Bringing Democracy to the Bargaining Table: An Analysis of Preferential Trade Agreements' Design

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Marine Roux [*]

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Abstract

The idea that democracies can use trade as a means to export their model of democracy has been around for a long time. Yet, little is known about their actual ability to diffuse democratic norms in the realm of trade policy negotiations. This question is of particular importance in a context where democracies' trade policy is increasingly challenged by the rise of powerful autocratic trade powers. This paper investigates countries' preferences for democracy promotion and under which conditions democracies might influence the design of democracy-related provisions. I argue that ambitious clauses are a result of the negotiation power differential in favour of democracies. Using a novel measurement of democracy-related provisions using text-as-data methods, this paper employs a sample selection model of over 300 bilateral preferential trade agreements since 1948 to evaluate the impact of regime type and bargaining power on democracy-related provisions. I find that democratic-autocratic and democratic-democratising country pairs are less likely to sign democracy-related provisions than democratic country pairs. I further show that autocracies are relatively more likely to sign such provisions with democracies when the relative bargaining power is in favour of the democratic party. I also demonstrate that these effects vary across types of democracy-related provisions and democratic powers. Mixed regime type dyads are more likely to sign stakeholder participation provisions when signing an agreement with the EU, and transparency provisions when signing an agreement with the US. Lastly, this democratic power effect is attenuated by the depth of the agreement for democracy-autocracy dyads and amplified by bilateral export dependencies for democracy-democratising dyads. Diffusion effects matter too, to some extent. Overall, this paper demonstrates that democratic power can be at play, but issue linkages and bilateral economic interests are also strong determinants of countries' influence on democracy-related provisions.

1   Introduction

The question of whether trade can impact democracy attracts lots of attention but remains inconclusive. The last two decades demonstrated trade and democracy do not necessarily go hand in hand. To general surprise, some autocratic countries successfully integrated the liberal trading system and did not show signs of democratisation thereafter. Most recently, long-established democratic countries such as the US and EU member states have also shown signs of backsliding. This contradicts a substantial body of existing literature investigating the positive correlation between trade and democracy.

An important body of the literature has indeed investigated the extent to which countries integrating the liberal trading system are more likely to democratize. Some studies, for example, argued that countries signing trade agreements are more likely to democratise (Collins, 2010; Mansfield and Milner, 2018) or consolidate their democratisation efforts (Pevehouse, 2002; Ulfelder, 2008; Liu and Ornelas, 2014). Manger and Pickup (2016) also suggested that trade and democracy can co-evolve. Democracies are more likely to sign trade agreements promoting further democratisation. Yet, this positive relationship between free trade and democracy seems to be increasingly questioned.

One important missing piece of this puzzle is the design of preferential trade agreements (PTAs). The type of provisions countries sign can to some extent condition their democratisation efforts, and PTAs can vary substantially in scope (Dür et al., 2014). The extent to which PTAs include non-trade issues (NTIs), an umbrella term referring to all provisions that do not directly relate to trade, has only been recently addressed in the literature (Lechner, 2016; Milewicz et al., 2018). It has also become central to trade policy-making. For example, in September 2022, WTO members launched a new policy agenda on trade and gender[1]. At the same time, the EU commission launched a proposal for a forced labour ban[2]. A couple

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[1] https://www.wto.org/english/news_e/news22_e/women_22sep22_e.htm
[2] https://ec.europa.eu/commission/presscorner/detail/en/ip_22_5415

of months later, the EU Parliament agreed on a new law to ban deforestation-related products which also includes further requirements on protection of human rights and indigenous rights[3]. And the list goes on, signalling a shift in trade policy increasingly putting more focus on NTIs.

Although the proportion of NTIs in trade agreements is much greater nowadays, countries included provisions on civil and political rights, economic and social rights and environmental protection in their trade agreements as early as the 1950s and the trend accelerated in the 1990s and 2000s (Lechner, 2016; Milewicz et al., 2018). The EU and the US have long been seen as the pioneers of this trend, signing the first agreements including respectively human rights (Lome IV, 1989) and labour rights (NAFTA, 1994). The further increase in NTI provisions in trade agreements have so far mainly been explained by competing domestic preferences and diffusion effects. A few large N studies have also looked at competing interests at the domestic and international level simultaneously (Lechner, 2016; Milewicz et al., 2018; Raess et al., 2018). However, they have not accounted for countries' regime type and therefore do not explain what can lead autocracies to sign such provisions. Yet, this question is of increasing importance given the rise of authoritarianism in the world and especially among the most powerful trading countries. The literature on NTIs also generally does not directly investigate the extent to which these provisions relate to democracy. Although some aspects of NTIs include democracy-related issues, such as civil and political rights, others do not, such as CO_2 emission reduction targets. Lastly, scholars have mainly focused on the domestic determinants of the EU and US preferences to include such issues (Hafner-Burton, 2009; Postnikov, 2020).

To fill these gaps, I use newly gathered data on democracy-related provisions in over 300 bilateral PTAs. I argue that countries have different preferences towards democracy-related

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[3] https://www.europarl.europa.eu/news/en/press-room/20221205IPR60607/deal-on-new-law-to-ensure-products-causing-deforestation-are-not-sold-in-the-eu

provisions, and in case of conflicting preferences between negotiating parties, countries will bargain political concessions against market access. To test my hypotheses, I use an ordered probit sample selection model to estimate the likelihood of country pairs signing democracy-related provisions in PTAs. I find that democracies are more likely to sign democracy-related provisions with like-minded democratic partners than with democratising or autocratic countries. Democracy-autocracy pairs are, however, more likely to sign democracy-related provisions when the countries' relative bargaining power is in favour of the democratic party. I show that these effects vary substantially across types of democracy-related provisions and powers. I also demonstrate that issue linkages and bilateral export dependencies have moderating effects. Diffusion matters too, but does not affect the likelihood of mixed regime type dyads to sign democracy-related provisions.

This paper yields significant contributions to three aspects of the existing literature on regime type and international treaty making. First, the findings suggest that democracies are more likely to sign democracy-related provisions with their like-minded partners than with autocratic or democratizing countries. Yet democratic-autocratic country pairs are relatively more likely to sign such provisions when the countries' relative bargaining power is in favour of the democratic party. Importantly, these effects vary substantially across types of democracy-related provisions and powers. For example, I find evidence of a significant power effect on stakeholder participation provisions for the EU, and transparency provisions for the US. This speaks to the long-standing literature on democracy promotion. Second, country dyads are more likely to include democracy-related provisions when the agreement is deep, including mixed regime type dyads. However, countries' relative democratic bargaining power has an attenuating effect. This contradicts the idea that large powerful democracies would bargain democracy-related provisions against market access provisions. Third, these results suggest that democratising countries prioritize direct market access and are more likely to sign democracy-related provisions when the democratic party has a bargaining advantage *and* rep-

resents a large share of their exports. This contradicts expectations that democratising countries would be willing to lock-in democratic reform (Mansfield and Pevehouse, 2008; Milewicz and Elsig, 2014), but in line with most recent literature suggesting new democracies might not be always willing to pay the associated high costs (Dai and Tokhi, 2023). Further disentangling autocratic and democratising countries' behaviour is a promising avenue for future research.

2 Literature

2.1 To the origins of the Non-Trade Issues agenda in trade agreements

Although trade agreements have similar broad content, they differ substantially in the different types of provisions included and the level of commitment associated to these provisions (Dür et al., 2014). There are, however, no studies specifically isolating the democracy-related content of trade agreements. The closest literature analyses the design of NTIs including aspects related to democracy (e.g. civil and political rights), but not only (e.g. environmental provisions such as CO_2 emissions reductions). Previous research has identified a number of domestic and international factors that potentially explain its variation.

First, domestic groups can influence trade negotiations. NTIs have been considered by some as a form of "hidden protectionism", increasing barriers to trade (Krugman, 1997; Hafner-Burton, 2009). Import-competing industries are therefore more likely to be in favour of including such provisions, contrarily to export-competing and import-dependent industries (Lechner, 2016; Morin et al., 2018). Non-Governmental Organisations (NGOs) and trade unions are likely to lobby in favour of the inclusion of NTIs in order to avoid a "race to the bottom" (Hafner-Burton, 2009; Lechner, 2016; Raess et al., 2018). Interest groups also respond differently depending on the potential trade partner. Lechner (2016) analyses how import-competing (export-competing) groups will lobby more intensively when the potential trade

partner is likely to compete relatively more with the country's imports (exports). Trade unions will also tend to lobby more intensively the higher is the gap in labour standards with the partner country. Raess et al. (2018) find that stronger domestic trade unions are associated with deeper labour rights provisions whereas a higher ratio of skilled workers to unskilled workers is associated with shallower labour provisions. Preferences of domestic policymakers can also shape the extent to which NTIs are scrutinized in the trade policy process. For example, Democrats leveraged their majority in the US Congress to push the labour agenda in the NAFTA negotiations (Hafner-Burton, 2009). In contrast, the lack of politicization of the EU-Singapore negotiations led to a relatively small engagement of the European Parliament and therefore to less far-reaching provisions on human rights compared to the highly political CETA negotiations with Canada (McKenzie and Meissner, 2017; Meissner and McKenzie, 2019).

Second, the increasing inclusion of NTIs provisions in trade agreements may also be due to international diffusion effects. Milewicz et al. (2018) argue that NTI provisions entail high costs when signed for the first time, as the country will have to significantly adapt its institutions and/or laws. The marginal cost of signing NTI provisions subsequently with another trade partner is relatively small. PTA agreements are therefore also more likely to be converted into NTI agreements. Diffusion can also occur through copying other agreements' templates (Allee and Elsig, 2019) or copying standards set at the World Trade Organisation (Aaronson and Zimmerman, 2007; Vogel, 2013; Allee et al., 2017). Another growing, and more recent, literature analyses the tension between the political and economic ambitions of the EU with given trade partners. Scholars demonstrated that the EU may water down its political ambitions in trade agreements when negotiating with larger (non-democratic) economic powers (Meissner and McKenzie, 2019; Poletti et al., 2020; Borchert et al., 2021).

The interaction of domestic and international factors, often at play in trade negotiations,

has been studied to some extent but without systematically accounting for countries' regime type and their relative bargaining power (Hafner-Burton, 2009; Lechner, 2016; Milewicz et al., 2018). Further, these studies do not focus on democracy as such, as they either analyse human rights or labour rights provisions, or a broader set of NTIs provisions. Lastly, systematic evidence outside the scope of EU and US agreements is scarce. Although the EU and US are two of the major economic powers advocating for the inclusion of NTIs, other countries have increasingly followed this trend. For example, Indonesia and Malaysia pushed to include human rights provisions as part of ASEAN. This led to the creation in 2009 of the ASEAN Intergovernmental Commission on Human Rights (AICHR), which although limited in scope sets the ground for current and future discussions within the community (Chow, 2013). The Andean Community (1987) and Mercosur (1991) also include suspension clauses in the event of coup d'états (Johnstone and Snyder, 2016). Mercosur's members have even activated this clause in 2012 following a coup d'etat in Paraguay and suspended Venezuela's membership in 2016 following human rights violations. Another striking example is Chile, first country in the world to include a stand-alone chapter on gender in a trade agreement in 2016[4].

The literature therefore does not explain how countries' foreign policy preferences might influence the inclusion of democracy-related provisions in trade agreements. This paper attempts to fill this gap analysing the linkages between, on the one hand, PTA members' polity and relative bargaining power and, on the other hand, the design of democracy-related provisions.

2.2 Democracy-related provisions in trade agreements

Elsig et al. (forthcoming) define democracy-related provisions as all clauses in a trade agreement that are directly or indirectly related to democracy. In this conceptualisation, we include first any provisions that promote directly democracy. These provisions typically require mem-

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[4]Chile-Uruguay Trade Agreement, Chapter 14

bers of the agreement to be democratic or provide technical assistance to promote democratisation or democracy consolidation. These clauses tend to be rare as they go beyond the purpose of the trade agreement only. They actually often appear in agreements that are not only commercial but which are also of political nature to some extent (for example the Pacific Alliance, MERCOSUR). We therefore also consider aspects that relate to both trade policy and democracy. These aspects are much more likely to be included in trade agreements as they directly serve the purpose of trade policy. They also indirectly relate to democracy in the sense that they contribute to the country's institution (-building) and promote fundamental rights.

