incidence, onset, and duration of conflicts providing strong support for the opportunity cost theory of violence (Hidalgo et al. 2010; Bohlken and Sergenti 2010).

<sup>3</sup>Consistent with the rapacity effect, Berman et al. (2017) show that higher mineral prices increase conflict in mining areas and Crost and Felter (2020) find that the increase in the price of export crops in the Philippines leads to an increase in conflict, yet this happens only in areas not controlled by insurgents. Consistent with opportunity cost and state capacity mechanisms, Berman and Couttenier (2015) and Fjelde (2015) find that, in Africa, declining export revenues from agriculture increase the incidence of conflict battles.

conflict, documenting a high degree of heterogeneity depending on the actors involved, commodities, and forms of conflict. Finally, a few studies look at the link between (positive) agricultural shocks and conflict from a historical perspective. Iyigun et al. (2019) show that the introduction of the white potato from the Americas reduced conflict for two centuries in Europe. Dincecco et al. (2022) also study the introduction of New World crops after 1500 and the consequent productivity shock, but find that greater caloric suitability due to the Columbian Exchange significantly increased conflict in Asia, consistent with a rapacity effect.

This paper contributes to the literature on trade liberalization, economic conditions, and political violence in several ways. First, we combine data on tariff cuts with information on crop suitability at a fine geographical scale to provide direct evidence that PTAs that involve agricultural commodities increase economic activity in those areas within countries that are more suitable to produce liberalized crops. We do this for 25 low and middle-income countries at the same time, which in and of itself addresses possible concerns over the findings' external validity. Second, we show that political violence increases in these same areas. Third, building on the existing literature (Dube and Vargas 2013, McGuirk and Burke 2020), we exploit variation across crops in their characteristics to provide direct evidence that these political violence effects materialize through both producer- and consumer-side mechanisms. Fourth, differently from international commodity prices – which are determined by the interaction of demand and supply at the global level – trade agreements are policy tools on which governments have direct control. Therefore, our analysis provides clear policy implications that are useful to governments implementing trade liberalization.

There is also a limited but growing literature looking at the effects of trade liberalization on non-economic outcomes such as crime (Dix-Carneiro et al., 2018; Dell et al., 2019), education (Atkin, 2016), mental distress (Crino et al., 2019), and the environment (Tanaka et al., 2022). We contribute by providing robust evidence of an additional possible side effect of trade liberalization in developing countries, namely an increase in political violence.

The remainder of the paper is organized as follows. Section 2 presents the conceptual framework for the empirical analysis. Section 3 introduces the data, while the empirical strategy is presented in Section 4. Section 5 presents the main results, while Section 6 investigates the underlying mechanisms. Section 7 concludes.



## 2 Conceptual Framework

Import tariffs introduce a wedge between the price paid by consumers in importing countries and the price paid to producers in exporting countries. Removing tariffs on imports from country A to country B increases the equilibrium level of exports from A to B. The unit price paid to producers increases, as do marginal revenue productivity and agricultural output. This gives us a first prediction to take to the data: agricultural trade liberalization increases agricultural output and its value.

Does this matter for political violence and instability? The literature identifies several channels. On the one hand, increased economic activity in agriculture increases the demand for farm labor and thus wages in that sector. This decreases the opportunity cost of engaging in political violence, thereby reducing its supply (Becker 1968, Grossman 1991, Dube and Vargas 2013). Hence, political violence should decrease in light of this *opportunity cost* channel. Yet, on the other hand, the increase in the value of agricultural output increases the gains from appropriation which can, in turn, increase the supply of violence. This *rapacity* effect generates a positive relationship between agricultural trade liberalization and political violence.

Building on Dal Bo and Dal Bo (2011), we can qualify this reasoning further by taking into account the importance of the labor input in production. Labor intensity is tightly linked to the labor share of income and thus the extent to which the gains from trade benefits workers as opposed to land and capital owners. It therefore shapes the distributional effect of trade and the scope for the rapacity vs. opportunity cost channel, as the former (latter) should prevail when liberalization interests mostly less (more) labor-intensive crops. This is the second prediction that we take to the data: trade liberalization of less labor-intensive crops should increase political violence differentially compared to trade liberalization of more labor-intensive crops.

The above considerations focus on the producer side. Yet, consumers are also likely to be affected. To understand how, we build on McGuirk and Burke (2020) and their analysis of how shocks to different kinds of crop prices differentially affect conflict depending on their production and consumption patterns. We expect the same increase in price that favors producers to be harmful to consumers as it decreases wages and income in real terms. This effect decreases the opportunity cost of fighting and increases political violence. But, the extent to which this consumer-side mechanism confounds the producer-side mechanisms identified above crucially depends on whether production and consumption of the same crop are spatially concentrated. This leads to our third and last prediction: trade liberalization of crops that are not only produced but also

consumed locally should increase political violence differentially compared to trade liberalization of crops that are produced locally but consumed elsewhere.

To summarize, our conceptual framework predicts that, first, agricultural trade liberalization increases agricultural economic activity. Second, trade liberalization of less labor-intensive crops increases political violence differentially compared to trade liberalization of more labor-intensive crops. Third, trade liberalization of crops that are not only produced but also consumed locally increases political violence differentially compared to trade liberalization of crops that are produced locally but consumed elsewhere. In the empirical analysis that follows, we take these predictions to the data. To do so, we derive a plausibly exogenous measure of exposure to agricultural trade liberalization at the sub-national level for a number of countries and PTAs, and relate them to economic activity and political violence exploiting within-country variation over time at a fine geographical scale.

In using PTAs to assess the effect of trade liberalization on political violence, two caveats apply. First, PTAs are bilateral or plurilateral agreements. They reduce tariffs in a reciprocal way for all countries involved. As a result, and despite possible asymmetries in the timing of tariff cuts, the impact of cutting agricultural tariffs on imports from one country is potentially mitigated by a similar reduction of tariffs on imports from the other country. This means that the effects that we identify are likely a lower bound for the impact of unilateral trade liberalizations.

Second, PTAs typically reduce tariffs for both agricultural and manufacturing products. Trade liberalization of manufacturing goods can map into political violence through the same opportunity cost, rapacity, and consumption channels that we discussed above, a possibility we will discuss again in the conclusions. Yet, this would threaten the validity of our analysis if and only if those cells that are more suitable to produce liberalized crops are also those that benefit more from manufacturing trade liberalization. That is, economic activity in the manufacturing sectors for which tariffs decreased more should overlap spatially with economic activity and production of liberalized crops. We believe that this is far from being the case as most of manufacturing activity is concentrated far from where agricultural activity takes place.

### **3 Data**

In our empirical analysis, we combine different data sources to derive a panel of sub-national geographical units for the period from 1995 to 2013.

**Sample** To build our sample, we start by considering all the 27 low- and middle-income countries that signed a PTA agreement with one major high-income country during the period 1995 to 2013.<sup>4</sup> The high-income PTA partners that we consider are Australia, Canada, the European Union, Japan, South Korea, and the United States. Appendix Table A.1 provides the list of the 25 countries and PTAs that we consider in our sample. Out of the initial 27, we exclude Tunisia and Turkey as they both sign only one PTA (with the EU) in the first year of the data so we do not have information prior to the signature.

The sample of countries we consider has some interesting features. First, with few exceptions, the countries in our sample experience on average relatively low levels of violence, many of them being stable democratic regimes. Notably, our sample excludes almost entirely Sub-Saharan Africa (except for South Africa), which has experienced more than half of worldwide conflict incidents since the 1960s, despite having only about 16 percent of the world population (Cilliers 2015). For this reason, we frame our analysis as a tough test as it is probably harder to find a relationship between trade and political violence in these countries. Second, because they involve a high-income and a low- and middle-income trade partner, the PTAs we consider are more likely to be enforced due to power asymmetry (Baccini and Urpelainen 2014) and less likely to produce trade diversion compared to PTAs signed between lower-income countries (Magee 2008).

**Tariff Cuts** The second piece of information pertains to the details of these PTAs and their implementation. We use the information in the Design of Trade Agreements (DESTA) database (Dür et al. 2014). These data provide information on various types of preferential trade agreements for the time period between 1947 and 2014. For each agreement, the data include sector coverage, depth of commitments, trade integration, and compliance tools.

Importantly for our purposes, DESTA provides information on the baseline level of tariffs and tariffs cuts for each year through the implementation period. It does so at the Harmonized Commodity Description and Coding System (HS) 6-digit level.<sup>5</sup> That is, information on tariff cuts is available for specific commodities, such as “cacao” or

---

<sup>4</sup>In the identification of low- and middle-income countries, we refer to the World Bank categorization, see <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>. As explained below, the last year we could consider is 2013 as that is the last year for which the night-time luminosity data we use are available.

<sup>5</sup>For further information on tariff data, see Dür et al. (2014).

“coffee”, and – crucially for our empirical strategy – large differences exist in the size of tariff cut across products within each PTA.

Tariff reduction schedules are extracted from the officially negotiated ones listed in the appendices of the PTAs. Thus, the tariff cuts that we consider are *de jure* and not *de facto* because countries can set applied tariffs that are different from the ones mandated by the PTA. For this reason, we regard *de jure* tariff cuts as more exogenous than *de facto* tariffs and independent from the evolution of output and trade flows after the PTA signature. For the same reason, and in order to rule out as much as possible any anticipatory effects, we take the year of the signature of the agreement – as opposed to the year of implementation – as the relevant year after which we aim to identify the economic and political impact of the PTAs.

**Crop Suitability, Output, and Production Value** We combine the information on tariff cuts across crops and PTAs with data on crop suitability and potential yields at the sub-national level, which we obtain from the Global Agro-Ecological Zones (GAEZ Version 3) project (IIASA/FAO 2012, Fischer et al. 2002). Pursued jointly by the Food and Agriculture Organization of the United Nations (FAO) and the International Institute for Applied System Analysis (IIASA), this source uses detailed agronomic-based knowledge to assess land suitability and potential attainable yields at a very fine geographical level. The corresponding data are freely available online, and have already been used in the economics literature and trade studies in particular (Costinot and Donaldson 2012, 2016; Costinot et al. 2016). For each  $9\text{km} \times 9\text{km}$  cell into which the planet is divided into, and for each of 42 main crops, the data provide information on suitability and potential yield. We use the information on total production capacity per hectare under rain-fed agriculture and using low or intermediate levels of inputs. These estimates of production capacity are solely based on agro-climatic conditions (soil and weather characteristics) in the years 1961-1990, and are therefore exogenous to any change in the technology of agricultural production that might have occurred with the implementation of the PTA. As a result, FAO-GAEZ data allows us to derive an exogenous, agro-climatic-based measure of total production capacity for different crops at the sub-national level for each country in our sample.

To validate these measures of agricultural suitability as well as the main measure of economic activity (see below), we also use data on actual production volumes and their value, which FAO-GAEZ makes available for the years 2000 and 2010 only. The data on actual yields are available for each crop while those on production value are available

for each cell by aggregating all main crops.<sup>6</sup>

We map all HS 6-digit agricultural product codes into FAO-GAEZ crop categories to merge tariffs and agricultural suitability data. Figure 1 show the average size of tariff cut across crops, averaged across all PTAs in our sample.

**Crop Features** In the exploration of the mechanisms at play, we use additional information on the nature of each crop and its production process. First, we consider the relative importance of the labor input, which we take from Talhelm and English (2020). We classify the crops in the analysis accordingly and split them into a low and a high labor intensity group. The former includes barley, buckwheat, foxtail millet, maize, oat, pearl millet, rye, sorghum, and wheat, while the latter includes (wetland and dryland) rice. Second, we build on McGuirk and Burke (2020) and their classification of crops into those that are likely produced and consumed in the same location, called “food” crops, and those that are instead produced in a given cell but consumed elsewhere, named “cash” crops. Among those in our sample, the former group includes maize, oil palm, dryland rice and wetland rice, sorghum, soybean, sugar beet and sugar cane, wheat and buckwheat, while the latter includes cocoa, coffee, tea and tobacco. Both these classifications are not exhaustive, meaning that some crops cannot be classified into either category. For this reason, apart from using them in the corresponding heterogeneity exercises, we show the robustness of the main results using only the subset of crops that we can classify in either way.

**Economic Activity** We measure economic activity at the sub-national level using data on luminosity at night (Henderson et al 2012, Michalopoulos and Papaioannou 2013a, 2013b). Commonly used as proxy for GDP in the absence of other reliable sources, the data come from the Defense Meteorological Satellite Program’s Operational Linescan System (DMSP-OLS). It reports time-stable images of the earth at night captured between 8pm and 9:30pm. We use Version 4 which spans the years from 1992 to 2013 included. The main advantage of luminosity data is that they can be aggregated at various geographical levels. Appendix Table A.2 shows the summary statistics of luminosity by country, averaged across the FAO-GAEZ 9km × 9km cell units. It is evident that the variable luminosity has few outliers with large values. We thus follow the literature and use the log of the raw value of luminosity, adding one not to lose observations with zero luminosity (Henderson et al 2012, Michalopoulos and Papaioannou 2013a, 2013b,

---

<sup>6</sup>Crop production value is expressed in Geary Kharmsis dollars (GK\$), an international price weight (year 2000) used by UN to compare different commodities across countries in value terms.

Pinkovskiy and Sala-i-Martin 2016). For robustness, we also use a dummy equal to one if luminosity has positive values, i.e. if the cell or spatial unit is lit.

The ability of these data to proxy for agricultural economic activity is an empirical question. As mentioned above, FAO-GAEZ provides data on actual production volumes and their value only for 2000 and 2010, preventing us from using those directly as measures of economic activity in agriculture. Still, as we show later, we can use this data to investigate the correlation between agricultural output and luminosity both across and within  $9\text{km} \times 9\text{km}$  cells (the FAO-GAEZ unit of observation), corroborating the use of night-time lights as proxy.

