

Joining the Global Trade Regime: The Domestic Sources of Autocratic Trade Agreements

By

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Abstract

While we commonly think of dictators as isolating themselves internationally, many autocracies today are active participants in international economic institutions. This begs the question of how we can explain variation in membership across authoritarian states, and how dictatorships shape the institutions they join. My dissertation assesses these questions by focusing on one type of economic institution, preferential trade agreements (PTAs).

My key argument is that the domestic factors that affect entry into PTAs and the depth of trade integration work in opposite directions. Specifically, I show that the authoritarian states that are most likely to enter into trade agreements tend to prefer “shallower” agreements that do not require extensive trade integration. In contrast, other autocracies face significant domestic opposition to trade agreements, resulting in delayed or absent trade integration. When they manage to overcome these domestic obstacles, however, these autocracies tend to make deeper, more extensive trade commitments.

I identify two causes of this pattern. First, I argue that authoritarian leaders generally have more protectionist trade preferences than democratic governments and as a result, they often forge strong protectionist coalitions. This is because dictators prefer to invest in less competitive, import-competing industries, which then become dependent on government support for their survival. By strategically distributing rents, economic protection, and subsidies, autocrats can thus ensure the loyalty of key economic elites. Economic liberalization, on the other hand, is risky both because it limits the availability of these resources, and because it tends to empower new, more competitive economic elites who are less dependent on the autocratic government.

While this dynamic is common to all autocracies, it affects membership in international trade organizations differently depending on how personalized a state is. Highly personalist

leaders are less constrained by their coalitions and thus at greater liberty to enter into trade agreements. However, they are rarely interested in deep trade integration, because this could empower new economic elites and threaten their rule. As a result, personalist autocrats strategically join shallow trade agreements that have low implementation costs, hoping to capture benefits such as increased legitimacy or stronger regional alliances. On the other hand, in less personalized and more institutionalized autocracies, protectionist elites can block entry into trade agreements. As a result, these states are less likely to enter into trade agreements. In order for these autocracies to overcome the increased institutional hurdles to entry, organized pro-liberal elites must gain political influence. When this occurs, however, more institutionalized autocracies tend to make deeper, more extensive trade commitments than other autocracies, because they provide better forums for bargaining over economic policy.

I evaluate these theoretical arguments using a mixed-methods approach that employs both large-N empirical analysis and case studies. First, I utilize cross-national time series data to examine authoritarian entry into reciprocal PTAs from 1950-2012. Using a continuous measure of personalism, I find strong empirical support for my theoretical argument that dictators are more likely to enter into trade agreements as the level of personalism increases. Next, I analyze the content of the trade agreements conditional upon entry. I construct several measures of agreement content, legalization, and depth to show that PTAs signed by more personalized dictatorships tend to be more limited in scope, include fewer issue areas, and are less likely to be legally binding compared to less personalized autocracies. Finally, I trace the causal mechanisms of my theory in two case studies of authoritarian states with high and low levels of personalism, Uganda and Vietnam.

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Abbreviations

ACFTA		African Continental Free Trade Area
AEC		African Economic Community
EAC	.....	East African Community
AFTA	.....	ASEAN Free Trade Area
ASEAN	.....	Association of Southeast Asian Nations
AU	.....	African Union
CAFTA	.....	Central American Free Trade Agreement
CIS	.....	Commonwealth of Independent States
COMESA	.....	Common Market for Eastern and Southern Africa
CPV	.....	Communist Party of Vietnam
EPA	.....	Economic Partnership Agreement
EU	.....	European Union
FTA	.....	Free Trade Agreement or Free Trade Area
MERCOSUR	.....	Southern Common Market
NAFTA	.....	North American Free Trade Agreement
NRM	.....	National Revolutionary Movement of Uganda
OSCE	.....	Organization for Security and Cooperation in Europe
PRI	.....	Institutional Revolutionary Party of Mexico
PTA	.....	Preferential Trade Agreement
RTA	.....	Regional Trade Agreement
WTO	.....	World Trade Organization

1 | Introduction

Common wisdom suggests that dictators isolate themselves internationally. The postwar trade regime was built and shaped by developed democratic nations, and nondemocratic states lacked a prominent role in its formation. This changed, however, with the collapse of the Soviet Union. Today, nondemocratic states are increasingly participating in formal international institutions, and this is particularly true in the area of trade: as trade agreements have proliferated in many regions of the world, many nondemocratic states have become active members of these agreements.

For instance, China joined the World Trade Organization in 2001 following fifteen years of arduous negotiations. Transitioning from a closed, centrally planned economy from the 1970s, China has since become the world's largest exporter and is a member of numerous free trade agreements with more than twenty countries and regions. Yet despite these developments, China is also a firmly authoritarian state. China's increasing engagement in world politics and international trade organizations raises questions about the role of authoritarian states in international institutions. Specifically, why do nondemocracies join institutions such as trade agreements?

We currently know little about the preferences and motivations that determine whether autocracies participate in trade institutions, or how these states shape the institutions they join. Yet China's example suggests that the traditional view that dictatorships prefer not to participate in economic organizations is incorrect.¹ While some nondemocracies, such as North Korea and Eritrea, continue to follow protectionist and isolationist policies, many other dictatorships are following China's lead through more active engagement in international economic institutions.

¹And this may also be true of other types of international institutions, which future research should address.

For instance, Vietnam and Laos are among the world’s fastest growing economies, and both have recently joined a number of trade agreements. Like China, these countries have undergone a remarkable transformation from closed economies within a relatively short time period. And similar to China, these states have remained firmly autocratic despite their involvement in international institutions. First, Vietnam became the WTO’s 150th member in 2007, and recently signed multiple trade agreements, including a bilateral agreement with the EU and the currently stalled Trans-Pacific Partnership. Yet Vietnam remains a one-party state, with the ruling Communist Party of Vietnam enjoying “a monopoly on political power”, leading Freedom House to rate it with a Freedom score of 20/100 in 2018.² Similarly, Laos has been a WTO member since 2013, and has recently entered into ten trade agreements. A recent World Bank report notes that “Lao PDR is virtually unrecognizable from what it was just a decade ago. A more open, more outward trade landscape has transformed the country from a closed-off backwater into a fast-growing developing country, complete with coffee shops, restaurants, and billboards lining the streets”.³ These examples are clearly at odds with isolationist conceptions of dictatorships.

Despite the proliferation of trade agreements, it is currently not well understood which domestic political factors determine whether autocracies enter into these agreements. A well-known finding in the trade literature is that democracies on average sign significantly more trade agreements and have lower trade barriers than nondemocracies,⁴ but precisely what causes these differences remains controversial. Partly as a result of this finding, existing research focuses primarily on democratic trade policy, whereas authoritarian membership in trade agreements remains a “black box” that has not yet received much scholarly attention.⁵ As a result, while there is a large literature focusing on the role of democratic institutions in trade policy, little research exists on how autocratic actors and institutions contribute to trade policy.

²Freedom House Country Report 2018. Available at <https://freedomhouse.org/report/freedom-world/2018/vietnam>

³Available at: <https://openknowledge.worldbank.org/handle/10986/24977>

⁴E.g. Mansfield *et al.* (2002b); Vreeland (2008)

⁵Note that I use the terms “nondemocracy”, “authoritarianism”, “autocracy”, and dictatorship interchangeably in this dissertation.

The notion that autocracies “trade less”, however, obscures the fact that there is significant variation in both trade policy and trade agreement membership across authoritarian states – and even within autocracies over time. While autocracies have traditionally signed fewer preferential trade agreements (PTAs) than democracies, this gap has recently begun to disappear. Figure 1.1 below shows that the average rate of entry into PTAs by nondemocratic states has increased significantly, with a wave of entry since the 1990s. Overall, Figure 1.2 shows that a large number of PTAs, namely slightly less than half of all trade agreements, had at least some nondemocratic members at the time of their formation. This suggests that nondemocratic states are actively participating in trade institutions.

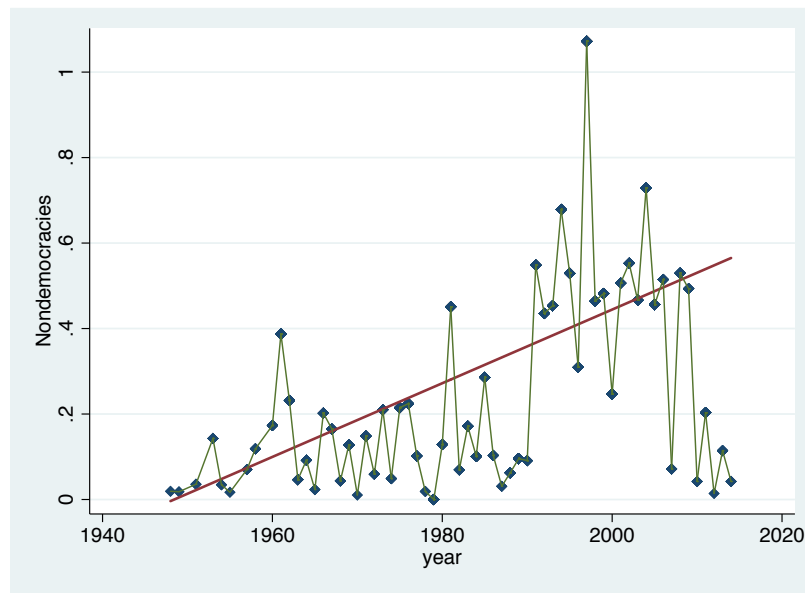


Figure 1.1: Yearly average entry into PTAs by nondemocratic states

In addition, there is both temporal and regional variation in autocratic PTA memberships: Figure 1.3 illustrates the geographic distribution of nondemocratic membership in trade institutions in 2014. It is apparent that, based on the overall number of PTA memberships, the Middle East and North Africa (MENA) region and in Central Asia generally appear to be more integrated into international trade institutions, whereas nondemocracies in Africa and some parts of Asia are latecomers to trade agreements and have not yet joined many PTAs.

Temporally, MENA states such as Egypt entered into trade agreements earlier than other regions, whereas more recent increases in nondemocratic PTA membership are driven by China as well as Central and Southeast Asian states. Yet even within regions, trade agreement membership varies significantly: For instance, Kazakhstan's membership far exceeds that of Turkmenistan – in fact, Kazakhstan has more PTA memberships than an average democratic state – whereas Oman and Yemen's integration lag far behind those of nearby Bahrain and Qatar. As I will argue below, the overall number of PTA memberships is only a rough indicator of the quality and depth of trade agreement across region. Nevertheless, the temporal and intra-regional variation suggests that domestic political factors at least partly influence PTA membership across nondemocratic states.

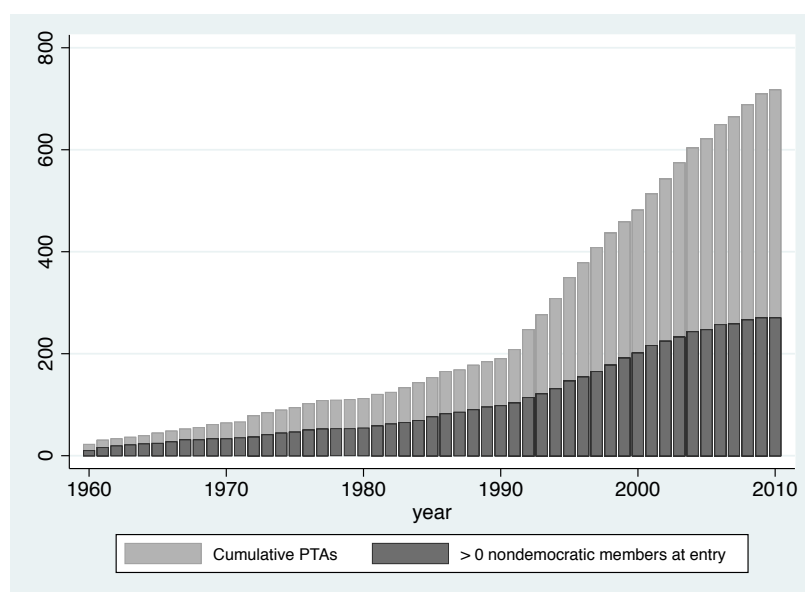


Figure 1.2: Proportion of trade agreements with nondemocratic states at time of entry
Data source: Design of Trade Agreements Database

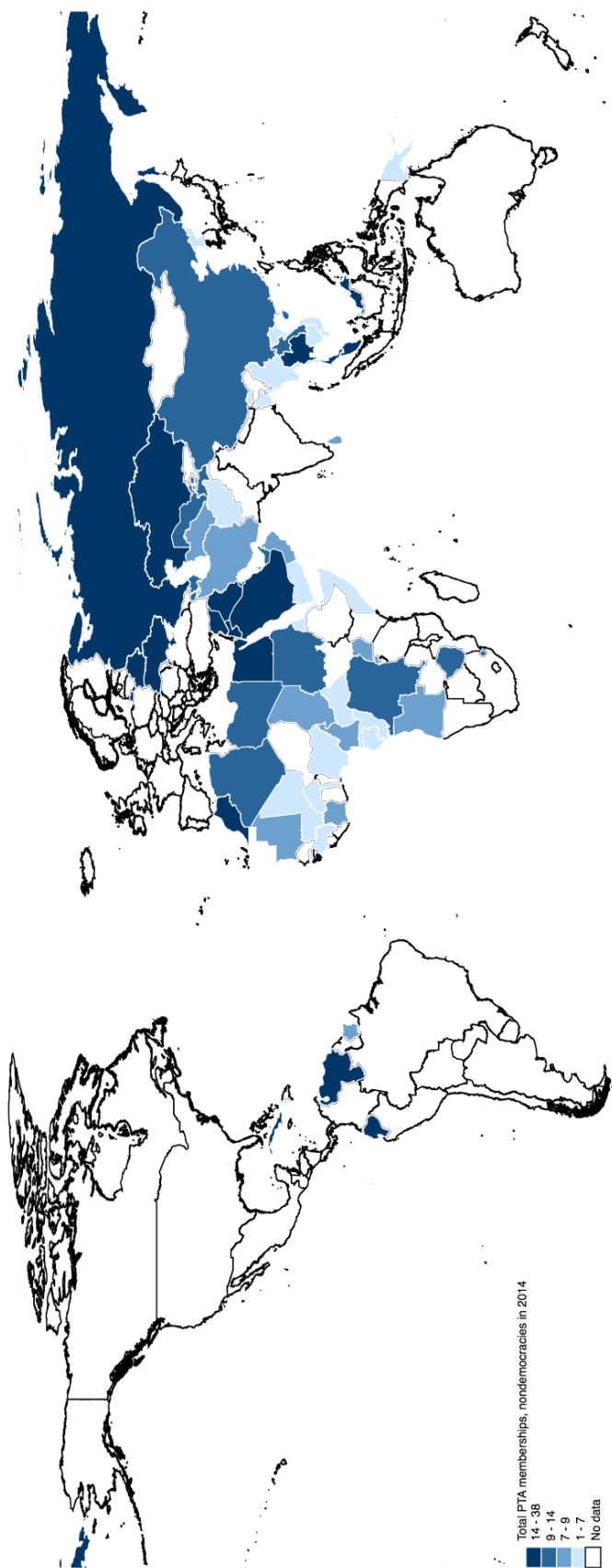


Figure 1.3: Distribution of PTA memberships of nondemocracies
Note: Nondemocratic states as of 2014. Democratic states are white

1.1 Why Study Trade Agreements?

Preferential trade agreements (PTAs) or free trade agreements (FTAs)⁶ are international agreements between two or more states that generally include trade liberalization in goods and/or services between two or more countries and are based on reciprocity.⁷ Thus the primary function of trade agreements is to limit the use of protectionist policies to varying degrees, either by prohibiting the use of tariff and nontariff barriers and subsidies, by setting specific ceilings on these policies, or by specifying exemptions for particular sectors or products. In general, protectionist policies are those that shield domestic producers from foreign competition. Most commonly, this includes tariffs on imports, which have the effect of raising the price of foreign products domestically and generate revenue for the government. Similarly, nontariff barriers such as import quotas, trade sanctions, or embargoes limit the number of foreign goods that may be imported. Other protectionist measures include export subsidies, which decrease the price of exported goods on the world market. This helps export-oriented industries and potentially generates profits for these producers, but it does not generate revenue for the government. WTO rules prohibit the use of export subsidies. It is important to note that PTAs reduce trade barriers only among member states, while discriminating against non-members. As a result, scholars debate whether trade agreements increase trade and enhance welfare, although there is evidence that many PTAs do.⁸ PTAs vary widely in their content and scope: they may be regional or cross-regional, may be limited to specific industries or apply to a broad range of sectors, may include provisions on goods and/or services, and may include a variety non-economic issues.⁹ In particular, the inclusion of non-trade related provisions, ranging from environmental or human rights

⁶The term PTA is sometimes used specifically to denote a trade agreement that is limited in scope and depth, whereas FTAs refer to an extensive reduction in tariffs. However, I generally use these terms interchangeably with the general term “trade agreement” in this dissertation, regardless of assumptions about their content.

⁷While a multitude of nonreciprocal trade agreements exist, the motivations for signing nonreciprocal agreements differ from those of reciprocal trade agreements. Nonreciprocal trade agreements generally allow developing states market access to developed economies. The focus of this dissertation is on reciprocal trade agreements, since these types of agreements provide a more interesting theoretical puzzle.

⁸See e.g. [Bagwell & Staiger \(1999\)](#); [Baier & Bergstrand \(2004\)](#); [Freund & Ornelas \(2010\)](#)

⁹[Hafner-Burton \(2005\)](#)

standards to security policy, has become increasingly common in these agreements, to the extent that non-trade issues are now central to some PTAs. Yet most existing research on the link between regime type and trade compares the likelihood of entry into PTAs across different regime types without further analyzing PTA content. This is partly because the longer-term implications of differences in trade agreement design, in terms of their impact on regional economic development and trade relations, have only recently become apparent. Recent research shows that variation in trade agreement design matters, as it affects economic outcomes in member states.¹⁰ As a result, in order to understand the relationship between PTAs and regime type, it is important to analyze not only on the number of trade agreements signed, as previous studies have done, but also variations in the *content* of these agreements.

There are several reasons why this dissertation focuses on trade agreements specifically, rather than trade policy more generally or other forms of economic agreements. Most importantly, as I demonstrated in the previous section, PTAs are an increasingly common phenomenon, and in accordance with this general trend, nondemocracies have also signed these types of agreement with increasing frequency. Autocratic PTA membership varies in interesting ways both across time and regions. Yet there is very little explicit theorizing about nondemocratic states in the existing literature. While previous research provides institutional, domestic politics-based explanations for why regime type affects PTA membership, these arguments treat autocracies as a residual category whose primary purpose is to present an interesting contrast to democratic states. As a result, we do not currently know which domestic actors and institutions may drive PTA membership in nondemocracies, and to what extent these are different from those in democracies. This dissertation begins to provide answers to these important questions.

Secondly, analyzing the domestic pressures and incentives related to signing trade agreements can help shed light on the dynamics of foreign policy-making in autocracies more generally. As Tolstoy famously wrote at the beginning of *Anna Karenina*, “Happy families

¹⁰See e.g. [Allee & Elsig \(2016\)](#); [Gray \(2010\)](#); [Slapin & Gray \(2014\)](#)

are all alike; every unhappy family is unhappy in its own way.”¹¹ Nondemocratic states are difficult to study because of their heterogeneity; they fall short of democracy in many different ways. Because of their diversity, we should not expect them to behave in uniform ways with respect to trade policy or membership in international institutions. As a result, different underlying causal mechanisms may be driving PTA membership across regime types. A deeper understanding of the causal mechanisms driving trade agreements can help us analyze within-country changes over time, and allows us to make predictions about the expected effects of changes in regime type on trade policy. Ultimately, this will result in a richer conception of autocracies’ participation in international economic institutions.

Trade policy under dictatorship is difficult to study in part because dictators may have incentives to falsify tariff data, to randomly renege on promises, and to extract rents from tariffs, which are hard to measure directly. Because of these problems, it is advantageous to focus on trade agreements when studying nondemocratic states rather than tariffs, since PTAs tend to have greater visibility and may in some cases be subject to international monitoring. Nevertheless, as I will argue in the next section, it is not possible to study entry into trade agreements without also theorizing about trade policy more generally. The following chapters will discuss the relationship between authoritarian trade policy and PTA commitments in more detail.