We identify six different broad categories of democracy-related provisions that are then further detailed into 90 specific aspects of trade agreements (for a detailed account of them, please find the detailed codebook in Appendix A.1). I summarize here briefly the six categories and provide for each of them one example of an agreement including a clause(s) belonging to this category. The PTAs given as examples are only one example of an agreement including one or more clause(s) from a given category but do not represent a "model" in the area. The first category *General objectives* captures whether democratic principles such as democracy, transparency, rule of law, individual rights are mentioned in the preamble or general objectives clause of the agreement. The second category *Democracy promotion* represents the highest level of ambition for democracy promotion. This includes provisions that require PTA members to be democratic (e.g. Pacific Alliance, 2012) or conditionality mechanisms (e.g. EU-Serbia, 2008). The third category *Individual rights* captures whether the trade agreement has a stand-alone chapter or clause on individual rights, including civil and political rights (e.g. Chile-EC, 2002), labour rights (e.g. Korea-Peru, 2011), consumer rights (e.g. TPP, 2015), minorities' rights (e.g. USMCA, 2018) or women's rights (e.g. Chile-Uruguay, 2016). The fourth category *Stakeholder participation* captures the extent to which there are mechanisms promoting the inclusion of businesses, civil society or independent experts in trade policy formulation and/or the agreement's implementation, whether independently or as part of a joint

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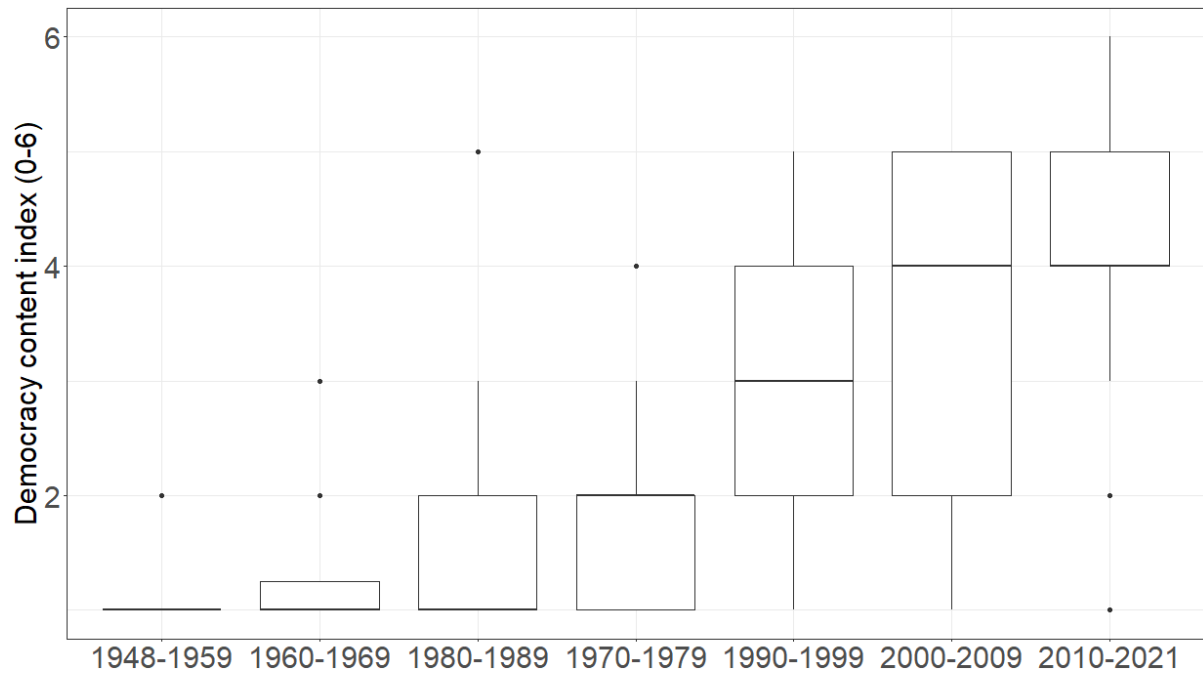
Figure 1: Democracy content index by decade

Source: Own calculations based on Elsig et al., forthcoming

stakeholder group (e.g. CETA, 2014). The fifth category *Transparency* captures obligations in the agreement for parties to publish laws and the right of stakeholder to access information (e.g. ECOWAS, 1993). The sixth category *Policy space* captures clauses on the Parties' right to regulate (e.g. UK-Canada, 2020), general exemptions and general exemptions for public policy purposes (e.g. Australia-Singapore, 2003).

These categories can be combined in an additive index (0-6) for each of the 792 PTAs included in the analysis. Figure 1 shows the distribution of democracy-related provisions across decades. The distribution of democracy-related provisions follows a similar pattern to the one of NTIs, which is expected. Democracy-related provisions are not new and have been to some extent included since the 1950s. However, the trend accelerated substantially and subsequently in the 1990s, 2000s and 2010s. The boxplots also show that there is still a high variation in the level of ambition of democracy-related provisions across PTAs within a given decade.
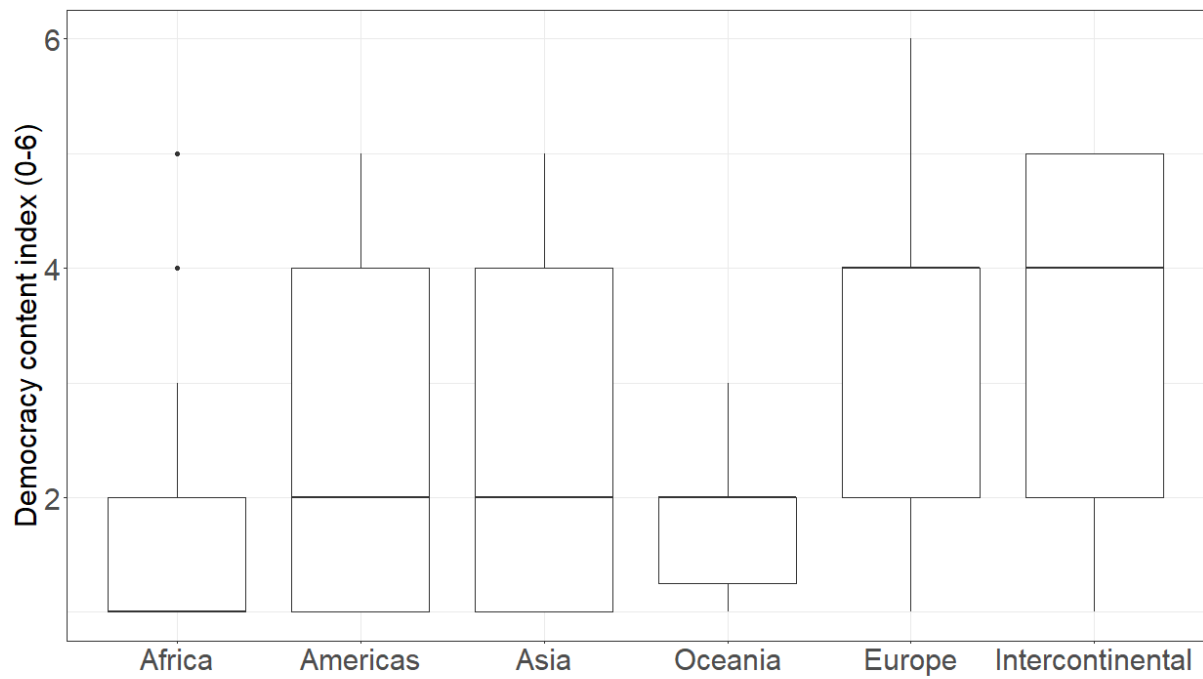
Figure 2: Democracy content index by region

Source: Own calculations based on Elsig et al., forthcoming

The distribution of the average democracy-related provisions across regions also follows an expected pattern. On figure 2, intercontinental agreements includes, on average, the most ambitious level of democracy-related clauses, followed closely by the European region. Again, it should be noted how much variation there is within region as well, the most striking examples being in the American and Asian regions.

3 Argument

Countries come to the negotiation table with some expectations in line with their own domestic political agenda, meaning concessions they would like to get from the other parties and the domestic interests they want to protect. This domestic political agenda is largely shaped by leaders' strategies to stay in office, and thus indirectly by interest groups' and the electorate's preferences. When two or more countries negotiate the terms of an agreement, some of the individual countries' preferences are likely to conflict, necessary leading them to making concessions to reach an agreement. Putnam (1988) describes this idea in his two-level framework. Negotiators would try to represent the interests of the domestic level as well as try to find an agreement at the international level with the other negotiating parties. To understand the variation in the inclusion of democracy-related provisions in trade agreements, the question is then two-fold. First, what are countries preferences in terms of democracy promotion. Second, which country will make more concessions and especially which country will make which concessions.

3.1 Countries' preferences for democracy promotion

In order to identify which countries would intrinsically want to sign democracy-related provisions and which would not, I would need very detailed data at the domestic level on each agreement (e.g. negotiation preparation talks within the government, between governments and interest groups etc). To my knowledge, this data is not consistently available across the breadth of countries and agreements included in this analysis. Based on the literature and data available, I therefore make an assumption based on countries' regime type. I assume broadly three types of regime types: democracies, democratizing countries and autocratic countries and argue they have different preferences towards democracy promotion through their trade policy. I expect democracies to typically push for the inclusion of democracy-related provi-

sions, while autocracies would be more reluctant to do so and would only show some level of willingness to include such provisions. Democratising countries are likely to be willing to include democracy-related provisions but may lack capacity to do so.

I expect democracies to be more likely to push for the inclusion of democracy-related provisions for two reasons. First, democracy promotion has been a key component of democracies' foreign policy for a while, with the United States and European Union member states being the most prominent examples (Light, 2001; Huber, 2015; Milewicz, 2020). This trend has mainly been explained by democracies' willingness to protect their own political and economic security interests. Democratic counterparts are seen as more peaceful and more likely to provide more reliable market access as they are governed by the rule of law (Huber, 2015; Light, 2001; Chen et al., 2023). Another aspect of democracy promotion as part of a foreign policy goal is the idea of forging a democratic "identity" and creating a network of like-minded states (Huber, 2015; Milewicz, 2020). Active democracy promotion can enable countries to signal to domestic and international audiences their commitment to this democratic identity.

Second, democratic leaders are also held accountable by their constituents and might be challenged ex-ante or ex-post the treaty ratification. The literature has shown that democratic leaders are more likely to sign trade agreements to credibly commit to certain economic policies. This way, leaders want to signal to their constituents that any negative economic shocks is not attributable to their competences (Mansfield et al., 2002). Recent trade negotiations showed that civil society backlashes can influence the direction of the negotiations. Interest groups may also influence the ratification of the treaty indirectly through lobbying members of parliament or the government. Recent studies on public opinion have shown that citizens tend to favour the inclusion of labour and environmental provisions (Spilker et al., 2016) and that public opinion can, to some extent, influence foreign policy leaders' opinions (Chu and Recchia, 2022). A real-world example of this is the Switzerland-China trade agreement. The

draft deal received significant pushback from civil society and parliament in Switzerland who were concerned about human and labour rights violations. This led to the creation of a human rights committee still active today.

On the contrary, autocratic leaders are less likely to be willing to sign democracy-related provisions as this could represent a democratisation threat. Citizens are not particularly less likely to be in favour of democracy-related provisions (see for example on sustainable trade Spilker et al., 2016; Morin et al., 2018). However, autocrats are not held accountable by their constituencies and have a smaller selectorate than democracies (Siverson and Mesquita, 2017). When negotiating agreements, leaders are, therefore, more likely to target specific interest groups to establish their credibility and avoid coup attempts or a democratisation threat. Signing trade agreements can enable autocratic leaders to generate economic gains at large and/or to specific interest groups deterring them from attempting to remove the current leader from office (Arias et al., 2018; Wu and Ye, 2020; Debre, 2022).

Moreover, democracy-related provisions are not compatible with autocracies' own rules system and would therefore require higher adjustment costs which reduces the likelihood of signing such provisions (Milewicz, 2020). One can therefore expect that autocrat leaders would primarily want to sign provisions enabling to promote growth and/or those sectors that benefit the most powerful interest groups in order to maximise their chances to stay in office.

Lastly, democratising countries are expected to be somehow in-between these two categories. They are likely to be willing to include democracy-related provisions for both internal and external signalling purposes. Internally, democratising leaders wish to lock-in democratic reform and credibly commit to certain public policies (Mansfield and Pevehouse, 2008) as well as to reduce political uncertainty (Moravcsik, 2000). Externally, leaders also want to credibly commit to political reform and signal their desire to join the like-minded network of demo-

cratic states to the international community (Pevehouse, 2002). Additionally, Milewicz and Elsig (2014) showed that new democracies may want to credibly commit to political reform vis-à-vis given trade partners, for example the European Union, as well as gain foreign policy autonomy.

However, democratising countries might lack capacity to implement some of these democracy-related provisions. These provisions can entail high adaptation costs (Milewicz et al., 2018) and curb their policy space (Dai and Tokhi, 2023). New democratising states would additionally tend to have relatively less power and thus not be in a favourable position to bargain for this type of provision when signing an agreement with an autocratic counterpart (Milewicz, 2020).

These assumptions seem to be supported empirically. Figure 3 displays distributions of the democracy-content index of PTAs signed by respectively autocracies, democratizing countries and democracies.
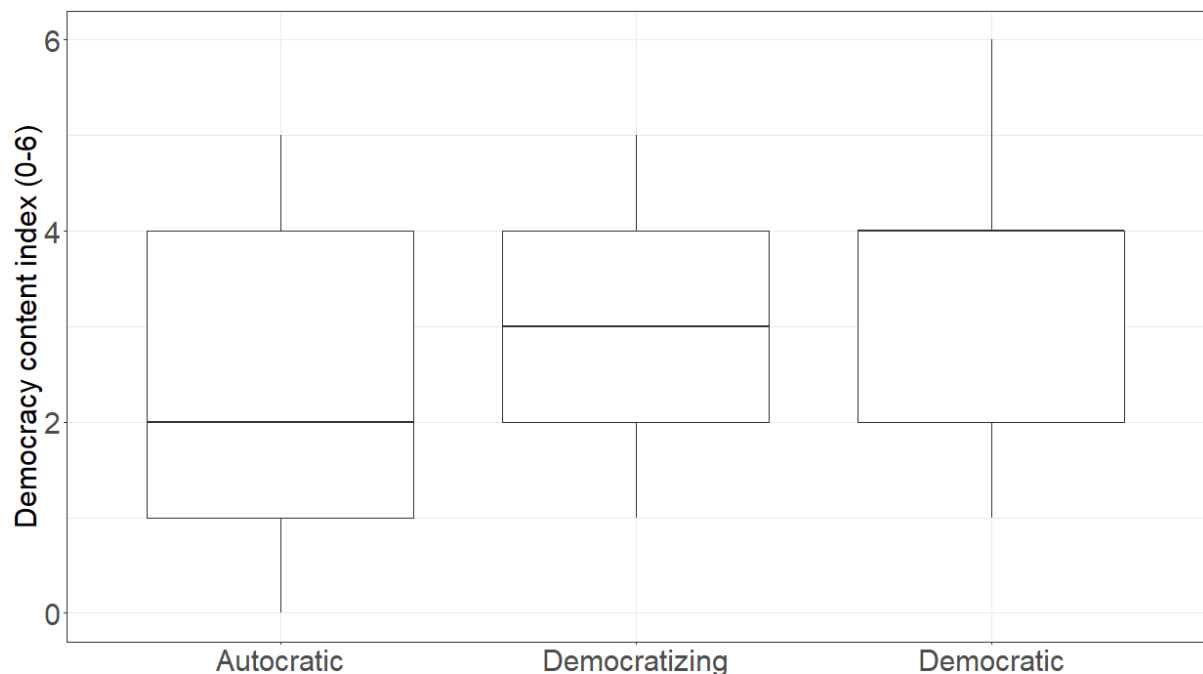

Figure 3: Democracy content index and PTA members' polity

Source: Own calculations based on Elsig et al., forthcoming

3.2 Bargaining power in trade negotiations

As described by Putnam's two-level framework (Putnam, 1988), in the presence of diverging interests, an agreement is found where the preferences of all parties overlap. Other scholars have also shown that when countries' interests conflict, the countries with higher bargaining power would typically make fewer concessions. For instance, Dür (2008) shows how the creation of the EEC customs union led to an increase in EEC members' bargaining power and how they could bargain more favourable agreements thereafter. Lewis (2011) also shows that countries with higher bargaining power can exert pressure on weaker countries when signing bilateral or plurilateral agreements, and more so than under the multilateral system. This bargaining power argument has been tested (and confirmed) on specific settings such as the inclusion of dispute resolution provisions in investment treaties (Allee and Peinhardt, 2010), the European Union's bargaining advantage in the EU-Mexico bilateral trade agreement's negotiations and its relative disadvantage in the Doha round (Conceição-Heldt, 2014), or the renegotiation of bilateral investment treaties (Huikuri, 2022). I argue that a similar effect can be found for the inclusion of democracy-related provisions in trade agreements when the relative bargaining power is in favour of the democratic party.