**Political Violence** To measure political violence, we rely on the Integrated Crisis Early Warning System (ICEWS) dataset (Shilliday and Lautenschlager 2012). Prepared by Lockheed Martin Advanced Technology Laboratories, these data cover the period from 1995 to 2022. The dataset records any interaction between socio-political actors (i.e., cooperative or hostile actions between individuals, groups, sectors and nation-states). Therefore, unlike other datasets such as Armed Conflict Location and Event Dataset (ACLED), the ICEWS dataset focuses on not only episodes of political violence but also codes and classifies any political interaction. For instance, ICEWS events also include political statements, accusations of crime or corruption or human rights abuses. Each entry provides information on the source and target of each interaction, together with the level of hostility or cooperation involved using a scale from -10 to 10. Events are automatically identified and extracted from news articles, and geo-referenced and time-stamped accordingly.

We build our panel dataset of political violence as follows. We keep all events geo-referenced between 1995 and 2013 in the sample countries and classified as *hostile*, meaning having intensity value from -10 (high intensity) to -1 (low intensity). We then classify each category as violent or non-violent.<sup>7</sup> The final dataset counts 472,980 events of political violence between 1995 and 2013 in the 25 sample countries. The most frequent events are: use of unconventional violence, fighting with small arms and light weapons, and use of conventional military force. Events can be aggregated at a given geographical level, allowing us to track the evolution of political violence over time at sub-national scale.

Appendix Table A.3 shows the summary statistics of political violence by country, averaged across the FAO-GAEZ  $9\text{km} \times 9\text{km}$  cells. Two features stand out. First, and

---

<sup>7</sup>See Table B.1 in the Appendix for the details of the classification.

not surprisingly, there is large variation across countries. Second, the number of violent episodes is quite low, as many cells do not record any violence. In the main analysis, and similarly to what we do with luminosity, we use the log of the count of violent episodes in a given spatial unit (adding one not to lose observations with no violence) to mitigate the impact of outliers, and assess robustness using a dummy equal to one if any violence is recorded. We also show that the results hold true when measuring political violence using the information from the Social Conflict Analysis Database (SCAD), which has been used extensively in the conflict literature (e.g., see Berlanda et al. 2022). SCAD represents a complete and extensive measure of social violence of different forms (protests, demonstrations, riots, strikes, and other forms of social disturbances) and comprises a classification of different event types, including organized events, spontaneous events, and events related to elections, economic grievances, or human rights. As such, it focuses on social violence defined as social and political unrest, as opposed to large-scale organized armed conflicts as it is the case for UCDP/PRIO data (Melander and Sundberg 2013).<sup>8</sup>

**Urbanization, Geographical Characteristics, and Ethnic Diversity** We use information on the level of urbanization of sub-national units within countries. We retrieve this from MODIS (Schneider et al. 2010). The data are available for all years from 2001 to 2012 at the level of  $250\text{m} \times 250\text{m}$  cells. We calculate the share of area classified by MODIS as “urban” in its first available year. We define a dummy equal to one if the geographical unit under consideration has a share of urban land that is above the country-level median. We do the same with other characteristics that, as we explain in Section 5.4, the literature has identified as salient. These include: presence of natural resource such as diamond or oil, distance from the border, distance from the coast, ruggedness, and ethnic diversity. We report the data sources for all these variables in Appendix B.2.

**Other Controls** We also construct several additional cell-level controls. To account for elevation, we construct the average altitude in each spatial unit by averaging out the  $1\text{km} \times 1\text{km}$  raster dataset from the National Oceanic and Atmospheric Administration (NOAA). To capture climatic features, we construct average precipitation and temperatures from 1960 to 1991 from the Climatic Research Unit 2.0. We retrieve data on average temperature from 1960 and 1991 from FAO-GAEZ. For each cell, we also use information on area covered by water (using water bodies in the Digital Chart of the

---

<sup>8</sup>We cannot explore robustness to using ACLED data because coverage begins in 1997 and data for all years since then exist only for African countries.

World). We report the sources for all these variables in Appendix [B.2](#)

## 4 Empirical Strategy

We expect the economic and political effects of PTAs to be differential within countries, and larger in those areas that are more suitable to produce crops that experience a larger tariff cut. As such, the interaction between the size of tariff cut and crop suitability determines each area's exposure to the PTA and its consequences. For example, if a given PTA cut tariffs on maize more than for coffee, we would expect a larger increase in economic activity in those areas that are highly suitable to produce maize and relative to those that are suitable for coffee.

We build on this intuition and derive a measure of PTA exposure as follows. Let  $\tau_{ct}$  be the proportional change in tariffs applied by the high-income partner country to the country's imports of crop  $c$  between baseline and year  $t$ . That is, if baseline tariffs applied to maize were 10%, and decreased to 5% in year  $t$ , then  $\tau_{ct}$  would be equal to 0.5, i.e.  $\frac{(10-5)}{10}$ . Let then  $S_{ic}$  be the suitability of area  $i$  to produce crop  $c$ .

We compute the *Export Exposure* $_{it}$  for each area  $i$  at time  $t$  as

$$Export\ Exposure_{it} = \sum_c \tau_{ct} S_{ic} \quad (1)$$

This is our main explanatory variable. It combines variation over time in the size of tariff cuts with geographical variation in the suitability to produce different crops. It differs from zero if the area is suitable to produce crops ( $S_{ic} > 0$ ) for which the PTA mandates a tariff cut ( $\tau_{ct} > 0$ ). By construction,  $\tau_{ct}$  is equal to zero for all crops and so is *Export Exposure* $_{it}$  for all years prior to the PTA signature. Notice also that  $\tau_{ct}$  is specific to each year and PTA (and thus country) while  $S_{ic}$  is time-invariant but different across crops and geography. The latter is informed by agro-climatic conditions only, so that the variation within country and year in export exposure is determined a priori and does not respond itself to the implementation of PTAs. Appendix Figure [A.1](#) shows the variation in export exposure by country averaged across  $9\text{km} \times 9\text{km}$  cells.

**Regression Specification** For a given geographical unit  $i$  and outcome of interest  $Y_{it}$ , we identify the impact of *Export Exposure* $_{it}$  by implementing the following baseline regression specification

$$Y_{it} = \gamma_i + \delta_t + \beta\ Export\ Exposure_{it} + u_{it} \quad (2)$$



where the fixed effects  $\gamma_i$  control for and net out all time-invariant characteristics at the level of the geographical unit, while  $\delta_t$  nets out year-specific trends. The residuals  $u_{it}$ , which we cluster at the level of the unit  $i$ , capture any time-variant unobserved determinant of  $Y_{it}$ . Our coefficient of interest is  $\beta$ . It captures any systematic relationship between PTA-driven export exposure and the outcome of interest. To ease the interpretation of the coefficient, we rescale the *Export Exposure* $_{it}$  variable and divide it by its standard deviation so that  $\beta$  directly captures the effect of a one standard deviation increase in export exposure.

Identification requires changes over time in export exposure across units to be orthogonal to changes in the unobserved determinants of the outcome of interest. That is, we assume parallel trends: in the absence of the PTAs, the evolution of economic and political outcomes would not have been systematically different between areas with varying levels of export exposure. To validate this assumption and address possible violations, we augment the baseline specification for all outcomes with country-specific year fixed effects or linear and non-linear trends. We even allow for differential trends within countries between ever-exposed (*Export Exposure* $_{it} > 0$  at any point) and never-exposed areas. Finally, we evaluate the robustness of results when controlling for future exposure.

## 5 Results

In what follows, we present three sets of results. First, we document the effect of export exposure on economic activity at the finest geographical resolution for which we can consistently retrieve data. Second, we show the same results hold when aggregating data at the county level, i.e. level 2 sub-national administrative units. Third, we investigate the effect of export exposure on political violence.

### 5.1 Economic Activity

#### 5.1.1 Cell-level Analysis

Table 1 reports the estimates of the main coefficient from equation 2 that we obtain using OLS. It does so having as unit of analysis the 9km  $\times$  9km cells for which crop suitability data are available. The dependent variable is the (log of) night-time luminosity in the cell. In column 1, we implement the regression specification in equation 2 as such, with only cell and year fixed effects as additional regressors. Starting with column 2, we control for possible time-varying confounders. In column 2, we include

the full set of country  $\times$  year fixed effects, thus exploiting variation in export exposure across cells within countries in the same year. In column 3, we include country-specific linear trends. In column 4, we include country-specific flexible trends. That is, we allow every country to have its own trend in the years prior to signature, a jump in the year of signature, and another linear trend in the years after. Column 5 considers flexible trends which are further different within countries between ever-exposed ( $Export\ Exposure_{it} > 0$  at any point) and never-exposed cells. These trends are similar to the previous ones, but they vary between the two groups, i.e. treated and controls. In column 6, we include spatial lags to account for spillover effects within 110km. More precisely, we control for the sum of export exposure in the other cells falling within the same 110km  $\times$  110km larger grid. Finally, in column 7, we saturate the specification with a rich set of geographic and other controls that include elevation, ruggedness of terrain, share of area covered by water, precipitation, temperature, distance from the border and the coast, and the number of ethnic groups. We interact all these time-invariant controls with linear trends in order to account for cell-specific characteristics that could possibly vary together with export exposure.

Across all these specifications, the estimate is remarkably stable. Export exposure increases economic activity. One standard deviation increase in export exposure is associated with a 2 to 3% increase in economic activity. With these estimates in hand, we can calculate the percentage change in aggregate economic activity that is attributable to the PTAs in our sample. Setting the value of the coefficient of export exposure equal to zero, we predict the value of output in each cell that we would have observed in absence of the PTA.<sup>9</sup> We find that economic activity would have been around 2% lower in sample countries had the PTAs not been signed.

The magnitude of this effect is comparable to the one found in the literature. Anderson et al. (2006) estimate that full trade liberalization would increase agricultural output by 2.2% in developing countries, while van der Mensbrugghe and Beghin (2005) estimate an increase of 2.6%. Other studies focusing on Middle East and North African countries find that liberalization is expected to increase real GDP by 1 to 3% (IFPRI, 2007). Other studies looking at the impact of bilateral free trade agreements between the EU and other countries on agricultural output also report estimates in this range (Beranger et

---

<sup>9</sup>We quantify the percentage increase in aggregate economic activity as follows. We use the coefficient estimates in column 1 of Table 1 to predict the value of output  $\hat{y}_{it}$  in each cell and year. We also predict the value of output  $\tilde{y}_{it}$  that we would have observed if  $\beta = 0$ , i.e.  $\tilde{y}_{it} = \hat{y}_{it} - \beta \times Export\ Exposure_{it}$ . We then aggregate both values across cells and years for the post-treatment period to get  $\hat{Y} = \sum_{t=0}^{10} \sum_s \hat{y}_{it}$  and  $\tilde{Y} = \sum_{t=0}^{10} \sum_s \tilde{y}_{it}$ . The estimated increase in aggregate economic activity due to the policy is given by  $(\hat{Y} - \tilde{Y})/\tilde{Y}$ .

al., 2016; Norman-López, 2016).

**Validation** A first, immediate concern with these results pertains to the validity of night-time lights as proxy for economic activity. Although several studies provide evidence in this direction (see for instance Michalopoulos and Papaioannou 2013a, 2013b), our analysis focuses on agricultural economic activity, and its relation with night-time luminosity is not straightforward. To address this concern, we use data on the value of agricultural production at the cell level and correlate them with luminosity at night. We can do this exercise separately for the two years for which both data are available, i.e. 2000 and 2010, but also look at variation over time by means of a fixed effects (or first-difference, since we have only two time periods) specification that nets out all time-invariant characteristics at the cell level that may yield a spurious correlation. Appendix Table A.4 shows the corresponding results, whose strength validates night-time lights as proxy of agricultural economic activity.

A similar concern pertains to our main explanatory variable and the use of suitability and potential yields – as opposed to actual production – as a way to capture the differential exposure to the economic and political effects of tariff cuts within countries. As discussed in Section 3, we do this to address from the start any concerns of endogeneity of the exposure measure to the PTA itself. Nonetheless, we correlate the suitability data with actual production by crop for the years 2000 and 2010. We can pool together all crops, and explore this correlation conditional on crop fixed effects as well as country and even cell fixed effects. Appendix Table A.5 reports the results, showing that potential yields strongly correlate with actual yields.

Finally, Appendix Table A.6 reports the results of our baseline model for each country. Out of 25 countries, the coefficient of export exposure is positive and significant for 18 countries, whereas for only one country (Peru) the coefficient of export exposure is negative and significant.

### 5.1.2 County-level Analysis

We estimate the effect of export exposure on economic activity at the county level, i.e. level 2 sub-national administrative units. We do this for several reasons. First, using  $9\text{km} \times 9\text{km}$  cells as units of analysis can be problematic if the effects of export exposure are not extremely localized, because of violations of SUTVA. Second, the administrative unit is a more natural unit of analysis to analyze economic but especially political effects, as these are politically relevant units. Third, using administrative units is less arbitrary or controversial than using cells as we can take the former as given and

not driven by data availability.

We thus compute our measure of export exposure and night-time lights at the county level, and implement the regression specification in equation 2. Table 2 shows the corresponding OLS coefficient estimates. The specifications in columns 1 to 5 map exactly from those in Table 1. Not surprisingly, the number of observations falls to about 200,000 because we are now aggregating data at a lower spatial resolution. Yet, the positive effect of export exposure is strong and precisely estimated. One standard deviation increase in export exposure at the county level is associated with a 6 to 9% increase in economic activity. The results are robust and stable across the various specification that, as in Table 1, take into account and net out unobserved trends in various ways.

## 5.2 Political Violence

Evidence shows that PTAs increase economic activity, differentially more so in those areas that are suitable to produce liberalized crops. We now ask whether this has any consequences for political violence.

Figure 2 illustrates the relationship between the change in export exposure between the first and the last year in our sample, i.e. between 1995 and 2013, and the change in economic activity and political violence across all counties in our sample. Specifically, it reports the average change in each of the two variables by bins of the change in export exposure, together with the linear fit. Both lines are positively sloped, indicating that economic activity and political violence increase differentially in those counties that experience larger export exposure.

