# Mirages of Reform: Online Appendix

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# Chapter 4

Table 1: Balance Table (Public vs. Non Public Industries)

|  | Non-Public | Public |  |
| --- | --- | --- | --- |
|  | Mean (SD) | Mean (SD) | P Value |
| Pre-Treaty Tariff | 17.983 | 22.022 | 0.033 |
|  | 9.857 | 17.677 |  |
| Imports from Partner Pre-Treaty (Logged) | 12.67 | 15.087 | 0 |
|  | 2.937 | 2.28 |  |
| Exports to Partner Pre-Treaty (Logged) | 12.14 | 13.152 | 0.026 |
|  | 2.645 | 2.954 |  |
| Number of Establishments | 199.222 | 505.717 | 0.001 |
|  | 334.491 | 910.45 |  |
| Assets (Logged) | 0 | 2.897 | 0 |
|  | 0 | 1.799 |  |
| Employees | 1221.861 | 3172.65 | 0 |
|  | 1665.232 | 2753.153 |  |
| NTMs (Logged) | 0.568 | 0.419 | 0.403 |
|  | 1.646 | 1.364 |  |
| SOE | 0 | 0.167 | 0 |
|  | 0 | 0.374 |  |
| Firm Size | 12.641 | 36.962 | 0 |
|  | 14.056 | 51.543 |  |
| Observations | 115 | 180 |  |

Note: Publicly-traded industries are industries with at least one publicly-traded firm.

# Hypothesis 1: Social Connections, Geopolitical Value and Trade Policy Reform

Table 2: Strong Social Connections, Geopolitics and Five-Year Tariff Cuts (Unlogged Strong Social Connections)

| | *Dependent variable:* | | | |
|---|---|---|---|---|
| | Five-Year Tariff Reductions | | | |
| | (1) | (2) | (3) | (4) |
| Strong Social Connections | 3.96 | -0.80 | -1.44 | |
| | (2.74) | (2.80) | (2.82) | |
| Strong Social Connections (Mixed) | | | | -3.18 |
| | | | | (2.36) |
| Higher Geo Value | 2.69*** | 1.73*** | 1.65*** | 1.09 |
| | (0.61) | (0.58) | (0.59) | (0.70) |
| Pre-Treaty Tariff | | 0.15*** | 0.15*** | 0.16*** |
| | | (0.03) | (0.03) | (0.03) |
| Pre-Treaty Imports | | 0.37** | 0.37** | 0.37** |
| | | (0.16) | (0.18) | (0.17) |
| Establishments | | -0.05 | -0.73** | -0.71* |
| | | (0.25) | (0.36) | (0.37) |
| CBMs | | | 0.76 | 0.85 |
| | | | (0.52) | (0.60) |
| Public Assets | | | -0.94*** | -0.89** |
| | | | (0.32) | (0.35) |
| Employees | | | 0.77* | 0.76* |
| | | | (0.40) | (0.40) |
| NTMs | | | -0.36 | -0.37 |
| | | | (0.25) | (0.25) |
| SOE | | | 0.69 | 0.53 |
| | | | (1.95) | (2.03) |
| Strong Social Connections * Higher Geo Value | 4.87* | 5.67** | 5.78** | |
| | (2.78) | (2.60) | (2.60) | |
| Strong Social Connections (Mixed) * Higher Geo Value | | | | 5.11*** |
| | | | | (1.79) |
| Constant | 3.53*** | -3.37 | -5.38** | -5.01* |
| | (0.63) | (2.32) | (2.72) | (2.70) |
| Observations | 278 | 266 | 266 | 266 |
| R$^2$ | 0.09 | 0.23 | 0.28 | 0.29 |
| F Statistic | 9.10*** | 12.67*** | 9.16*** | 9.24*** |

*Note:* *p<0.1; **p<0.05; ***p<0.01

Table 3: Strong Social Connections, Geopolitics and Five-Year Tariff Cuts (Without Outliers)

| | _Dependent variable:_ | | | | |
|---|---|---|---|---|---|
| | Five-Year Tariff Reductions | | | | |
| | (1) | (2) | (3) | (4) | (5) |
| Strong Social Connections | 7.43* | 1.15 | 0.09 | | |
| | (4.44) | (4.99) | (6.49) | | |
| Strong Social Connections (Mixed) | | | | -3.21 | |
| | | | | (3.32) | |
| Strong Social Connections (Dummy) | | | | | 0.13 |
| | | | | | (1.33) |
| Higher Geo Value | 2.47*** | 1.49** | 1.38** | 1.05 | 1.48** |
| | (0.68) | (0.64) | (0.66) | (0.73) | (0.64) |
| Pre-Treaty Tariff | | 0.15*** | 0.15*** | 0.16*** | 0.16*** |
| | | (0.03) | (0.03) | (0.03) | (0.03) |
| Pre-Treaty Imports | | 0.29* | 0.36** | 0.36** | 0.36** |
| | | (0.16) | (0.18) | (0.18) | (0.18) |
| Establishments | | -0.05 | -0.73** | -0.71* | -0.76** |
| | | (0.26) | (0.37) | (0.36) | (0.37) |
| CBMs | | | 0.59 | 0.78 | 0.59 |
| | | | (0.64) | (0.62) | (0.62) |
| Public Assets | | | -0.96*** | -0.87** | -0.96*** |
| | | | (0.32) | (0.35) | (0.32) |
| Employees | | | 0.77** | 0.76* | 0.79** |
| | | | (0.39) | (0.40) | (0.39) |
| NTMs | | | -0.35 | -0.37 | -0.39 |
| | | | (0.25) | (0.26) | (0.26) |
| SOE | | | 0.78 | 0.51 | 0.83 |
| | | | (1.89) | (2.02) | (1.91) |
| Strong Social Connections * Higher Geo Value | 7.85* | 9.37** | 9.60** | | |
| | (4.05) | (3.80) | (3.93) | | |
| Strong Social Connections (Mixed) * Higher Geo Value | | | | 6.33*** | |
| | | | | (2.30) | |
| Strong Social Connections (Dummy) * Higher Geo Value | | | | | 1.93** |
| | | | | | (0.79) |
| Constant | 3.27*** | -2.49 | -4.93* | -4.83* | -4.95* |
| | (0.70) | (2.33) | (2.71) | (2.70) | (2.71) |
| Observations | 270 | 258 | 258 | 264 | 258 |
| R$^2$ | 0.10 | 0.23 | 0.29 | 0.29 | 0.29 |
| F Statistic | 10.32*** | 12.73*** | 8.98*** | 9.17*** | 8.98*** |

_Note:_ *p<0.1; **p<0.05; ***p<0.01

Note: Outliers are industries with Strong Social Connections levels that are two standard deviations above the median value of Strong Social Connections.

Table 4: Strong Social Connections, Geopolitics and Trade Policy Reform (With Different Measures of Tariff Cuts)