3.3 Regime type and bargaining power combined

I argue that the extent to which democracy-related clauses are included depend simultaneously on countries' regime type and their relative level of bargaining power compared to their counterpart(s). Milewicz (2020) has already investigated the combined effect of these two factors (power and regime type) on states' willingness to promote international cooperation through international treaty making. The results show that democracies are more likely to be willing to cooperate through international treaty making than autocracies. Additionally, *powerful* democratic states have the material capability to cooperate and promote international

cooperation. Powerful democratic states are therefore more likely to influence international treaty-making as they are relatively more willing and capable to do so.

I extend this argument to a dyadic setting in the framework of trade agreements negotiations. While the incentives for democracy promotion for different regime types are well documented in the literature, little is known about the extent to which powerful democracies are really successful in diffusing democratic norms in the realm of trade policy negotiations. I argue that democracies' ability to influence the design of democracy-related provisions in trade agreements is conditional on their relative level of bargaining power.

Given countries' preferences discussed in the section above, I expect democracies to be more likely, in the first place, to sign democracy-related provisions with *like-minded* democratic partners than with democratising or autocratic partners. For democracy-autocracy pairs, I expect this effect to be simply driven by their divergence in preferences. For democracy-democratising countries, I suspect the main driving effect to be a lack of capacity for democratising countries to undertake the high adaptation costs to these new norms. When signing an agreement with autocratic or democratising countries, democracies are likely to influence the treaty's democracy-related design only if the bargaining power is in their favour. This means, countries initially reluctant to sign such provisions are more likely to sign democracy-related provisions with democratic counterparts if the latter can offer significant side-payments in exchange. Again, the underlying effect at play is likely to differ between democratising and autocratic countries. Democratising countries are more likely to sign democracy-related provisions with *powerful* democratic states as they may receive additional side payments to implement the required changes. Autocratic countries are less likely to be so keen to implement democracy-related provisions. However, signing trade agreements with *powerful* states may enable them to obtain greater market access and thus derive greater economic gains from signing the PTA. Autocrats can use these additional economic gains to distribute rents to their selectorate and

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increase their likelihood to stay in power.

Hypothesis 1a: Heterogeneous PTAs, composed of democracy-democratizing and democracy-autocracy pairs, are less likely to include democracy-related provisions than like-minded PTAs, composed only of democratic countries.

Hypothesis 1b: Heterogeneous PTAs are relatively more likely to include such provisions if the bargaining power differential is in favour of the democratic party.

There are two caveats to this reasoning. First, two countries' level of relative bargaining power may not tell us much about the ability of one of them to influence the treaty design if both are "middle" powers. A second caveat relates to countries' preferences. This leads to my second hypothesis.

Although democratic countries are more likely to sign democracy-related provisions *in theory*, they may behave differently in practice. Australia is one example studied by Postnikov and McKenzie (2022). Their research shows that Australia has not promoted NTIs in its trade agreements, unlike many of its democratic counterparts. I expect that the European Union (EU) and the United States (US) would have both the capacity and the clear willingness to promote democracy through trade agreements. The EU and the US have represented a large share of world trade, between 16% and 26%[5], since respectively the 1960s and the 1980s. Their appetite for democracy promotion as part of foreign and trade policy has already been well established by the literature (see for example: Light, 2001; Hafner-Burton, 2009; Huber, 2015; Postnikov, 2020). Additionally, Baccini (2012) already showed that democratising states are more likely to sign PTAs with large(r) economies such as the EU and the US compared to other countries with similar economy size. The author argues that democratising states can this

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[5]Exact share varies across years between these two bounds. Own calculations by the author based on the World Development Indicators Database (World Bank).

way benefit from greater gains from trade and more credibly commit to economic reform due to the large power differential. I expect a similar pattern in the design of democracy-related provisions. Thus, I expect heterogeneous dyads to be more likely to include democracy-related provisions when the democratic partner is either the EU or the US.

> *Hypothesis 2*: Democracy-Democratising or Democracy-Autocracy dyads are more likely to include democracy-related provisions when the democratic partner is the EU or the US.

3.4   Other potential determinants

Issue linkage

Another potential effect at play is issue linkage. As agreements become increasingly horizontally deep including a wide range of different issues (Dür et al., 2014), countries typically negotiate different issues at the same time. This can particularly be beneficial when countries have different interests in different areas. One country can therefore give in concessions on area X, while the other would on area Y. Wagner (1988) argues countries can obtain political concessions using their economic power only when i) all parties involved derive some benefits from this exchange and ii) when we assume that governments' priority is to maximise the gains from trade. I argue that both conditions are met in the framework of this analysis. Countries would indeed exchange concessions as long as the overall benefits outweigh the overall costs (i.e. they are ready to suffer some costs on one area, as long as they will benefit in another area). One can assume that governments' priority is to maximize trade gains as well when they engage into trade negotiations to sign preferential agreements as they voluntary start engaging in these (as opposed to for instance trade sanctions, which can be implemented with a different aim than trade gains). Davis (2004), for instance, showed that linking issues can enable more successful negotiation outcomes on controversial issues such as agricultural trade

liberalisation. Limão (2007) also found that a large country can offer tariff reductions in ex-change of concessions from a smaller country on non-trade issues, in instances where the latter would have relatively few tariff concessions to offer to the former. I expect that democracies could also bargain democracy-related provisions against other types of provisions, and that democratising and autocratic countries are relatively more likely to sign democracy-related provisions with democracies when the agreement is deep.

> **Hypothesis 3**: Democratising and autocratic countries are relatively more likely to sign democracy-related provisions with democracies when the agreement is deep.

Bilateral exports dependency

Countries' preferences may not be shaped *only* by their regime type. The literature has shown that different types of interest groups would have different preferences towards NTIs (see for example Hafner-Burton, 2009; Lechner, 2016; Raess et al., 2018). Countries' relative bargaining power in negotiations would also not necessarily depend *only* on their positioning among the world's leading trade powers. It may be more crucial to negotiate with a trade agreement with a trading partner making up most of a country's total trade rather than one of the top trade power in the world.

I argue that these preferences would interact differently for democracies and autocracies. Democracies highly dependent on the exports of their counterpart might *water down* their democracy promotion ambitions as the stakes are higher economically. Democracies are ac-countable to both export-competing and import-competing businesses, which can benefit very differently from PTAs and their specific design. Evidence is mixed on their preferences for NTIs. While Lechner (2016) and Raess et al. (2018) show that export-competing businesses are less likely to be in favour of including them compared to import-competing businesses, Dür et al. (2023) find that both groups are likely to support their inclusion in PTAs in their

survey analysis. Further research needs to disentangle the underlying mechanisms to better understand these differing results and how this would translate to democracy-related provisions. For the purpose of the analysis of this paper, I would argue that this does not play an important role when signing an agreement with a country representing a large share of its exports. Assuming that both export- and import-competing interest groups are in favour of the inclusion of democracy-related provisions, these considerations might be placed second in comparison to many other difficult trade issues to negotiate given the economic benefits at stake. Assuming now that export-competing interest groups lobby against the inclusion of such provisions and potential economic benefits are very high, the negotiator might favour their interests as the overall benefits would still outweigh the costs born by import-competing businesses.

On the contrary, autocracies highly dependent on their counterpart's exports might *increase* their willingness to include democracy-related provisions as the economic stakes are higher. They are therefore more likely to accept a trade-off of higher economic benefits against democracy-promoting clauses.

> *Hypothesis 4*: Democratic-Democratising and Democratic-Autocratic pairs are more likely to sign democracy-related provisions when the democratising/autocratic country's share of exports to the democratic party is high.

Diffusion effects

Countries' negotiations of democracy-related provisions are likely to be influenced by diffusion effects as well. Signing democracy-related provisions may entail high costs for the first time but subsequent costs of signing similar provisions in the future are relatively low. This hypothesis speaks to a broader literature on diffusion effects in treaty-making as already discussed above. Authors have shown that the design of PTAs can be influenced by standards set at the WTO (Aaronson and Zimmerman, 2007; Vogel, 2013; Allee et al., 2017) or in previ-

ous PTAs (Milewicz et al., 2018; Allee and Elsig, 2019). I expect this diffusion effect to be of more importance for the democratising and autocratic parties as the implementation costs of democracy-related provisions are likely to be higher for them compared to democracies.

> *Hypothesis 5*: Democratic-Democratising and Democratic-Autocratic pairs are more likely to sign democracy-related provisions when the democratising/autocratic country has already signed such provisions in the past.

4 Data

4.1 Democracy content index

The main dependent variable are the "democracy content indices" capturing the extent to which trade agreements contain democracy-related provisions. Elsig et al. (forthcoming) compile these indices for 792 trade agreements across the world using supervised machine learning. This method enables to manually annotate only a sub-sample of the full text corpus, reducing the costs of the highly resource-intensive process of manual coding. Based on these manual annotations, the content of the PTA documents is then predicted for the whole corpus using a machine learning algorithm. [6].

The main **Democracy content index** is an additive index (0-6) which captures the extent to which the following 6 aspects are included in the PTA. This index does not take into account the extent to which these provisions are stringent but only whether the agreement mentions or includes one of the following concepts or provisions. (For a detailed description of these aspects, please see appendix A.1.)

<div align="center">Democracy-related provisions</div>

---

[6]Details on the methodology can be found in the appendix A.1

> (a) *General objectives* - mentions of democratic principles in the preamble or general objectives chapter.
>
> (b) *Democracy promotion* - mechanisms of direct democracy promotion
>
> (c) *Individual rights* - provisions on the promotion or protection of individual rights (labor rights, consumer rights, gender rights etc).
>
> (d) *Stakeholders' participation* - clauses on stakeholders' participation in trade policy formulation.
>
> (e) *Transparency* - provisions on information publication and notification as well as access to information.
>
> (f) *Policy space* - provisions on the Parties' right to regulate and general exemptions.

The **democracy content sub-indices** are ordered variables taking the values 0, 1 and 2 for each of the six aspects mentioned above separately. A PTA is assigned related to each aspect: a "0" if it does not include any related clauses, "1" if it includes some related clauses but non-stringent, "2" if it includes related stringent clauses.[7].

4.2 Democratic power asymmetry

I operationalise countries' relative bargaining power with their relative share of world trade. I focus on this specific type of economic power as these trade agreements are primarily economic agreements designed to facilitate the exchange of goods and services between signatories. The negotiations of such agreements can of course still be influenced by other geopolitical aspects. I, however, argue that these influences would be marginal compared to the economic stakes being at the core of these negotiations. I choose to identify *trade* here as imports. Imports data tends to be of better quality than exports data[8]. Moreover countries' imports can also be interpreted as the size of market access for partner countries. Lastly, the countries' share

---

[7]For more information on how exactly these sub-indices are constructed, please see appendix A.1
[8]Imports data are collected directly at customs, whereas exports data are self-declared by each respective country. For this reason, it is generally considered that imports data are more reliable.

of world trade (or imports) enables to also capture - to some extent - how these countries are integrated in world trade and supply chains more generally.

I measure power asymmetry by comparing PTA members' share of world imports (SWM). I divide the PTA democratic member's SWM by the sum of all PTA members SWM. If this ratio is very high this means there is high power asymmetry in favour of the democratic party within the PTA. For like-minded PTAs composed of only democracies, I simply divide the PTA member's highest SWM by the sum of all PTA members SWM. This measure of power asymmetry calculated as a ratio of the power of the most powerful member divided by the sum of the powers of all members has been used in different studies evaluating power asymmetry (see for example Morin et al. (2022)).

To address potential endogeneity concerns, instead of taking PTA members' share of world imports at the year of signature, I take the average over the last 5 years.

$$
\textbf{Democratic power asymmetry}
\begin{cases}
\dfrac{Mean(Share\ world\ imports_{democracy})_{t=1,5}}{\sum_{a,b} Mean(Share\_world\_imports)_{t=1,5}} & \text{Heterogenous PTAs} \\
\\
\\
\dfrac{\max_{a,b}\{Mean(Share\ world\ imports)_{t=1,5}\}}{\sum_{a,b} Mean(Share\_world\_imports)_{t=1,5}} & \text{Democratic-only PTAs}
\end{cases}
\tag{1}
$$

4.3   Regime type

The exact definition of democracy and its measurement can vary considerably across sources and the literature has debated for many years what is the best way to measure democracy. I use the Episodes of Regime Transformation dataset from the VDEM project (Edgell and Lindberg, 2020). This dataset enables me to capture - to some extent - the dynamics of regime type changes over time. To identify whether a country is democratic, democratizing or autocratic,

I combine two variables of the ERT dataset. *Reg_type* captures whether a country can be considered as autocratic or democratic, not only based on its regime at a given point of time but across a given span of years. It would therefore not re-classify a country from one category to another, only based on temporary political condition changes in a given year. *Dem_ep* captures whether a country undertakes a democratisation episode across a given span of years. As these variables take into account changes over time and across regimes, they can overlap. To address this problem I consider that a given country on a given year is democratising if it undertakes a democratisation episode. Otherwise, the country is considered as autocratic or democratic.

$$
\textbf{Regime type}
\begin{cases}
Dem\_ep = 0
\begin{array}{l}
Reg\_type = 0 \qquad \textbf{Autocracy} \\[2ex]
Reg\_type = 1 \qquad \textbf{Democracy}
\end{array} \\[4ex]
Dem\_ep = 1 \qquad\qquad\qquad\qquad \textbf{Democratizing}
\end{cases}
\tag{2}
$$

To test my hypotheses, I look at three different types of dyads: democracy-democracy, democracy-democratising, democracy-autocracy. I create a categorical variable taking "0" for democracy-democracy dyads, "1" for democracy-democratising dyads and "2" for democracy-autocracy dyads.

$$
\textbf{Regime Type Dyad}
\begin{cases}
0 \quad \text{democracy-democracy pairs} \\[2ex]
1 \quad \text{democracy-democratising pairs} \\[2ex]
2 \quad \text{democracy-autocracy pairs}
\end{cases}
\tag{3}
$$

4.4 Alternative hypotheses: Depth index, bilateral export dependency and diffusion

To test the issue linkage hypothesis (H4), I include the *Depth index* from the DESTA database (Dür et al., 2014) as one of the main independent variable. The depth index is an additive index (0-7) capturing the following PTA characteristics: the PTA scope (customs unions, full FTA etc), whether the agreement includes provisions on standards (TBT and SPS), a specific investment chapter (outside services) and references to Bilateral Investment Treaties (BIT), a competition chapter, substantive provisions on procurement and on intellectual property rights.