To investigate the effect on political violence in a systematic way, we implement the same regression specification in equation 2 having the county as unit of analysis and replacing as dependent variable the (log of) political violence. Table 3 reports the corresponding coefficient estimates, ordered as in Table 2. Export exposure increases political violence. The estimated effect is comparable across specifications, particularly when country-level trends are accounted for, and highly significant. The estimates in column 2 to 5 indicate that a one standard deviation increase in export exposure increases political violence in the county by about 4 to 5 %.

Assuming export exposure only affects violence through its impact on economic activity, we can combine the estimates in Table 3 and 2 to derive the implied elasticity of political violence to economic activity. For example, the coefficient in column 2 of Table 3 divided by the corresponding one in Table 2 imply an elasticity of about 0.6.

In Appendix Table A.7, we report the estimates obtained considering the  $9\text{km} \times 9\text{km}$  cell as unit of analysis, thus mirroring Table 1.<sup>10</sup> Similar to what we did for luminosity, we can take the estimate in column 1 of Appendix Table A.7 and predict the level of political violence that we would have observed in the absence of the PTAs. We find that they account for about 7% of the total number of violent events in the sample countries in the period of analysis. Also in this case, the two effects align closely, with export exposure increasing simultaneously economic activity and political violence at such small geographical scale. The implied elasticity of political violence to economic activity is lower in this case, equal to about 0.11. This is likely due to the fact that the effects of export exposure on political outcomes are not as localized as the economic ones, underscoring the importance of taking the county as baseline unit of analysis, as we do in Table 3.

### 5.3 Robustness

The estimated positive effect of export exposure on both economic activity and political violence at the county level stands up to a battery of robustness checks, which we report in Appendix Tables A.9 to A.14.

First, we replace the continuous log night-time luminosity variable with the dummy variable *lit* which is equal to one if the area has luminosity greater than zero. We also replace the continuous log political violence variable with a dummy equal to one if any violence is recorded in the county. We report the results in Appendix Tables A.9 and A.10. Export exposure is a strong and significant determinant of whether a county is *lit* after the implementation of the PTA. We find equally strong effects for political violence measured at the extensive margin.

Second, we implement the Conley (2009) procedure to correct our estimates for spatial and serial correlation errors within a radius of 500km (McGiurk and Burke 2020). As shown in Appendix Table A.11, this does not affect the results.

Third, and most importantly, we consider the possibility that counties with differentially higher exposure to the PTA were already on a different trend prior to its signature and implementation. Allowing for differential trends within each country between ever-exposed ( $Export\ Exposure_{it} > 0$  at any point) and never-exposed counties, as we do in column 5 of Table 2 and 3, already assuages this concern. We take one step forward and

---

<sup>10</sup>Appendix Table A.8 reports the results of our baseline model for each country. Out of 25 countries, the coefficient of export exposure is positive and significant for 13 countries, whereas for only two countries (Algeria and Peru) the coefficient of export exposure is negative and significant.

include as additional regressors export exposure as measured at several points in time in the near future, with and without controlling for past exposure as well. Appendix Table A.12 shows the results. Although some of the coefficients capturing future exposure are statistically significant, many of them are negative, and the estimated effect of contemporaneous export exposure on both economic activity and violence is even larger than the baseline. This diminishes further the concerns over possible violations of the parallel trend assumption.

Next, we check whether the effect of export exposure on political violence still stands when using alternative sources and definitions for political violence. We implement two exercises in this direction. First, we use SCAD data to measure political violence. These include protests, riots, strikes, inter-communal conflict, government violence against civilians, and other forms of social conflict. Appendix Table A.13 shows the corresponding results, which, with the exception of column 1, are highly comparable to the baseline ones in both magnitude and significance.<sup>11</sup>

Second, we dissect the ICEWS data further to derive alternative measure of hostility and violence. First, we consider all (violent and non-violent) events classified as hostile, meaning with intensity lower than or equal to -1. Second, we count only high hostility events, i.e. with intensity lower than or equal to -5. Third, we consider only very high hostility events, meaning those with intensity equal to -10. We report the results in Appendix Tables A.14. They are mostly comparable to baseline when considering hostile and high hostility events, but smaller in magnitude and insignificant when considering only very high hostility. While intriguing, interpreting this last result is challenging because very high hostility events are much rarer to begin with, and power issues may affect the ability to capture significant effects within our framework.

## 5.4 Heterogeneity

Export exposure positively impacts economic activity and political violence in those areas within countries that are suitable to produce liberalized crops. In exploring the determinants of political violence and conflict, the literature has unveiled a number of empirical regularities. We now bring those results into the analysis to investigate whether those play any role in mediating the impact of export exposure on political violence.

The first dimension we consider is the level of urbanization. Poverty and marginal-

---

<sup>11</sup>The SCAN dataset covers only 13 of the 25 countries in our analysis. This makes our sample size drop by more than 50%, from around 200,000 to about 85,000 observations.

ization of the periphery are at the core of some of the most prominent explanations of armed conflict (Herbst 2000, Blattman and Miguel 2010). Agricultural activity takes place predominantly in rural areas, and if agricultural trade liberalization improves living standards, we should expect less or even a reduction of political violence in more rural counties. At the same time, while producers in rural areas should benefit from higher food prices, consumers will be harmed. Because the relative numerosity of the latter is higher in urban areas, higher food prices could both reduce rural rebellions and increase urban-based unrest (McGuirk and Burke 2020). We investigate whether this is the case by defining a dummy equal to one if the urbanization level of the county is above the country median, which we interact with the main measure of export exposure. We also consider alternative measures of remoteness such as distance from the border, distance from the coast, and ruggedness. Similar to what we do for urbanization, we operationalize them by defining a dummy above the country median.

We also consider the presence of natural resources as a mediating factor. Agricultural trade liberalization may decrease violence in areas that are rich in natural resources as the gains from trade may dilute pre-existing societal tension and distributional conflict. Specifically, we consider whether the county is rich in diamonds (Guidolin and La Ferrara 1997; Rigterink 2020) or oil (Collier and Hoeffler 2004; Dube and Vargas 2013), and define dummy variables accordingly.

The last key determinant of conflict that we consider is ethnic diversity (Montalvo and Reynal-Querol, 2005). Conflict over the appropriation of the gains from trade is more likely to escalate and become violent where the number of ethnic groups is larger. Also in this case, we consider the median number of ethnic groups across counties in each country, and define accordingly a dummy equal to one for more ethnically diverse counties.

Table 4 reports the results that we obtain when considering all these dimensions of heterogeneity altogether by including all interactions of each dummy with export exposure in the same regression specification. Urbanization stands out as being the most relevant feature and thus key in shaping the impact of agricultural trade liberalization on political violence. The coefficient of the interaction between export exposure and the urban dummy is significant at the 1% level across all specifications.<sup>12</sup> The effect of export exposure is also differentially lower – significant at the 10% level – for counties located further away from the coast, but since coastal areas are typically denser, we interpret this as another manifestation of the rural-urban gradient. As for the other interaction

---

<sup>12</sup>The results are robust to using SCAD to measure political violence, see Appendix Table A.15.

variable coefficients, in most cases their sign is consistent with the reasoning outlined above. It is negative for diamond and oil-rich counties, and positive for more ethnically diverse counties. However, the estimates are not statistically significant at standard levels.

We take the strong urban heterogeneity result as a strong indication that consumer-side mechanisms are at play. In the next section, we provide an in-depth investigation of the channels, focusing on both producer- and consumer-side mechanisms.

## 6 Mechanisms

Evidence shows that export exposure positively impacts economic activity and political violence in those areas within countries that are suitable to produce liberalized crops, and that it does so differentially in more urbanized areas. In the following, we explore the possible mechanisms behind these results. We build on the conceptual framework in Section 2, and take its implications to the data exploiting heterogeneity across crops and their characteristics.

### 6.1 Crop Labor Intensity

Based on existing evidence, our conceptual framework predicts that the effect of agricultural trade liberalization on political violence depends on the importance of labor input in production. Labor intensity is tightly linked to the labor share of income and thus the extent to which the gains from trade benefit workers as opposed to land and capital owners. It therefore shapes the distributional effect of trade and the scope for the rapacity vs. opportunity cost channels. Drawing on the theoretical insights of Dal Bo and Dal Bo (2011), we expect that the trade liberalization of less labor-intensive crops should increase political violence differentially compared to trade liberalization of more labor-intensive crops.

In testing this prediction, a challenge lies in is the possibility to categorize crops according to their labor content. We adopt the classification proposed by Talhelm and English (2020) for which (wetland and dryland) rice is a high labor intensity crop while barley, buckwheat, foxtail millet, maize, oat, pearl millet, rye, sorghum, and wheat are low labor intensity crops. We use this information to construct two different versions of our  $Export\ Exposure_{it}$  variable computed considering only low and only high labor intensity crops.<sup>13</sup>

---

<sup>13</sup>This categorization does not allow us to classify all the crops considered in the baseline analysis,



Table 5 shows the results that we obtain when implementing a version of regression equation 2 which includes both variables as main regressors, having political violence as an outcome. It shows that the main average effect is driven exclusively by less labor-intensive crops. We interpret this evidence as showing that asymmetry in the gains from trade between workers vs. land and capital owners is a key mechanism through which export exposure increases political violence.

Following the heterogeneous analysis in Section 5.4, we look at the possibility that the crop-specific effect on political violence varies depending on the county's level of urbanization. Table 6 shows that the increase in violence occurs only in more urbanized counties that are suitable to produce less labor-intensive crops while the effect is not significant in rural ones. This indicates that the distributional conflict arising from trade liberalization of less labor-intensive crops manifests itself in more urbanized areas, where a lower share of the population is employed in agriculture and thus reaps the (already small, in the case of low intensive crops) benefits from trade.

## 6.2 Crop Production and Consumption

We further explore the mechanisms behind the trade-induced increase in political violence and its differential effects that we document by looking at the distinction between types of crops introduced by McGuirk and Burke (2020).<sup>14</sup> They distinguish between “food crops” (i.e., crops that are consumed locally) and “cash crops” (i.e., non-food crops or crops that are more likely to be consumed elsewhere). We expect the impact of trade agreements on political violence to be different across counties producing the two types of crops. Because trade liberalizations increase local crop prices and their volatility, they could harm consumers and, if produced crops are also consumed locally, reduce real income. It follows that we expect the effect of trade liberalization on political violence to be larger in counties producing more food crops.

Similarly to what we have done for labor intensity, we construct two alternative export exposure measures computed considering only cash (cocoa, coffee, tea and tobacco) and only food crops (maize, oil palm, dryland rice and wetland rice, sorghum, soybean, sugar beet and sugar cane, wheat and buckwheat). Table 7 shows the main results

---

but it is comprehensive enough to generate meaningful variation across counties. Appendix Table A.16 shows that our baseline result (i.e. that trade liberalization increases political violence) holds also if we consider only this subset of classifiable crops to compute overall export exposure.

<sup>14</sup>Note that our ICEWS-based measure of political violence is close in spirit to the one adopted by McGuirk and Burke (2020) when they measure output conflict, i.e. violence over the appropriation of surplus. They select events that are likely to be more transitory and less organized than large-scale factor conflict battles. To this end, they use the ACLED categories “riots and protests” and “violence against civilians.”

obtained when the two are included as regressors.<sup>15</sup> Evidence shows that trade liberalization has opposite effects on political violence depending on whether the county produces mainly crops that are consumed locally vs. not. Political violence increases in counties that produce crops that are mostly consumed locally while it decreases in counties producing crops consumed elsewhere (thus also exported). We interpret these results as being fully consistent with an opportunity cost mechanism. In counties producing crops that are both produced and consumed locally, the price increase due to trade liberalization and the subsequent reduction in real income more than offsets the gains from trade. The opportunity cost of fighting decreases, and political violence increases as a result. On the contrary, in counties producing crops consumed elsewhere, the trade gains effect dominates, the marginal revenue product of labor increases, and the opportunity cost of fighting increases. The larger this latter effect, the more likely that the net effect of the trade liberalization is a reduction in political violence in counties producing cash crops.<sup>16</sup>

This interpretation is also supported by the heterogeneity results shown in Table 8. In line with our reasoning, we find that the increase in political violence occurs only in more urbanized counties, where the agricultural share of employment is lower. We also find that the reduction in political violence in counties that produce cash crops is larger in more urbanized counties, suggesting that the positive economic effect due to an increase in export also benefit workers in other sectors.

## 7 Conclusion

This paper studies the effects of agricultural trade liberalization on economic activity and political violence in low- and middle-income countries. We use newly combined data on agricultural suitability by crop at very fine spatial resolution together with information on the tariff cuts mandated by a large number of PTAs signed between 25 low- and middle-income countries and their high-income trade partners between 1995 and 2013. We find that economic activity increases significantly in those areas within countries that are most suitable to produce liberalized crops. Yet, political violence also increases, and differentially so in more exposed urban counties. Evidence shows that, when workers and consumers do not share the gains from trade, agricultural trade liberalization can exacerbate distributional conflict. Our findings highlight the need

---

<sup>15</sup>Appendix Table A.17 shows that our baseline result (i.e. that trade liberalization increases political violence) holds also if we consider only this subset of crops to build our variable Export Exposure.

<sup>16</sup>These results are in line with those in McGuirk and Burke (2020) showing that shocks to food crop prices have a greater impact on output conflict than shocks to cash crop prices.

for policymakers to address the imbalances between trade winners and losers so as to escape the trade-off between economic growth and political instability.

While focusing on agricultural trade liberalization, the mechanisms we uncover are not exclusive to the agricultural sector. When the labor input does not reap the benefit, manufacturing trade liberalization can also lead to increased societal and political tension. This is particularly relevant as many low-income countries are now experiencing a pattern of industrialization that is markedly different from the ones observed in the past. Assessing quantitatively the impact of manufacturing trade liberalization on political instability and violence in emerging countries presents its own challenges that future research will need to address.

