

Cover letter

Thanks a lot for the valuable comments and suggestions from the referees. we have made some improvements on this paper as follows:

First, we have addressed the major concern caused by the endogeneity of consumption.

Second, we introduce regional dummy variables in all sectors.

Third, we provide several robustness checks using different calculation of integration and disaggregated data of social integration.

Fourth, we also improve the writing substantially and make the structure more reasonable.

Fifth, we correct some mistakes and give more detailed description on some important issues.