Finally, while dictators sign trade agreements both in response to domestic political pressures and for strategic international reasons, such as strengthening international alliances, the focus of this dissertation is primarily on the *domestic* dynamics that drive autocrats to enter PTAs and which have not yet been studied in detail. Ultimately, this research will lead to a more thorough understanding of how international factors interact with domestic institutions and constituencies, and the extent to which they jointly contribute to the survival and breakdown of authoritarian regimes. Analyses of autocracies in comparative politics tend to neglect the role of international factors in autocratic survival. I argue that our understanding of authoritarianism is incomplete without considering how autocracies

¹¹This “Anna Karenina principle” was termed by Jared Diamond (1997)

behave in international institutions such as trade institutions. The next section provides a brief overview of my key arguments.

1.2 Preview of the Argument

This study argues that understanding variation in trade agreement memberships across and within authoritarian states requires us to theorize about domestic policymaking processes under autocracy. Drawing connections between recent scholarship on both trade policy and the domestic politics of authoritarian regimes,¹² I show how elite dynamics under dictatorship influence these states' international trade cooperation. I argue that dictators are strategic in their choice of trade commitments. These strategic choices are revealed not only in the decision to enter into a trade agreement, but also in the institutional rules and content of the trade agreements dictators enter into.

Specifically, my key argument is that the domestic factors affecting entry into trade agreements and the depth of integration work in opposite directions. In particular, I show that the autocracies that are most likely to enter trade agreements tend to prefer “shallower” agreements that do not require extensive trade integration. Overall, my findings imply that autocracies do not simply mirror democracies in their path toward trade integration. As democracies become increasingly integrated into the international trade regime, their trade ties deepen and increase in complexity. Thus there is a positive relationship between PTA entry and the depth of integration. However, trade integration follows a different path for autocracies:

Some autocracies have many PTA memberships and at first glance appear to be on a trajectory similar to democracies. However, looking only at the overall membership rates of these autocracies obscures the fact that they tend to join PTAs that are shallow and ineffective. As a result, the level of trade integration of these states often stalls even as they

¹²See, for example, [Geddes \(1999b,a, 2003\)](#); [Gandhi \(2008b,a\)](#); [Svolik \(2012\)](#)

frequently join trade institutions. For other types of autocracy, strong domestic opposition to participation in trade institutions largely prevents them from participating in trade institutions altogether. For these states, there tends to be a pattern of delayed or absent trade integration. Integrating autocracies into the global trade regime therefore presents unique challenges. Yet my study also discusses how autocracies sometimes overcome these challenges, resulting in more successful participation in trade institutions.

Understanding the causes of these divergent effects and determining potential policy implications requires a deeper analysis of the domestic politics of PTA memberships under autocracy. I address this by first theorizing about elite trade preferences in dictatorships. As Mansfield, Milner, and Rosendorff point out, existing scholarship lacks a theory of autocratic trade preferences. As a result, “[i]t is unclear whether, on average, autocrats are more protectionist than democratic heads of state.”¹³ I argue that authoritarian rulers generally have more protectionist trade policy preferences than their democratic counterparts and often forge strong protectionist coalitions. Since dictators lack democratic accountability, we cannot assume that they respond to median voters’ trade preferences. Yet most dictators cannot rule alone and require the political support of elite actors. Protectionism is a preferred tool for dictators, because it allows autocrats to extract rents and strategically distribute subsidies and other economic benefits, which helps them build and maintain supporting coalitions.

Dictators have a particular preference for investing in less competitive, import-competing firms and industries, which then become dependent on government support for their survival. In turn, however, nondemocratic leaders often become dependent on the continued provision of protectionist policies for their political survival. Trade liberalization, especially via binding trade agreements, destroys rents that can be generated from tariffs and the distribution of import licenses.¹⁴ As a consequence, liberalization is risky for dictators, because

¹³(Mansfield *et al.* , 2000, 307). Also see (Mansfield & Milner, 2012, ch. 1). Although the fact that nondemocratic states historically lagged behind in their membership in PTAs suggests that autocrats perhaps lack liberal trade preferences, there has been little explicit theorizing about autocratic trade preferences or potential variation in preferences to date.

¹⁴See e.g. Ornelas (2005)

it limits the trade policy tools dictators use to facilitate regime funding.

To explain why dictators prefer to build coalitions with import-competing elites in particular, I argue that autocrats face a commitment problem with respect to more liberal, pro-trade elites. Liberal trade policies tend to empower more competitive, export-oriented producers. With trade liberalization, these export-oriented actors are able to operate more competitively in international markets, resulting in decreased dependence on the autocratic regime. In addition, liberal elites are also most likely to benefit from secure property rights and increased policy-making transparency, because these allow them to maximize their competitiveness. Pro-trade, export-oriented elites therefore have stronger incentives to push for democratization compared to less competitive, import-competing elites that are more dependent on regime support. For these reasons, it is more difficult for these export-oriented elites to commit to supporting a dictator in the future, when their bargaining position has strengthened as a result of trade liberalization. Conversely, dictators cannot fully commit to not reversing liberal trade policies in the future. Because of this commitment problem and the more limited policy tools associated with liberal trade policies, dictators prefer to enter into coalitions with less competitive, protectionist elites. Since these elites tend to be more dependent on the continuation of the regime and its protectionist policies, a similar commitment problem does not exist.

Although these overall dynamics are common across authoritarian states, they play out differently depending on how constrained dictatorial governments are. If governing coalitions have highly protectionist trade preferences, the presence of institutional constraints does not promote membership in trade agreements, but instead tends to reinforce protectionism. As a consequence, in institutionalized authoritarian states, protectionist elites can act as effective veto players, preventing entry into trade agreements altogether. Therefore these states are overall less likely to join trade agreements. However, if organized pro-liberal elites gain political influence, institutionalized autocracies can potentially overcome obstacles to entry. When this occurs, these states often make deeper, more extensive trade commitments than other types of autocracy.

By contrast, in “personalist” regimes, leaders are less constrained by their coalitions and have greater policy-making discretion. As a result, they are more at liberty to enter into trade agreements. These dictators are more likely to join PTAs because it is easy for them to do so and because they hope capture specific benefits from trade agreements, which include increased legitimacy, forging new security alliances, or access to particular economic goods. Yet for the reasons described above, personalist dictators are rarely interested in extensive, deep trade integration, because they fear that it could empower new economic elites, decrease their sovereignty, and thus threaten their rule.

While highly personalist regimes have fewer constraints on policy-making, they also lack forums for organized elite bargaining. As a result, trade agreements serve primarily as tools of regime legitimation and consolidation for dictators. I therefore show that although more personalized dictatorships have a higher likelihood of entry into trade agreements, these agreements tend to be more limited in scope, include fewer issue areas, and exhibit less complexity. The following sections will provide a brief overview over existing scholarship on trade agreements.

1.3 Analyzing the Link Between Trade Agreements and Regime Type

Economic Arguments

Why do we observe variation in trade agreement membership across autocracies? Much of the existing literature does not focus specifically on political institutions in answering this question. On the contrary, traditional trade theory suggests that questions of regime type are irrelevant to the study of trade policy, and focuses instead on structural economic factors as key determinants of trade agreements. Famously, Bagwell and Staiger argue that PTAs

can solve terms-of-trade externalities between (large) states.¹⁵ Since all countries aim to improve their terms of trade,¹⁶ in the absence of trade agreements, a prisoner's dilemma may arise whereby countries attempt to increase their national income at the expense of other states. As a result, countries prefer to enter into reciprocal trade agreements as opposed to setting tariffs unilaterally. Nevertheless, from a purely economic standpoint, welfare-maximizing governments should generally aim to lower trade barriers, since trade barriers are socially inefficient. Research by Baier and Bergstrand suggests that such welfare-maximizing motivations may indeed explain a large proportion of existing trade agreements.¹⁷ The authors argue that their model, which predicts PTAs based on factors such as relative endowments, distance, and country size, can explain about 85% of trade agreements.

What structural economic theories lack is that they do not sufficiently explain how trade preferences translate into actual policy-making processes. One well-known challenge to the economic arguments for open trade policy is that they cannot explain why so many states follow highly protectionist trade policies.¹⁸ A large area of research investigates how domestic political dynamics drive trade policy choices, focusing on the preferences and relative political influence of domestic actors as well as the role of domestic institutions. One key insight in this literature that is of relevance for the study of autocratic trade policy is that due to the distributional effects of trade policy, there will likely be some political contestation over policy choices.

Political Economy of Trade Agreements

First, with respect to trade policy preferences, trade theory makes predictions about the potential winners and losers from a trade agreement. In particular, factor-based theories based on the Heckscher-Ohlin model predict that a country will export goods that require factors it has in relative abundance. Building on this, the Stolper-Samuelson theorem predicts the

¹⁵Bagwell & Staiger (1999)

¹⁶I.e. the price of a country's exports relative to its imports.

¹⁷Baier & Bergstrand (2004)

¹⁸See e.g. Alt *et al.* (1996)

distributional effects of trade, arguing that under the assumption of factor mobility across sectors, free trade will lower the income of scarce factors, but raise the income of owners of relatively abundant factors. Thus scarce endowments tend to lose from open trade, whereas rich endowments tend to gain from trade, with the result that the owners of scarce factors will likely oppose trade liberalization¹⁹

Other theories depart from these factor-based theories and present sectoral models of trade preferences. In particular, the Ricardo-Viner model (or specific-factors model) assumes that some factors are immobile. As a result, the model predicts that factors related to import-competing sectors benefit from protectionism, whereas export-oriented sectors benefit from trade openness. Thus the main difference between the Heckscher-Ohlin and Ricardo-Viner models lies in their assumptions about the degree of factor mobility. Various studies have found empirical evidence for both of these models.²⁰

More recently, the “new” trade theory as well as the “new-new” trade theory have shifted the unit of analysis from the country to industries and finally to firms. Trade is found to be welfare-enhancing since it allows for economies of scale, lower consumer prices, and an increased variety of products.²¹ “New-new” trade theory differentiates firms not just across, but within industries, and argues that only the most productive (and generally large) firms benefit from open trade and will push for trade liberalization: “At the broadest societal level, pro- and anti-trade coalitions are likely to cross industries and unite larger firms who support trade in opposition to smaller firms.”²²

Again, nothing about these theories is regime-type specific, and hence they could be applied to all states. Yet a number of potential implications can be derived for nondemocracies from each of these theories. First, with regard to factor endowments, many autocracies are capital-scarce, so that in terms of trade policy, we may expect coalitions of the rich endowments labor or land to push for trade liberalization. Wu, for instance, finds that dictators in labor-

¹⁹Stolper & Samuelson (1941)

²⁰E.g. Dutt & Mitra (2002)

²¹Melitz (2003)

²²Kim and Osgood (2018), p.1

abundant autocracies may lower trade barriers in response to rising inequality, thereby averting democratization threats.²³ Relatedly, Milner and Kubota suggest that policy-making elites in autocracies own above average levels of capital, and that they benefit the most from high levels of protection, since capital tends to be a scarce endowment in autocracies that are also developing economies.²⁴ While there are few papers that assess autocratic trade specifically using firm-level data, one recent exception is Baccini, Impullitti, and Malesky’s case study of trade liberalization in Vietnam post-WTO accession. The authors suggest that there is a “bias toward state-owned firms in Vietnamese policy-making”, and find that the presence of big state-owned firms prevents productivity gains from trade liberalization. Their study suggests that state-business relations may play an important role in trade liberalization under autocracy.²⁵

In addition to preference-based theories, research on the political economy of trade focuses on the role of political actors and institutions in determining trade policy outcomes. One important model of trade policy-making argues that median voter preferences determine trade policy in democracies, where these preferences will be more or less protectionist depending on how the median voter’s capital-labor endowment ratio compares to the national endowment ratio.²⁶ This model could be applied to nondemocracies by analyzing how median preferences would shift in societies where only certain citizens are enfranchised. Such analysis would consequently require an ability to draw inferences about the trade preferences of enfranchised groups. In addition, Grossman and Helpman develop a model based on interest group lobbying, in which governments set trade policy by maximizing a combination of campaign contributions and aggregate welfare.²⁷ Since the model assumes that voters prefer open trade policies, in the absence of lobbying, politicians choose free trade in order to secure re-election. However, organized special interest groups, representing sector-specific factors of production, can lobby for trade protection by offering monetary “campaign” contri-

²³Wu (2015)

²⁴Milner & Kubota (2005)

²⁵Baccini and Impullitti (2013)

²⁶Mayer (1984)

²⁷Grossman & Helpman (1994)

butions that compensate the government for choosing more protectionist trade policies. In their model, the level of protection is thus a consequence of the relative weight governments place on contributions as opposed to welfare, the degree to which lobbies are organized, and the elasticity of import demand and export supply.

While there is strong empirical support for the model,²⁸ its application to autocracies has not been systematically studied. One exception is Mitra, Thomakos, and Ulubasoglu, who find support of the Grossman-Helpman model for Turkey.²⁹ The authors show that the Turkish government placed a lower weight on campaign contributions during periods when the country was democratic compared to periods of dictatorship. However, this analysis would be difficult to extend to other autocracies. One general difficulty with applying the Grossman-Helpman model to autocracies is that the extent to which interest groups affect PTA formation in autocracies is difficult to estimate, since lobbying processes in autocracies tend to be highly opaque. Consequently, it is difficult to predict which trade policies autocracies are most likely to adopt based only on the Grossman-Helpman model.

Regime Type and Trade Agreements

Another reason for looking beyond purely economic theories of trade agreements is that there is strong empirical evidence suggesting that regime type influences trade policy and the formation of trade agreements.³⁰ For example, one recent study suggests that authoritarian regimes import fewer goods than democracies,³¹ and another finds that democratic states are on average twice as likely as nondemocratic states to join a trade agreement.³² Several mechanisms have been suggested in the literature for why this is the case. First, some authors suggest that democracies face institutional constraints that give them an advantage in bargaining over international agreements.³³ For instance, by “tying their hands”, trade

²⁸See e.g. Goldberg and Maggi (1999)

²⁹Mitra, Thomakos, and Ulubasoglu (2002)

³⁰See e.g. Verdier (1998); Milner and Kubota (2005); Kono (2006) and (2008)

³¹Aidt and Gassebner (2010)

³²Mansfield, Milner, and Rosendorff (2002)

³³McGillivray (2008)

agreements may be a way for politicians to credibly signal economic policy commitments to voters.³⁴ But since autocrats are not subject to regular elections, they have fewer incentives to make such commitments.³⁵ In addition, it is plausible that democratic leaders are more concerned about the potential welfare gains from trade cooperation than autocrats, since democracies tend to provide more public goods and autocracies tend to be focused on the provision of private benefits.³⁶

Alternatively, it has been argued that domestic legislatures provide democracies with a bargaining advantage in trade negotiations.³⁷ Autocracies may also receive less flexible terms in international agreements and have fewer opportunities for cooperation due to their lack of transparency.³⁸ This may reduce the benefits of cooperation from the autocrat's point of view. However, in a recent article, Mattes and Rodriguez suggest that some nondemocracies are better at cooperation than others. The authors identify three factors that vary across autocracies, and that may allow some autocracies to cooperate more effectively: accountability, policy-making flexibility, and transparency, thus providing empirical evidence that the likelihood of autocracies to enter into international agreements varies not just across, but also within regime type.³⁹ This dissertation assesses whether such variation also exists for trade agreements more specifically.

While trade theory makes the mistaken assumption that regime type is irrelevant for trade policy, research contrasting democratic and autocratic trade policy generates another puzzle: if dictators are not welfare-maximizers, and if autocratic institutions are not conducive to signing trade agreements, then it is unclear why autocracies would ever adopt open trade policies and join trade institutions. Yet it is increasingly common for autocracies to sign trade agreements. The existing literature makes few predictions as to why this may occur.

³⁴Mansfield, Milner, and Rosendorff (2002)

³⁵However, if some autocracies can also generate audience costs Weeks (2008), this argument may not be limited to democracies: International economic cooperation could provide information about leader performance and policy competence and may thus prevent elite defection.

³⁶Bueno de Mesquita et al. (2003)

³⁷Mansfield, Milner, and Rosendorff (2000)

³⁸Svolik (2006)

³⁹Mattes and Rodriguez (2014)

Consequently, most existing trade scholarship does not make general predictions about trade policy under authoritarianism. This means that we lack a theory of trade policy for these states.

Implications for Autocratic Trade Agreements

The literature on why autocracies join international institutions may partly apply to the formation of trade agreements. First, one line of research suggests that there may be significant domestic benefits for democratizing states in joining (regional) IOs such as providing a “credible external guarantee” of stability and safeguards for elites.⁴⁰ A different literature suggests that autocracies may sometimes join for strategic reasons relating to domestic regime consolidation and international legitimization,⁴¹ or to gain “performance legitimacy”.⁴² One area in which autocracies have been acting strategically is human rights agreements, with a number of scholars finding that more repressive autocracies are in fact more likely to enter into human rights agreements.^{footnote}See e.g. Vreeland (2008); Von Stein (2013); Hollyer & Rosendorff (2011a) Overall, the literature suggests that international cooperation can increase authoritarian regime stability. Yet opening a regime to trade may have longer-term effects that could be either beneficial or harmful to a dictator’s rule.

As Kono points out, “scholars have yet to develop trade policy models that are uniquely tailored to autocracies.”⁴³ So far only a handful of papers explicitly assess variation in trade policy across authoritarian regimes. This existing research primarily draws on recent scholarship on autocratic institutions in assessing their role in fostering trade liberalization. Thus scholars have assessed the role of parties,⁴⁴ legislatures,⁴⁵ ruling coalition size,⁴⁶ and degree of competition,⁴⁷ with some finding support for the claim that institutionalization

⁴⁰Pevehouse (2002), p.526

⁴¹See e.g. Vreeland (2008); Hollyer (2011); Von Stein (2013)

⁴²Burnell (2006)

⁴³Kono (2014), 299

⁴⁴Hankla (2013)

⁴⁵See e.g. Wright (2008); Gandhi (2008a); Reuter and Gandhi (2011)

⁴⁶Kono (2014); Milner and Kubota (2005)

⁴⁷Mansfield and Milner (2012)

contributes to economic growth and trade liberalization. The precise mechanisms that drive these findings, however, remain disputed and overall results have been mixed.

This is because research linking institutions to economic outcomes in dictatorships faces several challenges: first, legislatures and parties in dictatorships vary widely in their ability to constrain autocrats and influence policy outcomes. Nominally democratic parties can have genuine policy influence or act as mere rubberstamps for dictators. Similarly, it is often unclear to what extent policy is influenced by elite actors outside of formal institutions, such as a leader's relatives, making it difficult to control for these actors. As a result, while there is some indication in the existing literature that institutions play an important role in determining autocratic trade policy, there is currently no consensus on precisely how authoritarian institutions and economic policy are linked.

With respect to legislative institutions, a number of scholars have argued that binding authoritarian legislatures improve economic growth and investment.⁴⁸ On the other hand, Geddes notes that "My casual observation has been that authoritarian legislatures able to influence key economic decisions are unusual."⁴⁹ Other scholars, such as Menaldo, have pointed out that autocratic legislatures frequently pass protectionist measures.⁵⁰ In addition to legislatures, executive institutions, especially political parties, may play a key role in trade liberalization. For instance, in one of the few papers that specifically focus on autocratic trade policy, Hankla and Kuthy argue that autocracies with more political parties tend to have longer time horizons and provide more public goods, both of which lead to more open trade policies.⁵¹

Furthermore, Frye and Mansfield argue that trade reform is most likely to occur in non-democracies where government power is fragmented. This is because protectionist elites in these states are likely to be weakened, thereby enabling groups with preferences for free

⁴⁸Wright (2008); Gandhi (2008b)

⁴⁹<https://themonkeycage.org/2012/12/what-do-legislatures-in-authoritarian-regimes-do/>

⁵⁰Menaldo (2014)

⁵¹Hankla & Kuthy (2013)

trade to push for economic reform.⁵² This argument is somewhat in conflict with veto player arguments, which suggest that a larger number of veto players makes trade agreements less likely.⁵³ Finally, Baccini and Chow have recently argued that trade agreements may be a way for “extralegal” leaders, i.e. those that gained power through a coup, to make credible commitments and co-opt exporters.⁵⁴ However, it is not entirely clear from their argument exactly why weak extralegal leaders would seek to gain regime support from exporters. My own theoretical argument instead suggests that dictators often shy away from political coalitions with exporters in particular. In sum, the preceding discussion demonstrates that, while there is some evidence that authoritarian institutions positively affect economic growth and trade openness, research on trade policy and PTAs is undertheorized when applied to authoritarianism. This study remedies this gap in the literature by developing a theory of authoritarian trade cooperation.