## References

Amodio, Francesco Leonardo Baccini, and Michele Di Maio (2021). “Security, Trade, and Political Violence”, *Journal of the European Economic Association*, 19(1), 1-37

Anderson, K., W. Martin and D. van der Mensbrugge (2006), ‘Market and Welfare Implications of the Doha Reform Scenarios’, Ch. 12 in Anderson, K. and W. Martin (eds.), *Agricultural Trade Reform and the Doha Development Agenda*, London: Palgrave Macmillan and Washington DC: World Bank

Atkin, D. and Donaldson, D. (2015), “Who’s Getting Globalized? The Size and Implications of Intra-national Trade Costs”, NBER Working Paper No. 21439.

Atkin, D. (2016). Endogenous skill acquisition and export manufacturing in Mexico. *American Economic Review*, 106(8), 2046-2085

Autor, D. H., Dorn, D. and Hanson, G.H. (2013). “The China Syndrome: Local Labor Market Effects of Import Competition in the United States.” *American Economic Review* 103: 2121-2168.

Autor, David H., Dorn, David, Gordon Hanson, and Kaveh Majlesi. (2020). “Importing Political Polarization? The Electoral Consequences of Rising Trade Exposure.” *American Economic Review*, vol.110 (10), pp. 3139-83

Baccini, L. and J. Urpelainen (2014). “Cutting the Gordian Knot of Economic Reform: When and How International Institutions Help,” Oxford University Press, chapter 7

Baccini, L., and Weymouth, S. (2021). *Gone for good: Deindustrialization, white voter*

backlash, and US presidential voting. *American Political Science Review*, 115(2), 550-567.

Barbieri, Katherine (1996). “Economic Interdependence: A Path to Peace or Source of Interstate Conflict?”, *Journal of Peace Research* 33(1): 29–49

Bazzi, S., and C. Blattman (2014). “Economic Shocks and Conflict: Evidence from Commodity Prices,” *American Economic Journal: Macroeconomics*, 6(4), 1–38

Beck, Nathaniel; Jonathan Katz, and Richard Tucker, (1998). “Taking Time Seriously in Binary Time-Series-Cross-Section Analysis”, *American Journal of Political Science* 42(1): 1260–1288

Becker, G. S. (1968). “Crime and Punishment: An Economic Approach,” *Journal of Political Economy*, 76, 169-217

Beranger, T., Modoran, C., Demuinjk, C., Basta, D., and Norman, A. (2016). The Economic Impact of the West Africa-EU Economic Partnership Agreement. Report, European Commission, March.

Berlanda, A., Cervellati, M., Esposito, E., Rohner, D., and Sunde, U. (2022). Medication against conflict. medRxiv, 2022-03.

Berman, N., M. Couttenier, D. Rohner, and M. Thoenig (2017). “This Mine is Mine! How Minerals Fuel Conflicts in Africa,” *American Economic Review*, Volume 107, Issue 6, pp. 1564-1610

Berman, N., and M. Couttenier. (2015). “External Shocks, Internal Shots: The Geography of Civil Conflicts,” *Review of Economics and Statistics*, Volume 97, Issue 4, p.758-776

Besley, T. J., and Persson, T. (2008). The incidence of civil war: Theory and evidence (No. w14585). National Bureau of Economic Research.

Blattman, C. and E. Miguel (2010). “Civil War,” *Journal of Economic Literature* 48(1), 3-57

Blair, G., Christensen, D., and Rudkin, A. (2021). Do commodity price shocks cause armed conflict? A meta-analysis of natural experiments. *American Political Science Review*, 115(2), 709-716.

Bohlken, A. T. and Sergenti, E. J. (2010). “Economic Growth and Ethnic Violence: An Empirical Investigation of Hindu-Muslim Riots in India,” *Journal of Peace Research*, 47(5): 589-600

Brückner, M., and A. Ciccone (2010). “International Commodity Prices, Growth and the Outbreak of Civil War in Sub-Saharan Africa,” *Journal of Political Economy*, 120, 519-534

Buhaug, H., Gleditsch, K., Holtermann, H., Ostby, G. and Tollefsen, A. (2011). “It’s the local economy, stupid! Geographic wealth dispersion and conflict outbreak location,” *Journal of Conflict Resolution*, 55(5): 814-840

Bussmann, M., Scheuthle, H. and Gerald Schneider, G. (2006). “Trade Liberalization and Political Instability in Developing Countries,” in R. Trappl, R. (ed.), *Programming for Peace*, Chapter 3, 49–70. Springer

Cilliers, J. (2015). “Future (im)perfect? Mapping conflict, violence and extremism in Africa,” Institute for Security Studies Paper 287

Colantone, I. and Stanig, P. (2017). “The Trade Origins of Economic Nationalism: Import Competition and Voting Behavior in Western Europe.” *American Journal of Political Science* 62 (4): 936–53.

Collier, P., and A. Hoeffler (2004). “Greed and Grievance in Civil War,” *Oxford Economics Papers*, 56, 563-595

Costinot, A. and Donaldson, D. (2012). Ricardo’s Theory of Comparative Advantage: Old Idea, New Evidence. *American Economic Association Papers and Proceedings*, vol. 102, issue 3, pp. 453-458

Costinot, A. and Dave Donaldson, D. (2016). “How Large Are the Gains from Economic Integration? Theory and Evidence from U.S. Agriculture, 1880-1997 “. NBER Working Paper No. 22946

Costinot, A., Donaldson, D., and Smith, C. (2016). Evolving comparative advantage and the impact of climate change in agricultural markets: Evidence from 1.7 million fields around the world. *Journal of Political Economy*, 124(1), 205-248

Crino, R., Colantone, I. and Ogliari, L. (2019). “Globalization and Mental Distress “. *Journal of International Economics*, Volume 119, Pages 181-207

- Crost, B. and Felter, J.H. (2020). "Export crops and civil conflict". *Journal of the European Economic Association*, Volume 18, Issue 3, Pages 1484–1520
- Dal Bó, E., and Dal Bó, P. (2011). Workers, warriors, and criminals: social conflict in general equilibrium. *Journal of the European Economic Association*, 9(4), 646-677.
- Dell, M., Feigenberg, B., and Teshima, K. (2019). The violent consequences of trade-induced worker displacement in Mexico. *American Economic Review: Insights*, 1(1), 43-58.
- de Winne, J., and G. Peersman (2021). The Impact of Food Prices on Conflict Revisited. *Journal of Business and Economic Statistics* 39(2): 547–60.
- Dincecco, M., Fenske, J., and Menon, A. (2022). The Columbian exchange and conflict in Asia. Mimeo
- Dippel, C., Gold, R., Heblich, S., and Pinto, R. (2022). The effect of trade on workers and voters. *The Economic Journal*, 132(641), 199-217
- Dix-Carneiro, R., and Kovak, B. K. (2017). Trade liberalization and regional dynamics. *American Economic Review*, 107(10), 2908-2946.
- Dix-Carneiro, R., Soares, R.R., and Ulyssea, G. (2018). “Economic Shocks and Crime: Evidence from the Brazilian Trade Liberalization.” *American Economic Journal: Applied Economics*, vol.10(4): 158–195
- Dix-Carneiro, R., and Kovak, B. K. (2023). Globalization and Inequality in Latin America. Mimeo.
- Dube, O., and J. F. Vargas (2013). “Commodity Price Shocks and Civil Conflict: Evidence from Colombia,” *The Review of Economic Studies*, 80(4), 1384-1421
- Dür, A., Baccini L., and M. Elsig (2014). “The Design of International Trade Agreements: Introducing a New Dataset,” *The Review of International Organizations*, 9(3), 353-375
- Fearon, J. D., and D. D. Laitin (2003). “Ethnicity, Insurgency, and Civil War,” *American Political Science Review*, 97, 75–90
- Fearon, J. (2005). “Primary Commodity Exports and Civil War.” *Journal of Conflict Resolution*, 49, 483–507

- Fischer, G., van Nelthuizen, H., Shah, M. and F. Nachtergaele (2002). “Global Agro-Ecological Assessment for Agriculture in the 21st Century: Methodology and Results,” Food and Agriculture Organization of the United Nations, Rome
- Fjelde, H. (2015). Farming or fighting? Agricultural price shocks and civil war in Africa. *World Development*, 67, 525-534.
- Goldberg, P. and Pavcnik, N. (2007). Distributional Effects of Globalization in Developing Countries. *Journal of Economic Literature* , 45, 39–82.
- Guidolin, M., and La Ferrara, E. (2007). Diamonds are forever, wars are not: Is conflict bad for private firms?. *American Economic Review*, 97(5), 1978-1993.
- Grossman, H. (1991). “A General Equilibrium Model of Insurrections,” *American Economic Review*, 81, 912-921
- Hanson, G. (2012). The Rise of Middle Kingdoms: Emerging Economies in Global Trade. *Journal of Economic Perspectives*, 26(2), 41-64
- Henderson, V.J., Storeygard, A., and Weil, D.N. (2012). “Measuring Economic Growth from Outer Space”. *American Economic Review*. vol.102, 994-1028
- Herbst J. 2000. States and Power in Africa: Comparative Lessons in Authority and Control. Princeton, NJ: Princeton University Press
- Hidalgo, F. D., Naidu, S., Nichter, S. and Richardson, N. (2010). “Economic Determinants of Land Invasions,” *The Review of Economics and Statistics*, 92(3): 505–523
- IPFRI (2007). Impact of Trade Liberalization on Agriculture in the Near East and North Africa. International Food Policy Research Institute and International Fund for Agricultural Development
- Iyigun, M., Nunn, N., and Qian, N. (2019). The long-run effects of agricultural productivity on conflict, 1400-1900 (No. w24066). National Bureau of Economic Research
- Justino, P. (2009). “Poverty and violent conflict: A micro-level perspective on the causes and duration of warfare,” *Journal of Peace Research* 46 (3), 315-333
- Magee, Christopher SP. (2008). “New measures of trade creation and trade diversion.” *Journal of International Economics* 75(2): 349-362

- Martin, P., Mayer, T. and Thoenig, M. (2008a). “Civil Wars and International Trade,” *Journal of the European Economic Association*, 6(2-3), 541-550
- Martin, P., Mayer, T. and Thoenig, M. (2008b). “Make Trade Not War?” *Review of Economic Studies*, 75, 865–900
- McGuirk, E. and Burke, M. (2020). “The Economic Origins of Conflict in Africa”. *Journal of Political Economy*, Volume 128, Number 10, 3940-3997
- Mayer, T., and M. Thoenig (2016). “Regional Trade Agreements and the pacification of Eastern Africa,” IGC Working Paper
- Sundberg, R., and Melander, E. (2013). Introducing the UCDP georeferenced event dataset. *Journal of Peace Research*, 50(4), 523-532.
- Michalopoulos, S., and Papaioannou, A. (2013a) "National Institutions and sub-national Development in Africa." *Quarterly Journal of Economics*, 129(1): 151–213
- Michalopoulos, S., and Papaioannou, A. (2013b). “Pre-colonial Ethnic Institutions and Contemporary African Development,” *Econometrica*, 81(1), 113—152.
- Miguel, E., S. Satyanath, and E. Sergenti (2004). “Economic Shocks and Civil Conflict: An Instrumental Variables Approach,” *Journal of Political Economy*, 112, 725–753
- Montalvo, J. G., and Reynal-Querol, M. (2005). Ethnic polarization, potential conflict, and civil wars. *American Economic Review*, 95(3), 796-816.
- Norman-López, A. (2016). Assessing the economic impact of the trade agreement between the European Union and Ecuador. Publications Office of the European Union
- Nunn, Nathan, and Diego Puga. (2012) “Ruggedness: The blessing of bad geography in Africa.” *Review of Economics and Statistics* 94(1): 20-36
- Pinkovskiy, M. and Sala-i-Martin, X. (2016). “Lights, Camera, ... Income! Illuminating the National Accounts-Household Surveys Debate “. *Quarterly Journal of Economics*, 131 (2): 579-631
- Raleigh, C., A. Linke, H. Hegre, and J. Karlsen (2010). “Introducing ACLED: An armed conflict location and event dataset: Special data feature,” *Journal of Peace Research* 47(5), 651-660



Rigterink, A. S. (2020). Diamonds, rebel's and farmer's best friend: Impact of variation in the price of a lootable, labor-intensive natural resource on the intensity of violent conflict. *Journal of Conflict Resolution*, 64(1), 90-126.

Schneider, A., Friedl, M. A., and Potere, D. (2010). Mapping global urban areas using MODIS 500-m data: New methods and datasets based on 'urban ecoregions'. *Remote sensing of environment*, 114(8), 1733-1746.

Schneider, G., Barbieri, K. and Gleditsch, N.P. (2003). "Globalization and Armed Conflict." Lanham, MD: Rowman and Littlefield

Schneider, G. (2014). "Peace through globalization and capitalism? Prospects of two liberal propositions," *Journal of Peace Research*, 51(2): 173-183

Shilliday, A., and J. Lautenschlager (2012). "Data for a Global ICEWS ," <https://dataverse.harvard.edu/dataverse/icews>

Talhelm, T., and English, A. S. (2020). Historically rice-farming societies have tighter social norms in China and worldwide. *PNAS*, vol. 117, 19816–19824

Tanaka, S., Teshima, K., and Verhoogen, E. (2022). North-South displacement effects of environmental regulation: The case of battery recycling. *American Economic Review: Insights*, 4(3), 271-88.

van der Mensbrugge, D. and Beghin, J. C. (2005). Global agricultural reform: What is at stake?, in Global agricultural trade and developing countries. Aksoy, M. A., and Beghin, J. C. (Eds.). World Bank Publications.