To test the bilateral export dependency, I calculate for each pair (a,b) the share of bilateral exports out of total exports for each country. To address endogeneity concerns, I consider the average over the last 5 years for each observation instead of time t. I further disaggregate this variable into export dependency for democratic countries and for democratising/autocratic countries to analyse the differing effects.

To test the diffusion hypothesis (H5), I calculate the weighted cumulative average of democracy-related clauses previously signed for each country. This means, for each country, I divide the cumulative sum of the democracy content index by the cumulative sum of PTAs signed up to time t. This enables me to capture simultaneously whether countries have already signed democracy-related provisions in the past and the extent to which these provisions were ambitious. In my estimations, I further disaggregate this variable into diffusion for democratic countries and diffusion for democratising/autocratic countries to disentangle the effects of each.

4.5 Controls

In order to control for other factors that could affect the relative level of bargaining power among members and the design of democracy-related provisions, I add a series of control variables. First, I control for the depth of the agreement in specifications where it is not the main independent variable. Second, I include a dummy identifying whether the autocratic or democratising country is a bigger fuel exporter than the democratic country in any given dyad. For each dyad, I compare each dyad member's share of fuel exports as a percentage of total merchandise exports and determine for which country the share is higher. I then combine this data with the countries' regime type. This way, I obtain whether in a given dyad the democratising party has relatively more fuel exports power (*Fuel exports power (Democratising)*) over the democratic party, or the autocratic party over the democratic party (*Fuel exports power (Autocracy)*). Third, I control for GATT and WTO membership *WTO/GATT* as WTO members can potentially leverage their membership in the negotiations. PTAs can also use similar templates to the WTO agreements (Allee et al., 2017). This can be particularly important for aspects such as transparency, an area that the WTO developed a lot. Fourth, the EU and US signed the first agreements explicitly including respectively human rights (Lome IV, 1990) and labour rights (NAFTA, 1994), setting the ground for future agreements (Hafner-Burton, 2009). When not included as main variables of interest, I control for the presence of the *EU* and *US* as one of the country dyad. Fifth, I control for further diffusion effects as democracy-related provisions might have increasingly became standard provisions in trade agreements through the use of trade agreement templates (Allee and Elsig, 2019). *Diffusion democracy provisions* captures the cumulative number of past PTAs including democracy-related provisions signed by the actual PTA members. Sixth, I include whether the PTA members share the same legal system (*Common legal system*), had (or have) a colonial tie (*Colony*), and are close to one another in distance (*Distance*). All control variables are original data, except for the three last

gravity variables taken from the CEPII gravity dataset, and the fuel exports as percentage of total merchandise exports from the WDI Database.

5 Empirical strategy

To test my hypotheses, I estimate an ordered probit model, as the main outcome variables are ordered categorical variable: (0-6) for the democracy content index and (0-2) for the democracy content sub-indices. This allows to predict the probability that a PTA includes some or all of the democracy-related provisions aspects. I estimate the probability that country pairs sign democracy-related provisions using a sample of 307 bilateral PTAs signed between 1948 and 2019 across the world. The sample including all country pairs that have signed trade agreements is truncated. This means one can only observe the design of agreements that have been signed and not the counterfactual (i.e. the design of agreements that have not been signed).

$$
\text{Design PTA} \begin{cases} Design\ PTA* & \text{if } Sign\ PTA* > 0 \\ \\ \text{Unobserved} & \text{if } Sign\ PTA* \leq 0 \end{cases} \tag{4}
$$

To address this issue, I use Heckman's sample selection model Heckman (1979) which consists of two steps. First, I create a panel including all possible combination of country-year pairs, including those that have signed an agreement and those that have not. Using this extrapolated sample, I calculate the probability of countries signing an agreement.

$$
\mathbb{P}(Sign\ PTA_{i,j}) = \theta X_{1_{i,j}} + \epsilon_{i,j} \tag{5}
$$

where $X_{1_{i,j}}$ is a vector of variables including the main determinants of signing an agreement. I also include variables that are likely to affect the probability of signing a PTA but not the probability of signing democracy-related provisions so that the exclusion restriction holds.

I argue that the distance between main cities, contiguity and the number of PTAs signed in the world can be used as "weak" instruments for this purpose[9], adopting a similar approach to other papers in the trade policy literature (see for example the analysis of PTA negotiation duration by Lechner and Wüthrich, 2018). The trade literature has already shown that these three variables are likely to affect the likelihood of two countries to sign an agreement (Bergstrand and Egger, 2013; Baier and Bergstrand, 2004). I argue that these variables are, however, not likely to affect the extent to which two countries would sign democracy-related provisions. As previously illustrated, not only democracy-related provisions are signed both regionally and across regions but also one can observe a high level of variation within region, leaving doubt that distance or contiguity would play an important role (see Figure 2). The important diffusion of PTAs across regions and the world did also not lead to the systematic inclusion of democracy-related provisions as one can still observe important variation in not only the inclusion of these provisions but also its design across years (see Figure 1).

The probability of signing an agreement (estimated in Equation 5 is then integrated into a second equation that estimates the determinants of the agreements' design (in our case the democracy-related provisions) through the inverse Mill's ratio.

$$Design\ PTA_i = \theta X_{2_i} + \rho\sigma\lambda_i + \epsilon_i \tag{6}$$

where $X_{2_{i,j}}$ is a vector of variables including the main determinants of the inclusion of democracy-related provisions in trade agreements. The main explanatory variables (democratic bargaining power) as well as control variables. $\Lambda_{i,j}$ is the inverse Mill's ratio capturing the sample selection bias.

To test my hypotheses, I estimate equation 6 using different main independent variables. To test H1, I estimate the following equation:

---

[9]Formal testing of this assumption following Huber and Mellace (2014) in progress

$$Democracy\_content\_index_p = \alpha + \beta_1 Democratic\_power\_asymmetry_{i,j} + \beta_2 Regime\_Type\_Dyad_{i,j}+$$

$$\beta_3 Democratic\_power\_asymmetry_{i,j} * Regime\_Type\_Dyad_{i,j} + \theta X_{i,j,p} + \rho\sigma\lambda_p + \epsilon_p$$

$$(7)$$

where $Democratic\_power\_asymmetry\_i,j$ is the power asymmetry between democracies and non-democracies measured by their share of world imports; $Regime\_Type\_Dyad_{i,j}$ captures whether the PTA has only democratic members (0) or democratic and democratizing members (1), or democratic and autocratic members (2); $X_{1_{i,j}}$ is a vector of control variables and λ_p the Inverse Mills ratio.

To test H2, H3 and H4, I estimate the same model as for H1 but including the following variables instead of the democratic power asymmetry as the interaction term: the EU/US dummy (H2), the depth of the agreement (H3), bilateral export dependencies (H4) and the diffusion of democracy-related provisions (H5).

Lastly, I estimate two additional models using the democracy content sub-indices to test H1 and H2 at a more fine-grained level.

All the results are estimated with an ordered probit sample selection model to account for the fact that the main outcome variables are ordered categorical variables.

6 Results

6.1 Democratic power

Table 1 shows the results for the first hypothesis investigating the main democratic power argument. Columns 1-2 and 3-4 show the first and second stage of the selection model for two different specifications. The only difference between the two specifications is that columns 3 and 4 additionally account for the power of non-democratic fuel exporters.

Across the four specifications, I find support for H1a, namely that democracies are less likely to sign democracy-related provisions with respectively democratising and autocratic countries than with like-minded countries (baseline of the model is Democracy-Democracy). The selection results in column 1 also show that democracies are less likely *to sign agreements* with democratising or autocratic countries than with other democracies. This effect looses significance for democracy-autocracy pairs in the second specification though (columns 3).

I find partial support for the democratic power effect (H1b). The two main interaction terms are positive and significant as expected in the first specification (column 2). This means democratic-democratising or democratic-autocratic country pairs are relatively more likely to sign democracy-related provisions when the relative bargaining power is in favour of the democratic Party. While this effect looses significance for democracy-democratising countries pairs in the second specification (column 4), it remains positive and strongly significant for democracy-autocracy pairs.

Table 1: Sample selection model first and second stage - Democratic power (H1)

Equation stage Dependent variable	Selection Sign PTA	Outcome Democracy content	Selection Sign PTA	Outcome Democracy content
Democratic power asymmetry (lag)	**-0.309**	**-2.550*****	**-0.296**	**-2.375*****
	-0.206	-0.787	-0.222	-0.829
Democracy-Democratizing	**-0.376****	**-1.697****	**-0.391***	**-1.667****
	-0.189	-0.715	-0.216	-0.805
Democracy-Autocracy	**-0.422****	**-2.535*****	**-0.269**	**-2.429*****
	-0.183	-0.715	-0.2	-0.746
Democratic PA*Democracy-Democratizing	**0.233**	**1.804****	**0.244**	**1.499**
	-0.227	-0.856	-0.254	-0.942
Democratic PA*Democracy-Autocracy	**0.0814**	**2.568*****	**0.0487**	**2.246*****
	-0.217	-0.833	-0.237	-0.871
Controls				
Depth index		0.376***		0.336***
		-0.0403		-0.0437
Diffusion democracy provisions		0.0307***		0.0331***
		-0.00681		-0.00722
Fuel exports power (Autocracy)			-0.120*	-0.253
			-0.0682	0.497
Fuel exports power (Democratizing)			0.057	-0.34
			-0.089	
EU	0.594***	-0.335	0.561***	-0.511
	-0.0886	-0.317	-0.101	-0.358
US	0.352***	1.535***	0.332***	1.387***
	-0.0904	-0.399	-0.0985	-0.426
WTO/GATT	0.0908**	-0.282*	0.0254	-0.383**
	-0.0366	-0.152	-0.0451	-0.184
Common legal system	0.137***	-0.661***	0.148***	-0.815***
	-0.0394	-0.152	-0.0442	-0.172
Colony	-0.00382	0.136	-0.0121	0.275
	-0.0923	-0.263	-0.104	-0.302
Distance (log)	-0.341***		-0.299***	
	-0.0205		-0.0234	
Contiguity	0.000325		-0.0771	
	-0.0716		-0.0843	
Diffusion PTAs	0.0126***		0.0129***	
	-0.002		-0.00232	
Inverse Mills Ratio		**-0.607*****		**-0.679****
		-0.212		-0.274
Observations	256,357	299	147,301	252
Pseudo R2	0.13	0.27	0.10	0.27

***p < 0.01; **p < 0.05; *p < 0.1

To further investigate these results, I estimate a similar model predicting the probability that country pairs sign different types of democracy-related provisions. These democracy content **sub-indices** take into account not only the extent to which any type of clauses related to one aspect is included but also how stringent they are. Table 2 shows the results of the model's second stage (first stage results can be found in appendix A.2)[10]. I estimate the most conservative model, accounting for the relative power of the country pairs in terms of fuel exports. These results show various interesting patterns. First, I do not find support for my central hypotheses (H1a, H1b) for the individual rights and policy space categories. Second, I find support for H1a across the three remaining categories (general objectives, stakeholder participation and transparency), mixed regime type pairs are less likely to include provisions related to these aspects compared to like-minded pairs. Third, I find only support for H1b, the democratic power effect, for the stakeholder participation category. Fourth, among the controls, two variables have systematically a positive and significant effect on each of the sub-indices: the depth index and the diffusion variables. This shows that deeper agreements are more likely to include any type of democracy-related provisions, and that having signed democracy-related provisions in the past increases the likelihood of signing any type of such provisions in the future as well.

---

[10]This table and the results do not include the "democracy promotion" category described in the data section. This category encompasses provision types that are very stringent and rarely found in the agreements. Due to the lack of data availability, I was not able to estimate the models on this specific category.

Table 2: Sample selection model second stage - Democratic power by sub-index (H1)

Dependent variable	General objectives	Individual rights	Stakeholder participation	Transparency	Policy space
Democratic power asymmetry (lag)	**-0.876**	**0.719**	**-3.222***	**-1.713**	**-0.358**
	-0.77	-1.442	-0.841	-0.804	-0.792
Mixed regime type	**-0.686***	**-0.537**	**-1.370***	**-0.802**	**-0.044**
	-0.379	-0.698	-0.403	-0.393	-0.391
Democratic PA*Mixed regime type	**0.604**	**-0.222**	**1.425***	**0.483**	**0.142**
	-0.46	-0.805	-0.484	-0.476	-0.466
Controls					
Fuel exports power (Demz/Auto)	0.518**	0.218	-0.474*	-0.32	0.197
	-0.259	-0.465	-0.247	-0.245	-0.246
Depth index	0.204***	0.189*	0.489***	0.457***	0.235***
	-0.0575	-0.0974	-0.068	-0.0652	-0.056
Diffusion democracy provisions	0.0384*	0.238***	0.167***	0.178***	0.104***
	-0.0225	-0.0507	-0.03	-0.027	-0.0248
EU	-0.333	1.175	0.339	-0.632	-0.772*
	-0.412	-0.793	-0.441	-0.496	-0.411
US	0.882*	0.992*	2.135***	1.563***	-0.287
	-0.461	-0.589	-0.6	-0.514	-0.471
WTO/GATT	-0.352	0.0128	-0.119	0.127	-0.32
	-0.246	-0.427	-0.231	-0.263	-0.212
Common legal system	-0.858***	0.843**	-0.0706	-0.0665	-0.770***
	-0.216	-0.395	-0.216	-0.206	-0.219
Colony	0.262	-0.301	0.593	-0.355	0.28
	-0.372	-0.61	-0.392	-0.423	-0.351
Inverse Mills Ratio	**-2.189***	**0.163**	**0.451**	**1.023***	**-2.148***
	-0.352	-0.568	-0.352	-0.377	-0.38
Observations	252	252	252	252	252
Pseudo R2	0.32	0.61	0.51	0.52	0.32

***p < 0.01; **p < 0.05; *p < 0.1

Columns (1) to (5) display the second stage results for each sub-index of democracy content.

