

TRACKING GRAVITY WITHIN GLOBAL TRADE, 1950-2000

Table 3: Unstandardized 2SFRM Coefficients from Gravity Models of Bilateral Trade: Change over Time

	Model 1		Model 2		Model 3		Model 4	
	Main Effect in 1950	Interaction with Time	Main Effect in 1950	Interaction with Time	Main Effect in 1950	Interaction with Time	Main Effect in 1950	Interaction with Time
Economic Factors								
ln(GDP _i /GDP _j)	.452*** (6.20)	.115*** (13.82)	.464*** (6.18)	.117*** (13.75)	.458*** (6.03)	.098*** (13.73)	.432*** (6.31)	.116*** (13.58)
Global Institutional Factors								
ln(IGO)	.688*** (14.39)	-.035*** (-11.89)	.684*** (14.20)	-.035*** (-11.87)	.701*** (14.83)	-.041*** (-11.95)	.656*** (14.83)	-.040*** (-12.40)
Geographic Factors								
•ln(Distance)	-.802*** (-14.47)	-.042*** (-11.88)	-.808*** (-13.89)	-.043*** (-11.79)	-.880*** (-10.05)	-.035*** (-12.08)	-.784*** (-14.39)	-.034*** (-9.80)
•Land contiguity	.137*** (4.05)	.082*** (4.32)	.142*** (3.99)	.084*** (4.54)	.170*** (6.01)	.076*** (5.03)	.142*** (5.89)	.068*** (5.23)
•Sea contiguity	.435*** (5.47)	.011 (1.33)	.438*** (5.50)	.014 (1.37)	.357*** (6.08)	.011 (1.74)	.354*** (8.12)	.009 (1.11)
Political Factors								
ln(Difference)	-.207*** (-3.96)	.026 (.68)			-.179** (-3.14)	.016 (.95)	-.164*** (-3.50)	.010 (.92)
ln(Weak)			.121 (1.03)	-.007 (-.83)				
Cultural Factors								
•Common language	.259*** (4.89)	.064*** (6.93)	.247*** (4.17)	.064*** (7.06)			.159*** (6.35)	.047*** (6.70)
•Colonial history	.920*** (7.47)	-.075** (-3.42)	.921*** (7.49)	-.075** (-3.47)			.746*** (6.40)	-.071** (-2.92)
•Common civilization					-.524*** (-9.86)	.121*** (6.16)	-.477*** (-8.06)	.084*** (4.18)
Year		-.448** (-2.47)		-.543** (-2.65)		-.520** (-2.88)		-.321* (-1.94)
Constant								
FE constant		3.710*** (26.80)		3.707*** (26.81)		3.447*** (25.66)		3.750*** (27.07)
RE constant		-1.021*** (-13.80)		-.813*** (-10.50)		-1.213*** (-17.31)		-1.047*** (-13.11)
ρ in AR(1)								
FE ρ		.452		.352		.450		.452
RE ρ		.456		.458		.455		.457
R²								
FE R ²		.420		.383		.409		.425
RE R ²		.015		.017		.012		.024

Notes: (1) N = 55,416; (2) Numbers in parentheses are t-values; (3) Population and regional trade agreement as well as their interactions with year are controlled but not shown; (4) * P<.05, ** P<.01, *** P<.001 (two-tailed test); (5) Time-constant variables are signaled by a “•” prefix, whose coefficients are estimated by the random effects estimators; other variables (including all year-by-covariate interaction terms) are time-varying, and their coefficients are obtained by the fixed effects estimators; (6) Under each model, the first column shows the coefficient of that covariate in 1950, while the second column gives the coefficient of the year-by-covariate interaction term.