Vicard, V. (2012). "Trade, conflict, and political integration: Explaining the heterogeneity of regional trade agreements ". *European Economic Review*, Volume 56, Issue 1, Pages 54–71

Weidmann, Nils B., Jan Ketil Rød, and Lars-Erik Cederman. (2010). "Representing Ethnic Groups in Space: A New Dataset." *Journal of Peace Research* 47(4): 491–99

## Tables and Figures

Table 1: Export Exposure and Economic Activity at Cell Level

	Economic Activity						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Export Exposure	0.017*** (0.006)	0.027*** (0.005)	0.025*** (0.005)	0.025*** (0.005)	0.024*** (0.005)	0.024*** (0.004)	0.017*** (0.003)
Cell FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country-Year FE	No	Yes	No	No	No	No	No
Country-specific trends	No	No	Yes	No	No	No	No
Country-specific flex. trends	No	No	No	Yes	No	No	No
Country-spec. trends (tr/non-tr)	No	No	No	No	Yes	Yes	Yes
Spatial lags	No	No	No	No	No	Yes	No
Cell specific char. x linear trends	No	No	No	No	No	No	Yes
Observations	4,356,871	4,356,871	4,356,871	4,356,871	4,356,871	4,356,871	4,178,252
R-squared	0.895	0.898	0.896	0.897	0.897	0.897	0.898

*Notes.* (\* p-value < 0.1; \*\* p-value < 0.05; \*\*\* p-value < 0.01) The unit of observation is the FAO-GAEZ cell. Standard errors in parenthesis, clustered at the same level. Export Exposure is the PTA-driven export exposure of spatial unit  $i$  in year  $t$  that we obtain combining time variation in tariffs with cross-sectional variation in crop suitability, as described in equation 1. The dependent variable is the log of night-time luminosity. Through country-specific flexible trends in column 4, we allow each country to have its own linear trend in the years prior to signature, a jump in the year of signature, and another linear trend in the years after. In column 5, we further allow these flexible trends to be different across ever-exposed (Export Exposure > 0 at any point) and never-exposed spatial units. In column 6, we include spatial lags to account for spillover effects within larger 110km×110km cells. In column 7, we include a rich set of (time-invariant) geographic and other controls that include elevation, ruggedness of terrain, share of area covered by water, precipitation, temperature, distance from the border and the coast, and the number of ethnic groups, and interact them with linear trends.

Table 2: Export Exposure and Economic Activity at County Level

	Economic Activity				
	(1)	(2)	(3)	(4)	(5)
Export Exposure	0.070*** (0.025)	0.067** (0.029)	0.089*** (0.031)	0.075*** (0.029)	0.076*** (0.029)
County FE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes
Country-Year FE	No	Yes	No	No	No
Country-specific trends	No	No	Yes	No	No
Country-specific flex. trends	No	No	No	Yes	No
Country-spec. trends (tr/non-tr)	No	No	No	No	Yes
Observations	197,676	197,676	197,676	197,676	197,676
R-squared	0.931	0.938	0.934	0.935	0.936

*Notes.* (\* p-value < 0.1; \*\* p-value < 0.05; \*\*\* p-value < 0.01) The unit of observation is the county (level 2 administrative unit). Standard errors in parenthesis, clustered at the same level. Export Exposure is the PTA-driven export exposure of spatial unit  $i$  in year  $t$  that we obtain combining time variation in tariffs with cross-sectional variation in crop suitability, as described in equation 1. The dependent variable is the log of night-time luminosity. Through country-specific flexible trends in column 4, we allow each country to have its own linear trend in the years prior to signature, a jump in the year of signature, and another linear trend in the years after. In column 5, we further allow these flexible trends to be different across ever-exposed (Export Exposure > 0 at any point) and never-exposed spatial units.

Table 3: Export Exposure and Political Violence at County Level

	Political Violence				
	(1)	(2)	(3)	(4)	(5)
Export Exposure	0.133*** (0.033)	0.041*** (0.014)	0.054*** (0.016)	0.047*** (0.016)	0.037*** (0.014)
County FE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes
Country-Year FE	No	Yes	No	No	No
Country-specific trends	No	No	Yes	No	No
Country-specific flex. trends	No	No	No	Yes	No
Country-spec. trends (tr/non-tr)	No	No	No	No	Yes
Observations	197,676	197,676	197,676	197,676	197,676
R-squared	0.663	0.716	0.701	0.703	0.704

*Notes.* (\* p-value < 0.1; \*\* p-value < 0.05; \*\*\* p-value < 0.01) The unit of observation is the county (level 2 administrative unit). Standard errors in parenthesis, clustered at the same level. Export Exposure is the PTA-driven export exposure of spatial unit  $i$  in year  $t$  that we obtain combining time variation in tariffs with cross-sectional variation in crop suitability, as described in equation 1. The dependent variable is the log of political violence (i.e., the number of hostile and violent events in ICEWS). Through country-specific flexible trends in column 4, we allow each country to have its own linear trend in the years prior to signature, a jump in the year of signature, and another linear trend in the years after. In column 5, we further allow these flexible trends to be different across ever-exposed (Export Exposure > 0 at any point) and never-exposed spatial units.

Table 4: Export Exposure and Political Violence - Heterogeneity

	Political Violence				
	(1)	(2)	(3)	(4)	(5)
Export Exposure	0.260*	0.119	0.143	0.134	0.114
	(0.146)	(0.089)	(0.097)	(0.093)	(0.086)
× Urban	0.172***	0.110***	0.119***	0.110***	0.106***
	(0.056)	(0.035)	(0.037)	(0.036)	(0.034)
× Far from Border	0.017	0.014	0.020	0.013	0.012
	(0.042)	(0.026)	(0.028)	(0.027)	(0.026)
× Far from Coast	-0.201*	-0.135**	-0.139*	-0.141**	-0.130*
	(0.110)	(0.068)	(0.074)	(0.071)	(0.066)
× Rugged	0.062	-0.036	-0.018	-0.023	-0.035
	(0.111)	(0.062)	(0.069)	(0.067)	(0.061)
× High in Diamonds	0.129	-0.075	-0.077	-0.032	-0.082
	(0.105)	(0.064)	(0.068)	(0.071)	(0.064)
× High in Petrol	-0.177***	-0.031	-0.058	-0.047	-0.033
	(0.053)	(0.037)	(0.038)	(0.037)	(0.036)
× Ethnically Diverse	0.086	0.046	0.047	0.048	0.045
	(0.058)	(0.032)	(0.035)	(0.034)	(0.032)
County FE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes
Country-Year FE	No	Yes	No	No	No
Country-specific trends	No	No	Yes	No	No
Country-specific flex. trends	No	No	No	Yes	No
Country-spec. trends (tr/non-tr)	No	No	No	No	Yes
Observations	197,676	197,676	197,676	197,676	197,676
R-squared	0.665	0.716	0.702	0.703	0.705

*Notes.* (\* p-value < 0.1; \*\* p-value < 0.05; \*\*\* p-value < 0.01) The unit of observation is the county (level 2 administrative unit). Standard errors in parenthesis, clustered at the same level. Export Exposure is the PTA-driven export exposure of spatial unit  $i$  in year  $t$  that we obtain combining time variation in tariffs with cross-sectional variation in crop suitability, as described in equation 1. The dependent variable is the log of political violence (i.e., the number of hostile and violent events in ICEWS). All interaction variables are dummies equal to one if the value for the county is above the median at the country level. Through country-specific flexible trends in column 4, we allow each country to have its own linear trend in the years prior to signature, a jump in the year of signature, and another linear trend in the years after. In column 5, we further allow these flexible trends to be different across ever-exposed (Export Exposure > 0 at any point) and never-exposed spatial units.

Table 5: Crop Labour Intensity, Export Exposure, and Political Violence

	Political Violence				
	(1)	(2)	(3)	(4)	(5)
EE – Low Labour Intensity Crops	0.287*** (0.046)	0.089*** (0.027)	0.121*** (0.028)	0.092*** (0.026)	0.081*** (0.025)
EE – High Labour Intensity Crops	-0.020 (0.015)	0.014 (0.012)	0.013 (0.012)	0.009 (0.012)	0.011 (0.012)
County FE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes
Country-Year FE	No	Yes	No	No	No
Country-specific trends	No	No	Yes	No	No
Country-specific flex. trends	No	No	No	Yes	No
Country-spec. trends (tr/non-tr)	No	No	No	No	Yes
Observations	197,676	197,676	197,676	197,676	197,676
R-squared	0.669	0.716	0.702	0.703	0.705

*Notes.* (\* p-value < 0.1; \*\* p-value < 0.05; \*\*\* p-value < 0.01) The unit of observation is the county (level 2 administrative unit). Standard errors in parenthesis, clustered at the same level. Export Exposure is the PTA-driven export exposure of spatial unit  $i$  in year  $t$  that we obtain combining time variation in tariffs with cross-sectional variation in crop suitability, as described in equation 1. This is calculated separately for low and high labour intensity crops (Talhelm and English 2020). The former include barley, buckwheat, foxtail millet, maize, oat, pearl millet, rye, sorghum, and wheat, while the latter includes (wetland and dryland) rice. The dependent variable is the log of political violence (i.e., the number of hostile and violent events in ICEWS). Through country-specific flexible trends in column 4, we allow each country to have its own linear trend in the years prior to signature, a jump in the year of signature, and another linear trend in the years after. In column 5, we further allow these flexible trends to be different across ever-exposed (Export Exposure > 0 at any point) and never-exposed spatial units.

Table 6: Crop Labour Intensity, Export Exposure, Urbanization, and Political Violence

	Political Violence				
	(1)	(2)	(3)	(4)	(5)
EE – Low Labour Intensity Crops	0.268*** (0.032)	0.012 (0.026)	0.058*** (0.021)	0.022 (0.025)	0.005 (0.025)
EE – Low Labour Intensity Crops × Urban	0.028 (0.071)	0.108*** (0.034)	0.090** (0.039)	0.099*** (0.034)	0.106*** (0.033)
EE – High Labour Intensity Crops	-0.017 (0.016)	0.013 (0.013)	0.011 (0.013)	0.008 (0.013)	0.010 (0.013)
EE – High Labour Intensity Crops × Urban	-0.015 (0.032)	0.033* (0.020)	0.029 (0.020)	0.023 (0.020)	0.025 (0.020)
County FE					
Year FE	Yes	Yes	Yes	Yes	Yes
Country-Year FE	No	Yes	No	No	No
Country-specific trends	No	No	Yes	No	No
Country-specific flex. trends	No	No	No	Yes	No
Country-spec. trends (tr/non-tr)	No	No	No	No	Yes
Observations	197,676	197,676	197,676	197,676	197,676
R-squared	0.669	0.717	0.702	0.703	0.705

*Notes.* (\* p-value < 0.1; \*\* p-value < 0.05; \*\*\* p-value < 0.01) The unit of observation is the county (level 2 administrative unit). Standard errors in parenthesis, clustered at the same level. Export Exposure is the PTA-driven export exposure of spatial unit  $i$  in year  $t$  that we obtain combining time variation in tariffs with cross-sectional variation in crop suitability, as described in equation 1. This is calculated separately for low and high labour intensity crops (Talhelm and English 2020). The former include barley, buckwheat, foxtail millet, maize, oat, pearl millet, rye, sorghum, and wheat, while the latter includes (wetland and dryland) rice. The dependent variable is the log of political violence (i.e., the number of hostile and violent events in ICEWS). Urban is a dummy equal to one if the share of urban land in the county is above the median at the country level. Through country-specific flexible trends in column 4, we allow each country to have its own linear trend in the years prior to signature, a jump in the year of signature, and another linear trend in the years after. In column 5, we further allow these flexible trends to be different across ever-exposed (Export Exposure > 0 at any point) and never-exposed spatial units.

Table 7: Food and Cash Crops, Export Exposure, and Political Violence

	Political Violence				
	(1)	(2)	(3)	(4)	(5)
EE – Food Crops	0.275*** (0.086)	0.103** (0.042)	0.174*** (0.049)	0.135*** (0.045)	0.157*** (0.047)
EE – Cash Crops	-0.193*** (0.055)	-0.068** (0.030)	-0.136*** (0.032)	-0.106*** (0.032)	-0.133*** (0.034)
County FE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes
Country-Year FE	No	Yes	No	No	No
Country-specific trends	No	No	Yes	No	No
Country-specific flex. trends	No	No	No	Yes	No
Country-spec. trends (tr/non-tr)	No	No	No	No	Yes
Observations	197,676	197,676	197,676	197,676	197,676
R-squared	0.663	0.716	0.701	0.703	0.705

*Notes.* (\* p-value < 0.1; \*\* p-value < 0.05; \*\*\* p-value < 0.01) The unit of observation is the county (level 2 administrative unit). Standard errors in parenthesis, clustered at the same level. Export Exposure is the PTA-driven export exposure of spatial unit  $i$  in year  $t$  that we obtain combining time variation in tariffs with cross-sectional variation in crop suitability, as described in equation 1. This is calculated separately for food and cash crops (McGuirk and Burke 2020). The former include maize, oil palm, dryland rice and wetland rice, sorghum, soybean, sugar beet and sugar cane, wheat and buckwheat, while the latter includes cocoa, coffee, tea and tobacco. The dependent variable is the log of political violence (i.e., the number of hostile and violent events in ICEWS). Through country-specific flexible trends in column 4, we allow each country to have its own linear trend in the years prior to signature, a jump in the year of signature, and another linear trend in the years after. In column 5, we further allow these flexible trends to be different across ever-exposed (Export Exposure > 0 at any point) and never-exposed spatial units.