First stage results of the sample selection model can be found in appendix.

I now turn to a more specific analysis of the "democratic trade power" effect, disaggregating the effect across two of the main democratic trade powers. Table 3 shows that the effect differs slightly between the two superpowers. A common effect lies in the significant decreased probability of democracy-autocracy pairs to sign democracy-related provisions compared to like-minded pairs (H1a). There is very limited support for the democratic power effect in the case of the EU, and no support in the case of the US. In the EU specification (column 2), I only find evidence of a democratic power effect for democracy-autocracy pairs and this effects looses significance when controlling for the power of autocratic and democratising countries in terms of fuel exports. This seems to support previous research showing that the EU watered down their ambitions when signing agreements with other large autocratic powers (McKenzie and Meissner, 2017; Meissner and McKenzie, 2019).

Table 3: Sample selection model second stage - EU and US (H2)

Dependent variable: Democracy content				
Democratic power asymmetry (lag)	-0.204	-0.268	-0.515**	-0.656**
	-0.251	-0.287	-0.251	-0.291
EU	**-0.535**	**-0.676**		
	-0.411	-0.427		
US			**1.001***	**0.773**
			-0.545	-0.579
Democracy-Democratizing	**0.0171**	**-0.245**	**-0.164**	**-0.412**
	-0.189	-0.277	-0.177	-0.263
Democracy-Autocracy	**-0.554***	**-0.742***	**-0.472**	**-0.687***
	-0.204	-0.26	-0.194	-0.248
EU*Democracy-Democratizing	**-0.612**	**-0.608**		
	-0.495	-0.545		
EU*Democracy-Autocracy	**0.812***	**0.733**		
	-0.447	-0.471		
US*Democracy-Democratizing			**0.986**	**0.962**
			-1.184	-1.18
US*Democracy-Autocracy			**0.906**	**1.091**
			-0.791	-0.847
Controls				
Fuel exports power (Autocracy)		0.044		0.0254
		-0.251		-0.252
Fuel exports power (Democratizing)		0.606*		0.504
		-0.328		-0.331
Depth index	0.397***	0.357***	0.353***	0.313***
	-0.0397	-0.0428	-0.0387	-0.0421
Diffusion democracy provisions	0.0285***	0.0313***	0.0316***	0.0321***
	-0.00668	-0.00715	-0.00625	-0.00662
WTO/GATT	-0.211	-0.330*	-0.197	-0.237
	-0.149	-0.181	-0.13	-0.154
Common legal system	-0.629***	-0.804***	-0.658***	-0.825***
	-0.15	-0.17	-0.15	-0.173
Colony	0.021	0.136	-0.111	0.0124
	-0.26	-0.298	-0.25	-0.289
Inverse Mills Ratio	**-0.504****	**-0.501***	**-0.662***	**-0.713***
	-0.207	-0.271	-0.212	-0.275
Observations	299	252	299	252
Pseudo R2	0.24	0.25	0.26	0.26

***p < 0.01; **p < 0.05; *p < 0.1

First stage results of the sample selection model can be found in appendix.

Again, I disaggregate these results to the sub-index level to observe if there exists any variation in the more specific design of democracy-related provisions. I estimate a similar model to Table 2, interacting respectively the EU and US dummies with the mixed regime type variable. Results of these coefficients for each of the five separate models are shown in Figure 4. I find striking differences. Mixed regime type pairs (Democratic-Autocratic or Democratic-Democratising countries) are relatively more likely to sign *stakeholder participation* provisions when signing an agreement with the EU, while they are relatively more likely to sign *transparency* provisions when signing an agreement with the US. This is in line with the type of provisions that the two entities have respectively historically pushed for. Lastly, another striking result is the negative and significant effect on the *individual rights* category, meaning that mixed regime type pairs are relatively less likely to sign individual rights provisions when signing an agreement with the EU. This could be explained by the fact that EU treaties tend to include ambitious individual rights provisions in comparison with many other agreements.
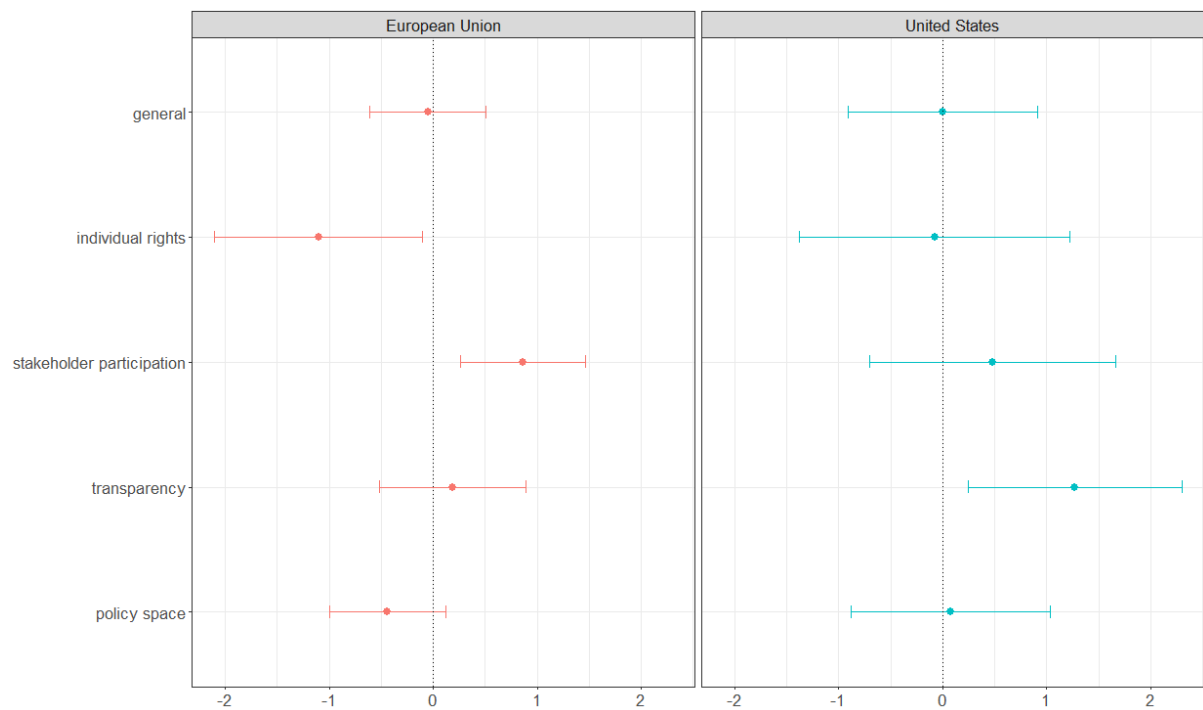
Figure 4: Estimation results of the interaction term between EU/US dummy and mixed regime type

Note: Results from a sample selection model similar to Table 2. The coefficients correspond to the interaction of the variable "mixed regime type" with either a EU or US dummy. Error bars correspond to the 95% confidence interval.

6.2 Other potential determinants

Turning now to other potential determinants of the design of democracy-related provisions, I investigate potential issue linkages effects (see Table 4). Firstly, I find that mixed regime type pairs are relatively more likely to sign democracy-related provisions when the agreement is deep. However, I find that this positive effect is attenuated when the relative bargaining power is in favour of the democratic party (see triple interaction estimates). These results seem to show that there might be two different effects at play: a democratic power effect and an issue linkage effect but that these two are not cumulative. There is therefore limited evidence that large democratic powers bargain democracy-related provisions linking the negotiations to other types of issues in the agreement.

Table 4: Sample selection model second stage - Issue linkage (H3)

Dependent variable: Democracy content		
Democratic power asymmetry (lag)	-4.417***	-3.954**
	-1.409	-1.547
Depth index	**-0.147**	**-0.106**
	-0.275	-0.289
Democratic PA*Depth index	0.525	0.432
	-0.325	-0.346
Democracy-Democratizing	-4.373***	-3.720**
	-1.315	-1.48
Democracy-Autocracy	-5.463***	-5.366***
	-1.351	-1.459
Democratic PA*Democracy-Democratizing	4.592***	3.649**
	-1.571	-1.808
Democratic PA*Democracy-Autocracy	5.396***	5.019***
	-1.577	-1.722
Depth index*Democracy-Democratizing	**0.819****	**0.577***
	-0.325	-0.349
Depth index*Democracy-Autocracy	**0.743****	**0.718****
	-0.304	-0.319
Democratic PA*Depth index*Dem-Demz	**-0.850****	**-0.613**
	-0.382	-0.415
Democratic PA*Depth index*Dem-Auto	**-0.710****	**-0.669***
	-0.36	-0.384
Controls		
Fuel exports power (Autocracy)		0.0755
		-0.263
Fuel exports power (Democratizing)		0.528
		-0.37
Diffusion democracy provisions	0.0339***	0.0373***
	-0.00714	-0.00769
EU	-0.39	-0.604
	-0.328	-0.372
US	1.549***	1.426***
	-0.404	-0.432
WTO/GATT	-0.315**	-0.428**
	-0.154	-0.187
Common legal system	-0.634***	-0.789***
	-0.152	-0.174
Colony	0.173	0.315
	-0.265	-0.305
Inverse Mills Ratio	**-0.549****	**-0.653****
	-0.218	-0.285
Observations	299	252
Pseudo R2	0.28	0.28

***p < 0.01; **p < 0.05; *p < 0.1

 First stage results of the sample selection model can be found in appendix.

Table 5 analyzes the extent to which bilateral export dependencies influence the design of democracy-related provisions. I disaggregate bilateral export dependencies variables across the democratic party (column 1) and the democratising or autocratic party (column 2). First of all, caution should be given when interpreting these results given the high level of attrition - the number of observations decrease substantially given limited data coverage of bilateral exports dependency for each pair. Secondly, I do not include in these estimations the relative power in fuel exports, as the main variable of interest is already comparing bilateral exports share.

The first column shows no evidence of an impact of the democratic party's export dependency to its counterpart on the level of democracy-related provisions signed, nor evidence of significant patterns across different types of regime dyads. The second column, however, shows that democracy-democratising pairs are relatively less likely to sign democracy-related provisions when the democratizing party's share of exports to the democratic party is high. This effect is, however, reverted when the relative bargaining power is in favour of the democratic party. This means that democracy-democratising pairs are relatively more likely to sign democracy-related provisions when the democratic party represents a large share of the democratising country's exports *and* the democratic party has a bargaining advantage.

Table 5: Sample selection model second stage - Export dependency (H4)

| Dependent variable: Democracy content | | |
Export dependency variable	Democracy	Demz/Auto
Democratic power asymmetry (lag)	-1.965	-1.728*
	-1.347	-1.031
Export dependency	**35.71**	**14.36**
	-126.6	-13.56
Democratic PA*Export dependency	-41.05	-17.06
	-154.7	-15.12
Democracy-Democratizing	-0.764	-0.5
	-1.157	-0.946
Democracy-Autocracy	-2.249*	-1.971**
	-1.216	-0.918
Democratic PA*Democracy-Democratizing	0.849	0.832
	-1.442	-1.197
Democratic PA*Democracy-Autocracy	3.125**	1.927*
	-1.44	-1.113
Export dependency*Democracy-Democratising	**-65.42**	**-112.2****
	-127.8	-50.54
Export dependency*Democracy-Autocracy	**-26.7**	**10.43**
	-126.7	-29.95
Democratic PA*Export dependency*Dem-Demz	**93.11**	**113.6****
	-161.4	-51.04
Democratic PA*Export dependency*Dem-Auto	**-7.873**	**-14.18**
	-155.7	-32.69
Controls		
Depth index	0.410***	0.417***
	-0.055	-0.0523
Diffusion democracy provisions	0.0323***	0.0341***
	-0.0101	-0.00984
EU	0.186	6.187
	-0.79	-124.9
USA	1.514***	2.241***
	-0.538	-0.542
WTO/GATT	-0.178	-0.293
	-0.221	-0.224
Common legal system	-0.943***	-1.139***
	-0.218	-0.21
Colony	0.0915	0.494
	-0.483	-0.509
Inverse Mills Ratio	-1.024*	-1.079**
	-0.536	-0.452
Observations	186	209
Pseudo R2	0.34	0.35

***p < 0.01; **p < 0.05; *p < 0.1

First stage results of the sample selection model can be found in appendix.

Lastly, I investigate the effects of diffusion in Table 6, also disaggregating the diffusion variable across the democratic party (columns 1 and 2) and the democratising or autocratic party (columns 3 and 4). I find overall a positive and significant effect of the number of PTAs signed including democracy-related clauses in the past on the likelihood of signing democracy-related provisions (see single estimates). This effect holds across the four specifications, including accounting or not for the relative fuel exports power. I however do not find evidence that mixed regime type dyads are more likely to sign democracy-related provisions when one of the party has already signed such provisions in the past.