| | Dependent variable: | | | | | |
|---|---|---|---|---|---|---|
| | Four-Year Tariff Reductions | | | Six-Year Tariff Reductions | | |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Strong Social Connections | -1.67 | | | -1.24 | | |
| | (3.65) | | | (3.93) | | |
| Strong Social Connections (Mixed) | | -5.22 | | | -3.51 | |
| | | (3.27) | | | (3.50) | |
| Strong Social Connections (Dummy) | | | -0.20 | | | -0.05 |
| | | | (1.27) | | | (1.30) |
| Higher Geo Value | 0.91 | 0.36 | 0.65 | 1.79** | 1.29 | 1.69** |
| | (0.76) | (0.88) | (0.78) | (0.71) | (0.82) | (0.73) |
| Pre-Treaty Tariff | 0.09*** | 0.09*** | 0.09*** | 0.15** | 0.15** | 0.15** |
| | (0.03) | (0.03) | (0.03) | (0.06) | (0.06) | (0.06) |
| Pre-Treaty Imports | 0.31* | 0.30* | 0.31* | 0.35* | 0.35* | 0.35* |
| | (0.18) | (0.18) | (0.18) | (0.20) | (0.20) | (0.20) |
| Establishments | -0.38 | -0.39 | -0.39 | -0.78* | -0.77* | -0.78* |
| | (0.34) | (0.34) | (0.34) | (0.45) | (0.45) | (0.46) |
| CBMs | 0.63 | 0.89 | 0.49 | 0.36 | 0.47 | 0.25 |
| | (0.47) | (0.57) | (0.54) | (0.56) | (0.68) | (0.64) |
| Public Assets | -0.75** | -0.76** | -0.75*** | -0.68** | -0.64* | -0.67* |
| | (0.29) | (0.32) | (0.29) | (0.34) | (0.38) | (0.34) |
| Employees | 0.42 | 0.44 | 0.42 | 0.92** | 0.91** | 0.91** |
| | (0.34) | (0.35) | (0.33) | (0.42) | (0.42) | (0.42) |
| NTMs | -0.52** | -0.52** | -0.54** | -0.38 | -0.39 | -0.40* |
| | (0.24) | (0.24) | (0.25) | (0.24) | (0.24) | (0.24) |
| SOE | 1.08 | 0.97 | 1.16 | -0.12 | -0.25 | -0.08 |
| | (1.73) | (1.80) | (1.70) | (2.01) | (2.06) | (1.97) |
| Strong Social Connections * Higher Geo Value | 4.52 | | | 5.25 | | |
| | (3.75) | | | (3.37) | | |
| Strong Social Connections (Mixed) * Higher Geo Value | | 5.02* | | | 5.20** | |
| | | (2.75) | | | (2.48) | |
| Strong Social Connections (Dummy) * Higher Geo Value | | | 1.58* | | | 1.46* |
| | | | (0.94) | | | (0.84) |
| Constant | -2.60 | -2.28 | -2.48 | -4.85* | -4.54* | -4.77* |
| | (2.42) | (2.40) | (2.40) | (2.71) | (2.67) | (2.68) |
| Observations | 267 | 267 | 267 | 267 | 267 | 267 |
| $R^2$ | 0.15 | 0.16 | 0.16 | 0.25 | 0.26 | 0.26 |
| F Statistic | 4.17*** | 4.30*** | 4.28*** | 7.92*** | 7.99*** | 7.98*** |

*Note:* *p<0.1; **p<0.05; ***p<0.01

Table 5: Medium Social Connections, Geopolitics and Five-Year Tariff Cuts

| | Dependent variable: | | | |
| --- | --- | --- | --- | --- |
| | Five-Year Tariff Reductions | | | |
| | (1) | (2) | (3) | (4) |
| Medium Social Connections | 2.04 | -1.45 | -7.11* | |
| | (2.05) | (2.74) | (4.27) | |
| Medium Social Connections (Dummy) | | | | -2.07* |
| | | | | (1.24) |
| Higher Geo Value | 2.51*** | 1.33* | 1.23 | 1.58** |
| | (0.80) | (0.76) | (0.78) | (0.70) |
| Pre-Treaty Tariff | | 0.15*** | 0.16*** | 0.16*** |
| | | (0.03) | (0.03) | (0.03) |
| Pre-Treaty Imports | | 0.38** | 0.36** | 0.37** |
| | | (0.18) | (0.18) | (0.18) |
| Establishments | | -0.03 | -0.65* | -0.70* |
| | | (0.26) | (0.36) | (0.36) |
| CBMs | | | 1.57** | 1.13** |
| | | | (0.70) | (0.52) |
| Public Assets | | | -1.02*** | -0.90*** |
| | | | (0.31) | (0.33) |
| Employees | | | 0.70* | 0.76* |
| | | | (0.38) | (0.39) |
| NTMs | | | -0.40 | -0.35 |
| | | | (0.25) | (0.25) |
| SOE | | | 0.95 | 0.59 |
| | | | (1.96) | (1.99) |
| Medium Social Connections * Higher Geo Value | 2.84 | 3.93** | 3.99** | |
| | (1.85) | (1.73) | (1.76) | |
| Medium Social Connections (Dummy) * Higher Geo Value | | | | 1.58** |
| | | | | (0.79) |
| Constant | 3.49*** | -3.32 | -4.82* | -5.38** |
| | (0.82) | (2.49) | (2.63) | (2.71) |
| Observations | 278 | 266 | 266 | 266 |
| $R^2$ | 0.08 | 0.22 | 0.29 | 0.28 |
| F Statistic | 8.20*** | 12.52*** | 9.37*** | 9.15*** |

Note: $^*$p<0.1; $^{**}$p<0.05; $^{***}$p<0.01

Note: Medium Social Connections are measured by the share of Palestinian Jordanian CBMs in an industry.

Table 6: Strong Social Connections, Geopolitics and Five-Year Tariff Cuts (Only Publicly-Traded Industries)

| | _Dependent variable:_ | | | | |
|---|---|---|---|---|---|
| | Five-Year Tariff Reductions | | | | |
| | (1) | (2) | (3) | (4) | (5) |
| Strong Social Connections | 4.89 | 3.06 | 4.81 | | |
| | (3.88) | (3.59) | (3.93) | | |
| Strong Social Connections (Mixed) | | | | -0.70 | |
| | | | | (4.13) | |
| Strong Social Connections (Dummy) | | | | | 1.04 |
| | | | | | (1.25) |
| Higher Geo Value | 3.67*** | 2.99*** | 2.91*** | 1.76 | 2.72*** |
| | (0.78) | (0.72) | (0.71) | (1.18) | (0.78) |
| Pre-Treaty Tariff | | 0.14*** | 0.15*** | 0.16*** | 0.16*** |
| | | (0.02) | (0.03) | (0.03) | (0.03) |
| Pre-Treaty Imports (Log) | | 0.66*** | 0.71*** | 0.67*** | 0.68*** |
| | | (0.23) | (0.22) | (0.21) | (0.20) |
| Establishments | | -0.47 | -0.84** | -0.80* | -0.86** |
| | | (0.31) | (0.38) | (0.42) | (0.40) |
| CBMs | | | 1.54 | 1.50 | 1.23 |
| | | | (0.99) | (0.99) | (1.15) |
| Public Assets | | | -1.27*** | -1.13*** | -1.18*** |
| | | | (0.34) | (0.35) | (0.34) |
| Employees | | | 0.88 | 0.87 | 0.93 |
| | | | (0.55) | (0.64) | (0.58) |
| NTMs | | | -0.40 | -0.44 | -0.47 |
| | | | (0.35) | (0.35) | (0.36) |
| SOE | | | 1.42 | 1.04 | 1.24 |
| | | | (1.95) | (2.06) | (1.91) |
| Strong Social Connections * Higher Geo Value | 1.93 | 1.79 | 1.77 | | |
| | (3.78) | (3.50) | (3.38) | | |
| Strong Social Connections (Mixed) * Higher Geo Value | | | | 4.39 | |
| | | | | (3.51) | |
| Strong Social Connections (Dummy) * Higher Geo Value | | | | | 0.65 |
| | | | | | (0.91) |
| Constant | 3.54*** | -6.58 | -13.95*** | -12.64*** | -12.99*** |
| | (0.85) | (4.26) | (4.73) | (4.80) | (4.51) |
| Observations | 177 | 176 | 176 | 176 | 176 |
| R² | 0.10 | 0.30 | 0.37 | 0.37 | 0.37 |
| F Statistic | 6.58*** | 12.09*** | 8.90*** | 8.67*** | 8.85*** |

_Note:_ *p<0.1; **p<0.05; ***p<0.01

Table 7: Strong Social Connections, Geopolitics and Five-Year Tariff Cuts (Only Large Industries)