1.4 Chapter Outline

The purpose of this study is to shed light on the domestic political processes that influence authoritarian membership in trade agreements. My dissertation employs a mixed-methods approach using both cross-national quantitative analysis and qualitative case studies. First, chapter 2 develops a theoretical framework for analyzing the political economy of trade agreements in nondemocratic states. I analyze the preferences of autocratic elites, outline the commitment argument that explains why autocrats tend to prefer protectionist policies, and then focus on the role of political institutions. From these analyses, I derive two main hypotheses.

I evaluate these theoretical predictions in three empirical chapters. First, in Chapter 3, I will provide cross-national empirical analysis of autocratic entry into trade agreements. I will present evidence that, consistent with the theoretical arguments of chapter 2, the likelihood

⁵²Frye and Mansfield (2003)

⁵³See e.g. Mansfield and Milner (2012)

⁵⁴Baccini and Chow (2017)

of entering into a trade agreement increases significantly as the level of personalism within an autocracy increases. In particular, I find that states with the highest level of personalism are about fifty percent more likely to enter into a trade agreement than autocratic states with the lowest level of personalism. I also show that personalist dictators have a preference for forming new treaties rather than joining existing treaties. This provides further evidence for my argument that personalist dictators are strategic in their PTA memberships and have a high demand for these agreements.

In chapter 4, I direct my attention to the design of trade agreements. I argue that, although more personalist regimes are more likely to enter into a trade agreements, the agreements they choose tend to be "shallow"; meaning, they require less trade liberalization across a smaller number of issue areas. Personalist autocrats want to reap the legitimacy benefits of trade agreements, but they do not want to make sacrifices to their sovereignty or strengthen competitive exporters who might pose a future threat to their rule. They solve this by entering into frequent PTAs that do not require extensive trade liberalization. I conceptualize this notion of shallowness in different ways, showing also that, as the level of personalism increases, dictators tend to sign trade agreements with lower legal enforceability and those that are less likely to go beyond WTO mandate.

Chapter 5 illustrates the mechanisms I described through two cases studies drawn from opposite ends of the personalism spectrum, with Uganda under the government of President Museveni as an example of a highly personalist state, and Vietnam as an example of a state with low levels of personalism. I argue that Ugandan trade agreements have been relatively shallow in nature, and that the President has faced few constraints in entering them and in his trade policy-making in general. Typical of highly personalist dictators, Museveni has employed Uganda's trade agreement memberships to his own advantage. While this dissertation argues that there are several ways in which personalist autocrats can "cherry pick" PTA memberships that they perceive as most beneficial and least costly, including legitimation, access to resources, and military benefits, the first of these has been most prominent in the Ugandan case. In particular, I argue that PTAs were a contributing factor to consolidating

personalist rule in Uganda, with President Museveni using PTAs to legitimate his National Resistance Movement government in the eyes of important international and domestic allies. This legitimacy has helped Museveni gain access to foreign funding and distract attention away from the lack of democratic governance during his rule.

In addition, the case of Vietnam illustrates the second part of my theoretical argument. As a non-personalist autocracy, policy-making is shared among the party elites rather than concentrated in a single dictatorial leader. Vietnam's history as a communist state with a closed economy subject to central planning implies the presence of elite actors that benefit from the continuation of protectionist trade policies. As a result, Vietnam abstained from PTA commitments such as ASEAN and other agreements at a time when neighboring states were already joining these organizations. However, I also describe how the *Doi Moi*, a series of remarkable trade policy reforms led to the emergence of new, export-oriented actors with greater political power. These reforms were the result of a prolonged economic crisis, which weakened established protectionist elites and made the government realize that economic reform was crucial to its longer-term political survival. The early reforms contributed to the development of a politically influential pro-trade elite, which subsequently pushed for increasing membership in trade agreements. Consistent with my theoretical arguments, the case of Vietnam therefore illustrates both that non-personalist autocracies are more likely to abstain from PTA membership, and the fact that the emergence of pro-trade actors is a prerequisite for deeper trade integration in these states.

Chapter 6 concludes by summarizing the theoretical contributions of this dissertation and linking it to an emerging literature on authoritarianism as well as positioning my contributions within the large existing literature on international political economy and international institutions. I then reflect on the potential implications of my findings for policy-makers and suggest potential directions for future research.

2 | The Domestic Determinants of Autocratic Trade Agreements

Why would dictators choose to tie their hands through trade agreements? Why would others abstain from a PTA even if many of their neighbors are joining these agreements? And once they decide to enter into a PTA, how do autocrats choose an agreement's content and design? Trade organizations such as ASEAN, COMESA, the African Economic Community, the Commonwealth of Independent states as well as numerous bilateral free trade agreements differ in terms of their membership and design. Yet all of them have been shaped by their autocratic member states.

The previous chapter showed that despite the proliferation of trade agreements, we know little about the causes of variation in PTA memberships across autocracies. It is known that nondemocracies on average join fewer trade agreements and have higher trade barriers than democracies. Partly as a result of this finding, existing research focuses primarily on democratic trade policy, whereas trade policy under authoritarianism remains understudied. Yet the notion that autocracies "trade less", obscures the significant and unexplained variation in PTA membership within autocracies as well as potential variation in the design of trade agreements signed by autocracies.

Debates over trade agreements can be highly contentious. Ukraine's Euromaidan protests were the result of the government's decision to abandon a PTA with the EU. The decision was interpreted as indicative of Ukraine's wider political alignment with Russia, and the public protests led to the downfall of the democratically elected government. In deciding whether to enter into a trade agreement, democratic leaders face pressures from citizens, organized interest groups, and international allies. But the role of public opinion is diminished under autocracy, and dictators often have much greater policy-making discretion in deciding on

PTA membership. As a result, it is less clear what kinds of constraints and incentives autocrats have in making trade commitments.

Yet there is plenty of evidence that dictators at least sometimes care about membership in international institutions. For example, when Kazakhstan gained chairmanship of the Organization for Security and Cooperation in Europe (OSCE) in 2010, this was widely regarded as a sign that the country was ready to take on a greater role in regional organizations as well as a legitimization of Kazakhstan's nondemocratic government. While the OSCE had only recently monitored elections and described them as not fair, giving chairmanship to Kazakhstan weakened these findings. In a BBC interview, Kazakhstan's President Nazarbayev at the time called the chairmanship "an extremely important recognition of Kazakhstan's international authority."¹ While it is likely that autocrats perceive similar benefits in trade agreements, identifying the precise conditions for this is the subject of this dissertation.

This chapter develops a framework for analyzing autocratic trade cooperation. In doing so, it pursues several goals: First and most importantly, it sheds light on the domestic actors, preferences, and institutional mechanisms that play a role in authoritarian trade integration. In my analysis, I argue that some of these factors resemble those under democracy, whereas others are uniquely authoritarian. While the identity of political actors and institutions involved in democratic policy-making is generally undisputed, identifying them can be a challenge in authoritarian states, where policy-making is much more opaque. Consequently, this chapter also has a partly descriptive purpose. Ultimately, I aim to convince readers that domestic politics matters when it comes to autocratic membership in international economic institutions, and that considering the unique motivations and institutional constraints autocrats face in international cooperation leads to richer theorizing about economic cooperation.

¹<http://news.bbc.co.uk/2/hi/asia-pacific/8459600.stm>

2.1 Overview of the Argument

My theoretical framework draws on existing research on the politics of authoritarian states.² Dictators want to survive in office, and they often use policy-making and institution-building strategies to consolidate their powers. Autocrats favor policies that increase their popularity and legitimacy, strengthen their control over institutions, weaken their opponents, and reward their supporters. Yet autocratic leaders can also be subject to political pressures and constraints that limit their ability to accomplish these goals.

Most scholars of comparative politics focus on domestic policy and institutions in studying these dynamics. However, there is also an important international dimension to authoritarian survival that has received less attention. International cooperation can build dictators' legitimacy and reputation as strong leaders, it can provide them with aid, foreign investment, and military resources, all of which can help with regime consolidation. On the other hand, international cooperation can also be costly, empower actors that may threaten a dictatorial government, and lead to increased international scrutiny. For all these reasons, we should assume that dictators are strategic in their international commitments and weigh their costs and benefits carefully. Trade agreements are particularly interesting to study in this respect: they are highly visible, affect interstate cooperation, have potential distributional consequences, and they also vary strongly in terms of their design. All this means that PTAs provide potential opportunities for manipulation, legitimation, and contestation. Consequently, these types of agreement can provide insights into key political dynamics under dictatorship.

Although I argue that autocrats sign PTAs for both economic and non-economic reasons, disentangling potential motivations for entering into PTAs requires at least some understanding of the broader trade policies and potential drivers of trade liberalization under nondemocracy. As a result, the following discussion deals with both nondemocratic trade

²See, for example, [Geddes \(1999b,a, 2003\)](#); [Gandhi \(2008b,a\)](#); [Svolik \(2012\)](#)

policy broadly as well as with trade agreements specifically, making sure to specify the empirical implications that follow for autocratic PTAs.³

My central argument is that the domestic factors that affect entry into trade agreements and the depth of trade integration work in opposite directions. Specifically, I propose that those autocracies that are most likely to enter into PTAs tend to prefer “shallower” agreements which do not require extensive trade integration. In contrast, other autocracies face significant domestic opposition to PTAs, which tends to result in delayed or absent trade integration. When these autocracies manage to overcome these obstacles, however, they tend to make deeper, more extensive trade commitments.

I develop this prediction by analyzing the interplay between elite preferences and leaders’ policy-making constraints in shaping trade policy. First, I argue that authoritarian leaders tend to have more protectionist trade preferences than democratic governments and as a result, they often forge strong protectionist coalitions. Dictators use economic policy as a tool to strengthen and consolidate their rule. Trade policy plays a role in dictator’s political survival by generating income and rents, redistributing economic resources, and potentially increasing a dictator’s legitimacy. Since most autocratic leaders do not rule alone, but depend on the political and financial support of other elite actors, dictators use these trade policy tools to build elite coalitions.

Trade liberalization is risky in the eyes of dictators, because it lowers rents and limits the policy tools that allow dictators to give preferential treatment to their supporters. In addition, trade liberalization tends to empower new competitive actors with potentially greater ability for exit, whose future political loyalty is not guaranteed. This is because liberal trade policies mainly benefit large, competitive, export-oriented firms.⁴ Because these more competitive, export-oriented actors tend to become less dependent on the regime with increasing liberalization, their relationship to the autocratic government suffers from

³In future research, my theory could then be extended to trade policy more generally or to other economic agreements.

⁴See e.g. [Osgood \(2016\)](#); [Madeira \(2016\)](#)

a mutual commitment problem.

Competitive, export-oriented elites benefit from increasing economic liberalization, property rights, and political transparency, since these further increase their economic competitiveness in global markets. As a result, it is difficult for these elites to commit to supporting the dictatorial government in the future following trade liberalization. Conversely, autocrats cannot guarantee future expropriation of these elites. Because of this commitment problem, dictators are less likely to forge strong alliances with liberal economic elites. Instead, dictators prefer to invest in less competitive, import-competing firms and industries, which then become dependent on government support for their survival. By strategically distributing rents, economic protection, and subsidies to these groups, autocrats can ensure their political loyalty.

While these dynamics are common to all autocracies, they play out differently depending on how personalist the state is. Although highly personalist dictators join trade agreements more frequently due to their lack of policy-making constraints, they are rarely interested in deep trade integration, because they fear that this could empower new economic elites and threaten their rule. Thus despite their more frequent PTA entry, highly personalist states tend to prefer shallow trade commitments. In contrast, in less personalist and more institutionally constrained autocracies, the presence of protectionist coalitions tends to prevent entry into trade agreements altogether. However, when these states manage to overcome this opposition, they tend to make more extensive trade commitments by entering into deeper PTAs.

Since existing research on regime type and trade agreements tends to focus only on the likelihood of entering into a trade agreement without further analyzing the content of these agreements, this research project presents both a theoretical and an empirical innovation. The next sections outline the conflicting potential costs and benefits of economic policy and trade agreements from the point of view of dictators, followed by a discussion of my underlying assumptions about authoritarian survival.

2.2 The Role of Economic Policy in Autocratic Survival

Economic policy tends to play a key role in autocratic survival because it is tied to both the provision of material benefits and the policy concessions that dictators use to build and maintain their supporting coalitions. As a result, there is general agreement in the literature that economic policy is of central concern to dictators seeking to solidify their rule. However, there is less agreement among scholars over the impact of specific economic policies,⁵ and the relationship between policy choice and leader survival tends to be complex.

First, leaders generally stay in office through a combination of legitimation, cooptation, and coercion. In this sense, sound economic policy performance can be a tool that enhances a ruler's longevity by increasing his legitimacy and decreasing the likelihood of defections and coups.⁶ But while legitimation is the most obvious purpose of economic policy under dictatorship, economic policy can also serve as an instrument of either co-optation or repression. Importantly, economic policy often has distributional consequences that may change the balance of power within a regime. As a result, dictators may use it as a tool for rewarding supporters and punishing opponents. Similarly, dictators may choose economic policy concessions as a way to appease opposition forces who may otherwise rebel against the government. The types of material economic benefits provided by authoritarian governments can take a variety of forms, including direct payments, subsidies, or access to employment and guaranteed profits. Key economic policy concessions can also be varied, and may range from tax reforms to monetary policy reform, to trade policy reforms and accession to trade agreements, all of which may play an important role in regime stability. Similarly, autocrats also gain important income and rents from economic transactions, which they may use for regime stabilization by investing in tools of repression (such as weapons and security forces) or infrastructure.

The existing literature provides ample evidence that dictators are aware of these poten-

⁵Gandhi (2008b); Weede (1996)

⁶See e.g. Magaloni & Kricheli (2010); Londregan & Poole (1990); Bates (2008); Bates & Krueger (1993)

tial effects and that they manipulate economic policy in order to increase their chances of political survival. For instance, there is evidence of political budget cycles in Egypt under Mubarak, resulting in economic expansion and higher inflation prior to (undemocratic) elections.⁷ Dictators also frequently use economic resources to fund patronage systems and reward supporters.⁸ Empirical evidence suggests that successful economic policy under dictatorship at least sometimes stabilizes these regimes, thereby prolonging authoritarian rule, whereas poor economic performance can contribute to the downfall of authoritarian governments.⁹ Thus, Haggard and Kaufman find that “severe economic crisis contributed directly to the collapse of incumbent authoritarian regimes in a number of countries”, and argue that “the inability to avoid or adjust successfully to economic crisis increases the probability” of democratic transitions.¹⁰ However, democratic transitions can occur even when economic performance is strong,¹¹ whereas other authoritarian governments manage to survive even in the presence of prolonged economic crises.¹² As a result, scholars suggest that the relationship between economic policy and authoritarian survival is not direct, but mitigated by other factors, such as political institutions.¹³

Most existing research on economic policy under dictatorship has focused broadly on economic growth, rather than more specific economic policies. However, since there is strong evidence that autocrats manipulate economic policy for their personal gain, it is reasonable that trade agreements can have a similar function. As I have argued previously, PTAs are highly visible, have potential distributional consequences and effects on interstate cooperation. As a result, they fit very well with these existing findings on economic policy under autocracy.

⁷Blaydes (2006)

⁸E.g. Magaloni & Kricheli (2010); Bates (2008); Bates & Krueger (1993)

⁹See Reuter & Gandhi (2011); Collier & Hoeffler (2004); Magaloni & Kricheli (2010)

¹⁰(Haggard & Kaufman, 1995, 6-7)

¹¹Haggard & Kaufman (1995)

¹²E.g. Haggard & Kaufman (1995); Magaloni & Kricheli (2010)

¹³Gandhi (2008b); Brownlee (2007)

The Conflicting Costs and Benefits of Trade Agreements

From the point of view of autocrats, PTAs have potentially conflicting costs and benefits. These include both economic costs and benefits, which are related to trade liberalization, as well as broader, non-economic costs and benefits. As a result, it is not obvious a priori whether autocrats should prefer membership in trade agreements or not.

Democratic politicians concerned about re-election face pressures from citizens to make good economic policy. They have incentives to sign trade agreements to build trade relations with other states, generate economic growth, lock in policy reforms, and build alliances with other states. Yet dictators, who accountable to a smaller group of supporters and may depend on repression and rent extraction, may not perceive these features of PTAs as benefits in the same way as democratic leaders.¹⁴ For instance, while democratic leaders may be concerned with locking in policy reform to prevent policy reversals by a future government, autocratic leaders concerned about regime survival might be hesitant to commit to policies that will limit their sovereignty.

Conversely, there may be advantages of trade agreement membership that are unique to autocracies and lead autocrats to enter into these agreements. As a result, it is important to situate the effects of trade agreements within the domestic political context of autocratic governments. This section outlines the primary costs and benefits of trade cooperation from the point of view of autocrats. I will then provide a theory that explains how autocrats choose between the conflicting features of PTAs that I have described.

For many autocrats, protectionism is their preferred policy choice. Autocratic leaders may be unwilling to bear the potential costs of trade liberalization, which include a decrease in sovereignty, decreasing rents and income from protectionism, redistribution away from supporters, and opposition strengthening. First, and most importantly, trade agreements are long term commitments that potentially restrict rulers' available policies and impinge on

¹⁴See [Bueno de Mesquita *et al.* \(2003\)](#)

their sovereignty. While economic integration can act as a credible commitment to longer-term economic growth, it is not obvious why dictators with low political accountability would be willing to make such a commitment. Trade agreements often require costly domestic legislation and institutional changes. For instance, agreements with higher levels of economic integration may require monetary and fiscal policy harmonization. Since this would limit the ability of leaders to manipulate domestic economic policy for short-term political gain, we may expect dictators to be unwilling to pay these costs.

In addition, dictators may also be unwilling to give up rents gained from protectionist trade policy. This is because dictators generally derive rents from high tariff barriers and red tape. For instance, Aidt and Gassebner suggest that, “the lack of political accountability makes it possible for political leaders to extract rents by imposing restrictions on international trade.”¹⁵ Thus Ornelas argues that free trade agreements tend to result in “rent destruction.”¹⁶ While dictators have an interest in maximizing rents for their personal gain, they may also distribute some of these rents to other members of the elite in exchange for political support. Lowering tariffs would then decrease this source of income, which could threaten leaders’ support among the elite. In other words, rents derived from trade barriers are often integral to dictators’ survival.¹⁷ Consequently, we should again expect dictators to prefer higher trade barriers compared to democracies. It should also be noted that taxes from high tariff barriers are relatively easy to collect and can provide a stable source of income, making them particularly attractive for poor developing states and those with underdeveloped institutions.¹⁸

¹⁵Aidt & Gassebner (2010)

¹⁶Ornelas (2005)

¹⁷However, it is important to note that not all tools of protectionism are associated with increased revenues. Perhaps the most important function of protectionist policies is that they have distributive consequences; in particular, they can redistribute resources from consumers to producers, and from exporters to importers. Export subsidies, for instance, decrease the price of exports abroad and must be funded by the government. As such, they may be less attractive to rent-seeking autocrats than tariffs. However, export subsidies are prohibited under WTO rules. Nevertheless, they may still act as re-distributive tools that can channel government resources toward elite exporters. Similarly, import quotas benefit domestic producers at the expense of consumers and are thus also redistributive. Thus even tools that do not generate direct revenue for dictators can be important policy tools.

¹⁸Gray (2010) argues that trade agreements can also have patronage functions. See discussion in chapter 4 of this dissertation.