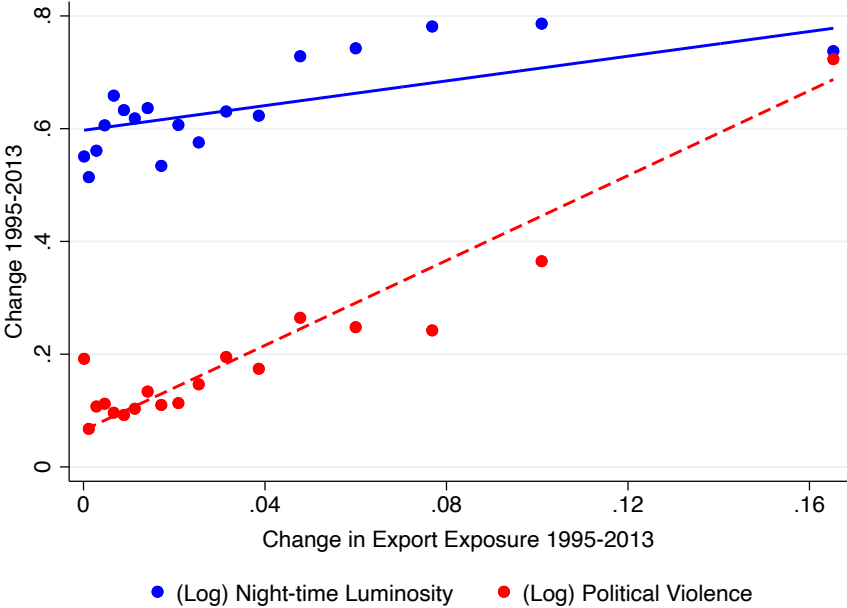
Table 8: Food and Cash Crops, Export Exposure, Urbanization, and Political Violence

	Political Violence				
	(1)	(2)	(3)	(4)	(5)
EE – Food Crops	0.145*** (0.050)	0.058* (0.035)	0.092*** (0.035)	0.070* (0.037)	0.084** (0.038)
EE – Food Crops × Urban	0.663*** (0.154)	0.331*** (0.088)	0.423*** (0.093)	0.386*** (0.087)	0.411*** (0.089)
EE – Cash Crops	-0.131*** (0.044)	-0.052* (0.031)	-0.087*** (0.031)	-0.068** (0.034)	-0.086** (0.036)
EE – Cash Crops × Urban	-0.276** (0.113)	-0.139** (0.066)	-0.207*** (0.068)	-0.190*** (0.065)	-0.219*** (0.068)
County FE					
Year FE	Yes	Yes	Yes	Yes	Yes
Country-Year FE	No	Yes	No	No	No
Country-specific trends	No	No	Yes	No	No
Country-specific flex. trends	No	No	No	Yes	No
Country-spec. trends (tr/non-tr)	No	No	No	No	Yes
Observations	197,676	197,676	197,676	197,676	197,676
R-squared	0.664	0.716	0.702	0.703	0.705

*Notes.* (\* p-value < 0.1; \*\* p-value < 0.05; \*\*\* p-value < 0.01) The unit of observation is the county (level 2 administrative unit). Standard errors in parenthesis, clustered at the same level. Export Exposure is the PTA-driven export exposure of spatial unit  $i$  in year  $t$  that we obtain combining time variation in tariffs with cross-sectional variation in crop suitability, as described in equation 1. This is calculated separately for food and cash crops (McGuirk and Burke 2020). The former include maize, oil palm, dryland rice and wetland rice, sorghum, soybean, sugar beet and sugar cane, wheat and buckwheat, while the latter includes cocoa, coffee, tea and tobacco. The dependent variable is the log of political violence (i.e., the number of hostile and violent events in ICEWS). Urban is a dummy equal to one if the share of urban land in the county is above the median at the country level. Through country-specific flexible trends in column 4, we allow each country to have its own linear trend in the years prior to signature, a jump in the year of signature, and another linear trend in the years after. In column 5, we further allow these flexible trends to be different across ever-exposed (Export Exposure > 0 at any point) and never-exposed spatial units.



Figure 2: Change in Export Exposure, Economic Activity, and Political Violence



Notes. The Figure shows the relationship between the change in export exposure between the first and the last year in our sample, i.e. between 1995 and 2013, and the change in economic activity and political violence across all counties in our sample. It reports the average change in each of the two variables by bins (ventiles) of the change in export exposure, together with the linear fit.

## A Additional Tables and Figures

Table A.1: List of Countries and PTAs

ID	Country	Preferential Trade Agreement
1	Algeria	Algeria-EU (2002)
2	Cambodia	ASEAN Japan (2008) ASEAN Australia New Zealand (2009)
3	Colombia	Colombia USA (2006) Colombia Canada (2008)
4	Costa Rica	Costa Rica Canada (2001) CAFTA DR USA (2004)
5	Dominican Republic	CAFTA DR USA (2004)
6	Egypt	Egypt-EU (2001)
7	El Salvador	CAFTA DR USA (2004)
8	Guatemala	CAFTA DR USA (2004)
9	Honduras	CAFTA DR USA (2004) Honduras Canada (2013)
10	Nicaragua	CAFTA DR USA (2004)
11	India	India Japan (2011)
12	Indonesia	Indonesia Japan (2007) ASEAN Japan (2008) ASEAN Australia New Zealand (2009)
13	Jordan	Jordan US (2000) Jordan EU (1997) Jordan Canada (2009)
14	Laos	ASEAN Japan (2008) ASEAN Australia New Zealand (2009)
15	Lebanon	Lebanon EU (2002)
16	Malaysia	Malaysia Japan (2005) ASEAN Japan (2008) ASEAN Australia New Zealand (2009) Malaysia Australia (2012)
17	Mexico	Mexico EU (2000) Mexico Japan (2004)
18	Morocco	Morocco EU (1996) Morocco US (2004)
19	Myanmar	ASEAN Japan (2008) ASEAN Australia New Zealand (2009)
20	Panama	Panama US (2007) Panama Canada (2010)
21	Peru	Peru US (2006) Peru Canada (2008) Peru Japan (2011)
22	Philippines	Philippines Japan (2006) ASEAN Japan (2008) ASEAN Australia New Zealand (2009)
23	South Africa	South Africa EU (1999)
24	Thailand	Thailand Australia (2004) Thailand Japan (2007) ASEAN Japan (2008) ASEAN Australia New Zealand (2009)
25	Vietnam	Vietnam US (2000) Vietnam Japan (2008) ASEAN Japan (2008) ASEAN Australia New Zealand (2009)

*Notes.* The table lists the 25 countries and PTAs that are part of our analysis.

Table A.2: Descriptive Statistics of Night-time Luminosity by Country

Country	Mean	St. Dev.	Min	Max
Algeria	0.63	3.73	0	63
Cambodia	0.15	1.81	0	63
Colombia	0.99	4.60	0	63
Costa Rica	3.39	7.18	0	63
Dominican Republic	3.42	8.36	0	63
Egypt	2.13	8.64	0	63
El Salvador	4.63	7.86	0	63
Guatemala	1.85	5.63	0	63
Honduras	1.28	4.71	0	63
India	3.54	6.56	0	63
Indonesia	0.92	4.12	0	63
Jordan	2.63	8.41	0	63
Laos	0.12	1.68	0	63
Lebanon	17.42	16.24	0	63
Malaysia	2.86	8.69	0	63
Mexico	2.23	7.09	0	63
Morocco	1.23	5.11	0	63
Myanmar	0.21	1.96	0	63
Nicaragua	0.50	3.24	0	63
Panama	1.18	5.17	0	63
Peru	0.38	2.93	0	63
Philippines	1.21	4.92	0	63
South Africa	1.42	6.06	0	63
Thailand	3.16	8.09	0	63
Vietnam	2.05	6.03	0	63

*Notes.* The table reports summary statistics of the night-time luminosity variable by country and across FAO-GAEZ cells.

Table A.3: Descriptive Statistics of Violence by Country

Country	Mean	St. Dev.	Min	Max
Algeria	0.01	1.01	0	294
Cambodia	0.08	2.88	0	254
Colombia	0.07	4.98	0	987
Costa Rica	0.09	1.64	0	80
Dominican Republic	0.05	0.86	0	35
Egypt	0.07	10.14	0	3,502
El Salvador	0.15	2.50	0	99
Guatemala	0.07	2.11	0	126
Honduras	0.05	2.09	0	289
India	0.17	7.28	0	2,090
Indonesia	0.05	3.88	0	1,054
Jordan	0.10	3.27	0	213
Laos	0.00	0.29	0	44
Lebanon	4.65	52.90	0	2,262
Malaysia	0.09	3.46	0	395
Mexico	0.04	2.56	0	727
Morocco	0.02	0.75	0	111
Myanmar	0.02	1.12	0	194
Nicaragua	0.03	1.06	0	103
Panama	0.03	0.88	0	58
Peru	0.02	1.67	0	637
Philippines	0.29	7.96	0	816
South Africa	0.06	1.84	0	300
Thailand	0.16	11.68	0	2,947
Vietnam	0.03	1.39	0	142

*Notes.* The table reports summary statistics of the political violence variable (i.e., the number of hostile and violent events in ICEWS) by country and across FAO-GAEZ cells.

Table A.4: Night-time Luminosity and Value of Agricultural Production

	(Log) Night-time Luminosity				All (5)
	2000		2010		
	(1)	(2)	(3)	(4)	
(Log) Production Value	0.101*** (0.000)	0.109*** (0.001)	0.124*** (0.001)	0.131*** (0.001)	0.094*** (0.002)
Country FE	No	Yes	No	Yes	n.a.
Cell FE	No	No	No	No	Yes
Observations	229,309	229,309	229,309	229,309	458,618
R-squared	0.168	0.255	0.184	0.264	0.925

*Notes.* (\* p-value < 0.1; \*\* p-value < 0.05; \*\*\* p-value < 0.01) The unit of observation is the FAO-GAEZ cell. Standard errors in parenthesis, clustered at the same level. The dependent variable is the log of night-time luminosity. The main independent variable is the log of agricultural production value from FAO-GAEZ. Crop production value is expressed in Geary Kharmis dollars (GK), i.e. an international price weight (year 2000), used by UN, to compare different commodities in value terms.

Table A.5: Suitability and Total Agricultural Production

	(Log) Total Production				All
	2000		2010		
	(1)	(2)	(3)	(4)	
(Log) Suitability	0.144*** (0.000)	0.130*** (0.000)	0.153*** (0.000)	0.135*** (0.000)	0.141*** (0.000)
Crop FE	Yes	Yes	Yes	Yes	Yes
Country FE	No	Yes	No	Yes	n.a.
Cell FE	No	No	No	No	Yes
Observations	4,127,562	4,127,562	4,127,562	4,127,562	8,255,124
R-squared	0.391	0.443	0.399	0.455	0.523

*Notes.* (\* p-value < 0.1; \*\* p-value < 0.05; \*\*\* p-value < 0.01) The unit of observation is the FAO-GAEZ crop × cell. Standard errors in parenthesis, clustered at the cell level. The dependent variable is the log of produced yields (in tons) from FAO-GAEZ. The main independent variable is the log of suitability and thus potential yields estimated at the same level. Because we have multiple observations (one per crop) for each cell and year, in column 5 we can include both crop and cell fixed effects.



Table A.6: Export Exposure and Economic Activity by Country

	Economic Activity				
	(1)	(2)	(3)	(4)	(5)
	Algeria	Cambodia	Colombia	Costa Rica	Dominican R.
Export Exposure	0.111*** (0.004)	0.006 (0.008)	0.003*** (0.001)	0.014 (0.009)	0.003 (0.010)
	Egypt	El Salvador	Guatemala	Honduras	India
Export Exposure	2.091*** (0.156)	0.002 (0.014)	-0.012* (0.009)	0.036*** (0.007)	0.090*** (0.004)
	Indonesia	Jordan	Laos	Lebanon	Malaysia
Export Exposure	0.019*** (0.001)	0.329*** (0.030)	0.061*** (0.008)	-0.015 (0.027)	0.107*** (0.007)
	Mexico	Morocco	Myanmar	Nicaragua	Panama
Export Exposure	0.019*** (0.001)	0.103*** (0.005)	0.027*** (0.004)	0.019*** (0.003)	0.036*** (0.006)
	Peru	Philippines	South Africa	Thailand	Vietnam
Export Exposure	-0.010*** (0.001)	0.017*** (0.002)	0.040*** (0.002)	0.104*** (0.005)	0.161*** (0.009)
Cell FE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes

*Notes.* (\* p-value < 0.1; \*\* p-value < 0.05; \*\*\* p-value < 0.01) The unit of observation is the FAO-GAEZ cell. Standard errors in parenthesis, clustered at the same level. Export Exposure is the PTA-driven export exposure of spatial unit  $i$  in year  $t$  that we obtain combining time variation in tariffs with cross-sectional variation in crop suitability, as described in equation 1. The dependent variable is the log of night-time luminosity. The coefficient is estimated separately by country in our sample.

Table A.7: Export Exposure and Political Violence at Cell Level

	Political Violence						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Export Exposure	0.002** (0.001)	0.003*** (0.001)	0.003*** (0.001)	0.003*** (0.001)	0.002*** (0.001)	0.003*** (0.001)	0.001*** (0.001)
Cell FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country-Year FE	No	Yes	No	No	No	No	No
Country-specific trends	No	No	Yes	No	No	No	No
Country-specific flex. trends	No	No	No	Yes	No	No	No
Country-spec. trends (tr/non-tr)	No	No	No	No	Yes	Yes	Yes
Spatial lags	No	No	No	No	No	Yes	No
Cell specific char. x linear trends	No	No	No	No	No	No	Yes
Observations	4,356,871	4,356,871	4,356,871	4,356,871	4,356,871	4,356,871	4,178,252
R-squared	0.580	0.584	0.583	0.583	0.583	0.583	0.582

*Notes.* (\* p-value < 0.1; \*\* p-value < 0.05; \*\*\* p-value < 0.01) The unit of observation is the FAO-GAEZ cell. Standard errors in parenthesis, clustered at the same level. Export Exposure is the PTA-driven export exposure of spatial unit  $i$  in year  $t$  that we obtain combining time variation in tariffs with cross-sectional variation in crop suitability, as described in equation 1. The dependent variable is the log of political violence (i.e., the number of hostile and violent events in ICEWS). Through country-specific flexible trends in column 4, we allow each country to have its own linear trend in the years prior to signature, a jump in the year of signature, and another linear trend in the years after. In column 5, we further allow these flexible trends to be different across ever-exposed (Export Exposure > 0 at any point) and never-exposed spatial units. In column 6, we include spatial lags to account for spillover effects within larger 110km×110km cells. In column 7, we include a rich set of (time-invariant) geographic and other controls that include elevation, ruggedness of terrain, share of area covered by water, precipitation, temperature, distance from the border and the coast, and the number of ethnic groups, and interact them with linear trends.