| | *Dependent variable:* | | | | |
|---|---|---|---|---|---|
| | Five-Year Tariff Reductions | | | | |
| | (1) | (2) | (3) | (4) | (5) |
| Strong Social Connections | 3.35 | -4.72 | -17.55*** | | |
| | (6.27) | (6.26) | (6.59) | | |
| Strong Social Connections (Mixed) | | | | -17.36*** | |
| | | | | (4.95) | |
| Strong Social Connections (Dummy) | | | | | -2.45* |
| | | | | | (1.45) |
| Higher Geo Value | 2.28** | 1.17 | 1.09 | 0.15 | 1.14 |
| | (0.96) | (0.99) | (1.06) | (1.29) | (1.04) |
| Pre-Treaty Tariff | | 0.14*** | 0.17*** | 0.17*** | 0.16*** |
| | | (0.03) | (0.03) | (0.03) | (0.03) |
| Pre-Treaty Imports (Log) | | 0.39** | 0.43* | 0.48** | 0.45** |
| | | (0.20) | (0.22) | (0.22) | (0.22) |
| Establishments | | -0.29 | 0.16 | -0.09 | 0.12 |
| | | (0.60) | (0.91) | (0.86) | (0.94) |
| CBMs | | | 2.65*** | 3.37*** | 2.10** |
| | | | (0.87) | (0.96) | (0.83) |
| Public Assets | | | -1.42*** | -1.78*** | -1.35*** |
| | | | (0.39) | (0.45) | (0.37) |
| Employees | | | -1.72 | -1.63 | -1.29 |
| | | | (1.88) | (1.75) | (1.84) |
| NTMs | | | -1.21*** | -1.14*** | -1.05*** |
| | | | (0.34) | (0.36) | (0.33) |
| SOE | | | 4.19 | 4.63* | 3.69 |
| | | | (2.73) | (2.67) | (2.66) |
| Strong Social Connections * Higher Geo Value | 9.71* | 11.35** | 10.47* | | |
| | (5.19) | (5.09) | (5.43) | | |
| Strong Social Connections (Mixed) * Higher Geo Value | | | | 9.28** | |
| | | | | (3.81) | |
| Strong Social Connections (Dummy) * Higher Geo Value | | | | | 2.56** |
| | | | | | (1.22) |
| Constant | 4.40*** | -1.43 | 6.97 | 7.53 | 3.88 |
| | (1.18) | (3.19) | (10.18) | (9.49) | (9.77) |
| Observations | 142 | 137 | 137 | 137 | 137 |
| $R^2$ | 0.09 | 0.27 | 0.35 | 0.36 | 0.34 |
| F Statistic | 4.58*** | 7.90*** | 6.15*** | 6.48*** | 5.85*** |

*Note:* *p<0.1; **p<0.05; ***p<0.01

Note: Large industries are industries where the average firm size is greater than ten employees.

# Hypothesis 2: Social Connections, Geopolitical Value and Post-Treaty Profits

Table 8: Strong Social Connections, Geopolitics and Post-Treaty Profits (Net Income)

| | *Dependent variable:* | | | | |
|---|---|---|---|---|---|
| | Post-Treaty Net Income | | | | |
| | (1) | (2) | (3) | (4) | (5) |
| Strong Social Connections | 2.58** | 2.73** | 2.73** | | |
| | (1.17) | (1.17) | (1.17) | | |
| Strong Social Connections (Mixed) | | | | 3.10*** | |
| | | | | (1.15) | |
| Strong Social Connections (Dummy) | | | | | 0.54 |
| | | | | | (0.37) |
| Higher Geo Value | -0.18 | -0.26 | -0.26 | -0.42 | -0.12 |
| | (0.24) | (0.20) | (0.20) | (0.30) | (0.20) |
| Pre-Treaty ROA | | 1.54 | 1.54 | 1.08 | 2.83 |
| | | (2.79) | (2.79) | (2.88) | (3.03) |
| Establishments | | 0.21 | 0.21 | 0.04 | 0.09 |
| | | (0.29) | (0.29) | (0.28) | (0.30) |
| CBMs | | 0.18 | 0.18 | 0.29** | 0.23 |
| | | (0.14) | (0.14) | (0.13) | (0.14) |
| Public Assets | | -0.09 | -0.09 | -0.06 | -0.09 |
| | | (0.13) | (0.13) | (0.12) | (0.13) |
| Employees | | -0.04 | -0.04 | -0.08 | -0.04 |
| | | (0.14) | (0.14) | (0.14) | (0.16) |
| NTMs | | -0.15* | -0.15* | -0.18*** | -0.18** |
| | | (0.08) | (0.08) | (0.07) | (0.08) |
| SOE | | 1.59** | 1.59** | 1.45*** | 1.41** |
| | | (0.62) | (0.62) | (0.55) | (0.62) |
| Strong Social Connections * Higher Geo Value | 1.98* | 1.94** | 1.94** | | |
| | (1.06) | (0.89) | (0.89) | | |
| Strong Social Connections (Mixed) * Higher Geo Value | | | | 1.55* | |
| | | | | (0.83) | |
| Strong Social Connections (Dummy) * Higher Geo Value | | | | | 0.27 |
| | | | | | (0.22) |
| Constant | -0.05 | -0.70 | -0.70 | -0.80 | -0.39 |
| | (0.26) | (0.76) | (0.76) | (0.70) | (0.76) |
| Observations | 113 | 109 | 109 | 109 | 109 |
| $R^2$ | 0.08 | 0.49 | 0.49 | 0.50 | 0.44 |
| F Statistic | 3.12** | 9.29*** | 9.29*** | 9.63*** | 7.80*** |

*Note:* $^{*}$p<0.1; $^{**}$p<0.05; $^{***}$p<0.01

Table 9: Medium Social Connections, Geopolitics and Post-Treaty Profits

| | Dependent variable: | | | | | |
|---|---|---|---|---|---|---|
| | Post-Treaty ROA | | | Post-Treaty Net Income | | |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Medium Social Connections | 0.01 | 0.03 | | -3.51** | -3.60*** | |
| | (0.08) | (0.07) | | (1.60) | (1.31) | |
| Medium Social Connections (Dummy) | | | -0.01 | | | -0.98*** |
| | | | (0.02) | | | (0.37) |
| Higher Geo Value | 0.02 | 0.09* | 0.03*** | -1.15 | 0.92** | 0.34** |
| | (0.05) | (0.05) | (0.01) | (0.86) | (0.42) | (0.16) |
| Pre-Treaty ROA | | 0.35*** | 0.35*** | | 1.08 | 1.49 |
| | | (0.13) | (0.12) | | (2.84) | (2.80) |
| Establishments | | -0.01 | -0.004 | | 0.07 | 0.17 |
| | | (0.01) | (0.01) | | (0.27) | (0.28) |
| CBMs | | -0.001 | 0.001 | | 0.30** | 0.32** |
| | | (0.004) | (0.005) | | (0.13) | (0.14) |
| Public Assets | | 0.001 | 0.0005 | | -0.07 | -0.10 |
| | | (0.01) | (0.01) | | (0.12) | (0.13) |
| Employees | | 0.0003 | 0.0001 | | -0.07 | -0.02 |
| | | (0.01) | (0.01) | | (0.13) | (0.14) |
| NTMs | | -0.01* | -0.004 | | -0.17** | -0.14* |
| | | (0.003) | (0.003) | | (0.07) | (0.07) |
| SOE | | 0.04** | 0.03* | | 1.43*** | 1.20** |
| | | (0.02) | (0.02) | | (0.55) | (0.58) |
| Medium Social Connections * Higher Geo Value | -0.05 | -0.21* | | 2.82 | -1.77* | |
| | (0.11) | (0.12) | | (1.94) | (0.91) | |
| Medium Social Connections (Dummy) * Higher Geo Value | | | -0.04** | | | -0.26 |
| | | | (0.02) | | | (0.20) |
| Constant | -0.02 | -0.02 | 0.002 | 2.08*** | 1.72 | 0.30 |
| | (0.03) | (0.05) | (0.04) | (0.76) | (1.11) | (0.73) |
| Observations | 113 | 109 | 109 | 113 | 109 | 109 |
| $R^2$ | 0.002 | 0.19 | 0.20 | 0.03 | 0.50 | 0.49 |
| F Statistic | 0.08 | 2.24** | 2.40** | 1.28 | 9.86*** | 9.55*** |

Note: $^{*}$p<0.1; $^{**}$p<0.05; $^{***}$p<0.01

Note: Medium Social Connections is measured by the share of Palestinian Jordanian CBMs in an industry.