Thirdly, trade cooperation may be undesirable to dictators because it opens states to international factors that may promote regime change and democratization. Insulating a regime from international influences may keep opposition forces weak by limiting their access to funding and information about democratization. Closer economic integration, particularly with democracies, on the other hand, could empower opposition groups and may provide increased opportunities for democratic states to monitor autocracies and punish them for violating human rights, and to provide public and opposition with resources in order to promote democracy. Thus for instance, economic cooperation through PTAs is sometimes conditional on policy changes in other issue areas, such as the implementation of human rights standards.¹⁹ Consequently, authoritarian leaders may be concerned that increased trade openness could decrease their control of the regime.

Lastly, there is evidence that autocracies tend to have lower bargaining power when negotiating economic agreements than democracies. This is due mainly to autocracies' institutional differences and their lower transparency. As a result, autocracies make for less attractive cooperation partners, and trade agreements tend to have more stringent cooperation terms and greater conditionality associated with them.²⁰ All these arguments suggest that, compared to democratic governments, dictators have much weaker preferences for cooperation through trade agreements. As I will explain in the next section, where the interests of autocrats and protectionist interest groups are closely aligned, there will be a tendency for powerful protectionist alliances to emerge.

Based on the previous arguments, we would expect very low levels of international cooperation by nondemocracies. However, autocrats weigh these costs against the potential benefits of cooperation. These include increased regime legitimacy, more credible domestic institutional reform, economic diversification and stabilization of income streams as well as co-optation of key elite groups.

First, international economic cooperation may contribute to regime legitimization through

¹⁹Hafner-Burton (2005)

²⁰See e.g. Svolik (2006); Mansfield *et al.* (2000, 2002b); Mattes & Rodriguez (2014)

performance legitimacy. Thus, joining trade agreements can enhance leaders' legitimacy by signaling economic policy competence and by showing that other states respect an incumbent and view him as a desirable cooperation partner.²¹ Economic cooperation signals to domestic and international audiences that leaders are committed to economic growth and efficiency. It also provides a visible signal that other states are willing to cooperate economically with an autocratic government, which in turn confirms the credibility and leadership skills of the autocrat. PTAs can therefore contribute to autocratic legitimacy-building. This legitimacy-building quality is further supported by the fact that PTAs are often highly visible. For example, regional trade organizations often hold trade summits that provide opportunities for autocrats to shake hands with other international leaders and advocate for the autocratic government. This provides opportunities for dictators to be portrayed as strong and competent political leaders. Such signals may be more useful for dictators, because autocratic settings lack political transparency, whereas democratic leaders have a greater range of options for signaling economic policy competency. As a result, PTAs may provide legitimacy to dictators even if the heterogeneity of PTAs means that they are noisy and only weakly informative.

A second reason for international economic cooperation by autocracies is that economists agree that trade liberalization is welfare-enhancing. While dictators may place less emphasis on maximizing welfare, they may choose welfare-enhancing policies where it does not negatively affect their chance of political survival. This point is related to the previous argument about performance legitimacy. Liberal trade policies may increase a dictator's popularity and thereby decrease the risk of a popular uprising due to economic dissatisfaction.²² Increases in trade volume between states can provide positive press and legitimacy to dictators. As a result, dictators may seek these gains as long as they are not too costly.

In addition, the potential distributional consequences of PTAs imply that they could serve to reward regime supporters at the expense of regime opponents. As I argue below, autocrats

²¹See e.g. [Case \(1995\)](#); [Burnell \(2006\)](#); [Von Soest \(2015\)](#)

²²Protectionism could also increase legitimacy, however. For example, through arguments that dictators are protecting domestic industries and providing employment in protected sectors.

often depend on the political support of economic elites. Large producers have the biggest stake in trade policy, and they are often closely politically connected to the autocratic government. On the other hand, the effects of trade liberalization on citizen consumers are more diffuse. Autocrats may therefore seek to concentrate the benefits of their chosen trade policy in their political supporters and focus the costs on non-supporters. Importantly, this argument requires analysis of who the relevant regime supporters are as well as identifying the beneficiaries of trade liberalization. More broadly, trade agreements can appease challengers, add credibility to institutional concessions, and thereby facilitate domestic power sharing.²³ Similarly, it has been argued that PTAs may increase transparency and provide information about the size of economic benefits to key audiences.²⁴

Trade agreements have also been shown to decrease economic volatility, and may be a way to secure access to key economic resources. They may therefore lower the chance of economic shocks that could destabilize a regime.²⁵ For instance, PTAs can sometimes provide states with access to a specific economic resource, such as oil, natural gas, or other key natural resources. As an example, Cuba, a small island subject to significant international sanctions, has entered into many trade agreements in part to secure access to needed resources such as oil.²⁶

Lastly, dictators may seek to build regional and security alliances with other states. Thus for instance, Central Asian PTAs, such as the Commonwealth of Independent States (CIS), are arguably less about trade and more about strategic alignment between Russia and its Central Asian allies. Trade agreements are a way to formally strengthen these relationships. As a result, PTAs such as the CIS trade agreement include provisions relating to coordination over security issues.²⁷ All of these potential benefits imply that PTAs can, given the right provisions and under the right circumstances, help stabilize a dictator's rule. However, in

²³See e.g. (Svolik, 2012, 99)

²⁴Svolik (2012); Hollyer & Rosendorff (2012); Hollyer *et al.* (2011)

²⁵Mansfield & Reinhardt (2008)

²⁶E.g. Limão & Maggi (2015)

²⁷Hofmann *et al.* (2017)

order to evaluate this claim further, we need a better understanding of the domestic political dynamics that influence foreign policy-making in dictatorships.

Rational autocrats weigh the costs and benefits of liberalization in deciding whether to open their regime economically. Table 2.1 summarizes these potential trade-offs. In the following sections, I argue that which of the above factors receive the most weight from the point of view of autocratic leaders depends on what type of autocratic regime it is. In particular, the degree of personalism - the extent to which policy-making power is concentrated in the hands of the leader - is key to autocratic PTA membership.

Dictators with high levels of personalism face fewer domestic constraints in entering into trade agreements. As a result, they are able to “cherry pick” trade agreements that are the least costly and provide the greatest personal benefits to them. On the other hand, policy-making dynamics in less personalist autocracies are more complex. Non-personalist autocrats are more constrained by their political coalitions and consequently have less freedom in choosing trade agreements. Below I develop a theory of autocratic survival and trade policy-making that elaborates on these dynamics.

2.3 How Do Dictators Survive In Office?

In the introduction, I argued that both the number of trade agreements and their design vary across autocracies. What then determines the demand for PTAs among autocrats? I suggest that trade agreements are the result of a bargaining process between authoritarian leaders and political elites. Dictators are strategic about the political relationships they form: they work hard to weaken actors they perceive as potentially threatening, and they strengthen and legitimize relationships with supporters. Trade agreements, by virtue of the features discussed in the previous section, can help autocrats in these strategies, and can consequently play an important role in regime consolidation. Understanding the dynamics

Potential gains from trade cooperation	Why autocrats may prefer protectionism
Economic gains - “Locking in” policy reform - Credible commitment to economic reform - Decreased volatility and vulnerability to economic shocks - Redistribution strategies: consumers and export-oriented producers benefit - Support from winners of cooperation - Punishing losers from cooperation - Access to specific economic goods, e.g. natural resources Non-economic gains - Increased legitimacy - Signal of leader competency - Signal of regime strength - Increased transparency (Hollyer & Rosendorff 2011) - Building alliance and security cooperation	Economic costs - Autocracies focus on private rents rather than public goods (Bueno de Mesquita et al. 2005) - Rent destruction effects (Ornelas 2005) - May empower economic groups who cannot commit to regime support - Redistribution away from regime supporters General costs - Worse international cooperation terms for autocracies (Svolik 2006) - Potentially costly policy adjustments - Lower policy making flexibility and sovereignty cost - Threat of foreign influence and democratization - May empower opposition

Table 2.1: Autocratic preferences for trade cooperation

of this process therefore requires theorizing about autocratic policy-making processes and the preferences of influential political actors.

In developing these arguments, my theory makes several underlying assumptions about how authoritarian leaders survive in political office. Since autocracies are a highly heterogeneous group of states and policy-making mechanisms are often informal, existing scholarship on authoritarianism draws on concepts that allow us to make sense of this heterogeneity and informality.²⁸ My framework focuses on two closely related concepts that have arisen out of this literature, which are *supporting coalitions* and *personalism*.

First, I assume that autocratic leaders, who may be either individual leaders or a group,

²⁸For example, [Geddes \(1999b\)](#); [Gandhi \(2008b\)](#); [Svolik \(2012\)](#)

such as a junta or party committee, are strategic rational actors who aim to maximize their likelihood of surviving in office. As many researchers have pointed out, the consequences of losing office are often dire for autocrats and loss of freedom or life are common.²⁹ As a result, dictators go to great lengths to solidify their political power. I assume that this central desire for political survival does not vary across autocracies.³⁰

Yet most autocrats are unable to rule alone and cannot stay in office without political and financial support. As a result, their survival depends strongly on building and maintaining political *supporting coalitions*. These coalitions are often informal and are composed of individuals or groups that benefit from and promote the continuation of the autocratic regime.³¹ The concept of a supporting coalition, sometimes also referred to as winning coalition, ruling coalition, or leadership group, is widely used by scholarship on authoritarianism, because it provides a way of conceptualizing leader selection and policy-making power in the absence of binding formal institutions. As Geddes, Wright, and Frantz put it, this coalition is “the small group that actually makes the most important decisions” including leader selection and key policy-making choices.³²

Coalition members may or may not hold political office. In weakly institutionalized, autocratic settings, political power is determined by the extent to which dictators can control the tools of violence (via the military and security forces), political institutions (e.g. parties and legislatures), regime finance (via economic elites), and sometimes religion (clerics and religious leaders). Consequently, coalition members are most likely to come from these groups, and interactions between these groups can be complex. For example, Pepinsky describes how President Suharto of Indonesia formed an alliance with military elites and ethnic Chinese entrepreneurs after he came to power. In many middle Eastern monarchies, on the other hand, supporting coalitions are largely composed of members of the ruling

²⁹See e.g. [Goemans \(2000\)](#)

³⁰Barbara Geddes suggests military regimes have different preferences in that they ultimately value cohesion of the military over political power, but I do not treat them as fundamentally distinct for this project.

³¹See e.g. [Geddes \(1999a\)](#); [Pepinsky \(2009\)](#); [Bueno de Mesquita *et al.* \(2003\)](#). See also [Solingen \(1996\)](#)

³²([Geddes *et al.* , 2014](#), 315)

families, who hold both political office and control large sectors of the economy.³³ However, the support coalition generally cannot be directly observed, and variables regarding its size and composition are usually based on expert reports and testimony.³⁴

Theories centered around supporting coalitions thus focus on *elite-level* dynamics. This is not to say that public opinion does not influence trade policy in nondemocracies, but just that elite-level dynamics play a greater role in shaping policy choices. Arguably, the influence citizens have on policy-making is greatly diminished in authoritarian states, where elections are uncompetitive and governments lack accountability, and research has shown that dictators are much more likely to lose office from an elite-driven coup rather than a popular rebellion.³⁵ In addition, existing research shows that trade policy in particular is driven primarily by elite-level preferences. This is partly because the costs of trade liberalization for individual consumers is relatively small, whereas the potential costs and benefits for large producers are high, giving them greater incentives for collective action.³⁶

An autocrat's survival becomes threatened when a sufficient number of members of the supporting coalition withdraw their political support from the authoritarian government. This can have many reasons, such as the emergence of a strong challenger or an autocrat's inability to provide sufficient resources and benefits to supporters.³⁷ As Jennifer Gandhi writes,

“Dictators face two basic problems of governance. First, as rulers who hold power without the legitimacy of having been chosen by their citizens, they must prevent attempts to undermine their legitimacy and usurp power [...] Second, autocrats also must solicit the cooperation of those they rule. Even if their interests lie only in accumulating wealth and power, incumbents will have more to amass if

³³Pepinsky (2009)

³⁴See Chapter 3 for a more detailed discussion of measurement issues.

³⁵See Svolik (2012)

³⁶E.g. Alt & Gilligan (1994)

³⁷Magaloni (2006)

their countries are affluent and orderly. [...] Autocrats, in other words, need compliance and cooperation.”³⁸

Autocrats build and maintain supporting coalitions by offering a combination of material rewards and institutional concessions to political elites. Thus, many dictators are able to extract significant rents through their office, and they redistribute at least some of those rents to key regime supporters. In addition, as authors such as Gandhi have shown, dictators can also secure regime support through strategic policy concessions.³⁹ These can be a way for dictators to “tie their hands” and credibly commit to the provision of certain benefits to elites where their continued provision would otherwise be uncertain. As Gandhi and Przeworski and others have shown, successful policy concessions can prolong the survival of an authoritarian regime.⁴⁰

If autocratic leaders survive in office by building coalitions with other elites who constitute their primary “audience”, then we should expect dictators to be most responsive to the preferences and demands of members inside their support coalition.⁴¹ Conversely, it will be more difficult for actors outside of a dictator’s inner circle to advocate for policy changes, since outside actors generally face greater collective action problems within the generally weak institutional settings of these states. As a result, supporting coalition preferences, rather than voter preferences or outside interest groups, should be the primary drivers of trade policy and PTA membership under autocracy.

Finally, while support coalitions themselves are fixed in the short-term, in the longer run, they are dynamic and at least partly endogenous. In the short term, dictators and elites bargain over policy choices. But dictators know that their support coalition is crucial to their political survival, and thus forward-looking dictators take steps to shape the composition of the coalition itself in order to maximize their power and chances of survival in the long

³⁸(Gandhi, 2008b, xviii)

³⁹Gandhi (2008b)

⁴⁰Gandhi & Przeworski (2006)

⁴¹See Weeks (2008)

run. Dictators therefore invest in relationships with elites that will strengthen them in the longer run and bind supporters more closely to them. As Geddes, Wright, and Frantz note, “When making decisions about policy, leadership, and institutional choice, the dictator and members of his inner circle take into account expected effects of the choice on regime survival, but also how decisions may affect their individual power, influence, and access to resources.”⁴² As a result, dictators make careful investments that aim to consolidate their power without alienating their supporters. As I argue below, economic and trade policy, through its legitimizing and redistributive nature, can play an important role in these longer-term coalition building and maintenance processes.

2.4 Personalism and Variation in Supporting Coalition Constraints

I have argued that dictators rule with the help of their supporting coalition. However, support coalitions vary in their composition and their ability to constrain dictators. A key finding from the authoritarianism literature is that dictators are more responsive to political elites when they have a credible coup threat, since weak elites lack bargaining power.⁴³ Coalition preferences should therefore play a greater role in policy-making where elites are better able to constrain a dictator. Autocracies with highly concentrated leader power are commonly called “personalist dictatorships”.⁴⁴ As Geddes, Wright, and Frantz write in their recent analysis of personalism,

“The defining feature of personalist dictatorship is that the dictator has personal discretion and control over the key levers of power in his political system [...] In such regimes, the dictator’s choices are relatively unconstrained by the institutions that can act as veto players in other dictatorships.”⁴⁵

⁴²(Geddes *et al.* , 2017, 66)

⁴³Svolik (2012); Gandhi (2008a)

⁴⁴(Geddes *et al.* , 2017, 70)

⁴⁵Ibid., 70-71

A highly personalist dictator is therefore one who can make key political choices with few constraints from the supporting coalition or political institutions. Since the extent of this personal discretion can vary both across autocracies and within autocracies over time, personalism has recently been conceptualized as a trait that all dictatorships possess to greater or smaller degrees.⁴⁶ Examples of highly personalist dictators include Muammar Gaddafi of Libya, Rafael Trujillo of the Dominican Republic, or Saddam Hussein of Iraq. At the other end of the personalism spectrum, autocracies governed by parties such as Mexico's PRI or the Communist Party of Vietnam have much greater executive constraints and lack an individual, dominant leader. Constraints can also come from the military. For example, Cuba's Fidel Castro and Egypt's President Mubarak both had intermediate levels of personalism because of their militaries' strength in constraining policy-making in these states. Finally, personalism can also vary within states over time. For example, although China's institutional structure as a single-party state has remained stable since 1949, the personalist power of its leaders has varied. Following the Cultural Revolution, Mao's degree of personalism increased dramatically, but it fell back to low levels following Mao's death, and has been relatively stable since.⁴⁷

Highly personalist dictators therefore face few constraints on their policy-making. They tend to hold much greater executive power than others leaders and are unconstrained by their military and ruling parties. In personalist states, appointment to high military and political office occurs at the personal discretion of the leader, and the dictator has the power to dismiss those who are critical of his political decisions. Similarly, institutions, including parties and legislatures, are often absent or highly ineffective in these states, although this is not necessarily the case: Some personalist autocracies, such as Uganda, not only have parties and legislatures, but even hold multi-party elections. However, these institutions do not have the *de facto* power to limit dictators' policy-making discretion. The concept of personalism is therefore helpful mostly because it allows us to classify a heterogeneous group of states in a way that goes beyond the nominal presence of institutions, but sheds

⁴⁶Ibid.

⁴⁷See [Wright \(2017\)](#)

light on actual policy-making power in authoritarian states.

The extent to which support coalitions can or cannot constrain autocratic leaders is of crucial importance for foreign policy-making. In particular, the decision to enter into a trade agreement can be thought of as a bargaining process between dictators and their supporting coalition, where the extent to which the coalition can pressure dictators to adopt their preferred trade policies varies. Where personalism is low, and dictators are most constrained in their policy-making ability, autocrats have to meet the preferences and expectations of their coalitions in order to stay in power. For these states, understanding coalition preferences is key to understanding PTA membership. Where personalism is high, on the other hand, dictators have much greater discretion in trade policy-making. In these states, PTA membership will be shaped more by the dictator's own preferences and desires for regime consolidation. In sum, trade agreements can therefore be thought of as a reaction to political pressures and incentives that dictators are subject to. The following sections will link this basic framework of authoritarian survival to economic policy.

2.5 Elite Preferences Over Trade Agreements

If foreign policy-making in dictatorships depends on autocratic elites, then understanding foreign policy outcomes in these states requires theorizing about the policy preferences of dictators and their coalitions. What then do autocratic elites want when it comes to trade agreement membership? I argue that the level of personalism affects both the likelihood of entering into a trade agreement and the design of the agreements autocracies choose. In particular, autocrats generally tend to have stronger preferences for protectionism than democratic leaders, and this is often reinforced by protectionist preferences within the supporting coalition. As a result, autocrats often fall short of making significant commitments to liberalization via trade agreements.

Who Gains From Trade Liberalization?

Models analyzing trade policy preferences in democratic states, such as the Grossman-Helpman model and others, generally assume that the median voter prefers liberal trade policies. As a result, politicians concerned about re-election should also favor liberal trade policies (unless lobbies compensate the government for a deviation from free trade).⁴⁸ Unelected politicians, on the other hand, lack these incentives to provide socially optimal policies. This is because dictators are more responsive to the demands of members inside their supporting coalition compared to the general public, and outside actors potentially face much greater collective action problems in these states.

If the preferences of the median coalition member are more protectionist or more liberal than those of the median voter, then we can expect trade policy under autocracy to differ significantly from that made by democratic states. In particular, we can expect that autocratic governments will enter into fewer trade agreements where coalition preferences are primarily protectionist, and that they will enter into trade agreements more frequently if actors inside the supporting coalition have more liberal trade preferences. This basic conceptual framework then raises the obvious question of which factors determine whether preferences inside the supporting coalition will be liberal or protectionist.

As I discussed in the introductory chapter, past research does not make clear predictions about the trade policy preferences of autocratic governments.⁴⁹ This dissertation argues that dictators generally favor protectionist trade policies, and I provide a novel explanation for this claim that is rooted in a commitment problem. Specifically, I suggest that there is a commitment problem between autocrats and groups favoring trade liberalization that leads dictators to form strong protectionist coalitions. This dynamic affects PTA membership, but the effect plays out differently depending on the level of personalism, i.e. how well coalitions are able to constrain dictators.