Table 6: Sample selection model second stage - Diffusion (H5)

Dependent variable: Democracy content				
Diffusion variable	Democracy	Democracy	Demz/Auto	Demz/Auto
Democratic power asymmetry (lag)	-0.644**	-0.898***	-0.282	-0.228
	-0.27	-0.318	-0.27	-0.317
Diffusion democracy provisions	**1.157*****	**1.149*****	**0.685*****	**0.647*****
	-0.138	-0.155	-0.118	-0.131
Democracy-Democratizing	-0.22	-0.619	0.229	0.38
	-0.528	-0.668	-0.514	-0.607
Democracy-Autocracy	-0.831	-0.94	-0.0774	-0.176
	-0.557	-0.642	-0.466	-0.514
Diffusion democracy provisions*Democracy-Democratizing	**-0.1**	**-0.0718**	**-0.149**	**-0.25**
	-0.175	-0.209	-0.165	-0.19
Diffusion democracy provisions*Democracy-Autocracy	**-0.0518**	**-0.0423**	**-0.129**	**-0.0424**
	-0.186	-0.207	-0.15	-0.169
Controls				
Fuel exports power (Autocracy)		-0.287		-0.431
		-0.262		-0.263
Fuel exports power (Democratizing)		0.477		0.409
		-0.343		-0.335
Depth index	0.305***	0.277***	0.292***	0.267***
	-0.0427	-0.0456	-0.0414	-0.0445
EU	0.737**	0.726**	0.551*	0.531
	-0.308	-0.348	-0.295	-0.333
US	1.460***	1.251***	1.415***	1.180***
	-0.408	-0.429	-0.408	-0.435
WTO/GATT	-0.107	-0.215	-0.0704	-0.0653
	-0.155	-0.185	-0.15	-0.182
Common legal system	-0.12	-0.0687	-0.219	-0.334*
	-0.162	-0.189	-0.158	-0.181
Colony	-0.0195	0.144	0.0752	0.197
	-0.275	-0.309	-0.265	-0.299
Inverse Mills Ratio	**-0.0862**	**0.129**	**-0.425***	**-0.547***
	-0.225	-0.301	-0.23	-0.298
Observations	299	252	299	252
Pseudo R2	0.39	0.37	0.30	0.29

***p < 0.01; **p < 0.05; *p < 0.1

First stage results of the sample selection model can be found in appendix.

6.3 Control variables

Depth is a consistent predictor of democracy-related provisions in trade agreements. This is in line with expectations. Agreements including a wider array of trade issues are also more likely to include other types of issues. The country pair's relative power in terms of fuel exports has a non-significant effect in most specifications. It is interesting to note the variation in effects across democracy content sub-indices in Table 2. The relative power of democratising or autocratic countries in terms of fuel exports has a significant and positive effect on the likelihood of signing "general objectives" clauses but a negative and significant effect on the likelihood of signing "stakeholder participation" type of democracy-related clauses.

The effect of the remaining control variables tend overall to be consistent across the different estimations and hypotheses tested. The EU and US coefficients are positive and significant for both the selection estimations. The US coefficient is also positive and significant in most outcome estimations, while the EU coefficient is not always. This could be due to the negative and significant effect on individual rights detected in the EU specification (see Figure 4). Overall, these results are still expected as both entities have signed a large number of agreements and have both promoted a number of democracy-related clauses in various agreements since the 1990s. The variable capturing whether PTA members are also members of the GATT/WTO is not always significant. When it is, it is positively correlated to the likelihood of signing a trade agreement and negatively correlated to the likelihood of signing democracy-related provisions. This means GATT/WTO members are not necessarily more likely to sign democracy-related provisions, and possibly less. Although the organisation played an important role in promoting transparent trade policy, it has not been a fierce promoter of democracy-related provisions beyond transparency. The results are therefore in line with expectations.

I also control for the diffusion of democracy-related provisions, taking into account whether PTA members have already signed such provisions in the past. The variable is always positive

and significant. This is expected for two reasons. First, it is less costly to negotiate and implement clauses that have already been ratified and implemented in the past. Second, as discussed there is a "template" effect where countries use their previous PTA templates as models for subsequent negotiations. Although the coefficients of an ordered probit model cannot be directly interpreted, it is noticeable that the magnitude of this coefficient is much smaller compared to others. This is due to the way the variable is defined (i.e. for each country the cumulative number of past PTAs signed including democracy-related provisions).

Lastly, the "gravity" controls included in the selection equation also show overall expected patterns. The only surprising result is that the contiguity and colony variables are not significant across all regressions, contrary to what the literature suggests. Countries sharing a common legal system are more likely to sign PTAs. With respect to the exclusion restriction, apart from contiguity, which is non-significant, distance and diffusion of PTAs are systematically significant and of the expected sign (respectively negative and positive effects), which is reassuring. In the outcome equation, the colony variable is never significant and common legal system tends to decrease the probability of signing democracy-related provisions.

7 Robustness checks

I also conduct a series of robustness checks. I use alternative proxies for countries' level of bargaining power. I re-estimate power asymmetry using countries' Gross Domestic Product (GDP) and Gross Domestic Product Per Capita (GDPPC) instead of the share of world trade. Results are displayed in appendix .

Using GDP as a measure of power (see Table 12), I find only effects for democracy-autocracy pairs across the four specifications. democracy-autocracy pairs are less likely to sign democracy-related provisions, however relatively more likely to sign those when the democratic Party has a bargaining advantage. This is line with my expectations and with the results in Table 1.

Alternatively, using GDPPC (see Table 13), I do not find evidence of a democratic power effect, in the first specification without accounting for the countries' relative power in terms of fuel exports (columns 1-2). In the second specification, that includes those controls, I find surprising effects for democracy-democratising pairs. Contrarily to my main specification (Table 1), I find that democracy-democratising pairs are more likely to sign democracy-related provisions than democracy-democracy pairs, but this effect is attenuated if the democratic Party has a bargaining advantage.

These results should be interpreted with caution though as there is high level of attrition in comparison to the main specifications. Moreover, these results are also more likely to suffer from endogeneity. GDP and GDPPC are correlated with many other countries' characteristics. For this reason, the results of the main specification should be considered as more reliable.

8 Conclusion

Democracy promotion as part of international agreements has been an important component of democratic countries' foreign policy for a while, especially for the United States and the European Union. The last twenty years have seen a myriad of new patterns emerging in this area. Demand has increased for more sustainable growth and trade, democracy has backslided across the globe, and autocracies have increasingly integrated the liberal trading system. In this context, the democracy promotion through trade policy is questioned more than ever. The literature has investigated both the extent to which trade and democracy are related (at the macroeconomic level) and the evolution of non-trade issues in trade agreements. However, these studies do not investigate whether countries sign onto democracy promotion clauses as part of trade agreements and why.

This paper fills this gap by estimating the combined impact of PTA members' regime type and their level of bargaining power on the extent to which they sign democracy-related provisions. Overall, I find that democracies are more likely to sign democracy-related provisions with like-minded trade partners compared with democratising or autocratic countries. Democracy-autocracy pairs are, however, more likely to sign democracy-related provisions when the democratic party has a bargaining advantage. These effects differ across types of democracy-related provisions. Mixed regime type dyads are less likely to sign general objectives, stakeholder participation and transparency provisions compared to like-minded democratic dyads, but no conclusive effects is found for individual rights and policy space provisions. Further, I find evidence of a democratic power effect only for the stakeholder participation provisions. Mixed regime type dyads are relatively more likely to sign stakeholder participation provisions when the relative bargaining power is in favour of the democratic party. Lastly, I find also variation in the democratic power effect across the EU and US. Mixed regime type dyads are more likely to sign stakeholder participation provisions when signing

an agreement with the EU, and more likely to sign transparency provisions when signing an agreement with the US.

The findings also suggest that there are, to some extent, diffusion, issue linkages and bilateral export dependencies effects. Dyads that have already signed democracy-related provisions in past agreements are more likely to sign again such provisions. However, this does not increase particularly the likelihood of mixed regime type dyads to sign these provisions. In contrast, the agreement's depth has a moderating effect. Mixed regime type dyads are relatively more likely to sign democracy-related provisions when the agreement is deep. This hints that issue linkages might be at play. This effect is however attenuated when the democratic party has a bargaining advantage. There is therefore limited evidence that democratic powers bargain democracy-related provisions against market access provisions. Lastly, export dependencies have a moderating effect only for democracy-democratising dyads. These country dyads are relatively more likely to sign democracy-related provisions when the democratizing party's share of exports to the democratic party is high *and* the democratic party has a bargaining advantage.

Overall, this paper contributes to the literature in three important ways. First, the results suggest that democracies are more likely to sign democracy-related provisions with like-minded partners than with autocratic or democratizing countries. However, democracy-autocracy dyads are relatively more likely to sign democracy-related provisions when the democratic party has a bargaining advantage. These effects vary across types of democracy-related provisions and types of power. These results contribute to the long-standing literature on democracy promotion. Second, autocracies are more likely to sign democracy-related provisions with democracies when the democratic party has a bargaining advantage, but not necessarily when they are highly dependent on the democratic party's market. This suggests that autocracies' willingness to integrate the liberal trading system is a better indicator of its likelihood

to sign democracy-related provisions than their direct dependence on market access. Third, democratising countries seem to be more likely to sign democracy-related provisions when the democratizing party's share of exports to the democratic party is large *and* the democratic party has a bargaining advantage. This result tends to be more robust than the democratic power effect alone. The potential for direct market access seems to be more crucial than the integration in the liberal trading system alone for democratising countries. I find overall limited evidence of democratising countries' willingness to lock-in democratic reform through the signing of trade agreements. These main conclusions leave promising avenues for future research to further disentangle the different mechanisms underlying these differing effects.

9   Next steps

The analysis carried out in this paper is still at an early stage. Next steps include the following aspects.

First, I would like to link this data to aid data, to further disentangle potential endogeneity concerns.

Second, I would like to disentangle further the different regime types and their preferences. In particular I am investigating what exactly is driving democracies and autocracies to have different preferences. I would also like to understand better different preferences democracies may have, instead of considering them as one homogeneous group.

Third, I would like to investigate the potential underlying mechanisms, to understand in particular better differing effects between democratising and autocratic countries.

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A   Appendices

A.1   Democracy content indices - (Elsig et al., forthcoming)

A.1.1   Methodology summary

Summary of the methodology steps:

1. Designing coding scheme   Creating a coding scheme with 89 variables
                                             of interests based on PTAs

2. Manual coding   Coding a representative subset comprising
                                             116 PTAs from a total of 792

3. Deriving democracy-content indices   Using Rasch model to create indices

4. Predicting indices through SML techniques Predicting democracy-content indices
                                             for 792 PTAs
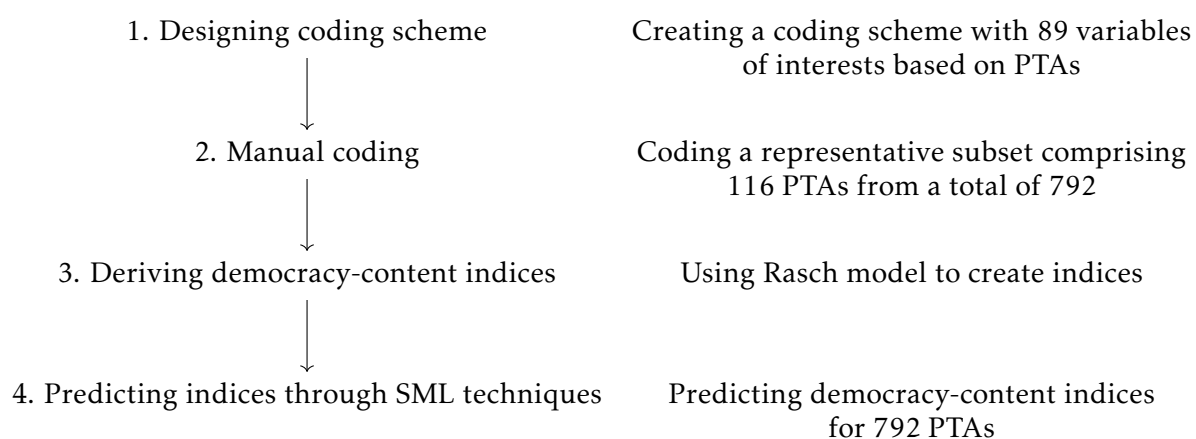
Further details on each step

The construction of the democracy-related content index is operated in a total of four steps. **First**, based on the taxonomy of democracy-related provisions, we develop a codebook of democracy related provisions in PTAs. We further inspected carefully an initial sample of PTAs to fine-tune and complement our codebook. This ensures that we have a high degree of construct validity. **Second**, using the codebook, we train human coders to manually code a random sample of approximately 116 PTAs or approximately 15 percent of all 792 signed post-WWII. During this process we are careful to assess inter-coder reliability in line with the gold-standard approach. **Third**, we use the Rasch model to create 6 main indices based on the 89 detailed variables from our manual coding. **Fourth**, armed with this manually coded sample, we employ contemporary text-as-data approaches to measure democracy related provisions in all the remaining PTAs. In short, our approach for the data collection is a supervised

machine learning approach that essentially consists of two main steps: First, to manually code a representative sub-sample of PTAs and second, to extrapolate the reference scores from this manual coding exercise to the rest of the PTAs using the most suitable machine learning model.

For the manual coding, we developed a codebook of 90 features organized around our taxonomy of 6 democracy related domains. This codebook then served as the basis for manual coding (see below for the full details of each feature). The coding scheme consists of a series of yes or no questions, where yes equals 1 and no equals 0. We opted for a binary coding scheme for its simplicity, given the complexities in both structure and language of PTAs. However, to account for more nuances and stringency, we arranged questions in succession as follow-up on previous questions. We then manually annotated 80 PTAs. For selection of our sub-sample of PTAs, we utilized the DESTA database (Dür et al., 2014) which is the largest database of legal texts of PTAs and ensured that the sub-sample is representative to the full sample. All PTAs were coded twice by two different coders. The coding was then compared and any discrepancy was thoroughly discussed between the two coders to converge to an agreement.

To predict the democracy content of other PTAs, we first reduce the information collected across 80 PTAs and 90 variables into 6 indices (for each category - general objectives, democracy promotion, individual rights, stakeholders' participation, transparency and policy space). To do so, we opted for the Rasch method in order to capture the "difficulty" of observing each of the single variables (Andrich, 2010). Some of the variables are very likely to be included in almost all PTAs (e.g., "Does the PTA have a general exemptions chapter or clause?"), while others are rarely included ("Does the PTA have a capacity building mechanism that is conditional on sustaining or strengthening democracy principles in a member country?"). A higher difficulty leads to an over-representation of null variables relatively to other variables included in the coding. The Rasch model has the advantage of adjusting the composite score taking into account this difficulty parameter and has already been used in the context of trade agreements

coding in the past ([Dür et al., 2014; Lechner, 2016](#)).

We then use a Random Forest model to predict whether each PTA include a certain extent of democracy-related provisions according to each category. Due to model constraints[11], we then create two dummy variables for each of these categories.

The **"base" dummy** captures the extent to which the PTA includes any type of clause related to the category (whether stringent or not. A PTA is assigned "0" if the Rasch index is 0 or if it pertains to the bottom 10% of the distribution of Rasch scores, and "1" otherwise.