Table 10: Firms' Social Connections, Geopolitics and Post-Treaty Profits

| | *Dependent variable:* | | | |
|---|---|---|---|---|
| | Post-Treaty ROA (logged) | | | Post-Treaty Net Income (Logged) |
| | 1 | 2 | 3 | 4 |
| | (1) | (2) | (3) | (4) |
| Number of East Bank CBMs | -0.0001 | -0.01 | | -0.01 |
| | (0.01) | (0.01) | | (0.02) |
| Number of East Bank CBMs (Mixed) | | | -0.04 | |
| | | | (0.02) | |
| Higher Geo Value | -0.14 | -0.12 | -0.15 | -0.09* |
| | (0.09) | (0.09) | (0.09) | (0.05) |
| Total Assets (logged) | | 0.0001 | 0.01 | 0.13*** |
| | | (0.02) | (0.03) | (0.03) |
| Pre-Treaty ROA | | 1.13*** | 1.27*** | 1.07** |
| | | (0.33) | (0.35) | (0.51) |
| Number of Industries | | 0.002 | -0.002 | -0.02 |
| | | (0.01) | (0.02) | (0.02) |
| Total CBMs | | 0.02 | 0.04 | 0.04 |
| | | (0.02) | (0.02) | (0.03) |
| Year of Incorporation | | 0.003 | 0.003 | 0.002 |
| | | (0.003) | (0.003) | (0.003) |
| Number of East Bank CBMs * Higher Geo Value | 0.04 | 0.05** | | 0.03* |
| | (0.02) | (0.02) | | (0.02) |
| Number of East Bank CBMs (Mixed) * Higher Geo Value | | | 0.03** | |
| | | | (0.02) | |
| Constant | -0.91*** | -7.18 | -6.59 | -2.42 |
| | (0.08) | (5.25) | (5.26) | (6.82) |
| Observations | 587 | 527 | 527 | 527 |
| $R^2$ | 0.32 | 0.33 | 0.32 | 0.69 |
| F Statistic | 4.15*** | 3.61*** | 3.53*** | 16.51*** |

*Note:* *p<0.1; **p<0.05; ***p<0.01

## Hypothesis 3: Social Connections, Geopolitical Value and Trade Liberalization

Table 11: Strong Social Connections, Geopolitics and Post-Treaty Imports (With Different Import Periods)

| | Dependent variable: | | | | | |
|---|---|---|---|---|---|---|
| | Four-Year Imports | | | Six-Year Imports | | |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Strong Social Connections | -13.88 | | | -12.34 | | |
| | (10.04) | | | (8.32) | | |
| Strong Social Connections (Mixed) | | -14.96* | | | -16.65** | |
| | | (7.91) | | | (7.32) | |
| Strong Social Connections (Dummy) | | | -5.53** | | | -2.98 |
| | | | (2.78) | | | (2.64) |
| Higher Geo Value | 0.04 | -2.07 | 0.05 | -1.10 | -3.10 | -1.13 |
| | (2.01) | (2.25) | (2.08) | (1.88) | (2.01) | (1.99) |
| Pre-Treaty Tariff | -0.003 | -0.004 | -0.003 | 0.02 | 0.02 | 0.02 |
| | (0.05) | (0.05) | (0.04) | (0.05) | (0.05) | (0.05) |
| Pre-Treaty Imports (Log) | 1.46*** | 1.50*** | 1.47*** | 1.23*** | 1.26*** | 1.25*** |
| | (0.27) | (0.26) | (0.26) | (0.27) | (0.26) | (0.27) |
| Establishments | 1.09 | 1.05 | 1.13 | 0.95 | 0.91 | 0.95 |
| | (0.77) | (0.74) | (0.76) | (0.72) | (0.71) | (0.73) |
| CBMs | 0.90 | 1.06 | 1.44 | -0.27 | 0.16 | -0.27 |
| | (1.04) | (1.31) | (1.00) | (0.82) | (1.02) | (0.87) |
| Public Assets | -0.59 | -0.71 | -0.57 | 0.59 | 0.48 | 0.57 |
| | (1.05) | (1.02) | (1.01) | (0.82) | (0.82) | (0.81) |
| Employees | -0.77 | -0.76 | -0.78 | -0.74 | -0.71 | -0.74 |
| | (0.66) | (0.65) | (0.64) | (0.62) | (0.60) | (0.62) |
| NTMs | -0.23 | -0.22 | -0.17 | -0.18 | -0.17 | -0.17 |
| | (0.48) | (0.48) | (0.47) | (0.45) | (0.46) | (0.46) |
| SOE | -2.52 | -2.24 | -2.85 | -2.57 | -2.46 | -2.52 |
| | (3.60) | (3.50) | (3.34) | (2.79) | (2.71) | (2.73) |
| Strong Social Connections * Higher Geo Value | 14.17 | | | 15.37 | | |
| | (11.11) | | | (10.11) | | |
| Strong Social Connections (Mixed) * High Geo Value | | 17.46** | | | 17.61** | |
| | | (7.80) | | | (7.41) | |
| Strong Social Connections (Dummy) * High Geo Value | | | 3.44 | | | 3.76 |
| | | | (2.67) | | | (2.54) |
| Constant | -11.22*** | -10.24** | -11.55*** | -5.34 | -4.33 | -5.55 |
| | (4.01) | (3.99) | (3.91) | (3.92) | (3.91) | (3.94) |
| Observations | 260 | 260 | 260 | 260 | 260 | 260 |
| R² | 0.15 | 0.16 | 0.16 | 0.14 | 0.16 | 0.14 |
| F Statistic | 4.00*** | 4.37*** | 4.18*** | 3.65*** | 4.15*** | 3.62*** |

*Note:* *p<0.1; **p<0.05; ***p<0.01

Table 12: Strong Social Connections, Geopolitics and Post-Treaty Imports (Share of Total Trade Partner Imports)

| | Dependent variable: | | | | |
|---|---|---|---|---|---|
| | Five-Year Imports Share | | | | |
| | (1) | (2) | (3) | (4) | (5) |
| Strong Social Connections | 0.004 | -0.03 | -0.03 | | |
| | (0.02) | (0.02) | (0.02) | | |
| Strong Social Connections (Mixed) | | | | -0.03 | |
| | | | | (0.02) | |
| Strong Social Connections (Dummy) | | | | | -0.01 |
| | | | | | (0.01) |
| Higher Geo Value | -0.003 | -0.01 | -0.01 | -0.01$^*$ | -0.01 |
| | (0.003) | (0.004) | (0.004) | (0.004) | (0.004) |
| Pre-Treaty Tariff | | -0.0003 | -0.0004 | -0.0004 | -0.0004 |
| | | (0.0002) | (0.0002) | (0.0002) | (0.0002) |
| Pre-Treaty Imports (Log) | | 0.01$^{***}$ | 0.01$^{***}$ | 0.01$^{***}$ | 0.01$^{***}$ |
| | | (0.002) | (0.002) | (0.002) | (0.002) |
| Establishments | | 0.001 | 0.0003 | 0.0003 | 0.0001 |
| | | (0.001) | (0.002) | (0.002) | (0.002) |
| CBMs | | | -0.01 | -0.01 | -0.005 |
| | | | (0.004) | (0.005) | (0.005) |
| Public Assets | | | 0.01$^{**}$ | 0.01$^{**}$ | 0.01$^{**}$ |
| | | | (0.002) | (0.002) | (0.002) |
| Employees | | | -0.0001 | -0.0001 | 0.0000 |
| | | | (0.002) | (0.002) | (0.002) |
| NTMs | | | -0.001 | -0.001 | -0.001 |
| | | | (0.001) | (0.001) | (0.001) |
| SOE | | | -0.01 | -0.01 | -0.01 |
| | | | (0.01) | (0.01) | (0.01) |
| Strong Social Connections * Higher Geo Value | 0.02 | 0.03 | 0.03 | | |
| | (0.02) | (0.02) | (0.02) | | |
| Strong Social Connections (Mixed) * High Geo Value | | | | 0.03$^*$ | |
| | | | | (0.02) | |
| Strong Social Connections (Dummy) * High Geo Value | | | | | 0.01 |
| | | | | | (0.01) |
| Constant | 0.01$^{**}$ | -0.05$^{***}$ | -0.05$^{**}$ | -0.05$^{**}$ | -0.05$^{**}$ |
| | (0.004) | (0.02) | (0.02) | (0.02) | (0.02) |
| Observations | 265 | 259 | 259 | 259 | 259 |
| R$^2$ | 0.01 | 0.13 | 0.15 | 0.15 | 0.15 |
| F Statistic | 0.47 | 6.20$^{***}$ | 4.05$^{***}$ | 4.11$^{***}$ | 4.03$^{***}$ |