Table A.8: Export Exposure and Political Violence by Country

	Political Violence				
	(1)	(2)	(3)	(4)	(5)
	Algeria	Cambodia	Colombia	Costa Rica	Dominican R.
Export Exposure	-0.003*** (0.001)	-0.000 (0.002)	0.001** (0.000)	0.008** (0.003)	0.000 (0.002)
	Egypt	El Salvador	Guatemala	Honduras	India
Export Exposure	0.178** (0.073)	0.010* (0.006)	0.000 (0.001)	0.000 (0.001)	0.027*** (0.002)
	Indonesia	Jordan	Laos	Lebanon	Malaysia
Export Exposure	0.001*** (0.000)	0.035*** (0.013)	0.000 (0.000)	0.070 (0.057)	0.007*** (0.002)
	Mexico	Morocco	Myanmar	Nicaragua	Panama
Export Exposure	0.002*** (0.001)	0.001* (0.001)	0.001 (0.000)	-0.000 (0.001)	0.002** (0.001)
	Peru	Philippines	South Africa	Thailand	Vietnam
Export Exposure	-0.000* (0.000)	0.016*** (0.002)	0.011*** (0.001)	-0.001 (0.001)	-0.000 (0.000)
Cell FE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes

*Notes.* (\* p-value < 0.1; \*\* p-value < 0.05; \*\*\* p-value < 0.01) The unit of observation is the FAO-GAEZ cell. Standard errors in parenthesis, clustered at the same level. Export Exposure is the PTA-driven export exposure of spatial unit  $i$  in year  $t$  that we obtain combining time variation in tariffs with cross-sectional variation in crop suitability, as described in equation 1. The dependent variable is the log of political violence (i.e., the number of hostile and violent events in ICEWS). The coefficient is estimated separately by country in our sample.

Table A.9: Export Exposure and Economic Activity - Lit vs. Not Lit

	Economic Activity				
	(1)	(2)	(3)	(4)	(5)
Export Exposure	0.007 (0.007)	0.014* (0.008)	0.020** (0.009)	0.016* (0.008)	0.017* (0.009)
County FE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes
Country-Year FE	No	Yes	No	No	No
Country-specific trends	No	No	Yes	No	No
Country-specific flex. trends	No	No	No	Yes	No
Country-spec. trends (tr/non-tr)	No	No	No	No	Yes
Observations	197,676	197,676	197,676	197,676	197,676
R-squared	0.750	0.761	0.753	0.756	0.756

*Notes.* (\* p-value < 0.1; \*\* p-value < 0.05; \*\*\* p-value < 0.01) The unit of observation is the county (level 2 administrative unit). Standard errors in parenthesis, clustered at the same level. Export Exposure is the PTA-driven export exposure of spatial unit  $i$  in year  $t$  that we obtain combining time variation in tariffs with cross-sectional variation in crop suitability, as described in equation 1. The dependent variable a dummy equal to one if night-time luminosity is greater than zero, and zero otherwise. Through country-specific flexible trends in column 4, we allow each country to have its own linear trend in the years prior to signature, a jump in the year of signature, and another linear trend in the years after. In column 5, we further allow these flexible trends to be different across ever-exposed ( $\text{Export Exposure} > 0$  at any point) and never-exposed spatial units.

Table A.10: Export Exposure and Political Violence - Any Violence vs. No Violence

	Political Violence				
	(1)	(2)	(3)	(4)	(5)
Export Exposure	0.040*** (0.009)	0.019*** (0.007)	0.020*** (0.007)	0.022*** (0.007)	0.019*** (0.007)
County FE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes
Country-Year FE	No	Yes	No	No	No
Country-specific trends	No	No	Yes	No	No
Country-specific flex. trends	No	No	No	Yes	No
Country-spec. trends (tr/non-tr)	No	No	No	No	Yes
Observations	197,676	197,676	197,676	197,676	197,676
R-squared	0.485	0.519	0.508	0.509	0.510

*Notes.* (\* p-value < 0.1; \*\* p-value < 0.05; \*\*\* p-value < 0.01) The unit of observation is the county (level 2 administrative unit). Standard errors in parenthesis, clustered at the same level. Export Exposure is the PTA-driven export exposure of spatial unit  $i$  in year  $t$  that we obtain combining time variation in tariffs with cross-sectional variation in crop suitability, as described in equation 1. The dependent variable a dummy equal to one if political violence (i.e., the number of hostile and violent events in ICEWS) is greater than zero, and zero otherwise. Through country-specific flexible trends in column 4, we allow each country to have its own linear trend in the years prior to signature, a jump in the year of signature, and another linear trend in the years after. In column 5, we further allow these flexible trends to be different across ever-exposed (Export Exposure > 0 at any point) and never-exposed spatial units.

Table A.11: Conley Standard Errors

	Economic Activity		Political Violence	
	(1)	(2)	(3)	(4)
Export Exposure	0.070*** (0.014)	0.067** (0.013)	0.133*** (0.021)	0.041*** (0.011)
County FE	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes
Country-Year FE	No	Yes	No	Yes
Observations	197,676	197,676	197,676	197,676
R-squared	0.931	0.938	0.663	0.716

*Notes.* (\* p-value < 0.1; \*\* p-value < 0.05; \*\*\* p-value < 0.01) The unit of observation is the county (level 2 administrative unit). Conley standard errors in parenthesis (500 km of distance as cutoff). Export Exposure is the PTA-driven export exposure of spatial unit  $i$  in year  $t$  that we obtain combining time variation in tariffs with cross-sectional variation in crop suitability, as described in equation 1. In columns 1 and 2, the dependent variable is the log of night-time luminosity. In columns 3 and 4, the dependent variable is the log of political violence (i.e., the number of hostile and violent events in ICEWS).

Table A.12: Future and Past Export Exposure, Economic Activity, and Violence

	Economic Activity		Political Violence	
	(1)	(2)	(3)	(4)
Export Exposure	0.122*** (0.038)	0.108*** (0.037)	0.252*** (0.041)	0.076* (0.043)
Export Exposure $t + 1$	-0.062 (0.041)	-0.104* (0.054)	-0.071 (0.054)	-0.191** (0.077)
Export Exposure $t + 2$	-0.078*** (0.029)	-0.083** (0.035)	-0.160*** (0.045)	-0.055 (0.046)
Export Exposure $t + 3$	0.011 (0.026)	0.040 (0.029)	-0.055 (0.040)	-0.029 (0.054)
Export Exposure $t + 4$	0.089*** (0.030)	0.086*** (0.028)	-0.029 (0.034)	-0.055 (0.038)
Export Exposure $t + 5$	-0.046 (0.029)	-0.069** (0.028)	0.196*** (0.043)	0.184*** (0.056)
Export Exposure $t - 1$		0.079* (0.046)		0.248*** (0.057)
Export Exposure $t - 2$		-0.068* (0.039)		-0.065 (0.044)
Export Exposure $t - 3$		-0.076 (0.058)		-0.896*** (0.157)
Export Exposure $t - 4$		0.117 (0.074)		0.522*** (0.114)
Export Exposure $t - 5$		0.077 (0.049)		0.760*** (0.111)
County FE	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes
Observations	145,656	93,636	145,656	93,636
R-squared	0.948	0.964	0.676	0.737

*Notes.* (\* p-value < 0.1; \*\* p-value < 0.05; \*\*\* p-value < 0.01) The unit of observation is the county (level 2 administrative unit). Standard errors in parenthesis, clustered at the same level. Export Exposure is the PTA-driven export exposure of spatial unit  $i$  in year  $t$  that we obtain combining time variation in tariffs with cross-sectional variation in crop suitability, as described in equation 1. We include leads and lags as additional regressors. In column 1 and 2, the dependent variable is the log of night-time luminosity. In columns 3 and 4, the dependent variable is the log of political violence (i.e., the number of hostile and violent events in ICEWS).

Table A.13: Export Exposure and Political Violence – SCAD Data

	Political Violence				
	(1)	(2)	(3)	(4)	(5)
Export Exposure	-0.008 (0.016)	0.060** (0.025)	0.057** (0.024)	0.047** (0.023)	0.065** (0.025)
County FE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes
Country-Year FE	No	Yes	No	No	No
Country-specific trends	No	No	Yes	No	No
Country-specific flex. trends	No	No	No	Yes	No
Country-spec. trends (tr/non-tr)	No	No	No	No	Yes
Observations	84,664	84,664	84,664	84,664	84,664
R-squared	0.324	0.350	0.332	0.333	0.336

*Notes.* (\* p-value < 0.1; \*\* p-value < 0.05; \*\*\* p-value < 0.01) The unit of observation is the county (level 2 administrative unit). Standard errors in parenthesis, clustered at the same level. Export Exposure is the PTA-driven export exposure of spatial unit  $i$  in year  $t$  that we obtain combining time variation in tariffs with cross-sectional variation in crop suitability, as described in equation 1. The dependent variable is the log of political violence, now measured as the number events in SCAD. Through country-specific flexible trends in column 4, we allow each country to have its own linear trend in the years prior to signature, a jump in the year of signature, and another linear trend in the years after. In column 5, we further allow these flexible trends to be different across ever-exposed (Export Exposure > 0 at any point) and never-exposed spatial units.



Table A.14: Export Exposure and Alternative Measures of Hostility and Violence

	(1)	(2)	(3)	(4)	(5)
All Hostile Events					
Export Exposure	0.134*** (0.034)	0.048** (0.020)	0.057*** (0.021)	0.056*** (0.021)	0.046** (0.020)
Events of High Hostility					
Export Exposure	0.128*** (0.035)	0.038** (0.018)	0.049*** (0.019)	0.045** (0.019)	0.035** (0.018)
Events of Very High Hostility					
Export Exposure	0.046*** (0.016)	0.016 (0.011)	0.016 (0.011)	0.016 (0.012)	0.013 (0.011)
County FE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes
Country-Year FE	No	Yes	No	No	No
Country-specific trends	No	No	Yes	No	No
Country-specific flex. trends	No	No	No	Yes	No
Country-spec. trends (tr/non-tr)	No	No	No	No	Yes
Observations	197,676	197,676	197,676	197,676	197,676

*Notes.* (\* p-value < 0.1; \*\* p-value < 0.05; \*\*\* p-value < 0.01) The unit of observation is the county (level 2 administrative unit). Standard errors in parenthesis, clustered at the same level. Export Exposure is the PTA-driven export exposure of spatial unit  $i$  in year  $t$  that we obtain combining time variation in tariffs with cross-sectional variation in crop suitability, as described in equation 1. The dependent variable is the log of political violence measured in different ways. In the top panel we consider all (violent and non-violent) events classified as hostile, meaning with intensity lower than or equal to -1. In the mid panel, we count only high hostility events, i.e. with intensity lower than or equal to -5. In the bottom panel, we consider only very high hostility events, meaning those with intensity equal to -10. Through country-specific flexible trends in column 4, we allow each country to have its own linear trend in the years prior to signature, a jump in the year of signature, and another linear trend in the years after. In column 5, we further allow these flexible trends to be different across ever-exposed (Export Exposure > 0 at any point) and never-exposed spatial units.

Table A.15: Export Exposure, Urbanization, and Political Violence – SCAD Data

	Political Violence				
	(1)	(2)	(3)	(4)	(5)
Export Exposure	-0.036** (0.018)	0.027 (0.026)	0.025 (0.026)	0.014 (0.025)	0.031 (0.027)
Export Exposure × Urban County	0.045 (0.028)	0.060** (0.028)	0.058** (0.028)	0.059** (0.028)	0.061** (0.028)
County FE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes
Country-Year FE	No	Yes	No	No	No
Country-specific trends	No	No	Yes	No	No
Country-specific flex. trends	No	No	No	Yes	No
Country-spec. trends (tr/non-tr)	No	No	No	No	Yes
Observations	84,664	84,664	84,664	84,664	84,664
R-squared	0.324	0.350	0.333	0.334	0.337

*Notes.* (\* p-value < 0.1; \*\* p-value < 0.05; \*\*\* p-value < 0.01) The unit of observation is the county (level 2 administrative unit). Standard errors in parenthesis, clustered at the same level. Export Exposure is the PTA-driven export exposure of spatial unit  $i$  in year  $t$  that we obtain combining time variation in tariffs with cross-sectional variation in crop suitability, as described in equation 1. The dependent variable is the log of political violence, now measured as the number events in SCAD. Urban is a dummy equal to one if the share of urban land in the county is above the median at the country level. Through country-specific flexible trends in column 4, we allow each country to have its own linear trend in the years prior to signature, a jump in the year of signature, and another linear trend in the years after. In column 5, we further allow these flexible trends to be different across ever-exposed (Export Exposure > 0 at any point) and never-exposed spatial units.