⁴⁸Even with lobbying, most empirical studies find that democratic governments place the greatest weight on social welfare. See Mitra *et al.* (2002)

⁴⁹See Milner & Kubota (2005); Mansfield *et al.* (2002b)

In order to analyze the trade policy preferences of autocratic coalitions, we first need an account of the economic implications of trade liberalization. Consistent with many existing political economy of trade theories, including the Grossman-Helpman model, my theory assumes an Ricardo-Viner (or specific factors) model. Trade liberalization has two main effects: it creates increased competition at home by allowing foreign industries to sell their goods in domestic markets, but it also creates new opportunities for exporting goods to foreign markets. The model assumes that some factors are immobile across sectors, meaning that they cannot move to another industry when market conditions change. Trade liberalization then leads to an increase in output and revenues in exporting sectors, but lower revenues in import-competing sectors. This means that we can expect import-competing sectors to benefit from protectionism and exporters to benefit from free trade. We should therefore expect elites from import-competing industries to oppose trade liberalization.⁵⁰

It is also worth noting that a more recent model by Melitz adopts a more fine-grained approach to analyzing the winners and losers from trade liberalization. The model goes beyond Ricardo-Viner by analyzing the effect of trade on heterogeneous firms within sectors. The key argument that Melitz makes is that even within industries, firm capabilities differ, and only the most productive firms are capable of exporting and being competitive in global markets.⁵¹ Consequently, highly competitive firms benefit from access to foreign markets, whereas trade will lead to the exit of less productive firms. Based on this model, we should therefore expect that highly competitive firms will push for trade liberalization, whereas less competitive firms and many state-owned enterprises tend to prefer protectionism.

The basic logic of the commitment problem I describe in the next section does not change significantly if we adopt either an industry-level or firm-level approach. Since the Ricardo-

⁵⁰According to Heckscher-Ohlin, abundant factor endowments benefit from trade liberalization, whereas scarce endowments lose from it. As a consequence, we may expect that coalitions made up primarily of owners of abundant factors will be more willing to choose trade liberalization. Thus for instance, governments that primarily receive their support from labor should be more likely to liberalize trade in labor-abundant states, and should be more protectionist in labor-scarce states. Since autocratic elites tend to be capital rich, we may also expect them to be more protectionist in capital-poor states. I do not base my theory on this model, because it is less fine-grained, more difficult to make specific predictions about PTAs from it.

⁵¹Melitz (2003)

Viner model is more commonly used in the trade literature, my argument is framed around it. However, whether industry-level or firm-level differences are more relevant for understanding autocratic trade policy is an interesting topic for future research. It is apparent that the way in which economic elites are organized varies across autocracies. In many nondemocracies, formal industry-based lobbying groups are illegal or weakly organized. As a result, there may be little industry-based collective action in some of these states. Instead, there are often a few large, multisectoral firms that enjoy privileged, personal ties to dictators. However, other nondemocracies have industry-based lobbying groups that act as intermediaries between firms and autocratic leaders. It is not well known how, and whether, such differences in industry organization affect economic outcomes. For the purposes of this dissertation, I adopt the general approach that import-competing industries or firms lose from trade liberalization, whereas exporters benefit. This implies that autocratic governments will adopt more protectionist trade policies if members of the supporting coalition have ties primarily with import-competing industries.

Supporting Coalition - Industry Relationships

While autocratic support coalitions are composed of a variety of elite actors, ranging from military officers to civilian party officials to a leader's relatives, I argue that economic elites within these coalitions play a central role in trade policy-making. Economic elites, by which I specifically mean *producers*, hold the biggest stake in trade policy, making their influence on policy-making particularly relevant. Examples of economic elites inside the coalition can range from members of a monarch's family who own large industry conglomerates, to wealthy businessmen who have entered politics, to industry associations making large political donations, thereby funding the autocratic government.

Economic elites are crucial to autocratic survival, and they often form complex relationships with other elite actors. Autocratic leaders may be willing to form close relations with influential economic elites for multiple reasons: first, these elites often have financial resources

available to help fund the dictatorial government and provide key payments to other members of the supporting coalition. For instance, according to Barbara Geddes, “[t]he two main sources of campaign finance in dictatorships are the state and alliances with private business people. As in democracies, business people have little reason to support the election campaigns of dictators and their legislative allies unless they get something in return.”⁵² Thus dictators depend on economic elites for financial support, and they provide concessions in exchange for this support.

Secondly, influential economic elites have important personal and financial ties to other elites, and they may use these ties to recruit members into either the supporting coalition or to sponsor opposition groups that pose a threat to autocratic leaders. Gandhi, for example, suggests that, “In Kuwait and in Ecuador, organized opposition initially came from the entrepreneurial class as its members increasingly became disenchanted with their exclusion from policy-making.”⁵³ Thirdly, economic elites provide technological and logistical tools to aid in regime survival and repression. For instance, China’s tech companies have grown immensely while benefiting from protection, and in turn have aided the Chinese government in online monitoring and censorship: “To maintain control, the government knows it has to keep tech companies well interwoven with their operations.”⁵⁴ Finally, economic elites are also relevant as employers who have power to influence and control workers. As a result, it is plausible that dictators seek the financial and political support of key economic actors and in turn provide political and economic benefits to them. Because economic elites are influential both financially and politically, they often hold a key role within autocrats’ supporting coalitions.

In addition, I assume that non-economic elites in the supporting coalition, i.e. elite actors who are not producers, do not inherently have strong trade policy preferences. Instead, they tend to have an interest in the continuation of the economic status quo. There are

⁵²<https://themonkeycage.org/2012/12/what-do-legislatures-in-authoritarian-regimes-do/>

⁵³Gandhi (2008b)

⁵⁴Bloomberg, <https://www.bloomberg.com/news/articles/2018-03-06/how-china-protectionism-creates-tech-billionaires-who-protect-xi>

several reasons for this assumption: First, since elites who are not producers will be primarily consumers, we may expect that they would favor free trade, since protectionism is associated with higher consumer prices. However, elites inside the supporting coalition differ from ordinary consumers, because they are the beneficiaries of rents and political benefits that normal consumers do not receive. Thus these elites may favor of protectionism if they receive rents that offset increased consumer costs. In practice, many autocracies also allow elites privileged and cheaper access to consumer goods to address the issue of higher prices.⁵⁵

Consequently, I assume that noneconomic elites are primarily focused on keeping their political influence and maximizing the material benefits they receive from the dictator and as such do not have inherently strong trade policy preferences. In rent-based regimes, these actors may be protectionist, but they may favor liberal trade policies if they perceive them as beneficial to their survival. For instance, Solingen describes how pro-trade “internationalist” coalitions can evolve through different mechanisms, including the transformation of the military into “more professional institutions with declining political control”.⁵⁶ To sum up, economic and non-economic elites inside the supporting coalition interact and benefit from each other, but economic elites are the primary drivers of trade policy.

2.6 Why Dictators Favor Protectionist Coalitions: Commitment Problem

I have argued that the preferences of elites inside supporting coalitions are key to determining autocratic trade policy, and that the primary drivers of these preferences are economic elites inside these coalitions. In this section, I argue that dictators generally prefer to enter into coalitions with protectionist, import-competing economic elites rather than pro-trade,

⁵⁵For instance, party elites and members of the Stasi in East Germany were granted much easier and cheaper access to consumer products imported from non-communist countries as a reward for their loyalty to the government. Similarly, North Korean elites are known to have access to luxury foreign goods despite the presence of sanctions.

⁵⁶(Solingen & Gourevitch, 2017, 19). See also Solingen (1996, 2009)

export-oriented elites. This is because in forming close relationships with economic elites, dictators encounter a commitment problem that threatens to undermine their relationships with competitive exporters.

To see why there is a potential commitment problem, note that one of the primary effects of coalitions between dictators and economic elites is that resources will be re-distributed towards supporters and away from opponents. This is because autocrats have to provide material resources and policies favorable to their coalitions in order to secure their continued support. As a result, elite supporters are empowered over the long run, and their political and economic influence will further increase. Coalition building is not a short-term process, since it tends to involve significant sunk costs for dictators, in terms of subsidies, infrastructural development, and policy adjustments, many of which are longer-term investments. For example, as Pepinsky notes,

“a patrimonial regime depending on a thick web of patron-client ties, yet wishing to free itself of these ties in favor of others, will face considerable costs in establishing new patron-client relationships. These costs will be particularly high in the short run, making attempts to switch constituencies during economic crises [...] unlikely”⁵⁷

In other words, once dictators have invested in coalition building, they will become dependent on their coalition and will not be able to change them in the short run in response to economic or political crises. As a result, dictators have to be cautious about investing in the right type of coalitions in the longer run. In particular, in building their supporting coalitions, dictators therefore want to ensure that the elites they invest in do not withdraw their support in the future when they become stronger or during a crisis, in favor of either opposition groups or democratization.

⁵⁷(Pepinsky, 2009, 17)

I argue that in the eyes of dictators, concerns about future regime support are more severe for coalitions with export-oriented elites compared to coalitions with primarily import-competing interest groups. Suppose a dictator invests in a relationship with mainly competitive, export-oriented industries through trade liberalization and the signing of trade agreements. Trade liberalization may strengthen these firms or sectors to an extent where exit is easier for them. Since the most competitive export-oriented firms and industries gain the greatest benefits from trade liberalization, these export-oriented elites are also more likely to shift production abroad or adjust manufacturing in a way that makes them less dependent on the dictatorial regime.

However, this decreased dependence on the autocratic government then makes their continued political support less certain. In addition, as their political and economic influence increases, competitive, export-oriented elites are also more likely to benefit from strengthened governing institutions, such as more secure property rights and political transparency. Export-oriented elites disproportionately benefit from good governance because these factors would further increase their international competitiveness.⁵⁸

All this means that these export-oriented economic elites have a potentially higher likelihood of demanding democratization following trade liberalization in the future. In other words, competitive exporters often cannot commit to supporting the regime in the future when their bargaining position is strengthened. Consequently, there is no guarantee that they will remain loyal to the regime. This is not to say that exporters in fact push for democratization, but only that they have a greater likelihood of benefiting from political reforms and even democratization, and as a result have a more difficult time committing to supporting autocrats. Thus forward-looking dictators have incentives to keep these elites relatively weak. Conversely, dictators also cannot fully commit to not reversing liberal trade policies once in the future when if they feel threatened by them and there is a chance that elites may withdraw their political support. As a result, it is difficult for autocrats to build effective coalitions with competitive, export-oriented elites.

⁵⁸See e.g. the World Bank Ease of Doing Business Index, <https://www.doingbusiness.org/en/rankings>

On the other hand, investing in less competitive, import-competing industries does not face this same commitment problem, since this tends to create firms and industries that are heavily dependent on government support. Thus dictators can strategically distribute rents, subsidies, and other forms of economic protection in order to keep these elites dependent on the government and supportive of dictatorial rule. Therefore, because protectionism tends to create less competitive firms that are often dependent on future government support in order to survive, these firms tend to have a higher likelihood of remaining loyal to a dictator in the future. It therefore makes sense for dictators to prefer to invest in these types of business elites.

For all these reasons, dictators often fail to implement liberal trade policies because they lack incentives for doing so. Protectionism provides them with rents as well as with greater social and policy control than trade liberalization. Importantly, it also creates economic actors who will be heavily dependent on the regime for their own economic survival. By building protectionist coalitions and keeping actors with incentives to demand political reforms weak, autocrats can eliminate longer-term threats to their rule, but they also reinforce protectionist coalitions.

Since autocrats tend to be accountable to fewer individuals than democratic leaders, they can then shift many of the costs of protectionism, such as those incurred by consumers, to citizens outside of the supporting coalition, providing further motivation for protectionist policies. In other words, protectionism in many cases will be both politically safer and more lucrative for dictators. In addition. As a result, while free trade may be socially optimal, the default policy position for many autocrats is protectionism, and where the interests of autocrats and protectionist interest groups are closely aligned, there will be a tendency for powerful protectionist alliances to emerge.

Personalism and PTA Membership

The previous section explained that autocrats tend to have stronger preferences for protectionism than democratic governments, and that this is partly due to a commitment problem between dictators and pro-trade elites. This section argues that the protectionist bias described above affects trade agreement membership differently depending on how personalist a state is. The basic mechanism for this is intuitive: while all dictators are concerned about the commitment problem I described, protectionist supporting coalitions have a greater ability to constrain dictators in states where personalism is low. As a result, they are more likely to block PTA membership in these non-personalist states. On the other hand, I propose that more personalized dictators, those with greater policy-making discretion and fewer institutional constraints, are more likely to enter into trade agreements.

While it may seem a priori that less personalist autocracies would be more similar to democracies than more personalist regimes, my arguments suggest that we should be careful not to draw such conclusions without further analyzing the preferences of the actors within autocratic institutions. Since I argue that dictators have a bias toward protectionism, I expect that the greater policy-making constraints in less personalist autocracies are more likely to prevent autocrats from entering into trade agreements. Consequently, where protectionism is institutionalized, it is more difficult for autocrats to gain domestic support for trade agreement memberships. Recall that highly personalist dictators tend to be accountable to only a small audience, the general lack of political access for most interest groups implies that there will be less political contestation over trade policy in these states. Since personalist dictators are less dependent on outside actors, they consequently face fewer obstacles to joining PTAs if they perceive membership as beneficial.

Why might personalist dictators enter into trade agreements if they fear empowering exporters and have a bias towards protectionism? My arguments suggest that personalist dictators should shy away from extensive trade liberalization. However, as I argued previously, not all trade agreements significantly liberalize trade. PTAs vary strongly in terms

of their content and design, and they differ in the extent to which they contain tariff reductions and other regulatory requirements. Since they are more unconstrained in their policy-making, highly personalist dictators are better able to “cherry pick” PTAs that they perceive as beneficial to their survival. These include PTAs that provide legitimacy, security benefits, or access to specific natural resources.

Overall, there are thus multiple reasons why autocrats might enter into trade agreements even if they do not desire extensive liberalization. These motivations should then be reflected in the content of the PTAs these states join. Personalist autocrats are likely to carefully weigh the costs and benefits of trade agreements, and will favor PTAs that provide the benefits I discussed while limiting the costs associated with trade liberalization. These dictators join PTAs because it is easy for them to do so, but they join them only to the point that membership is not too costly. As a result, they shy away from deeper PTAs. Entering into a PTA therefore does not necessarily imply a genuine preference for trade liberalization. Consistent with my overall argument, personalist dictators are still concerned that trade liberalization could empower economic actors that may threaten their rule, and they are concerned about the commitment problem I described as well as decreasing rents and political sovereignty. As a result, personalist dictators will sign trade agreements only to the extent that they are not costly and do not threaten their rule, such as when they expect that the PTA will further consolidate their rule and aid in “coup proofing” their regime.

Since personalist autocrats lack policy-making constraints and have greater discretion in foreign policy-making, they have greater freedom in entering trade agreements. These trade agreements will consequently reflect dictators’ personal preferences in their design. In particular, they will be more narrowly focused on issues of legitimacy and security. Since economic actors are largely excluded from policy-making in these states, PTAs will also lack the complexity and depth that is associated with contestation and pressures from economic interest groups.⁵⁹

⁵⁹States with higher degrees of personalization also tend to have fewer institutions for facilitating exchange between diverse political actors, such as legislatures and a developed bureaucracy that may facilitate trade liberalization and redistribution.

In contrast, I have argued that autocracies that are less personalist tend to have a larger number of actors involved in policy-making, and are generally subject to greater more constraints especially in economic policy-making. Non-personalist autocracies are more likely to abstain from trade agreements altogether because protectionist supporting coalitions tend to exert greater influence on foreign policy-making in these states. When protectionist coalitions become institutionalized in this manner, they can be very stable, making it more difficult for these states to commit to an international agreement that would change the trade policy status quo. In non-personalist states, protectionist supporting coalition members, who would lose from trade liberalization and who could act as effective veto players, are more likely to block entry into trade agreements.

Why do non-personalist autocracies abstain from PTAs rather than entering into shallow agreements like their personalist counterparts? First, the benefits I discussed, such as increased legitimacy and strengthening of security alliances, accrue more strongly to autocratic leaders than to economic elites and other supporting coalition members. Many of these diplomatic benefits help autocratic leaders strengthen their rule. While non-personalist governments, similar to personalist autocrats, may have an interest in signing PTAs to build legitimacy or seek security alliances, they are more constrained in their ability to do so. Elites in the supporting coalition are most concerned with protecting their rents and existing economic benefits, and are therefore more likely to block PTAs altogether in non-personalist regimes. Because of these constraints, negotiations over PTA membership are more likely to lead to bargaining failure. Relatedly, leaders in non-personalist states may be concerned about sending the wrong signal to their coalitions. If they enter into trade agreements, this may be misinterpreted as a sign that leaders are undermining existing rents and patronage. In these states, abstaining from PTAs may be a more politically viable signal for autocratic leaders to send to their coalitions.

Furthermore, it is also plausible that, due to their greater institutional capacity, non-personalist systems have more domestic avenues for providing minor policy concessions and building legitimacy and these can potentially substitute for signing an international treaty.

Highly personalist autocracies lack many of these domestic institutional mechanisms that can help them increase their legitimacy. As a result, they may be more likely to turn to international agreements such as PTAs in order to increase their reputation. This makes signing a PTA potentially more valuable for personalist dictators. PTAs can therefore signal that personalist autocrats are competent at making economic policy. Again, personalist dictators can gain these benefits even through shallow PTAs. Non-personalist autocrats, on the other hand, have more domestic mechanisms available that can signal their competency, and they are more concerned with signaling their continued commitment to protectionist coalitions. As a result, they enter into fewer PTAs. For all of these reasons, I expect non-personalist autocracies to generally enter into fewer trade agreements compared to more personalist dictatorships.

Hypothesis 1: Personalized nondemocracies are more likely to sign trade agreements than nondemocracies with higher degrees of institutionalization.

Furthermore, my arguments also suggest that personalism is a good predictor for the types of trade agreements states are likely to sign. As I argued in the previous section, dictators view certain types of trade agreements as potentially costly and harmful to their rule. Thus, agreements that potentially promote democratization (e.g. through human rights clauses), require costly policy harmonization, or redistribution away from core regime supporters will be unattractive in the eyes of personalist autocrats. As a result, personalist dictators with discretion over foreign policy-making will be less likely to sign these types of agreements. Instead, I argue that although they tend to enter into PTAs more frequently, highly personalized dictatorships tend to sign “shallower” trade agreements than more institutionalized dictatorships. Personalist leaders’ greater policy-making discretion therefore allows them to avoid entering into PTAs that require too great a commitment to liberalization in the eyes of these leaders. Instead, these dictators strategically select into shallow PTAs that lack these commitments. These trade agreements still have the benefits of legitimacy and alliance-building discussed previously, but they lack the costs associated with deeper trade liberalization.

On the other hand, although less personalist regimes are less likely to enter into PTAs due to the greater domestic constraints they face, when they are able to overcome these obstacles to PTA entry, non-personalist leaders often enter into deeper PTAs. The remainder of this section will discuss this final piece of my theoretical argument.

Throughout this chapter, I have argued that autocrats have a preference for building protectionist supporting coalitions. In particular, autocratic trade policy depends primarily on the preferences of actors inside the supporting coalition, who have much greater influence on policy-making than actors trying to lobby from outside the coalition. Actors inside the coalition tend to be better organized, have better access to political decision-makers, and can potentially lobby more cheaply, since the government's political survival is partly dependent on these actors. Due to the greater collective action problems of autocracies, political influence by actors outside the governing coalition tends to be limited. Autocratic governments will adopt more protectionist trade policies because members of the supporting coalition are more likely to have ties to protectionist, import-competing industries. As a result, autocracies generally face much stronger preferences for protectionist trade policies than democratic leaders. This protectionist bias plays out differently in personalist versus non-personalist states: while personalist autocrats enter into many PTAs, these are generally shallow. Non-personalist autocracies are more likely to abstain from entry into PTAs altogether.

However, as I showed in the introduction, non-personalist autocracies do sometimes enter into trade agreements. In addition, there has been a recent trend for these states to enter into deeper PTAs than previously. What might explain this development? I argue that when export-oriented elites are able to exert political pressure on autocratic governments, non-personalist autocracies behave more like democratic states: they enter into deeper PTAs. Yet the obstacles exporters face in exerting this political influence are much higher than under democracy. Because of the bias towards protectionist coalitions, exporters have to be quite strong and well-organized in order to have a chance of influencing politics in autocratic states.