*Note:* $^*$p<0.1; $^{**}$p<0.05; $^{***}$p<0.01

Table 13: Strong Social Connections, Geopolitics and Post-Treaty Exports (With Different Export Periods)

| | _Dependent variable:_ | | | | | |
|---|---|---|---|---|---|---|
| | Four-Year Exports | | | Six-Year Exports | | |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Strong Social Connections | 0.42 | | | 5.76 | | |
| | (17.01) | | | (18.63) | | |
| Strong Social Connections (Mixed) | | -4.65 | | | 10.98 | |
| | | (14.14) | | | (12.49) | |
| Strong Social Connections (Dummy) | | | 1.00 | | | 6.24** |
| | | | (3.73) | | | (3.18) |
| Higher Geo Value | -0.88 | 1.51 | 0.75 | 1.00 | 1.87 | 1.65 |
| | (3.48) | (3.93) | (4.05) | (3.22) | (3.78) | (3.68) |
| Pre-Treaty Tariff | -0.04 | -0.03 | -0.03 | -0.01 | -0.01 | -0.02 |
| | (0.04) | (0.04) | (0.04) | (0.05) | (0.04) | (0.04) |
| Pre-Treaty Imports (Log) | 0.13 | 0.05 | 0.06 | 0.75* | 0.73* | 0.68 |
| | (0.45) | (0.45) | (0.45) | (0.44) | (0.44) | (0.44) |
| Establishments | 0.12 | 0.28 | 0.17 | -0.36 | -0.27 | -0.53 |
| | (0.87) | (0.91) | (0.89) | (0.74) | (0.75) | (0.71) |
| CBMs | -2.79** | -1.87 | -2.74* | -2.11 | -2.86* | -3.15*** |
| | (1.37) | (1.90) | (1.51) | (1.36) | (1.69) | (1.21) |
| Public Assets | 1.78 | 2.01* | 1.96* | 1.44 | 1.78* | 1.47 |
| | (1.10) | (1.16) | (1.11) | (0.91) | (1.03) | (0.92) |
| Employees | 0.05 | 0.02 | 0.06 | 1.00 | 0.91 | 1.11 |
| | (0.91) | (0.97) | (0.93) | (1.03) | (1.02) | (0.99) |
| NTMs | 1.16** | 1.09* | 1.05* | -0.09 | -0.13 | -0.20 |
| | (0.57) | (0.60) | (0.59) | (0.90) | (0.88) | (0.87) |
| SOE | -1.02 | -1.95 | -1.54 | -3.22 | -3.71 | -3.08 |
| | (4.28) | (4.74) | (4.43) | (4.27) | (4.42) | (4.22) |
| Strong Social Connections * Higher Geo Value | 21.98 | | | 6.73 | | |
| | (17.24) | | | (13.43) | | |
| Strong Social Connections (Mixed) * High Geo Value | | 3.79 | | | 0.73 | |
| | | (13.40) | | | (11.15) | |
| Strong Social Connections (Dummy) * High Geo Value | | | 2.82 | | | 0.60 |
| | | | (4.79) | | | (4.22) |
| Constant | 3.23 | 1.87 | 2.74 | -9.96 | -10.44 | -9.36 |
| | (7.21) | (7.44) | (7.32) | (8.35) | (8.52) | (8.49) |
| Observations | 189 | 189 | 189 | 193 | 193 | 193 |
| R$^2$ | 0.07 | 0.05 | 0.06 | 0.08 | 0.08 | 0.10 |
| F Statistic | 1.22 | 0.89 | 1.01 | 1.42 | 1.48 | 1.90** |

_Note:_ *p<0.1; **p<0.05; ***p<0.01

Table 14: Strong Social Connections, Geopolitics and Post-Treaty Exports (Share of Total Trade Partner Exports)

| | *Dependent variable:* | | | | |
|---|---|---|---|---|---|
| | Five-Year Imports Share | | | | |
| | (1) | (2) | (3) | (4) | (5) |
| Strong Social Connections | -0.40 | -0.43 | -0.25 | | |
| | (0.34) | (0.38) | (0.27) | | |
| Strong Social Connections (Mixed) | | | | -0.20 | |
| | | | | (0.25) | |
| Strong Social Connections (Dummy) | | | | | -0.11 |
| | | | | | (0.12) |
| Higher Geo Value | -0.10 | -0.10 | -0.12 | -0.13 | -0.13 |
| | (0.08) | (0.08) | (0.09) | (0.12) | (0.14) |
| Pre-Treaty Tariff | | 0.0004 | 0.0001 | 0.0001 | 0.0002 |
| | | (0.0005) | (0.0004) | (0.0004) | (0.0004) |
| Pre-Treaty Imports (Log) | | 0.002 | 0.01 | 0.01 | 0.01 |
| | | (0.01) | (0.01) | (0.01) | (0.01) |
| Establishments | | 0.004 | -0.001 | 0.0003 | 0.001 |
| | | (0.003) | (0.005) | (0.01) | (0.01) |
| CBMs | | | -0.04 | -0.04 | -0.03 |
| | | | (0.02) | (0.03) | (0.02) |
| Public Assets | | | 0.01 | 0.01 | 0.01 |
| | | | (0.005) | (0.01) | (0.01) |
| Employees | | | 0.01 | 0.01 | 0.01 |
| | | | (0.01) | (0.01) | (0.01) |
| NTMs | | | 0.001 | -0.0005 | -0.001 |
| | | | (0.003) | (0.003) | (0.003) |
| SOE | | | -0.01 | -0.03 | -0.02 |
| | | | (0.02) | (0.02) | (0.02) |
| Strong Social Connections * Higher Geo Value | 0.61 | 0.61 | 0.67 | | |
| | (0.38) | (0.38) | (0.42) | | |
| Strong Social Connections (Mixed) * High Geo Value | | | | 0.44 | |
| | | | | (0.32) | |
| Strong Social Connections (Dummy) * High Geo Value | | | | | 0.16 |
| | | | | | (0.13) |
| Constant | 0.08 | 0.04 | 0.01 | 0.03 | 0.04 |
| | (0.08) | (0.06) | (0.06) | (0.06) | (0.06) |
| Observations | 190 | 188 | 188 | 188 | 188 |
| $R^2$ | 0.06 | 0.06 | 0.12 | 0.10 | 0.09 |
| F Statistic | 3.98*** | 2.09* | 2.24** | 1.75* | 1.53 |

Note: *p<0.1; **p<0.05; ***p<0.01

# 1 Chapter 5

## 1.1 Weak Social Connections and Temporary Tariff Relief

Table 15: Jordanian Trade Ministers (2000 - 2016)

| Name | Ancestral Background | Tenure | Months |
|---|---|---|---|
| Mohammed Halaiqua | Palestinian | Jan 2000 - May 2000 | 5 |
| Wasaf A'zer | East Banker | Jun 2000 - Sep 2001 | 16 |
| Salaheddin Al Bashir | East Banker | Oct 2001 - Jun 2003 | 21 |
| Mohamad Aboud Hamour | East Banker | Jul 2003 - Sep 2003 | 3 |
| Mohammed Halaiqua | Palestinian | Oct 2003 - Sep 2004 | 12 |
| Ahmed Hendawi | East Banker | Oct 2004 - Mar 2005 | 6 |
| Mohammed Shareef Al-Zubi | Palestinian | Apr 2005 - Oct 2006 | 19 |
| Salem Al Khazaleh | East Banker | Nov 2006 - Oct 2007 | 12 |
| Aamer Al Hadidi | East Banker | Nov 2007 - Jan 2011 | 39 |
| Hani Al Mulki | East Banker (Syrian) | Feb 2011 - Sep 2011 | 8 |
| Sami Qamua | East Banker | Oct 2011 - Mar 2012 | 6 |
| Shabeeb Amari | East Banker | Apr 2012 - Sep 2012 | 6 |
| Hatem Al Halawani | Palestinian | Oct 2012 - Feb 2015 | 29 |
| Maha Ali | Palestinian | Mar 2015 - Apr 2016 | 14 |
| Jawad Al Anani | Palestinian | May 2016 - Aug 2016 | 4 |
| Yarab Qada | East Banker | Sep 2016 - Dec 2016 | 4 |

Table 16: Trade Ministers' Background (Means)

|                            | East Banker | Palestinian-Jordanian |
|----------------------------|-------------|-----------------------|
| Number                     | 10          | 5                     |
| Age                        | 51.3        | 54                    |
| Education*                 | 2.3         | 2.2                   |
| Private Sector Experience* | 0.67        | 0.60                  |

Note: Education* (1 = BA, 2 = Masters, 3 = PhD), Private Sector = 1 if Minister has private sector experience prior to position, Age = when becoming minister. Both Age and Private Sector Experience are averages.