The **"stringent" dummy** captures the extent to which the PTA includes *stringent* clauses related the category. A PTA is assigned "1" if the Rasch index is greater than 0.25 for the democracy promotion and individual rights categories; 0.50 for the general, stakeholders participation and transparency categories; 0.75 for the policy space category. A PTA is assigned "0" otherwise. Thresholds are different across the categories due to stark differences in distribution of the Rasch index, making the direct comparison across topics according to one threshold not sensible.

The Random Forests method is particularly helpful when dealing with high-dimensional data which is particularly relevant to our case as our sample includes over 700 agreements which can include up to thousands of pages. Random Forests basically consist of a succession of decision trees to classify whether a given text falls into a category ([Breiman, 2001](#)). Many other SML methods (e.g. WordScores, Logistic Regression, Naïve Bayes) rely on the distribution of words within the text and directly infer whether this distribution corresponds to a given category (based on its training on the manually coded subsample). Random Forests also include the distribution of words but breaks down this decision into a succession of smaller-scale decisions through splitting randomly the text features multiple times. Statistically, it has been shown to lead to high levels of prediction accuracy ([Breiman, 2001](#)). It has also been used

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[11]The Random Forests model is in theory suitable to continuous data. It requires however a high number of data points across the range of continuous values. The scope of the data (here at the PTA level) does not allow for such amount of data points.

for different international relations and political science applications (see for example: Muchlinski et al., 2016). The suitability of a SML model, however, is ultimately case-dependent and relies on the data and classification problem to be solved. In our case, we have tested different models including Logistic Regression, Support Vector Machines, Naïve Bayes and Random Forests, where the latter provided the least errors. Lastly, Random Forests have the advantage of supporting imbalanced data through under-sampling the majority class (Chen et al., 2004). This is particularly important as we have imbalanced categories (with either more zeros or ones) and this can create a bias in the algorithm prediction towards the over-represented category. We therefore re-weight the data at the level of each decision tree[12].

As a result of this process, we obtain for the 792 PTAs 12 dummy variables to indicate the extent to which the PTAs include any provisions and include any stringent provisions across the different categories - general objectives, democracy promotion, individual rights, stakeholders' participation, transparency and policy space. These are then compiled into two additive indices (0 to 6) summarising the extent to which a PTA includes some democracy-related provisions (base index) or stringent provisions (stringent index). Further, we compile **sub-indices** for each category. These are categorical variables obtained through summing the base and stringent dummy. They therefore take the following values: 0,1 and 2.

A.1.2 Codebook

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[12]See "class_weight" parameter in the "RandomForestClassifier" function of the sklearn package (Python)

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Democracy Enhancing Provisions in PTAs

Coding Scheme

January 2023

</div>

Introduction

The Trade and Democracy (TRADEM) research project aims to examine the relationship between preferential trade agreements (PTAs) and democracy. This coding scheme is designed to develop a fine-grained taxonomy to discern the levels of variation and extent which PTAs contain provisions that relate to democracy and to what extent do these provisions enhance or hinder domestic democratic processes in member countries. The wider project aims to use mixed-methods approach to investigate if democracy-related provisions in trade treaties between countries enhance or hinder democracy-related policies at the domestic level. This coding exercise is only limited to the main text of PTAs, as well as any annexes attached to the main text. It does not include or take into account the side letters.

Democracy-related provisions in PTAs

This coding scheme is to be utilised for manual coding a subset of PTAs, based on six main categories of democracy-related provisions in PTAs (Elsig et al, forthcoming). An excerpt of what the six categories aim to capture is denoted below:

1.   General Objectives This section captures whether the Preamble, objectives chapter/clause of the PTA includes provisions on democratic principles (please see definitions section below for further details).

2.   Democracy Promotion This section captures whether the PTA includes any mechanism that are specific to the promotion of democracy among its members. Mechanisms include capacity building, technical assistance or joint bodies specifically aimed at democratic consolidation or promotion, suspension or retaliation in case of coup d'état, or a conditionality mechanism before signing the agreement.

3.   Individual rights This section captures whether the PTA includes separate chapters, articles or clauses dedicated to individual rights provisions, and to what level of stringency are these provisions enforced through the PTA. Individual rights include civil and political rights, minorities' rights, women's rights, labour rights and consumer rights.

4.   Inclusiveness This section captures whether the PTA refers to stakeholder participation and stakeholders' equal access to bureaucratic procedures throughout the trade policy cycle (trade policy formulation and implementation).

5.   Transparency This section captures whether the PTA includes mechanisms for information exchange, publication of information and stakeholders equal access to information.

6.   Policy space This section captures whether the PTA includes the right to regulate, general exemptions or general exemptions specifically related to public policy or democratic principles.

Specific coding questions:

General objectives

Principles

1.   *[general_preamble_democracy]* Does the Preamble and/or objectives chapter or clause mention democracy?

2.   *[general_preamble_inclusiveness]* Does the Preamble and/or objectives chapter or clause mention inclusiveness principles?

3.   *[general_preamble_ruleoflaw]* Does the Preamble and/or objectives chapter or clause mention rule of law principles?

4.   *[general_preamble_transparency]* Does the Preamble and/or objectives chapter or clause mention transparency principles?

Individual rights

5.   *[general_preamble_cpr]* Does the Preamble or objectives chapter or clause mention civil and political rights?

6.   *[general_preamble_cpr_inttreaty]* Does the Preamble or objectives chapter or clause refer to international treaties for civil and political rights?

7.   *[general_preamble_labourrights]* Does the Preamble or objectives chapter or clause mention labour rights?

8.   *[general_preamble_labourrights_inttreaty]* Does the Preamble or objectives chapter or clause refer to international treaties for labour rights?

9.   *[general_preamble_consumerrights]* Does the Preamble or objectives chapter or clause mention consumer rights?

10.   *[general_preamble_consumerrights_inttreaty]* Does the Preamble or objectives chapter or clause refer to international treaties for consumer rights?

11.   *[general_preamble_minoritiesrights]* Does the Preamble or objectives chapter or clause mention minorities' rights?

12.   *[general_preamble_minoritiesrights_inttreaty]* Does the Preamble or objectives chapter or clause refer to international treaties for minorities rights?

13.   *[general_preamble_womensrights]* Does the Preamble or objectives chapter or clause mention women's rights?

14.   *[general_preamble_womensrights_inttreaty]* Does the Preamble or objectives chapter or clause refer to international treaties for women's rights?

Democracy promotion

15.   *[demprom_cbm_conditional_democracy]* Does the PTA have a capacity building mechanism that is conditional on sustaining or strengthening democratic principles in a member country?

16.   *[demprom_cbm_democracy]* Does the PTA have a mechanism for capacity building to sustain or strengthen democracy in a member country?

17.   *[demprom_jointbody_democracy]* Does the PTA include joint body specific to democracy promotion?

18.   *[demprom_trade_remedies_coup]* Does the PTA include trade remedies or the possibility of retaliations in the case of a coup d'état?

19.   *[demprom_pre_conditionality_democracy]* Does the PTA include any pre-ratification conditionalities on democratic principles that must be met by signatory parties before the ratification of the agreement?

Individual Rights

Civil and Political Rights

20.   *[individualrights_cpr]* Does the PTA refer to civil and political rights in a separate chapter or article or clause?

21.   *[individualrights_cpr_inttreaty]* Do the civil and political rights provisions refer to international treaties?

22.   *[individualrights_cpr_ds]* Are the civil and political rights provisions also covered by the general dispute settlement mechanism of the PTA?

0 = No
1 = Yes

23.   *[individualrights_cpr_committee]* Do the civil and political rights provisions include the convening of a committee?

24.   *[individualrights_cpr_panel_experts]* Do the civil and political rights provisions include a mechanism where a panel of experts can be convened if contracting parties are suspected to be in violation of the provisions?

25.   *[individualrights_cpr_retaliation]* Do the civil and political rights provisions include a retaliation mechanism that can be enacted if contracting parties are found to be in violation of provisions?

Labour rights

26.   *[individualrights_labourrights]* Does the PTA refer to labour rights in a separate chapter or article or clause?

27.   *[individualrights_labourrights_inttreaty]* Do the labour rights provisions refer to the adherence of international norms?

28.   *[individualrights_labourrights_ds]* Are the labour rights provisions also covered by the general dispute settlement mechanism of the PTA?

29.   *[individualrights_labourrights_committee]* Do the labour rights provisions include the convening of a committee?

30.   *[individualrights_labourrights_panel_experts]* Do the labour rights provisions include a mechanism where a panel of experts can be convened if contracting parties are suspected to be in violation of the provisions?

31.   *[individualrights_labourrights_retaliation]* Do the labour rights provisions include a retaliation mechanism that can be enacted if contracting parties are found to be in violation of provisions?

Consumer rights

32.   *[individualrights_consumerrights]* Does the PTA refer to consumer rights and/or protection?

33.   *[individualrights_consumerrights_inttreaty]* Do the consumer rights provisions refer to international treaties?

34.   *[individualrights_consumerrights_ds]* Are the consumer rights provisions also covered by the general dispute settlement mechanism of the PTA?

35.   *[individualrights_consumerrights_committee]* Do the provisions include the convening of a committee?

36.   *[individualrights_consumerrights_panel_experts]* Do the consumer rights provisions include a mechanism where a panel of experts can be convened if contracting parties are suspected to be in violation of the provisions?

37.   *[individualrights_consumerrights_retaliation]* Do the consumer rights provisions include a retaliation mechanism that can be enacted if contracting parties are found to be in violation of provisions?

Minorities rights

38.   *[individualrights_minoritiesrights]* Does the PTA refer to minorities' rights in a separate chapter or article or clauses?

39.   *[individualrights_minoritiesrights_inttreaty]* Do the minorities' rights provisions refer to international treaties?

40. *[individualrights_minoritiesrights_ds]* Are the minorities' rights provisions also covered by the general dispute settlement mechanism of the PTA?

41. *[individualrights_minoritiesrights_committee]* Do the minorities' rights provisions include the convening of a committee?

42. *[individualrights_minoritiesrights_panel_experts]* Do the minorities' provisions include a mechanism where a panel of experts can be convened if contracting parties are suspected to be in violation of the provisions?

43. *[individualrights_minoritiesrights_retaliation]* Do the minorities' rights provisions include a retaliation mechanism that can be enacted if contracting parties are found to be in violation of provisions?

Women's rights

44. *[individualrights_womensrights]* Does the PTA refer to women's rights in a separate chapter or article or clause?

45. *[individualrights_womensrights_inttreaty]* Do the women's rights provisions refer to international treaties?

46. *[individualrights_womensrights_ds]* Are the women's rights provisions also covered by the general dispute settlement mechanism of the PTA?

47. *[individualrights_womensrights_committee]* Do the women's rights provisions include the convening of a committee?

48. *[individualrights_womensrights_panel_experts]* Do the women's rights provisions include a mechanism where a panel of experts can be convened if contracting parties are suspected to be in violation of the provisions?

49. *[individualrights_womensrights_retaliation]* Do the women's rights provisions include a retaliation mechanism that can be enacted if contracting parties are found to be in violation of provisions?

Inclusiveness

Trade policy formulation

50. *[inclusiveness_trade_policy_cbm]* Does the PTA have a capacity building mechanism to promote inclusiveness in trade policy formulation?

51. *[inclusiveness_trade_policy_cs]* Does the PTA have a mechanism to include civil society in trade policy formulation?

52. *[inclusiveness_trade_policy_business]* Does the PTA have a mechanism to include businesses in trade policy formulation?

53. *[inclusiveness_trade_policy_academics]* Does the PTA have a mechanism to include

54. *[inclusiveness_trade_policy_public_consultation]* Does the PTA have a mechanism for general public consultations in trade policy formulation?

Implementation

55.　*[inclusiveness_implementation_cbm]* Does the PTA have a capacity building mechanism to promote inclusiveness in the implementation?

56.　*[inclusiveness_implementation_cs]* Does the PTA have a mechanism to include civil society in the implementation?

57.　*[inclusiveness_implementation_business]* Does the PTA have a mechanism to include businesses in the implementation?

58.　*[inclusiveness_implementation_academics]* Does the PTA have a mechanism to include academics and independent trade experts in the implementation?

59.　*[inclusiveness_implementation_joint_stakeholder]* Does the PTA have a mechanism for joint stakeholder consultation in the implementation?

60.　*[inclusiveness_implementation_public_consultation]* Does the PTA have a mechanism for general public consultations in the implementation?

61.　[*inclusiveness_implementation_access_admin_decisions*] Does the PTA include chapter(s) or clause(s) on access to administrative decisions?

62.　[*inclusiveness implementation access admin decisions specific]* Does the chapter(s) or clause(s) on access to administrative decisions include specific rules or timelines?

63.　[*inclusiveness_implementation_access_courts*] Does the PTA include rules on access to courts for reviewing or appealing administrative rulings?

Transparency

64.　*[transparency_chapter]* Does the PTA refer to transparency in a separate chapter or article or clause?

65.　*[transparency_publication_laws]* Do the transparency provisions refer to the publication of new (or changes to an existing) law, regulation, decree etc?

66.　*[transparency_notification_laws]* Do the transparency provisions refer to notification requirements (i.e. the obligation to notify before the introduction of a new (or changes to an existing) law, regulation, decree etc)?

67.　*[transparency_right_access_information]* Does the PTA establish stakeholders' rights to access information?

68.　*[transparency _contact_points]* Does the transparency chapter or clause establish contact points for information exchange between contracting parties?

69.　*[transparency_customs]* Is there a transparency clause in the customs chapter or clause?

70.　*[transparency_customs_contact_points]* Does the transparency clause in the customs chapter or clause establish contact points for information exchange between contracting parties?

71. *[transparency_trade_remedies]* Is there a transparency clause in the trade remedies chapter or clause?

72. *[transparency_trade_remedies_contact_points]* Does the transparency clause in the trade remedies chapter or clause establish contact points for information exchange between contracting parties?

73. *[transparency_sps]* Is there a transparency clause in the Sanitary and Phytosanitary (SPS) chapter or clause?

74. *[transparency_sps_contact_points]* Does the transparency clause in the SPS chapter or clause establish contact points for information exchange between contracting parties?

75. *[transparency_tbt]* Is there a transparency clause in the Technical Barriers to Trade (TBT) chapter or clause?

76. *[transparency_tbt_contact_points]* Does the transparency clause in the TBT chapter or clause establish contact points for information exchange between contracting parties?

77. *[transparency_ipr]* Is there a transparency clause in the Intellectual Property Rights (IPR) chapter or clause?