While the precise mechanisms through which exporters might overcome obstacles to political influence in autocratic states are beyond the scope of this dissertation, I want to briefly touch on a few possible mechanisms: first, exporters may eventually become empowered as a result of globalization. Secondly, some autocracies have exporters that are historically or ethnically cohesive and as a result are better organized. For example, ethnic Chinese business groups in Malaysia have historically been able to exert a strong influence on economic policy-making. The Malaysian case fits my overall argument that autocratic leaders prefer to enter into protectionist coalitions. Malaysian government has gained influence by favoring ethnic Malays, redistribution and patronage. Nevertheless, the Chinese minority, although mostly remaining outside the supporting coalition, was well-organized and strong enough to exert real political pressures and promote trade liberalization.

Where exporters manage to gain enough strength to exert pressures on autocratic governments, governments then face the difficult task of accommodating both rising export power and protectionist pressures from inside their coalitions. Trade agreements can then help them deal with these conflicting domestic demands: first, PTAs will allow them to make more credible commitments to exporters. PTAs can also help them protect domestic industries that are dependent on protection, by excluding them from liberalization. In addition, committing to legally binding agreements will be more effective in accommodating exporter pressures in these states. As a result, when non-personalist autocracies do enter into PTA, they often have greater complexity than those signed by personalist autocrats, which are less likely to result from interest group pressures.

Similarly, interest group bargaining in non-personalist autocracies tends to be more formalized and the capacity for policy implementation is generally higher. As a result, these states will be able to make deeper commitment to trade liberalization given they are able to overcome obstacles to PTA entry. In other words, my argument for why non-personalist autocracies sometimes do enter into trade agreements and why they sometimes make deeper commitments is essentially a selection effect argument: exporters need to already be quite well organized and have overcome significant hurdles in order to exert political influence in

these states. However, when that occurs, it is reflected in deeper trade commitments. For all these reasons, I expect the following implication:

Hypothesis 2: Personalized autocracies tend to enter into shallower trade agreements than autocracies with higher degrees of institutionalization.

To sum up, autocracies face greater protectionist pressures than democratic states. This is reflected in their PTA commitments. While personalist autocracies enter into frequent shallow PTAs, non-personalist autocracies are more likely to abstain from PTA commitments altogether. However, when non-personalist autocracies manage to overcome barriers to entry, they often make deeper PTA commitments than personalist regimes. This argument could help explain why there is a recent trend towards deeper PTAs in non-personalist autocracies: as globalization progresses, exporters are gaining strength in these states, leading to more extensive trade liberalization over time. This suggests that non-personalist autocracies may become more similar to democracies over time if they overcome initial barriers to PTA entry.⁶⁰

⁶⁰See more detailed discussion of these trends in Chapter 4.

3 | Entry Into Trade Agreements: Cross-National Evidence

In the previous chapter, I argued that there is interesting variation in both the frequency with which nondemocracies enter into trade agreements as well as the types of agreements they enter into. In explaining this variation, I proposed that the domestic factors influencing entry into PTAs and the depth of integration work in opposite directions; specifically, the authoritarian states that are most likely to enter into these agreements tend to prefer “shallower” agreements that do not require extensive trade integration.

I theorized that this variation results from the interplay of two factors: the preferences of nondemocratic elite coalitions as well as the ability of these coalitions to constrain dictators. In particular, I argued that dictators generally prefer protectionist trade policies because it tends to be more difficult for competitive exporters to commit to supporting a dictator after trade liberalization compared to less competitive non-exporters, who are more heavily dependent on government support. Protectionism gives dictators greater policy control than trade liberalization, provides them with rents that they can use to reward supporters, and is less politically risky than liberal trade policies.

These dynamics influence the trade agreements nondemocratic states (fail to) enter into: first, due to their strong preferences for protectionism, I expect nondemocratic states overall to enter into fewer trade agreements than democratic states. This prediction is consistent with existing arguments about regime type and trade agreements. Secondly, within authoritarian states, I argue that autocrats’ protectionist preferences affect membership in international trade organizations differently depending on how personalized an autocracy is. As proposed in the first hypothesis in chapter 2, more personalist autocracies have a higher likelihood of entering into a trade agreement compared to less personalist and more

institutionalized states. This is because personalist dictators are less constrained by their protectionist supporting coalitions, and as a result they can be more opportunist about their membership in international institutions. Personalist dictators enter into PTAs when they expect to gain political and economic benefits from membership. For personalist dictators, trade agreements can thus be a tool for regime consolidation.

On the other hand, supporting coalitions in less personalist autocracies can act as effective veto players and block PTA entry. Since I assume that coalitions tend to be protectionist, there is a greater likelihood that actors with a stake in protectionism will veto entry into trade agreements in these states. Consequently, The first hypothesis thus suggested that less personalist autocracies will be less likely to enter into a trade agreement compared to more personalized regimes.

This chapter analyzes authoritarian entry into trade agreements using cross-national time series data, thus providing evidence for my theoretical argument regarding personalism and PTA entry. In the following chapter, I analyze PTA content and present evidence to support the second part of my theoretical argument, which is that, conditional upon entry into a trade agreement, we should expect states to sign “shallower” PTAs as the level of personalism of an autocracy increases.

3.1 Measuring the Dependent Variable: Trade Agreements

Preferential trade agreements (PTAs) are reciprocal international agreements between two or more states that grant member states preferential market access. This access can be limited to specific goods and/or services, or can include complete market access to all goods. PTAs are usually distinguished from nonreciprocal agreements, whereby a developed state grants preferential market access to a developing state.¹ The increasing number and complexity

¹Somewhat confusing, the World Bank uses the term “PTA” specifically to refer to NON-reciprocal trade agreements. However, in the political science literature, the term “PTA” is most commonly used to describe reciprocal trade agreements specifically.

of modern trade agreements is mirrored in a wealth of data recording these agreements and comparing them across multiple dimensions. Table 3.1 provides an overview of existing datasets that cover post-WWII trade agreements globally.²

These datasets generally share a common starting point, which is the World Trade Organization database that records agreements formally notified by WTO member states. However, existing datasets differ significantly in the extent to which they include additional trade agreements not notified to the WTO. The most recent, and most extensive, dataset currently available is the Design of Trade Agreements (DESTA) database, which includes nearly 1000 agreements signed in the time period between 1948-2017. This database also provides detailed data on PTA design. In coding PTAs, authors take the widest possible definition of what counts as a trade agreement by including “all agreements that have the potential to liberalize trade.”³ Because of this, they include partial scope agreements and some nonreciprocal agreements, and only exclude interim and framework agreements. The authors also note that some PTAs are included, for which no actual agreement text could be found. As a result, the implementation status of these agreements is somewhat doubtful.

For the purposes of this dissertation, I adopt a broad definition of “trade agreement.” A central component of my argument is that certain autocracies enter into trade agreements that require little actual trade integration. By focusing primarily on the WTO database, we are likely to miss more “marginal” trade agreements, i.e. those that were ineffective, included fewer provisions, or were not fully implemented, especially if signed by non-WTO member states. Therefore, because I am interested in analyzing a wide range of PTAs, I make use the DESTA database to identify the universe of trade agreements. The data cover both agreements that have been ratified as well as those that were signed, but not ratified. In my analysis, I include both the signing of base treaties and accessions to existing agreements, which are listed as separate entries in the data. However, I exclude amendments

²In addition to the global datasets listed, there is a wealth of databases on regional trade agreements specifically, such as recorded by the Asia Regional Integration Center (<https://aric.adb.org/fta>). For a list of pre-World War I trade agreements, see Pahre (2007).

³Duer *et al.* (2014)

and protocols relating to existing PTAs in order to avoid inflating the number of PTAs signed.

The database also includes a number of nonreciprocal agreements, which I exclude from my data.⁴ The costs of signing a non-reciprocal PTA are very small to nondemocracies, since they do not require policy adjustment on the part of the state receiving preferential access. As a result, the dynamics driving nonreciprocal agreements likely differ from those influencing reciprocal agreements. Excluding non-reciprocal PTAs is also consistent with standard practice in the literature on trade agreements. To account for the possibility that some autocracies are more likely to be granted preferential access to developed economies via non-reciprocal trade agreements, and as a result are less likely to enter into reciprocal trade agreements, I code a separate variable for entry into a non-reciprocal PTA, which I analyze in the robustness checks below.

The dependent variable, *PTA Entry*, is the likelihood that state *i* will enter into a reciprocal trade agreement with state *j* in year *t*. *PTA Entry* takes on a value of one if a dyad enters into a trade agreement in year *t*, and zero otherwise. The universe of cases studied covers preferential trade agreements signed by dyads between 1948-2017.

⁴Excluded agreements: Lome I-IV, Cotonou, Yaounde I-II, Sparteca, and Global System of Trade Preferences.

Dataset	Coverage	Content	Exclusions	Peculiarities	Sources
Design of Trade Agreements (DESTA) Duer, Bacchini, and Elsig (2014)	986 PTAs, 1948-2017	Includes "all agreements that have the potential to liberalize trade", detailed coding on 10 different issue areas	Framework agreements, interim agreements	Includes some non-reciprocal PTAs. Includes accessions and treaty amendments as separate entries (could lead to overcounting PTAs). No full texts available for some of these agreements	(1) Builds on WTO data; (2) World Trade Institute (older data, no longer available); (3) Organization of American States' Foreign Trade Information System; (4) Asia Regional Integration Center; (5) World Bank; (6) "website searches of foreign, trade, and economics ministries"
WTO Database	Regional Agreement Information System (RTA-IS): 459 in force and 39 signed or under negotiation as of 2018, 1957-2018	Also lists Preferential Trade Agreements (unilateral, non-reciprocal trade agreements): 34 additional agreements	Agreements not formally notified, agreements between non-member states.	Counts goods and services as two separate trade agreements. When combined, number of trade agreements down to 287. Use term "PTA" specifically for non-reciprocal agreement, in contrast to how it's commonly used in the IR literature	The member countries themselves notify the WTO of trade agreements. Process is likely to under-report total trade agreements.
Economic Integration Agreements (ELA) Baier and Bergstrand (2015)	153 Agreements based on WTO data. 195 countries, 1950-2011	Includes a depth classification based on type of agreement	Only includes PTAs for which agreement text could be found.	Includes Generalized System of Preferences (GSP) Agreements, which grant preferential access to developing countries (non-reciprocal). Database provides PDF files of all included agreements	(1) WTO data, supplemented by (2) Tuck Trade Agreements Database; (3) various GSP agreements (EU and US).
Mansfield and Miller (2012)	Approx. 200, 1950-2005	Reciprocal PTAs, entry and ratification (no detailed content coding)	non-reciprocal agreements excluded, don't include PTAs that augment or replace older ones, exclude partial scope and economic complementarity agreements	Focus on ratification, PTA start date is year of signing and includes ratification dates for all included PTAs (not just entry dates)	(1) WTO data; supplemented by (2) Mansfield and Pevehouse 2000; (3) Goldstein et al. 2007; (4) newspaper search (Factiva and Lexis-Nexis).
Goldstein, Rivers, and Tomz (2007)	161 countries, 1946-2004	Both reciprocal and non-reciprocal agreements included, but clearly identified by type	Not available for more recent years	Provides detailed information on Generalized System of Preferences (GSP) beneficiaries for each year.	WTO data; For GSP: official reports of GATT, UNCTAD, European union, and other sources
Global Preferential Trade Agreements Database (GPTAD) (World Bank and Center for Tuck School of Business at Dartmouth)	330 PTAs, 1957-2009	Includes information on more than 70 provisions	Agreement text must be available	Original text of PTAs searchable, includes PTAs not notified to WTO	WTO data; unknown how other PTAs were found.
World Bank Horizontal Depth Database Hofmann, Osnago, and Ruta (2017)	279 agreements signed by 189 countries, 1958-2015	Provides detailed codings across 52 policy areas. Specifies whether provisions fall inside or outside of WTO mandate. Several depth measures provided	Only includes WTO-notified agreements	Distinguishes legally enforceable regulations, inside our outside of WTO mandate, "core" versus "non-core", border versus non-border, and preferential versus non-discriminatory provisions	(1) Builds on Horn, Mavroidis and Sapir 2010 and background study by Orefice and Rocha (2014); (2) analysis of WTO trade agreement texts

Table 3.1: Overview of PTA Datasets

3.2 Independent variables

Measuring Personalism

The data I use is in directed dyad format, where I control for regime type in state *i*, and state *j* can be any type of regime. The directed dyad format has the advantage that we need to include each domestic-politics related measure only once for each dyad (i.e. for state *i*).

My sample includes all states, but my analysis includes a dummy variable with value one for states that are democracies in a given year. This allows me to assess how my findings within autocracies compare to differences in PTA membership across regime types, i.e. between autocracies and democracies. Data on regime type come from the 2017 version of the Polity IV project, where “nondemocracy” is defined as states receiving a Polity 2 score of 5 or lower. Autocratic states are defined as those with a polity score of -6 or lower. My analysis includes both anocratic (those with polity score -5 to 5) as well as strictly autocratic states. My results do not change if only strictly autocratic states are included, and including all nondemocratic states in my analysis makes it more broadly applicable to a wider range of countries. The robustness checks also include alternative measures of nondemocracy.

The key independent variable measures personalism in nondemocracies. I use a continuous measure of personalism from Geddes, Wright, and Frantz, where higher values indicate greater levels of personalism.⁵ Nondemocracies, by virtue of their name, are commonly thought of as a residual category, defined as anything that does not meet the standards of democratic government. But since a country’s government can fall short of democracy in many ways and to different degrees, nondemocracies are a highly diverse group of states. Combined with the opaqueness of policy-making processes in these countries, cross-national empirical research on nondemocratic states presents unique challenges that research on democratic states lacks. As I argued in the previous chapter, personalist regimes tend to en-

⁵Geddes *et al.* (2014)

ter into trade agreements more frequently because policy-making is more concentrated in the autocratic leader and there are fewer effective constraints on executive policy-making. This is difficult to measure directly, however. This is because *de facto* policy-making processes and actors often diverge significantly from formally defined actors and institutions in authoritarian states.⁶ However, there are now several large, cross-national datasets available that allow for detailed comparisons of regime characteristics across nondemocratic states. This recent scholarship suggests that autocracies are more than a residual category; instead, questions of how autocratic governments structure their rule, and how political decision-making is implemented when democratic institutions are absent, deserve to be studied in their own right. As Wright observes: “Little of what we want to understand about autocratic behavior can be explained by measures of ‘lack of democracy’. [...] The features differentiating autocratic regimes from each other may in fact be orthogonal to the characteristics measured by democraticness scales.”⁷

Most existing attempts at classifying authoritarian regimes use some form of categorical typology, often starting from a distinction between military and civilian rule, and then adding further distinctions based on institutional structures or constraints on the leader. For instance, Hadenius and Teorell distinguish no-party, one-party, and multi-party regimes.⁸ Similarly, Cheibub, Gandhi, and Vreeland develop a number of ordinal institutional variables.⁹ These variables can be used to draw inferences about who rules,¹⁰ what types of institutional structures exist,¹¹ or how large the group in charge of selecting leader is.¹² Although these concepts are all related, they are nevertheless distinct, making it somewhat difficult to pinpoint exactly what is meant when scholars speak of concepts such as “institutionalization.”

⁶In fact, many contemporary nondemocratic regimes have nominally democratic institutions. As Svobik notes “If we were to trust dictators’ declarations about their regimes, most of them would be democracies.” (Svobik, 2012, 22)

⁷(Wright, 2017, 7)

⁸Hadenius & Teorell (2006)

⁹Cheibub *et al.* (2010). See (Wright, 2017, 4) for a discussion of these different approaches.

¹⁰see Geddes *et al.* (2017)

¹¹see Cheibub *et al.* (2010)

¹²See Bueno de Mesquita *et al.* (2003)

In international relations, most existing studies on institutional variation in autocracies use the groundbreaking measure developed by Barbara Geddes. This measure provides information on 280 autocracies between 1946-2010, and classifies regimes as dominant-party, military, personalist, monarchic, oligarchic as well as hybrids of these. The authors define an autocratic regime as “a set of formal and/or informal rules for choosing leaders and policies”. In other words, this classification is based primarily on which actors inside a regime’s “leadership group” hold the primary decision making power in choosing a leader and setting policies.¹³ The membership of this group can shift over time, and it is partly endogenous, since leaders themselves make strategic choices that partly determine its composition. Despite this, variation in this measure is primarily cross-national and does not vary much within countries.¹⁴

In attempting to classify autocratic regime types by their degree of personalism, several potential shortcomings of the earlier data by Geddes, Wright, and Frantz therefore become apparent: First, it is likely that regimes vary in their levels of personalism within their assigned regime categories, yet this potential variation is not captured by the typology. For instance, personalist dictators have a tendency to consolidate their rule over time and become more personalist.¹⁵ Therefore, classifying regimes into absolute categories, while useful for analyses of regime spells, leads to a loss of detail when attempting to study underlying institutional phenomena. Secondly, there is potential overlap between the regime categories, i.e. the categories may not be mutually exclusive, thereby complicating analysis. Geddes attempts to account for this by introducing regime hybrids, but dividing regimes into further sub-categories is rather tedious and complicates empirical analysis. Thus, classifying autocratic regimes into absolute categories leads to a loss of detail when attempting to study underlying institutional phenomena.¹⁶

Thirdly, the regime typology by Geddes et al. is too broad to allow for direct comparisons

¹³Geddes *et al.* (2014)

¹⁴(Wright, 2017, 4)

¹⁵Geddes *et al.* (2017)

¹⁶See Svoblik (2012) for a more detailed discussion of these issues.

of the level of personalism across types of autocracy. For obvious reasons, it is plausible to think of personalist and party-based regimes as being on opposite ends of a spectrum of personalism, with party-based regimes as the least personalist. Formally, the authors define personalist regimes as “autocracies in which discretion over policy and personnel are concentrated in the hands of one man, military or civilian.”¹⁷ As research by Gandhi and others has shown, party-based regimes tend to have larger governing coalitions and greater formal constraints on executive power compared to personalist regimes, which have small coalitions and few formal constraints on the executive.¹⁸ However, it is more difficult to evaluate how the other regime categories, i.e. monarchies and military regimes, would fit into this classification. Military regimes plausibly have an intermediate amount of personalism. The authors explicitly include what they call “military strongmen” in the personalist category rather than under military regimes; as a result, the military regimes category includes states in which “the leadership group has more ability to constrain leader behavior” than under personalism.¹⁹ Similarly, monarchies may be an intermediate regime category, although the level of personalism likely varies significantly across monarchies, ranging from highly personalist to relatively institutionalized.

As a result of these shortcomings, recently there has been a trend towards a more unified approach to personalism. Rather than understanding personalism as a distinct regime category, work by Geddes, Wright, and Frantz and Magaloni, Chu, and Min argues that all regimes have varying underlying degrees of personalism, which should be conceptualized as a continuous variable.²⁰ This has the advantage that we can measure more subtle variations in personalism within states over time. Thus, Geddes, Wright, and Frantz develop a time-varying latent variable that measures the underlying level of personalism within an authoritarian state between 1946-2010. This variable captures the level of “personal discretion and control over the key levers of power in his political system”.²¹ According to the authors,

¹⁷(Geddes *et al.* , 2017, 319)

¹⁸Gandhi (2008b)

¹⁹(Geddes *et al.* , 2017, 315)

²⁰Geddes *et al.* (2017); Magaloni *et al.* (2013)

²¹(Geddes *et al.* , 2017, 1)

“In such regimes, the dictator’s choices are relatively unconstrained by the institutions that can act as veto players in other dictatorships [...] Personalist dictators juggle, manipulate, and divide-and-rule other powerful political actors. [...] Personalist dictators are thus powerful relative to other members of the elite, but not necessarily relative to society or to international actors.”²²

In constructing the variable, the authors use a logistic item-response theory (IRT) model that is based on responses to eight variables, four of which are based on a leader’s control over the military, and the other four are based on control over parties and high office. The individual variables are listed in table ?? below. Among these variables, having discretion over high office and control over the security apparatus are particularly common features (with the highest mean values). The correlation between the new latent personalism variable and the categorical personalism variable based on the Geddes et al. 2014 data is 0.39, which means that these measures are not very highly correlated. The primary advantage of the new data is that it has much higher within-country variation than the older, categorical data, with about half of the data variation within-country.²³ The measure also avoids the difficulties that arise when attempting to compare ideal types.