Table 17: Exogeneity Assumption: Ministerial Tenure and Trade Decisions

|  | FTA | Temp Tariff Decision | Trade Decisions |
|---|---|---|---|
| Ministerial Tenure | 0.05 | −0.01 | 0.00 |
| (Months) | (0.06) | (0.02) | (0.02) |
|  |  |  |  |
| East Banker | 1.08 | 0.76 | 0.77 |
|  | (1.29) | (0.41) | (0.40) |
| Observations | 204 | 204 | 204 |

Models: Rare Events Logit, Zelig Package (Column 1); Poisson (Column 2 and 3). Robust Standard Errors for Poisson Models.

**Weak Social Connections and Stock Performance After News of Major Trade Agreements**

| Firm Name | Sector | Symbol | Date of Establishment | Mean Annual Total Assets (Million JDs) |
|---|---|---|---|---|
| Arab Chemical Detergents | Chemical Industries | | 1974 | 7.0 |
| Industrial Resources | Chemical Industries | JOIR | 1991 | 19.8 |
| Jordan Chemical Industries | Chemical Industries | JOIC | 1980 | 5.2 |
| Jordan Sulpho Chemicals | Chemical Industries | JOSL | 1983 | 7.6 |
| National Chlorine Industries | Chemical Industries | NATC | 1991 | 13.1 |
| Rafia Industrial | Chemical Industries | RAFI | 1974 | 3.1 |
| The Industrial Commercial Agricultural | Chemical Industries | ICAG | 1961 | 22 |
| Universal Chemical Industries | Chemical Industries | UNIC | 1981 | 3 |
| Jordan New Cable | Electrical Industries | MESC | 1992 | 53.6 |
| Middle East Complex for Engineering | Electrical Industries | MECE | 1994 | 225.4 |
| National Cable and Wire Manufacturing | Electrical Industries | WIRE | 1983 | 28.3 |
| Aladdin Industries | Engineering and Construction | IENG | 1981 | 3.4 |
| Attanqeep Construction Manufacturing | Engineering and Construction | | 1990 | 6.2 |
| Jordan Pipes Manufacturing | Engineering and Construction | JOPI | 1973 | 9.1 |
| Jordan Wood Industries | Engineering and Construction | WOOD | 1982 | 12.1 |
| Rum Aladdin Industries | Engineering and Construction | IENG | 1999 | 20.9 |
| General Investment | Food and Beverages | GENI | 1955 | 23 |
| Jordan Dairy | Food and Beverages | JODA | 1968 | 8 |
| Kawther Investment | Food and Beverages | KTHR | 1988 | 5.8 |
| Livestock & Poultry | Food and Beverages | | 1976 | 4.3 |
| The Arab International Food Industry | Food and Beverages | AIFF | 1994 | 21.4 |
| Union Chemicals and Vegetable Oils Industry | Food and Beverages | UCVO | 1993 | 7.4 |
| Universal Modern Industries | Food and Beverages | UMIC | 1989 | 10.2 |
| Jordan Ceramic Industry | Glass and Ceramic Industries | JOCF | 1966 | 11.6 |
| Arab Aluminium Industrial (ARAL) | Mining and Extraction Industries | AALU | 1976 | 17.2 |
| Arab Potash | Mining and Extraction Industries | APOT | 1958 | 694 |
| Jordan Cement Factories | Mining and Extraction Industries | JOCM | 1951 | 214 |
| Jordan Phosphate Mines | Mining and Extraction Industries | JOPH | 1953 | 551.4 |
| Jordan Steel | Mining and Extraction Industries | JOST | 1993 | 57.9 |
| National Steel Industry | Mining and Extraction Industries | NAST | 1979 | 6.6 |
| The Public Mining | Mining and Extraction Industries | | 1973 | 2.6 |
| Arab Paper Converting and Trading | Paper and Cardboard Industries | | 1978 | 5.6 |
| Jordan Paper and Cardboard Factories | Paper and Cardboard Industries | JOPC | 1973 | 15.3 |
| Arab Center for Pharm & Chemicals | Pharma and Medical Industries | APHC | 1983 | 8 |
| Arab Pharmaceutical Manufacturing | Pharma and Medical Industries | APHA | 1978 | 54.4 |
| Dar Al Dawa | Pharma and Medical Industries | DADI | 1975 | 69.1 |
| Al-Ekbal Printing and Packaging | Printing and Packaging | EKPC | 1994 | 10.1 |
| El-Zay Ready Wear | Textiles, Leathers and Clothings | ELZA | 1992 | 19.7 |
| Jordan Rockwool Industries | Textiles, Leathers and Clothings | JOWL | 1981 | 2.6 |
| Jordan Spinning and Weaving | Textiles, Leathers and Clothings | SPIN | 1974 | NA |
| Jordan Tanning | Textiles, Leathers and Clothings | JOTN | 1957 | 4.1 |
| Jordan Worsted Mills | Textiles, Leathers and Clothings | JOWM | 1962 | 73.1 |
| Woolen Industries | Textiles, Leathers and Clothings | WOOL | 1964 | 1.3 |
| International Tobacco and Cigarettes | Tobacco | ITBD | 1992 | 70.4 |
| Union Tobacco | Tobacco | UTOB | 1993 | 56.9 |
| Jordan Petroleum Refinery | Utilities and Energy | JOPT | 1956 | 738.2 |

Table 19: Weak Connections and Stock Performance after News of Major Trade Agreements (Connections Broad - Palestinian)

| | Dependent variable: | | | | |
|---|---|---|---|---|---|
| | CAR 1 | CAR 2 | CAR 3 | CAR 5 | CAR 7 |
| | (1) | (2) | (3) | (4) | (5) |
| Weak Connections (Palestinian Broad) | -0.01** | -0.01** | -0.02*** | -0.02*** | -0.03*** |
| | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| ROA | 0.004 | 0.03 | 0.03 | 0.03 | 0.05 |
| | (0.03) | (0.03) | (0.03) | (0.04) | (0.06) |
| Total Assets (Logged) | 0.004 | 0.005 | 0.004 | -0.001 | -0.01 |
| | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| Debt to Assets (Logged) | 0.002 | 0.01 | 0.01 | -0.002 | -0.004 |
| | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| Constant | -0.02 | -0.06 | -0.05 | 0.004 | 0.05 |
| | (0.03) | (0.05) | (0.04) | (0.07) | (0.10) |
| Observations | 164 | 164 | 164 | 164 | 164 |
| $R^2$ | 0.34 | 0.31 | 0.34 | 0.40 | 0.41 |
| F Statistic | 1.25 | 1.06 | 1.21 | 1.57** | 1.66** |

*Note:*                                                        $^*$p<0.1; $^{**}$p<0.05; $^{***}$p<0.01

Table 20: Weak Connections and Stock Performance after News of Major Trade Agreements (Connections Broad - East Bank)

| | Dependent variable: | | | | |
|---|---|---|---|---|---|
| | CAR 1 | CAR 2 | CAR 3 | CAR 5 | CAR 7 |
| | (1) | (2) | (3) | (4) | (5) |
| Wear Connections (East Bank Broad) | -0.01** | -0.01* | -0.01** | -0.02** | -0.02** |
| | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| ROA | 0.002 | 0.03 | 0.03 | 0.03 | 0.04 |
| | (0.03) | (0.03) | (0.03) | (0.04) | (0.06) |
| Total Assets (Logged) | 0.005 | 0.01 | 0.01 | 0.002 | -0.005 |
| | (0.005) | (0.01) | (0.01) | (0.01) | (0.02) |
| Debt to Assets (Logged) | 0.002 | 0.01 | 0.01 | -0.001 | -0.003 |
| | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| Constant | -0.03 | -0.06 | -0.06 | -0.02 | 0.03 |
| | (0.03) | (0.05) | (0.04) | (0.08) | (0.10) |
| Observations | 164 | 164 | 164 | 164 | 164 |
| $R^2$ | 0.33 | 0.30 | 0.32 | 0.37 | 0.38 |
| F Statistic | 1.20 | 1.02 | 1.12 | 1.42* | 1.47** |

*Note:*                                                        $^*$p<0.1; $^{**}$p<0.05; $^{***}$p<0.01