78. *[transparency_ipr_contact_points]* Does the transparency clause in the IPR chapter or clause establish contact points for information exchange between contracting parties?

79. *[transparency_public_procurement]* Is there a transparency clause in the public procurement chapter or clause?

80. *[transparency_public_procurement_contact_points]* Does the transparency clause in the public procurement chapter or clause establish contact points for information exchange between contracting parties?

81. *[transparency_regulatory_cooperation]* Is there a transparency clause in the regulatory cooperation chapter or clause?

82. *[transparency_regulatory_cooperation_contact_points]* Does the transparency clause in the regulatory cooperation chapter or clause establish contact points for information exchange between contracting parties?

83. *[transparency_exante_assessments_impact]* Does the PTA refer to the publication of ex-ante assessments of the impact of the agreement?

84. *[transparency_expost_assessments_implementation]* Does the PTA refer to the publication of ex-post assessments of the implementation of the agreement?

Policy Space

85. *[policyspace_right_regulate]* Does the PTA include a right to regulate chapter or clause?

86. *[policyspace_exemptions_general]* Does the PTA have a general exemptions chapter or clause?

87. *[policyspace_exemptions_GATTart20]* Does the PTA, at any point, refer to article 20 of the GATT ?

88. *[policyspace_exemptions_public_policy]* Do the general exemptions provisions refer to public policy?

89.   *[policyspace_exemptions_democracy]* Do the general exemptions provisions refer to democratic principles?

A.2 Main specification: first stages results of sample selection models

Table 7: Sample selection model first stage - Bargaining power by sub-index (H1)

Dependent variable	Sign PTA
Democratic power asymmetry (lag)	-0.128
	-0.164
Regime type difference	-0.0927
	-0.0809
Democratic PA*Regime type difference	-0.0393
	-0.0988
Fuel exports power (Demz/Auto)	-0.0634
	-0.0528
EU	0.557***
	-0.101
US	0.320***
	-0.0979
WTO/GATT	0.0327
	-0.045
Common legal system	0.147***
	-0.0441
Colony	-0.00809
	-0.104
Distance (log)	-0.300***
	-0.0233
Contiguity	-0.075
	-0.0843
Diffusion PTAs	0.0127***
	-0.0023
Observations	147,301
Pseudo R2	0.10

***$p < 0.01$; **$p < 0.05$; *$p < 0.1$

A.3 Robustness checks

A.3.1 Alternative measure of power: GDP and GDPPC

Table 8: Sample selection model first stage - EU and US (H2)

	Dependent variable: Sign PTA			
Democratic power asymmetry (lag)	-0.187***	-0.207***	-0.132**	-0.124
	-0.0622	-0.0796	-0.0601	-0.0764
EU	0.320***	0.285**		
	-0.123	-0.131		
US			0.222	0.183
			-0.135	-0.144
Democracy-Democratizing	-0.255***	-0.268***	-0.216***	-0.221***
	-0.0528	-0.077	-0.0505	-0.0734
Democracy-Autocracy	-0.405***	-0.298***	-0.386***	-0.258***
	-0.0482	-0.0647	-0.046	-0.0614
EU*Democracy-Democratizing	0.431***	0.432**		
	-0.157	-0.173		
EU*Democracy-Autocracy	0.420***	0.462***		
	-0.136	-0.143		
US*Democracy-Democratizing			-0.105	-0.0224
			-0.261	-0.272
US*Democracy-Autocracy			0.376**	0.398*
			-0.191	-0.21
Fuel exports power (Autocracy)		-0.105		-0.112*
		-0.0678		-0.0669
Fuel exports power (Democratizing)		0.0379		0.0369
		-0.0875		-0.0867
WTO/GATT	0.0994***	0.0333	0.0136	-0.0653*
	-0.0366	-0.0453	-0.0326	-0.0391
Common legal system	0.131***	0.141***	0.178***	0.185***
	-0.0394	-0.0443	-0.0382	-0.043
Colony	-0.0125	-0.011	0.355***	0.336***
	-0.092	-0.104	-0.0746	-0.0844
Distance (log)	-0.335***	-0.291***	-0.329***	-0.288***
	-0.0203	-0.0232	-0.0199	-0.0229
Contiguity	0.0288	-0.0411	0.0514	-0.018
	-0.0716	-0.0843	-0.0708	-0.0832
Diffusion PTAs	0.0127***	0.0130***	0.0117***	0.0121***
	-0.002	-0.00232	-0.00199	-0.00231
Observations	256,357	147,301	256,357	147,301
Pseudo R2	0.13	0.10	0.12	0.10

***p < 0.01; **p < 0.05; *p < 0.1

Table 9: Sample selection model first stage - Issue linkage (H3)

Dependent variable: Sign PTA		
Democratic power asymmetry (lag)	-0.309	-0.296
	-0.206	-0.222
Democracy-Democratizing	-0.376**	-0.391*
	-0.189	-0.216
Democracy-Autocracy	-0.422**	-0.269
	-0.183	-0.2
Democratic PA*Democracy-Democratizing	0.233	0.244
	-0.227	-0.254
Democratic PA*Democracy-Autocracy	0.0814	0.0487
	-0.217	-0.237
Fuel exports power (Autocracy)		-0.120*
		-0.0682
Fuel exports power (Democratizing)		0.057
		-0.089
EU	0.594***	0.561***
	-0.0886	-0.101
USA	0.352***	0.332***
	-0.0904	-0.0985
WTO/GATT	0.0908**	0.0254
	-0.0366	-0.0451
Common legal system	0.137***	0.148***
	-0.0394	-0.0442
Colony	-0.00382	-0.0121
	-0.0923	-0.104
Distance (log)	-0.341***	-0.299***
	-0.0205	-0.0234
Contiguity	0.000325	-0.0771
	-0.0716	-0.0843
Diffusion PTAs	0.0126***	0.0129***
	-0.002	-0.00232
Observations	256,357	147,301
Pseudo R2	0.13	0.10

***$p < 0.01$; **$p < 0.05$; *$p < 0.1$

Table 10: Sample selection model first stage - Export dependency (H4)

Dependent variable: Sign PTA		
Export dependency variable	Democracy	Demz/Auto
Democratic power asymmetry (lag)	-0.523*	-0.258
	-0.267	-0.251
Export dependency	-15.25	-0.432
	-13.33	-3.038
Democratic PA*Export dependency	18.81	0.375
	-16.6	-3.277
Democracy-Democratizing	-0.378	-0.251
	-0.238	-0.231
Democracy-Autocracy	-0.502**	-0.29
	-0.232	-0.221
Democratic PA*Democracy-Democratizing	0.24	-0.0291
	-0.299	-0.289
Democratic PA*Democracy-Autocracy	0.0207	-0.131
	-0.29	-0.27
Export dependency*Democracy-Democratising	12.45	-2.321
	-13.55	-5.427
Export dependency*Democracy-Autocracy	16	13.73***
	-13.34	-5.108
Democratic PA*Export dependency*Dem-Demz	-10.77	3.262
	-18.14	-5.65
Democratic PA*Export dependency*Dem-Auto	-2.39	-13.36**
	-17.01	-5.368
EU	0.467***	0.175
	-0.168	-0.226
US	0.260**	0.179*
	-0.114	-0.109
WTO/GATT	0.0619	0.107**
	-0.0589	-0.0546
Common legal system	0.150***	0.180***
	-0.0501	-0.0459
Colony	-0.0235	0.0491
	-0.17	-0.167
Distance (log)	-0.172***	-0.200***
	-0.0277	-0.0256
Contiguity	0.121	0.0971
	-0.0984	-0.0935
Diffusion PTAs	0.00838***	0.0112***
	-0.00288	-0.0026
Observations	89,938	118,216
Pseudo R2	0.08	0.08

***p < 0.01; **p < 0.05; *p < 0.1

Table 11: Sample selection model first stage - Diffusion (H5)

	Dependent variable: Sign PTA			
Diffusion variable	Democracy	Democracy	Demz/Auto	Demz/Auto
Democratic power asymmetry (lag)	-0.180***	-0.190**	-0.180***	-0.190**
	-0.0611	-0.0775	-0.0611	-0.0775
Democracy-Democratizing	-0.201***	-0.205***	-0.201***	-0.205***
	-0.0498	-0.0728	-0.0498	-0.0728
Democracy-Autocracy	-0.345***	-0.221***	-0.345***	-0.221***
	-0.0453	-0.0607	-0.0453	-0.0607
Fuel exports power (Autocracy)		-0.111		-0.111
		-0.0673		-0.0673
Fuel exports power (Democratizing)		0.0316		0.0316
		-0.0869		-0.0869
EU	0.592***	0.556***	0.592***	0.556***
	-0.0885	-0.101	-0.0885	-0.101
US	0.345***	0.323***	0.345***	0.323***
	-0.0899	-0.0979	-0.0899	-0.0979
WTO/GATT	0.0932**	0.0271	0.0932**	0.0271
	-0.0365	-0.0451	-0.0365	-0.0451
Common legal system	0.137***	0.148***	0.137***	0.148***
	-0.0394	-0.0441	-0.0394	-0.0441
Colony	-0.0053	-0.0108	-0.0053	-0.0108
	-0.0922	-0.104	-0.0922	-0.104
Distance (log)	-0.342***	-0.299***	-0.342***	-0.299***
	-0.0203	-0.0232	-0.0203	-0.0232
Contiguity	0.00127	-0.0749	0.00127	-0.0749
	-0.0716	-0.0843	-0.0716	-0.0843
Diffusion PTAs	0.0126***	0.0129***	0.0126***	0.0129***
	-0.002	-0.00232	-0.002	-0.00232
Observations	256,357	147,301	256,357	147,301
Pseudo R2	0.13	0.10	0.13	0.10

***p < 0.01; **p < 0.05; *p < 0.1

Table 12: Robustness checks: Sample selection model first and second stages - Bargaining power measured by GDP (H1)

Equation Stage Dependent variable	Selection Sign PTA	Outcome Democracy content	Selection Sign PTA	Outcome Democracy content
Democracy power asymmetry (lag)	-0.266	-1.937*	-0.276	-1.876*
	-0.246	-1.054	-0.255	-1.079
Democracy-Democratizing	-0.22	-0.939	-0.348	-0.779
	-0.22	-0.926	-0.247	-1.019
Democracy-Autocracy	-0.359*	-2.038**	-0.284	-1.986**
	-0.214	-0.924	-0.229	-0.946
Democracy PA*Democracy-Democratizing	0.0661	0.867	0.147	0.494
	-0.272	-1.156	-0.291	-1.228
Democracy PA*Democracy-Autocracy	0.163	2.058*	0.169	1.916*
	-0.259	-1.123	-0.272	-1.149
Fuel exports power (Autocracy)			-0.025	-0.0482
			-0.0727	-0.286
Fuel exports power (Democratizing)			0.171	0.247
			-0.105	-0.438
Depth index		0.403***		0.372***
		-0.0491		-0.0514
Diffusion democracy provisions		0.0351***		0.0359***
		-0.00793		-0.00823
EU	0.546***	0.0907	0.628***	0.0759
	-0.107	-0.43	-0.12	-0.511
US	0.377***	1.898***	0.352***	1.850***
	-0.0969	-0.485	-0.104	-0.499
WTO/GATT	0.167***	-0.081	0.206***	-0.0744
	-0.0479	-0.205	-0.0641	-0.292
Common legal system	0.147***	-0.912***	0.119**	-0.841***
	-0.0451	-0.209	-0.0491	-0.216
Colony	0.0755	0.33	0.0665	0.413
	-0.108	-0.321	-0.117	-0.372
Distance (log)	-0.271***		-0.245***	
	-0.0248		-0.0273	
Contiguity	0.132		0.055	
	-0.0827		-0.0951	
Diffusion PTAs	0.00838***		0.00826***	
	-0.00242		-0.00275	
Inverse Mills Ratio		-0.503		-0.448
		-0.346		-0.407
Observations	199,866	211	128,766	191
Pseudo R2	0.09	0.34	0.08	0.32

***p < 0.01; **p < 0.05; *p < 0.1

Table 13: Robustness checks: Sample selection model first and second stages - Bargaining power measured by GDPPC (H1)

Equation Stage Dependent variable	Selection Sign PTA	Outcome Democracy content	Selection Sign PTA	Outcome Democracy content
Democracy power asymmetry (lag)	-0.39	0.898	-0.433*	1.489
	-0.241	-0.978	-0.253	-1.029
Democracy-Democratizing	-0.222	1.265	-0.367	1.685*
	-0.205	-0.812	-0.228	-0.891
Democracy-Autocracy	-0.428**	-0.675	-0.408*	-0.283
	-0.194	-0.802	-0.214	-0.845
Democracy PA*Democracy-Democratizing	0.141	-1.727	0.307	-3.028**
	-0.279	-1.16	-0.3	-1.256
Democracy PA*Democracy-Autocracy	0.265	0.625	0.359	-0.0549
	-0.261	-1.085	-0.278	-1.131
Fuel exports power (Autocracy)			-0.0392	-0.0235
			-0.0695	-0.268
Fuel exports power (Democratizing)			0.107	0.897**
			-0.0908	-0.371
Depth index		0.433***		0.404***
		-0.0468		-0.0496
Diffusion democracy provisions		0.0349***		0.0399***
		-0.00759		-0.00791
EU	0.497***	-0.316	0.508***	-0.358
	-0.0994	-0.396	-0.108	-0.445
US	0.358***	1.311***	0.315***	1.149***
	-0.0907	-0.409	-0.0978	-0.432
WTO/GATT	0.113***	-0.204	0.108**	-0.289
	-0.0423	-0.173	-0.0531	-0.221
Common legal system	0.179***	-0.909***	0.164***	-0.924***
	-0.0433	-0.202	-0.0472	-0.221
Colony	0.0491	0.26	0.0527	0.229
	-0.102	-0.295	-0.11	-0.327
Distance (log)	-0.278***		-0.245***	
	-0.0236		-0.026	
Contiguity	0.121		0.0456	
	-0.0778		-0.0894	
Diffusion PTAs	0.00791***		0.00721***	
	-0.00226		-0.00258	
Inverse Mills Ratio		-0.553*		-0.389
		-0.312		-0.387
Observations	219,933	236	138,046	212
Pseudo R2	0.10	0.34	0.08	0.35

***p < 0.01; **p < 0.05; *p < 0.1