Table A.16: Export Exposure and Political Violence – Only Low/High Labour Int. Crops

	Political Violence				
	(1)	(2)	(3)	(4)	(5)
Export Exposure	0.208*** (0.051)	0.063*** (0.020)	0.090*** (0.025)	0.063*** (0.020)	0.057*** (0.019)
County FE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes
Country-Year FE	No	Yes	No	No	No
Country-specific trends	No	No	Yes	No	No
Country-specific flex. trends	No	No	No	Yes	No
Country-spec. trends (tr/non-tr)	No	No	No	No	Yes
Observations	197,676	197,676	197,676	197,676	197,676
R-squared	0.665	0.716	0.701	0.703	0.704

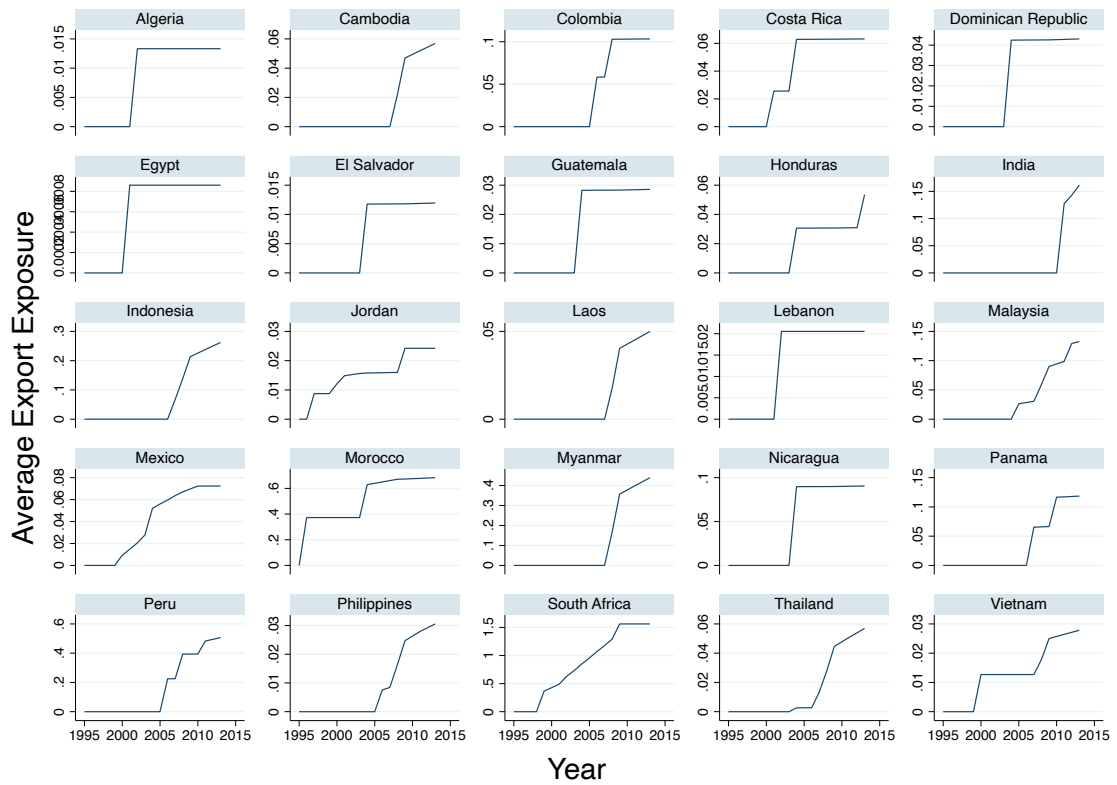
*Notes.* (\* p-value < 0.1; \*\* p-value < 0.05; \*\*\* p-value < 0.01) The unit of observation is the county (level 2 administrative unit). Standard errors in parenthesis, clustered at the same level. Export Exposure is the PTA-driven export exposure of spatial unit  $i$  in year  $t$  that we obtain combining time variation in tariffs with cross-sectional variation in crop suitability, as described in equation 1. This is calculated considering only those crops that we can classify into low and high labour intensity crops (Talhelm and English 2020). The former include barley, buckwheat, foxtail millet, maize, oat, pearl millet, rye, sorghum, and wheat, while the latter includes (wetland and dryland) rice. The dependent variable is the log of political violence (i.e., the number of hostile and violent events in ICEWS). Through country-specific flexible trends in column 4, we allow each country to have its own linear trend in the years prior to signature, a jump in the year of signature, and another linear trend in the years after. In column 5, we further allow these flexible trends to be different across ever-exposed (Export Exposure > 0 at any point) and never-exposed spatial units.

Table A.17: Export Exposure and Political Violence – Only Food and Cash Crops

	Political Violence				
	(1)	(2)	(3)	(4)	(5)
Export Exposure	0.086*** (0.031)	0.037** (0.016)	0.042** (0.017)	0.034** (0.016)	0.030** (0.015)
County FE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes
Country-Year FE	No	Yes	No	No	No
Country-specific trends	No	No	Yes	No	No
Country-specific flex. trends	No	No	No	Yes	No
Country-spec. trends (tr/non-tr)	No	No	No	No	Yes
Observations	197,676	197,676	197,676	197,676	197,676
R-squared	0.663	0.716	0.701	0.703	0.704

*Notes.* (\* p-value < 0.1; \*\* p-value < 0.05; \*\*\* p-value < 0.01) The unit of observation is the county (level 2 administrative unit). Standard errors in parenthesis, clustered at the same level. Export Exposure is the PTA-driven export exposure of spatial unit  $i$  in year  $t$  that we obtain combining time variation in tariffs with cross-sectional variation in crop suitability, as described in equation 1. This is calculated considering only those crops that we can classify into food and cash crops (McGuirk and Burke 2020). The former include maize, oil palm, dryland rice and wetland rice, sorghum, soybean, sugar beet and sugar cane, wheat and buckwheat, while the latter includes cocoa, coffee, tea and tobacco. The dependent variable is the log of political violence (i.e., the number of hostile and violent events in ICEWS). Through country-specific flexible trends in column 4, we allow each country to have its own linear trend in the years prior to signature, a jump in the year of signature, and another linear trend in the years after. In column 5, we further allow these flexible trends to be different across ever-exposed (Export Exposure > 0 at any point) and never-exposed spatial units.

Figure A.1: Export Exposure by Country Over Time



*Notes.* The figure shows the average value of Export Exposure across FAO-GAEZ cells within countries over time. Export Exposure is the PTA-driven export exposure of spatial unit  $i$  in year  $t$  that we obtain combining time variation in tariffs with cross-sectional variation in crop suitability, as described in equation 1. As such, the variable begins to take positive values at the time of PTA signature, and only if and only if any agricultural crop experiences any tariff cut and any cell in the country is suitable to produce it.

## B Supplementary Appendix

### B.1 ICEWS Events Classification

Table B.1: Classification of Violent and Non-violent Events in ICEWS 1/4

Violent	CAMEO Event Category
1	Abduct, hijack, or take hostage
1	Arrest, detain, or charge with legal action
1	Assassinate
1	Attempt to assassinate
1	Carry out car bombing
1	Carry out roadside bombing
1	Carry out suicide bombing
1	Coerce
1	Conduct suicide, car, or other non-military bombing
1	Demonstrate military or police power
1	Destroy property
1	Employ aerial weapons
1	Engage in ethnic cleansing
1	Engage in mass expulsion
1	Engage in mass killings
1	Engage in violent protest for leadership change
1	Expel or deport individuals
1	Expel or withdraw
1	Expel or withdraw peacekeepers
1	Fight with artillery and tanks
1	Fight with small arms and light weapons
1	Kill by physical assault
1	Mobilize or increase armed forces
1	Mobilize or increase police power
1	Physically assault
1	Protest violently, riot
1	Seize or damage property
1	Sexually assault
1	Torture
1	Use chemical, biological, or radiological weapons
1	Use conventional military force
1	Use tactics of violent repression
1	Use unconventional violence

*Notes.* List of all hostile events in ICEWS (intensity between -10 and -1) and further classification between violent and non-violent events, elaborated by the authors

Table B.1: Classification of Violent and Non-violent Events in ICEWS 2/4

Violent	CAMEO Event Category
0	Accuse
0	Accuse of aggression
0	Accuse of crime, corruption
0	Accuse of espionage, treason
0	Accuse of human rights abuses
0	Accuse of war crimes
0	Appeal for change in institutions, regime
0	Appeal for change in leadership
0	Appeal for de-escalation of military engagement
0	Appeal for easing of administrative sanctions
0	Appeal for easing of economic sanctions, boycott, or embargo
0	Appeal for easing of political dissent
0	Appeal for policy change
0	Appeal for political reform
0	Appeal for release of persons or property
0	Appeal for rights
0	Appeal for target to allow international involvement (non-mediation)
0	Appeal to yield
0	Ban political parties or politicians
0	Bring lawsuit against
0	Complain officially
0	Conduct hunger strike
0	Conduct hunger strike for policy change
0	Conduct strike or boycott
0	Conduct strike or boycott for policy change
0	Confiscate property
0	Criticize or denounce
0	Decline comment
0	Defy norms, law
0	Demand
0	Demand change in institutions, regime
0	Demand change in leadership
0	Demand de-escalation of military engagement
0	Demand diplomatic cooperation (such as policy support)
0	Demand easing of administrative sanctions
0	Demand easing of economic sanctions, boycott, or embargo
0	Demand easing of political dissent
0	Demand economic aid
0	Demand humanitarian aid
0	Demand intelligence cooperation
0	Demand judicial cooperation

*Notes.* List of all hostile events in ICEWS (intensity between -10 and -1) and further classification between violent and non-violent events, elaborated by the authors

Table B.1: Classification of Violent and Non-violent Events in ICEWS 3/4

Violent	CAMEO Event Category
0	Demand material cooperation
0	Demand mediation
0	Demand meeting, negotiation
0	Demand military aid
0	Demand policy change
0	Demand political reform
0	Demand release of persons or property
0	Demand rights
0	Demand settling of dispute
0	Demand that target yields
0	Demonstrate for leadership change
0	Demonstrate for policy change
0	Demonstrate or rally
0	Deny responsibility
0	Give ultimatum
0	Halt mediation
0	Halt negotiations
0	Impose administrative sanctions
0	Impose blockade, restrict movement
0	Impose curfew
0	Impose embargo, boycott, or sanctions
0	Impose restrictions on political freedoms
0	Impose state of emergency or martial law
0	Increase military alert status
0	Increase police alert status
0	Investigate
0	Investigate crime, corruption
0	Investigate human rights abuses
0	Investigate military action
0	Investigate war crimes
0	Make pessimistic comment
0	Obstruct passage, block
0	Occupy territory
0	Rally opposition against
0	Reduce or break diplomatic relations
0	Reduce or stop economic assistance
0	Reduce or stop humanitarian assistance
0	Reduce or stop material aid
0	Reduce or stop military assistance
0	Reduce relations
0	Refuse to de-escalate military engagement

*Notes.* List of all hostile events in ICEWS (intensity between -10 and -1) and further classification between violent and non-violent events, elaborated by the authors



Table B.1: Classification of Violent and Non-violent Events in ICEWS 4/4

Violent	CAMEO Event Category
0	Refuse to ease administrative sanctions
0	Refuse to ease economic sanctions, boycott, or embargo
0	Refuse to ease popular dissent
0	Refuse to release persons or property
0	Refuse to yield
0	Reject
0	Reject economic cooperation
0	Reject judicial cooperation
0	Reject material cooperation
0	Reject mediation
0	Reject plan, agreement to settle dispute
0	Reject proposal to meet, discuss, or negotiate
0	Reject request for change in institutions, regime
0	Reject request for change in leadership
0	Reject request for economic aid
0	Reject request for military aid
0	Reject request for military protection or peacekeeping
0	Reject request for rights
0	Threaten
0	Threaten non-force
0	Threaten to halt negotiations
0	Threaten to impose curfew
0	Threaten to reduce or break relations
0	Threaten to reduce or stop aid
0	Threaten with administrative sanctions
0	Threaten with military force
0	Threaten with political dissent, protest
0	Threaten with repression
0	Threaten with restrictions on political freedoms
0	Threaten with sanctions, boycott, embargo
0	Use as human shield
0	Veto
0	Violate ceasefire

*Notes.* List of all hostile events in ICEWS (intensity between -10 and -1) and further classification between violent and non-violent events, elaborated by the authors

## B.2 Covariates Definitions and Data Sources

We report the definitions and the data sources for all the variables used in column 7 of both Tables 1 and A.7 and for those used in the heterogeneity analysis in Section 5.4. For each variable, we use the original data to compute a dummy that takes value 1 if the cell- or the county-specific values is above the country-specific median of the corresponding variable and zero otherwise.

### Urban Variable

*Urban:* Average urban land at 9x9km cell.

Source: Schneider, A, Friedl, M.A., Potere, D (2010). Mapping global urban areas using MODIS 500-m data: New methods and datasets based on 'urban ecoregions'. Remote Sensing of Environment, 114(8), 1733-1746.

### Geographical Variables

*Precipitation:* Average 9x9 km cell monthly precipitation mm/month, baseline period 1960-1991.

Source: CRU CL 2.0 data from New (2002).

*Temperature:* Absolute average annual 9x9 km cell temperature, baseline period 1960-1991.

Source: CRU CL 2.0 data from New (2002).

*Elevation:* Average 9x9 km cell elevation.

Source: National Oceanic and Atmospheric Administration (NOAA) and U.S. National Geophysical Data Center, Terrain Base, release 1.0 (CD-ROM), Boulder, Colo.

*Ruggedness:* Average 9x9 km cell ruggedness (Terrain Ruggedness Index, 100 m.)

Source: <http://diegopuga.org>.

*Area Covered by Water:* Total area of the 9x9 km cell covered by water. GIS calculation. Projected in WGS84 EASE.

*Distance Border:* Distance to Country border. Projected in WGS84 EASE.

Source: Digital Chart of the World coastline shapefile.

*Distance Coast:* Distance to Coast line. Projected in WGS84 EASE.

Source: Digital Chart of the World coastline shapefile.

### Ethnic Diversity Variable

*Number of Ethnic Groups:* Number of ethnic groups in a 9x9 km cell.

Source: GREG dataset (Soviet Atlas).

### Diamond and Oil Variables

*Diamond:* Dummy equal to one if a diamond deposit is present in the 9x9 km cell and zero otherwise.

Source: Gilmore, Elisabeth; Nils Petter Gleditsch, Päivi Lujala, Jan Ketil Rød, 2005. 'Conflict Dia-

monds: A New Dataset', *Conflict Management and Peace Science* 22(3): 257–292.

*Oil*: Dummy equal to one if a oil and gas deposit is present in the 9x9 km cell and zero otherwise.

Source: Lujala, Päivi; Jan Ketil Rød, Nadia Thieme, 2007. 'Fighting over Oil: Introducing A New Dataset', *Conflict Management and Peace Science* 24(3), 239-256.