Table 21: Weak Connections and Stock Performance after News of Major Trade Agreements (No Outliers)

| | *Dependent variable:* | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| | CAR 1 | | CAR 2 | CAR 3 | CAR 5 | CAR 7 |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Weak Connections | -0.01*** | -0.01*** | -0.004 | -0.01* | -0.01 | -0.01 |
| | (0.004) | (0.004) | (0.01) | (0.01) | (0.01) | (0.01) |
| ROA | | -0.01 | 0.01 | 0.01 | 0.02 | 0.09 |
| | | (0.02) | (0.02) | (0.02) | (0.03) | (0.06) |
| Total Assets (Logged) | | 0.003 | 0.003 | 0.003 | -0.01 | 0.001 |
| | | (0.004) | (0.01) | (0.01) | (0.01) | (0.02) |
| Debt to Assets (Logged) | | 0.003 | -0.001 | -0.002 | -0.01* | -0.01 |
| | | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| Constant | -0.002* | -0.03 | -0.02 | -0.02 | 0.07 | 0.01 |
| | (0.001) | (0.03) | (0.04) | (0.04) | (0.06) | (0.10) |
| Observations | 156 | 154 | 152 | 155 | 153 | 152 |
| $R^2$ | 0.29 | 0.31 | 0.35 | 0.28 | 0.32 | 0.36 |
| F Statistic | 1.04 | 0.99 | 1.19 | 0.89 | 1.04 | 1.23 |

*Note:* $^*p<0.1$; $^{**}p<0.05$; $^{***}p<0.01$

Table 22: Strong Connections and Stock Performance after News of Major Trade Agreements

| | *Dependent variable:* | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| | CAR 1 | | CAR 2 | CAR 3 | CAR 5 | CAR 7 |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Strong Connections | -0.01 | -0.01 | -0.004 | -0.003 | 0.001 | -0.001 |
| | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| ROA | | -0.01 | 0.01 | 0.01 | 0.01 | 0.02 |
| | | (0.03) | (0.03) | (0.03) | (0.03) | (0.06) |
| Total Assets (Logged) | | 0.01* | 0.01 | 0.01 | 0.01 | 0.002 |
| | | (0.004) | (0.01) | (0.01) | (0.01) | (0.01) |
| Debt to Assets (Logged) | | 0.003 | 0.01 | 0.01 | -0.0004 | -0.002 |
| | | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| Constant | -0.003* | -0.05* | -0.08** | -0.09** | -0.06 | -0.02 |
| | (0.002) | (0.03) | (0.04) | (0.04) | (0.07) | (0.10) |
| Observations | 166 | 164 | 164 | 164 | 164 | 164 |
| $R^2$ | 0.28 | 0.31 | 0.27 | 0.28 | 0.34 | 0.35 |
| F Statistic | 1.06 | 1.06 | 0.90 | 0.94 | 1.22 | 1.27 |

*Note:* $^*p<0.1$; $^{**}p<0.05$; $^{***}p<0.01$

Table 23: East Bank Connections and Stock Performance after News of Major Trade Agreements

| | CAR 1 | CAR 2 | CAR 3 | CAR 5 | CAR 7 |
|---|---|---|---|---|---|
| | *Dependent variable:* | | | | |
| | (1) | (2) | (3) | (4) | (5) |
| East Bank Chair | -0.02* | -0.01 | -0.01 | -0.001 | -0.002 |
| | (0.01) | (0.01) | (0.01) | (0.02) | (0.02) |
| ROA | -0.01 | 0.02 | 0.02 | 0.01 | 0.02 |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.06) |
| Total Assets (Logged) | 0.01* | 0.01 | 0.01 | 0.01 | 0.002 |
| | (0.004) | (0.01) | (0.01) | (0.01) | (0.01) |
| Debt to Assets (Logged) | 0.01 | 0.01 | 0.01 | -0.0001 | -0.001 |
| | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| Constant | -0.06** | -0.09** | -0.09** | -0.06 | -0.03 |
| | (0.03) | (0.04) | (0.04) | (0.07) | (0.10) |
| Observations | 164 | 164 | 164 | 164 | 164 |
| $R^2$ | 0.31 | 0.27 | 0.28 | 0.34 | 0.35 |
| F Statistic | 1.07 | 0.90 | 0.94 | 1.21 | 1.27 |

*Note:* $^*p<0.1$; $^{**}p<0.05$; $^{***}p<0.01$

Table 24: Palestinian Connections and Stock Performance after News of Major Trade Agreements

| | CAR 1 | CAR 2 | CAR 3 | CAR 5 | CAR 7 |
|---|---|---|---|---|---|
| | *Dependent variable:* | | | | |
| | (1) | (2) | (3) | (4) | (5) |
| Palestinian - Jordanian Chair | 0.003 | 0.003 | 0.002 | -0.0005 | -0.002 |
| | (0.01) | (0.01) | (0.01) | (0.02) | (0.02) |
| ROA | -0.01 | 0.02 | 0.02 | 0.01 | 0.02 |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.07) |
| Total Assets (Logged) | 0.01* | 0.01 | 0.01 | 0.01 | 0.002 |
| | (0.004) | (0.01) | (0.01) | (0.01) | (0.01) |
| Debt to Assets (Logged) | 0.003 | 0.01 | 0.01 | -0.0004 | -0.002 |
| | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| Constant | -0.06* | -0.09** | -0.09** | -0.05 | -0.02 |
| | (0.03) | (0.05) | (0.04) | (0.08) | (0.10) |
| Observations | 164 | 164 | 164 | 164 | 164 |
| $R^2$ | 0.29 | 0.27 | 0.28 | 0.34 | 0.35 |
| F Statistic | 1.00 | 0.89 | 0.93 | 1.21 | 1.27 |

*Note:* $^*p<0.1$; $^{**}p<0.05$; $^{***}p<0.01$

Table 25: Weak Connections and Stock Performance after News of Major Trade Agreements (Placebo Test)

|  | Dependent variable: | | | | | |
|  | CAR 1 | | CAR 2 | CAR 3 | CAR 5 | CAR 7 |
|  | (1) | (2) | (3) | (4) | (5) | (6) |
|---|---|---|---|---|---|---|
| Weak Connections | 0.01 | 0.01 | 0.01 | 0.01* | 0.01* | 0.01 |
|  | (0.004) | (0.005) | (0.01) | (0.01) | (0.01) | (0.01) |
| ROA |  | 0.01 | 0.03 | 0.01 | 0.01 | 0.05 |
|  |  | (0.02) | (0.03) | (0.03) | (0.03) | (0.05) |
| Total Assets (Logged) |  | 0.004 | 0.004 | 0.001 | 0.01 | 0.0005 |
|  |  | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| Debt to Assets (Logged) |  | 0.01 | 0.003 | 0.005 | 0.01 | 0.004 |
|  |  | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| Constant | 0.01*** | -0.04 | -0.03 | -0.03 | -0.07 | -0.02 |
|  | (0.001) | (0.04) | (0.04) | (0.04) | (0.05) | (0.06) |
| Observations | 166 | 164 | 164 | 164 | 208 | 208 |
| $R^2$ | 0.38 | 0.40 | 0.42 | 0.40 | 0.32 | 0.25 |
| F Statistic | 1.63** | 1.61** | 1.71** | 1.61** | 1.53** | 1.08 |

*Note:* $^{*}$p<0.1; $^{**}$p<0.05; $^{***}$p<0.01

Note: Placebo "trade events" are events that occurred ten trading days *before* the announcement of the actual major trade agreement.