What exactly is the relationship between personalism and institutionalization? It is natural to think of these as being on opposite ends of a spectrum, since personalist rule is identified as the absence of institutions that constrain a dictatorial leader’s decision-making. However, Slater critiques the view that personalism and institutionalization are in direct opposition to each other. He argues that highly personalized regimes can be institutionalized in a way that provides “infrastructural power” to dictators, by which he means that personalized dictators often invest in institutions that help them monitor and control the opposition. Consequently, Slater argues that regimes can be both personalist and institutionalized.²⁴ In addressing this argument, it is thus helpful to specify precisely which institutions are antithetical to

²²Geddes *et al.* (2017) Codebook, p.1

²³*ibid.*, 11

²⁴Slater (2003)

Variable	Description	Mean
High office	Whether leader has discretion over appointments to high office	0.647
Create new party	Whether leader created his own support party	0.165
Party exec. committee	Whether regime leader chooses party executive committee	0.319
Rubber stamp party	Whether party executive committee has some independence from leader	0.304
Military promotion	Whether officer promotion depends on loyalty to leader	0.424
Military purge	Whether leader can kill or imprison officers without fair trial	0.365
Security apparatus	Whether controlled by leader or independent	0.603
Paramilitary	Whether leader creates loyal paramilitary forces	0.355

Table 3.2: Components of continuous personalism variable.

Source: Geddes, Wright, and Frantz 2017

personalism. In particular, as the individual components of the personalism variable show, personalism does not necessarily imply a complete absence of institutions. Many highly personalist regimes have parties and legislatures. Rather, personalism is associated with a failure of these institutions to constrain the leader in his decision-making. Personalism is therefore associated with institutions that are underdeveloped and inefficient in their ability to constrain and contribute to policymaking processes. For instance, a highly personalist dictator may create a “rubber stamp party” that does not have policymaking independence and serves primarily to legitimize the leader’s decision making. The presence of such “non-constraining” institutions is therefore consistent with Slater’s argument that personalist dictators employ institutions to monitor their opposition and consolidate their power. In fact, my central argument implies that trade agreements are institutional tools for personalist dictators to consolidate their rule. Yet highly personalist regimes lack institutions that have the power to constrain leaders in their decision-making, that provide decision-making power to other elite actors, and that could act as efficient forums of elite bargaining and deliberation.

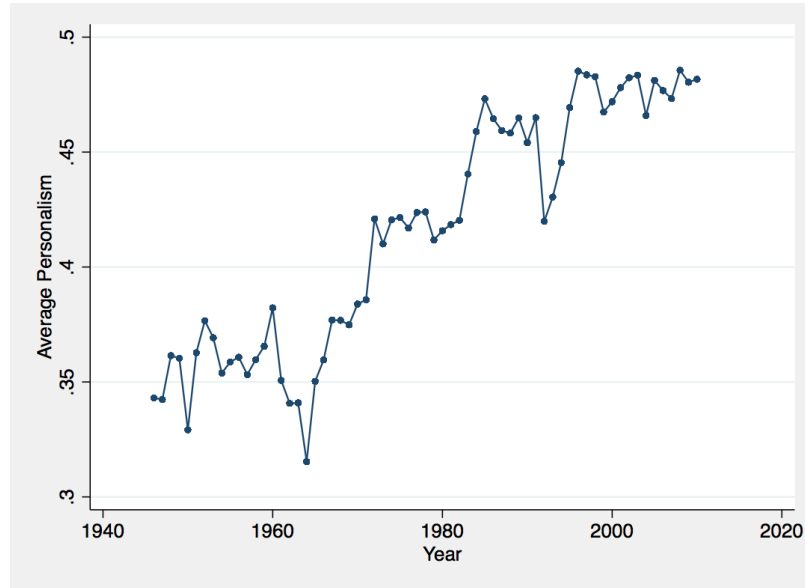


Figure 3.1: Mean personalism over time

Because of the advantages of the latent personalism variable in identifying levels of personalism across nondemocratic states discussed above, I choose this measure to be my key independent variable. Figure 3.5 shows that the average value of personalism among autocratic states has increased over time. The rise of personalism implies that studying the relationship between personalism and international economic cooperation has become more urgent. In the robustness checks below, I show that my main results hold when using alternative measures of personalism, such as the previous measure by Geddes et al. as well as the alternative continuous measure of personalism by Magaloni et al., which is based on regime age and turnover. As additional measures of institutionalization, I also use the executive constraints and competition measures from the Polity IV dataset in the robustness checks.

Control variables

My analysis also includes a number of control variables, beginning with measures typically included in “gravity” models of trade. In particular, I control for (logged) distance between states as well as their contiguity, since closer proximity is a prime determinant of entering

into a trade agreement, with closer states much more likely to trade.²⁵ I also control for features of the economy of both dyad members: First, I include measures of logged GDP, GDP growth and GDP per capita.²⁶ Research has shown that economic size affects states' incentives to enter into trade agreements. Smaller markets have stronger incentives to seek out access to other markets. Similarly, changes in economic growth rates can influence PTA membership: states may be more likely to seek out new memberships in times when their economy is growing rather than during times of economic downturn.

In addition, I control for several political phenomena that could influence the ratification of trade agreements, including GATT/WTO membership,²⁷ a history of joint communism, and existing alliances between dyads, colonial relationships, and interstate conflict. First, a shared history of communism could influence PTA membership in two directions: on one hand, communist states sign fewer PTAs; however, if both states were jointly communist, they may have developed closer trading relations and therefore could also be more likely to enter into PTAs more frequently post-communism. Similarly, states with a prior colonial relationship and existing alliances are likely to have closer trade relations, and consequently can be expected to enter into PTAs more frequently. On the other hand, countries with an existing interstate conflict should be less likely to enter into a PTA.²⁸ Furthermore, I also control for the availability of natural resource rents, since they may be a driver of trade policy, with states either exporting natural resources, or seeking out PTAs to gain access to these resources. Generally, I suspect that nondemocratic states with higher resource rents will be more open to entering into a trade agreement.²⁹ The reason is that these regimes are less dependent on rents from tariffs and thus may be less likely to enter into coalitions with protectionist elites.

Lastly, I also include a count measure of the number of years that have passed since the last

²⁵Data on contiguity from Correlates of War; distance between capital cities from [Gleditsch & Ward \(2001\)](#)

²⁶GDP data from Penn World Tables v.81

²⁷Data from the World Trade Organization

²⁸Conflict and alliance data from Correlates of War

²⁹From World Development Indicators

PTA was signed between dyads (also cubed and squared) in order to account for potential temporal dependence in the signing of PTAs. Since the effect of the above variables on trade agreement ratification may be somewhat delayed, I lag variables whenever appropriate. Summary statistics are reported in table ?? below. Since the dependent variable is a dummy variable, I estimate trade agreement ratification using multinomial logit models, with year fixed effects and dyad clustered standard errors. Model 3 additionally includes dyadic fixed effects; however, since several of the dyadic control variables, such as distance, are spatially invariant and drop out under dyadic fixed effects, I do not include these in the other models. Consequently, I estimate the following model:

$$\begin{aligned} \text{PTA Entry} = & \beta_0 + \beta_1 \text{ Democracy} + \beta_2 \text{ Personalism} + \beta_3 \text{ GDP} + \beta_4 \text{ GDP pc} + \beta_5 \text{ GDP} \\ & \text{Growth} + \beta_6 \text{ GATT/WTO membership} + \beta_7 \text{ Communism} + \beta_8 \text{ Alliance} + \beta_9 \text{ Interstate} \\ & \text{Conflict} + \beta_{10} \text{ Colonial Relationship} + \beta_{11} \text{ Time Since Last PTA} + \beta_{12} \text{ Time Since Last} \\ & \text{PTA}^2 + \beta_{13} \text{ Time Since Last PTA}^3 + \epsilon \end{aligned}$$

Variable	Obs	Mean	Std. Dev.	Min	Max
<i>PTA</i>	1,417,119	.0131711	.1140071	0	1
<i>Democracy</i>	1,400,657	.4183851	.4932942	0	1
<i>Latent Personalism</i>	1,417,119	.2020433	.2851964	0	1
<i>Distance</i>	1,417,119	8.223082	.7863683	1.609438	9.421168
<i>Contiguity</i>	1,349,717	.0325994	.1775858	0	1
<i>GDP_i</i>	1,288,720	10.37969	1.95252	4.86507	16.39523
<i>GDP_j</i>	1,277,030	10.06103	2.15618	4.797442	16.39523
<i>GDPpc_i</i>	1,291,406	8.291797	1.223639	4.888995	13.35702
<i>GDPpc_j</i>	1,279,598	8.345071	1.225468	4.888995	13.35702
<i>GDPgrowth_i</i>	1,257,680	4.123688	26.62648	-82.95917	2296.208
<i>GDPgrowth_j</i>	1,246,330	4.07409	26.10497	-82.95917	2296.208
<i>GATT/WTO Membership</i>	1,403,826	.4208983	.4937035	0	1
<i>Joint Communism</i>	1,404,234	.0868566	.2816249	0	1
<i>Alliance</i>	1,417,119	.0547364	.2274651	0	1
<i>Armed Conflict</i>	1,128,555	.0009862	.0313886	0	1
<i>Colonial Relationship</i>	1,298,130	.0139716	.1173731	0	1
<i>Resource Rents</i>	1,106,441	9.730205	14.10998	0	89.22044
<i>Time Since Last PTA</i>	1,417,119	20.66079	15.85668	1	71

Table 3.4: Summary Statistics

3.3 Results and Discussion

The results of the logit models are reported in tables 3.5 and 3.6. The first table presents results from basic logit models without controls (with and without fixed effects). These models illustrate the positive relationship between personalism and PTA entry. In addition, table 3.6 presents the main entry models with control variables. Model 1 is my baseline model. It includes the regime variables as well as the economic, gravity model variables, controls for temporal dependence, and year fixed effects. The latter are important in order to account for potential time trends - in this case, the likely possibility that both the level of personalism and the propensity to enter into trade agreements have independently changed over time.

The second model adds a number of additional political control variables to the baseline model. In the third model, I include dyad fixed effects in addition to the time fixed effects. As I argued in the previous section, dyad fixed effects are not commonly included in gravity models, since several variables that are key to predicting trade agreements, such as contiguity and distance, do not vary within dyads and therefore will be canceled out. However, if the effects of regime type continue to hold up even in the presence of dyad fixed effects, this would speak to the strength of the relationship between regime type and PTA entry. Consequently, I include dyad fixed effects in Model 3 only.

As Figure 3.3, which maps the odds ratios of the coefficient estimates, illustrates, the empirical results provide confirmation of my theoretical argument regarding personalism and trade agreement entry. First, there is strong evidence that more personalized regimes are more likely to enter into a trade agreement compared to less personalized regimes: The key independent variable, *Latent Personalism*, is positive and significant, meaning that regimes with a higher degree of personalism are more likely to enter into a trade agreement. To facilitate interpretation of the size of the substantive effect, Figure ?? shows the predicted likelihood of PTA entry for different values of the personalism measure based on Model 1,

	(1) Logit All Regimes	(2) Fixed Effects Logit All Regimes	(3) Logit Nondemocracies	(4) Fixed Effects Logit Nondemocracies
<i>Democracy Dummy</i>	0.618*** (0.027)	0.307*** (0.033)		
<i>Personalism</i>	0.687*** (0.042)	0.935*** (0.050)	0.504*** (0.057)	0.863*** (0.062)
<i>Constant</i>	-4.799*** (0.023)		-4.698*** (0.033)	
Observations	1366899	430969	610288	197111
Pseudo-R2	0.005	0.071	0.002	0.092
Aic	182663.854	104587.031	75910.556	48029.587
Bic	182700.238	105355.196	75933.199	48732.802

* $p < .1$, ** $p < .05$, *** $p < .01$

Table 3.5: Basic Entry Models.

holding constant other variables in the model. Entering into a trade agreement is a rare event. However, based on this model, the likelihood of entering into a PTA increases by about 50% moving from the lowest to highest values of personalism, with the total likelihood increasing from about 1.2% to 1.8%.

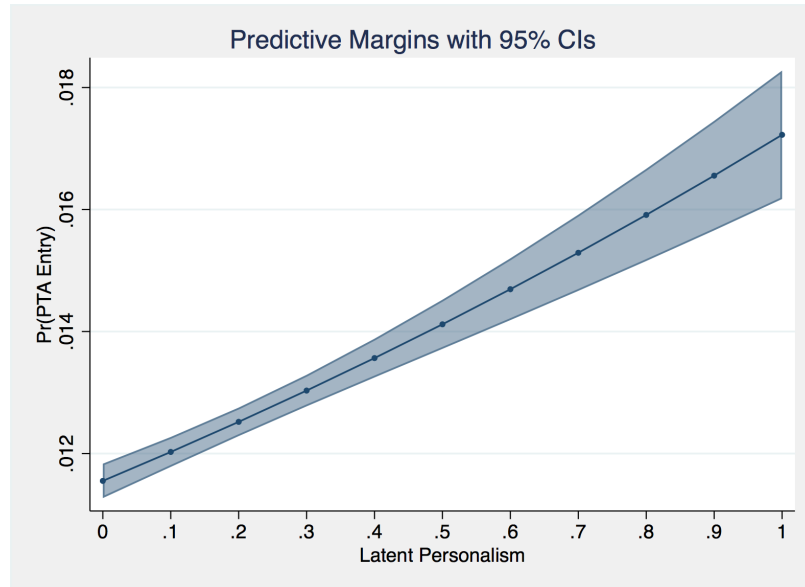


Figure 3.2: Predictive Margins (Based on Baseline Model 1)

The results also generally confirm the expected effects of the control variables. Consistent

with existing arguments about regime type and membership in trade agreements, democracy is associated with a higher likelihood of entering into a trade agreement. As gravity models would predict, closer dyads are generally more likely to enter into PTAs, and PTA entry decreases for more distant countries. Similarly, wealthier dyads and those that share GATT/WTO membership are more likely to enter into trade agreement. The more time has passed since a dyad entered into its last trade agreement, the less likely these states are to enter into another PTA. On the other hand, states that have already entered into trade agreements in the recent past are more likely to do so again. This is likely a consequence of some dyads having greater economic interdependence than others.

In terms of the political control variables, I find that, as expected, formal alliances are associated with an increased likelihood of PTA entry, whereas military conflict decreases the chance of entry. Somewhat surprisingly, however, a previous colonial relationship decreases the likelihood of entering into a trade agreement, whereas a history of communism increases the chance of PTA entry. The latter finding suggests that formerly communist states tend to have closer trade relations, which affects their subsequent PTA choices.

Finally, I find that the effect of resource rents is mixed, with a negative and significant coefficient only in Model 3. As is to be expected, results for a number of coefficients in model 3, which includes dyad fixed effects, differ from the other models. For example, contrary to expectations, the effect of WTO membership on PTA entry becomes negative when including dyad fixed effects. This is likely because the model no longer includes important determinants of PTAs such as distance. However, both of the regime type effects, the positive effects of democracy and personalism on PTA entry, continue to hold when using dyad fixed effects. This provides further evidence in support of my main hypothesis.

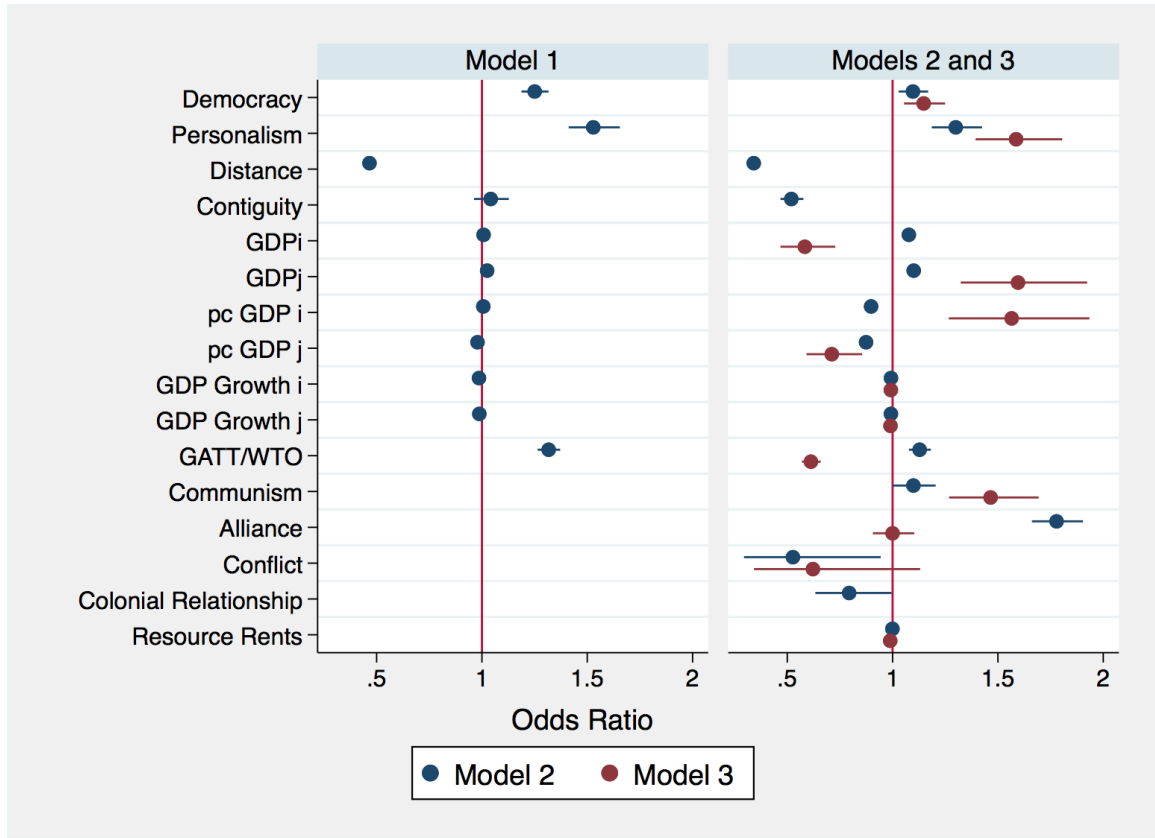


Figure 3.3: Main Models Coefficient Plot

Notes: Bars represent 95% confidence intervals. Year dummies and time since last PTA, time since last PTA squared and cubed not reported.

3.4 Types of Entry

I have shown that the likelihood of entering into a trade agreement increases with rising levels of personalism in a dictatorship. While I provide a detailed analysis of the content and depth of trade agreements signed by autocratic states in chapter 4, this section assesses whether more personalist autocracies have a particular preference for entering into new PTAs compared to existing PTAs. Assessing whether personalist and non-personalist autocracies are more likely to enter into new or join existing treaties is useful for two reasons. First, it provides some indication of the extent to which autocracies are able to shape the content and design of trade agreements. States that join existing treaties are more likely to have to

meet the terms of existing member states if they want to join. On the other hand, states that form new treaties are likely to play a more direct and active role in shaping the provisions of this agreement.

Secondly, the extent to which different regimes join existing or form new PTAs provides some indication as to who is driving membership patterns. In particular, if a state enters into few existing PTAs, it could be that this state is not an attractive cooperation partner and that other states are blocking this state from entering into an agreement. On the other hand, if a state is entering into many either new or existing treaties, this suggests that there is something about that state's preferences driving PTA entry that can at least partly be explained through domestic dynamics.

For this purpose, I code two new dummy variables, *New Treaty* and *Accession*. Figure ?? illustrates mean values for all three types of entry across different regimes. For the purposes of the graph, I show values for democracies and for autocratic regimes on opposite extremes of the personalism scale: states with personalism values of 0.9 or higher, and those with values 0.1 or lower. The graph suggests that highly personalist states enter into more PTAs overall and enter into new treaties more frequently compared to other states, but they accede to existing treaties less frequently.