Table 26: Weak Connections and Stock Performance after News of Major Trade Agreements (All Trade Events)

|  | Dependent variable: | | | | | |
|  | CAR 1 | | CAR 2 | CAR 3 | CAR 5 | CAR 7 |
|  | (1) | (2) | (3) | (4) | (5) | (6) |
|---|---|---|---|---|---|---|
| Weak Connections | -0.01* | -0.01* | -0.01 | -0.01** | -0.01** | -0.02** |
|  | (0.004) | (0.004) | (0.004) | (0.004) | (0.01) | (0.01) |
| ROA |  | 0.04 | 0.06** | 0.08** | 0.09*** | 0.09** |
|  |  | (0.03) | (0.03) | (0.04) | (0.03) | (0.04) |
| Total Assets (Logged) |  | 0.002 | 0.003 | 0.0005 | 0.001 | 0.003 |
|  |  | (0.005) | (0.01) | (0.01) | (0.005) | (0.01) |
| Debt to Assets (Logged) |  | 0.003 | 0.002 | 0.004 | -0.001 | -0.003 |
|  |  | (0.004) | (0.005) | (0.01) | (0.01) | (0.01) |
| Constant | -0.002*** | -0.03 | -0.04 | -0.03 | -0.02 | -0.02 |
|  | (0.001) | (0.03) | (0.04) | (0.04) | (0.03) | (0.05) |
| Observations | 350 | 345 | 345 | 345 | 345 | 345 |
| $R^2$ | 0.12 | 0.15 | 0.14 | 0.19 | 0.17 | 0.18 |
| F Statistic | 0.95 | 1.08 | 1.03 | 1.43** | 1.24 | 1.39* |

*Note:* $^{*}$p<0.1; $^{**}$p<0.05; $^{***}$p<0.01

Table 27: Weak Connections and Stock Performance after News of Major Trade Agreements (No WTO)

| | *Dependent variable:* | | | | | |
|---|---|---|---|---|---|---|
| | CAR 1 | | CAR 2 | CAR 3 | CAR 5 | CAR 7 |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Weak Connections | -0.02* | -0.01 | -0.01 | -0.02 | -0.03** | -0.05*** |
| | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| ROA | | 0.01 | 0.03 | 0.03 | 0.03 | 0.04 |
| | | (0.03) | (0.04) | (0.04) | (0.05) | (0.06) |
| Total Assets (Logged) | | 0.01 | 0.01 | 0.01 | 0.002 | -0.01 |
| | | (0.01) | (0.01) | (0.01) | (0.02) | (0.01) |
| Debt to Assets (Logged) | | 0.001 | 0.005 | 0.005 | -0.01 | -0.01 |
| | | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| Constant | -0.0003*** | -0.04 | -0.07 | -0.06 | -0.003 | 0.08 |
| | (0.00) | (0.04) | (0.06) | (0.05) | (0.09) | (0.09) |
| Observations | 120 | 118 | 118 | 118 | 118 | 118 |
| $R^2$ | 0.41 | 0.44 | 0.33 | 0.39 | 0.45 | 0.54 |
| F Statistic | 1.16 | 1.17 | 0.73 | 0.97 | 1.23 | 1.73** |

*Note:* $^{*}$p<0.1; $^{**}$p<0.05; $^{***}$p<0.01

Table 28: Weak Connections and Stock Performance after News of Major Trade Agreements (No JUSFTA)

| | *Dependent variable:* | | | | | |
|---|---|---|---|---|---|---|
| | CAR 1 | | CAR 2 | CAR 3 | CAR 5 | CAR 7 |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Weak Connections | -0.004 | -0.0003 | 0.0004 | -0.0001 | 0.002 | -0.005 |
| | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| ROA | | -0.02 | 0.005 | -0.003 | -0.01 | -0.01 |
| | | (0.03) | (0.03) | (0.03) | (0.04) | (0.06) |
| Total Assets (Logged) | | 0.01 | 0.01 | 0.01* | 0.01 | 0.01 |
| | | (0.01) | (0.01) | (0.01) | (0.01) | (0.02) |
| Debt to Assets (Logged) | | 0.002 | 0.01 | 0.01 | -0.001 | -0.003 |
| | | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| Constant | -0.004 | -0.05 | -0.09** | -0.11** | -0.08 | -0.05 |
| | (0.002) | (0.04) | (0.04) | (0.04) | (0.09) | (0.10) |
| Observations | 122 | 120 | 120 | 120 | 120 | 120 |
| $R^2$ | 0.41 | 0.43 | 0.49 | 0.52 | 0.54 | 0.48 |
| F Statistic | 1.19 | 1.10 | 1.41* | 1.59** | 1.71** | 1.35 |

*Note:* $^{*}$p<0.1; $^{**}$p<0.05; $^{***}$p<0.01

Table 29: Weak Connections and Stock Performance after News of Major Trade Agreements (No JTFTA)

| | Dependent variable: | | | | | |
|---|---|---|---|---|---|---|
| | CAR 1 | | CAR 2 | CAR 3 | CAR 5 | CAR 7 |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Weak Connections | -0.02*** | -0.02*** | -0.02** | -0.02*** | -0.03* | -0.03** |
| | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| ROA | | 0.02 | -0.02 | 0.01 | -0.07 | 0.04 |
| | | (0.04) | (0.06) | (0.08) | (0.13) | (0.15) |
| Total Assets (Logged) | | 0.004 | 0.01 | 0.004 | 0.005 | -0.01 |
| | | (0.02) | (0.03) | (0.03) | (0.05) | (0.04) |
| Debt to Assets (Logged) | | 0.01 | 0.02 | 0.01 | 0.01 | 0.004 |
| | | (0.02) | (0.02) | (0.03) | (0.03) | (0.02) |
| Constant | -0.002 | -0.04 | -0.11 | -0.06 | -0.06 | 0.04 |
| | (0.002) | (0.09) | (0.15) | (0.17) | (0.25) | (0.20) |
| Observations | 127 | 122 | 122 | 122 | 122 | 122 |
| $R^2$ | 0.41 | 0.43 | 0.38 | 0.29 | 0.30 | 0.33 |
| F Statistic | 1.36 | 1.26 | 1.06 | 0.69 | 0.73 | 0.84 |

Note: $^*$p<0.1; $^{**}$p<0.05; $^{***}$p<0.01

Table 30: Weak Connections and Stock Performance after News of Major Trade Agreements (No Agadir Agreement)

| | Dependent variable: | | | | | |
|---|---|---|---|---|---|---|
| | CAR 1 | | CAR 2 | CAR 3 | CAR 5 | CAR 7 |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Weak Connections | -0.01** | -0.01* | -0.01* | -0.02** | -0.02* | -0.01 |
| | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| ROA | | 0.01 | 0.05 | 0.07 | 0.09 | 0.12* |
| | | (0.05) | (0.05) | (0.05) | (0.08) | (0.07) |
| Total Assets (Logged) | | 0.001 | 0.002 | 0.002 | -0.001 | -0.01 |
| | | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| Debt to Assets (Logged) | | 0.001 | 0.005 | 0.01 | 0.0002 | 0.003 |
| | | (0.01) | (0.01) | (0.01) | (0.01) | (0.02) |
| Constant | 0.001 | -0.01 | -0.03 | -0.05 | -0.01 | -0.001 |
| | (0.002) | (0.04) | (0.06) | (0.06) | (0.10) | (0.10) |
| Observations | 122 | 122 | 122 | 122 | 122 | 122 |
| $R^2$ | 0.43 | 0.43 | 0.40 | 0.41 | 0.42 | 0.44 |
| F Statistic | 1.33 | 1.20 | 1.05 | 1.12 | 1.13 | 1.24 |

Note: $^*$p<0.1; $^{**}$p<0.05; $^{***}$p<0.01

Table 31: Ancestral Connections and Stock Performance after News of Major Trade Agreements in the First Year of King Abdullah II's Rule

| | CAR 1 | | CAR 2 | CAR 3 | CAR 5 | CAR 7 |
|---|---|---|---|---|---|---|
| | *Dependent variable:* | | | | | |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Palestinian - Jordanian Chair | -0.02*** | 0.13*** | 0.10*** | -0.12*** | -0.25*** | -0.01 |
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.64) |
| ROA | | -1.44*** | -0.88*** | 1.04*** | 2.39*** | 0.04 |
| | | (0.00) | (0.00) | (0.00) | (0.00) | (5.99) |
| Total Assets (Logged) | | -0.03*** | -0.03*** | 0.02*** | 0.04*** | -0.01 |
| | | (0.00) | (0.00) | (0.00) | (0.00) | (0.13) |
| Debt to Assets (Logged) | | 0.18*** | 0.16*** | -0.12*** | -0.29*** | -0.01 |
| | | (0.00) | (0.00) | (0.00) | (0.00) | (0.81) |
| Constant | 0.01*** | -0.61*** | -0.53*** | 0.42*** | 0.99*** | 0.05 |
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (2.71) |
| Observations | 82 | 80 | 80 | 80 | 80 | 80 |
| $R^2$ | 0.43 | 0.43 | 0.52 | 0.40 | 0.44 | 0.46 |
| F Statistic | 0.76 | 0.76 | 1.11 | 0.70 | 0.82 | 0.88 |

Note: $^*$p<0.1; $^{**}$p<0.05; $^{***}$p<0.01