To assess the likelihood of entry into either new or existing PTAs, I employ the same analysis as in the previous baseline Model 1, now using *New Treaty* and *Accession* as dependent variables. Interestingly, the results, which are shown in table 3.8 and illustrated in Figure 3.5, suggest that the higher likelihood of PTA entry of personalist autocracies is specifically due to their preference for entering into new treaties. In contrast, more personalist states are actually less likely to accede to existing treaties compared to less personalist regimes and compared to democracies. As I argued in the previous chapter, dictatorships are strategic in their choice of PTA memberships. The more personalized a dictator is, the fewer constraints on policy-making he faces. Highly personalist dictators are more likely to enter into trade agreements compared to less personalized autocratic governments, because they are less

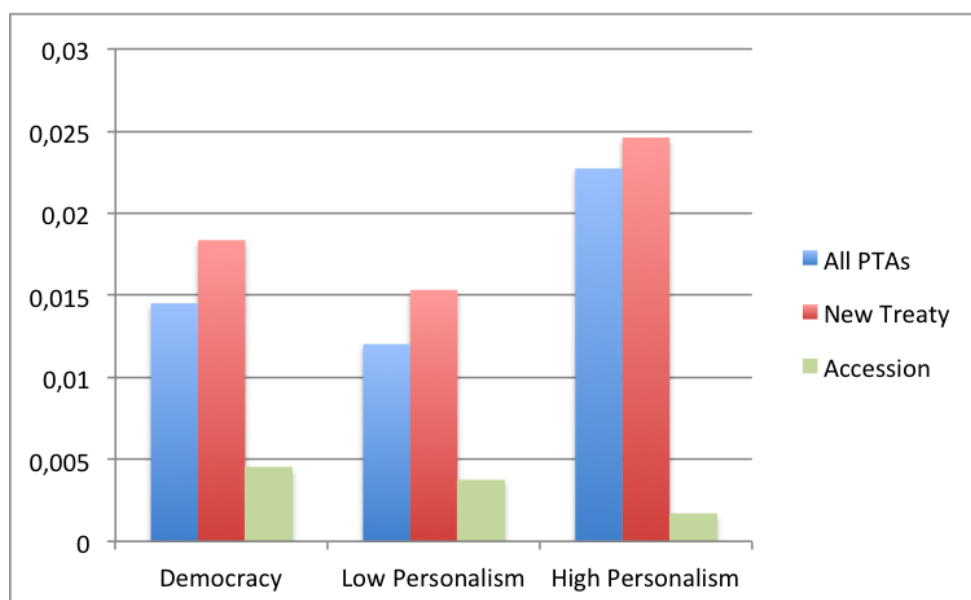


Figure 3.4: Average number of PTA memberships, by regime and type of entry

Note: High personalism defined as value of .9 or above. Low personalism defined as value of .1 or below

constrained by their coalitions. It is interesting that highly personalist dictators would have a preference specifically for forming new treaties as opposed to joining existing treaties.

As mentioned above, a potential alternative explanation of differing PTA memberships across regime types is that perhaps some states make less attractive cooperation partners than others. According to this alternative explanation, it may be that some states enter into fewer trade agreements because they have greater difficulties finding partners willing to sign agreements with them. Under this explanation, differences in PTA membership would be driven not by preferences of the autocracies themselves, but by preferences of their trade partners. For instance, it is conceivable that some democracies are unwilling to enter into PTAs with states that commit severe human rights violations or that they perceive as unreliable and likely to violate treaty commitments.

The fact that highly personalist autocracies are less likely to join an existing treaty suggests that perhaps the “less attractive cooperation partner” mechanism is partly at play here. In other words, if states prefer not to cooperate with highly personalist regimes, we would

indeed expect fewer accessions to existing treaties. I therefore cannot rule out that such considerations partially play a role in trade agreement formation. However, this argument cannot explain why personalist autocracies would join so many new treaties. Instead, this empirical finding can only be explained by viewing autocrats as agents who make active choices about their trade commitments.

Instead, the empirical evidence provided in this chapter strongly suggests that the personalist autocracies themselves are driving PTA membership patterns. First, intuitively it seems that highly personalist states would make the least attractive cooperation partners. This is because these leaders have fewer domestic policy-making constraints and are therefore at greater liberty to violate treaty commitments. Since institutions tend to be under-developed in highly personalist states, these autocracies would also be particularly difficult to monitor. If differences in PTA membership were driven not by the autocracies themselves, but only by their potential cooperation partners, then we would expect the likelihood of PTA membership to decrease with increasing personalism. However, the opposite is the case.

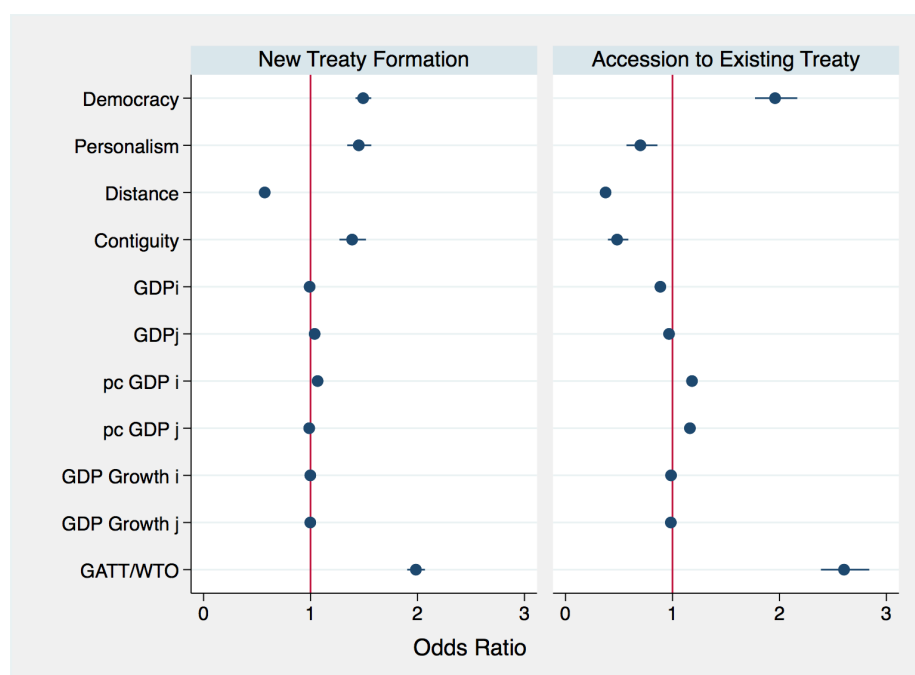


Figure 3.5: Likelihood of entry into new treaty and existing treaty

3.5 PTA Partner Choice

The previous section argued that highly personalist autocracies are more likely to enter into new trade agreements instead of joining existing treaties. My arguments and findings imply that autocrats are strategic in forming PTAs. Yet this finding raises further questions regarding autocrats' choice of PTA partners. In particular, if autocrats are strategic about joining trade agreements, then they should also be strategic in choosing their PTA partners. In particular, my arguments imply that autocratic states should also prefer to enter into trade agreements with similar types of state. In particular, I expect that autocracies are more likely to enter into PTAs with other autocracies, and that personalist autocracies are more likely to partner with other personalist autocracies.

To analyze whether autocrats prefer to partner with a particular type of state when entering into a trade agreement, I employ a similar (directed) dyadic logit model of PTA entry as in previous analyses. However, the first country is now limited to being a nondemocracy. I then assess the regime type of the partner state, i.e. the other dyad member. Table 3.10 presents empirical results for these models. Models 1 to 3 show that nondemocratic states generally have a preference for entering into trade agreements with other non-democratic states. In particular, the coefficient on the democratic partner dummy for state 2 is negative and highly significant, suggesting that nondemocracies are less likely to enter into PTAs with democratic states.

The most plausible interpretation of this finding is that, since there is a greater preference heterogeneity between autocratic-democratic dyads, the bargaining space between these states is diminished, leading to a greater likelihood of bargaining failure. In other words, autocracies and democracies want different things when it comes to trade agreements, and this makes it less likely that they will partner in a PTA. This finding is not surprising. Based on these results, we cannot know whether bargaining failure is driven primarily by autocracies, the democratic partner, or both sides. However, I have argued that this preference

heterogeneity does not prevent personalist autocracies from entering into trade agreements with other autocracies, and shaping these PTAs according to their joint preferences. Overall, these results have two implications: first, PTAs between autocratic dyads are becoming more common, whereas this is not the case for autocratic-democratic dyads. Second, an increasing number of PTAs between autocratic dyads calls for greater analysis of the content of these autocratic PTAs. I analyze PTA design in chapter 4.

In addition, I have found that PTA entry is driven primarily by personalist dictatorships. Based on my theoretical arguments, we should therefore expect personalist autocrats to be more likely to enter into PTAs with other personalist autocrats. This is due to two reasons: first, personalist dictatorships are generally more willing to enter into PTAs, and secondly, it is plausible that personalist autocrats have similar preferences, making them more likely to enter into PTAs with one another. Models 4 and 5 assess this claim. I divide the sample of nondemocratic states into two groups according to whether their personalism level is low (0.5 or less) or high (greater than 0.5). The cutoff is somewhat arbitrary, but a half-way point is reasonable. Model 4 includes states with low personalism, whereas Model 5 includes states with high personalism. As before, the regime type of the second dyad member is allowed to vary.³⁰

In Model 4, the coefficient on the personalism is positive, but insignificant. This suggests that while less personalist autocracies prefer to sign PTAs with other nondemocracies, they have no particular preference for entering into PTAs with more or less personalist autocracies. On the other hand, Model 5 shows that personalist autocracies do in fact prefer to enter into PTAs with more personalist autocracies. This suggests that personalist autocracies strategically seek out similar types of regime when entering into trade agreements.

Overall, my findings therefore show that personalist autocracies prefer other personalist states in their PTA memberships. Future research should thus explore the causal mechanisms that drive this strategic choice. For instance, are there security or alliance concerns

³⁰Personalism is a continuous variable for the second dyad member.

that might drive personalist autocracies to partner with similar states? What are the implications for economic growth and trade flows? Investigating these questions would shed further light on the trade cooperation patterns of autocratic states.

3.6 Robustness Checks

Alternative Measures of Regime Characteristics

In this section, I show that my finding that more personalist dictatorships enter into trade agreements more frequently compared to non-personalist dictatorships holds for a wide range of measures of personalism continue to hold even when using a range of different measures of “nondemocracy” and personalism.

First, table 3.11 excludes democratic states, showing results for nondemocratic states only³¹. The first model shows results for nondemocratic states with a Polity IV score of 5 or less. The second model includes only autocracies with a Polity IV score of less than -5. The third model uses an alternative definition of autocracy and includes all states defined as autocratic by Geddes, Wright, and Frantz 2017. Models 4 and 5 present results for models including the full control variables. The results illustrate that my findings are not sensitive to adopting a particular definition of nondemocracy. The models consistently show that more personalist autocracies have a higher likelihood of entering into a trade agreement with another state in any given year. However, it should be noted that results for Model 5, the model with full controls that uses the Geddes, Wright, and Frantz definition of autocracy, are significant only at the 10% level.

³¹The first dyad member is nondemocratic. The second country in the dyad can still be any type of regime, democratic or autocratic

In addition, I also consider several alternative measures of personalism. I first rerun my analysis using the earlier regime typology by Geddes, Wright, and Frantz, which divides autocratic regimes into personalist, monarchy, military, party-based, and hybrids.³² To simplify my analysis, I group all hybrid categories into an “other” regime category. Figure 3.6, taken from Geddes, Wright, and Frantz, illustrates the relationship between the newer, latent personalism measure, and the older categorical measure.³³ The graph shows that the relationship between latent personalism and personalist/party-based regimes has the expected direction. Party-based regimes generally have low levels of personalism, whereas personalist regimes tend to have high levels of personalism, which increase with the duration of the personalist regime. Monarchies appear to be more similar to party-based regimes, with lower levels of latent personalism. In contrast, the underlying level of personalism varies strongly within military regimes, with older military regimes having much higher levels of personalism than younger ones.

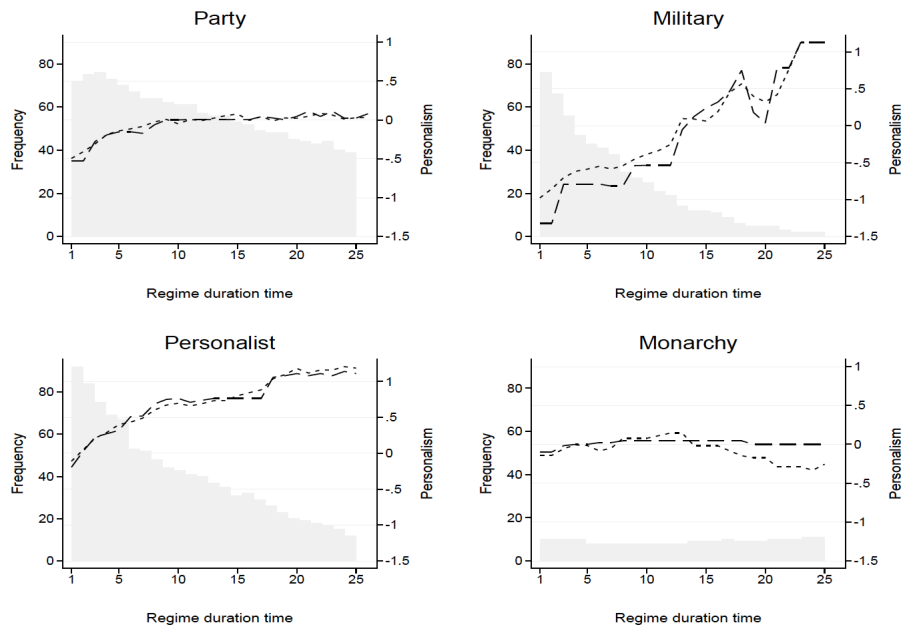


Figure 3.6: Regime Duration Times

Figure Source: Geddes, Wright, and Frantz 2017

³²Geddes *et al.* (2014)

³³Geddes *et al.* (2017)

As a result, I expect personalist regimes to be more likely to enter into trade agreements than party-based regimes or monarchies. However, since my theoretical argument focuses on personalism, my theory makes no specific prediction about military regimes, which are the most diverse authoritarian sub-type in terms of their within-variation in personalism.

Secondly, Magaloni, Chu, and Min (2013) precede Geddes et al. in their argument that personalism is a latent trait, which all nondemocratic states share to some extent and which should be measured by a continuous variable.³⁴ Contrary to Geddes et al., however, their personalism variable is a Herfindahl index, which derives degree of personalism from the number of years that an individual executive leader has been the head of the regime as well as the age of the regime. E.g. “a regime led by only one person up through that year yields a personalism index of 1.”³⁵ This variable covers the years 1950 to 2012. Again, Models 3 and 4 illustrate that nondemocracies have a higher likelihood of entering into a trade agreement as the level of personalism increases.

In addition, Magaloni et al. also code an additional personalism variable that is based on the executive constraints variable (XCONST) from the Polity IV database. XONCST measures the degree of constraints on the executive. Although personalism should be thought of as a multi-dimensional variable and this variable captures only one dimension of personalism, fewer constraints on the executive should nevertheless be indicative of a more personalist regime. The authors impute data for missing values of XONCST, and then group values into three categories: XONCST values of 1 are coded as “highly personal”, values of 2-4 are moderately personal, and values of 5-7 are “weakly/not personal”.³⁶ Contrary to the xconst variable in the Polity dataset, therefore, higher values of Magaloni et al’s version of XONCST are associated with more personalist states. Consequently, I again expect a positive relationship between their XONCST variable and the likelihood of PTA entry.

The three models in table 3.12 use the same logit regression model as for the latent per-

³⁴Magaloni *et al.* (2013)

³⁵Ibid.

³⁶Ibid.

sonalism variable baseline model, substituting the three alternative personalism measures. Again, all three models suggest that more personalist dictatorships have a higher likelihood of entering into a trade agreement. First, Model 1 shows that that personalist regimes have a higher likelihood of entering into a trade agreement compared to monarchies and other types of regimes. The only exception is military regimes, which have the highest likelihood of entering into a trade agreement (military regimes have a higher likelihood of PTA entry than other. This is an interesting finding that my theory cannot fully explain. It is known that military officers often have close ties to economic elites and they may have their own unique preferences regarding trade liberalization and international cooperation. Therefore, it would be worth analyzing military regimes specifically in more detail in future research. In the first model, personalist dictatorships are also more likely to enter into PTAs than democratic regimes, which is also somewhat surprising. However, this finding is not confirmed by the other models.

Similarly, using Magaloni et al's personalism measure, Model 2 again confirms that more personalist regimes have a higher likelihood of PTA entry. Finally, Model 3 shows that the likelihood of PTA entry increases for states with lower executive constraints.³⁷ The direction of the coefficients on the other variables is generally consistent with the models in table 3.6.

Additional Controls

As additional robustness checks, I include several further controls, which are presented in the tables below. First, I code a dummy variable that takes on a value of one for years in which a dyad has an existing nonreciprocal treaty. This is because it is conceivable that some types of autocracy are more likely to enter into nonreciprocal treaties with developed economy, and as a result may have a lower chance of entering into a reciprocal trade agreement. These results are shown in the first model in table 3.13. I find that an existing non-reciprocal treaty between dyads lowers the likelihood of entering into a reciprocal PTA, which makes sense

³⁷These results also hold up when using the original XCONST measure instead of Magaloni et al's version (not shown here).

given that states granting preferential access to developing economies would not also sign a reciprocal PTA with those same states. However, having an existing non-reciprocal treaty does not affect the significance of the personalism variable.

Secondly, I further analyze the impact of region-specific effects by including dummy variables for each region that take on a value of 1 if both states in a dyad are from that region. I code a separate dummy variable for dyads that cross regions. Regional effects are likely to play a role in PTA formation. However, I argue that regional effects interact with domestic political dynamics. As the first model in table 3.13 shows, the coefficient on my main variable of interest, the latent personalism measure, remains positive and statistically significant when including both regional controls and accounting for nonreciprocal trade agreements. In addition, I also present a model that excludes China from analysis, and I find that my results are not sensitive to the inclusion or exclusion of China.

Furthermore, I analyze whether results are driven by specific time periods. As table 3.14 illustrates, my findings do not significantly change regardless of whether my analysis includes the entire post-1945 period, or only focuses on the post-1980 or post-1990 period. However, neither personalism nor regime type are significant if we consider only the pre-1990 period. As I argued previously, trade agreements were relatively rare prior to that time period. It is also conceivable that autocracies only learned the behavior I described in this dissertation, such as entering into PTAs in order to build legitimacy, once these agreements became more common.

In addition, I also assess whether institutionalization is simply driven by the number of veto players. I include two different measures of veto players: first, the "Checks" measure from the DPI dataset, which measures the presence of checks and balances;³⁸ and secondly, the polconiii measure from Henisz, which is a variable ranging from zero to one, where zero refers to a complete absence of veto players. Henisz defines "veto points" as the number of independent formal political institutions that can exercise veto power over policy choices. He

³⁸Beck *et al.* (2011)

requires veto points to be “both constitutionally effective and controlled by a party different from other branches.”³⁹

While this is conceptually plausible, veto player measures are somewhat less useful when analyzing nondemocratic states as compared to democracies. Although many modern non-democracies have formal political institutions, oftentimes these institutions lack independence from the executive branch and thus cannot be considered veto players. On the other hand, players without formal political roles, such as certain family members of dictators, may have de facto veto power over policy decisions. As a result, veto players are difficult to conceptualize and measure in nondemocratic states. In fact, most of the observations of *polconiii* for nondemocratic states take on a value of 0. Since the presence of more veto players should make entering into PTAs more difficult, consequently I would expect a negative coefficient for this variable. As the second and third models in table 3.13 indicate, veto players are associated with a lower likelihood of PTA entry as expected. Nevertheless, the coefficient on *personalism* remains positive and statistically significant.

Monadic Models

Although my central argument could be interpreted as primarily monadic, my main models adopt a dyadic format. This has several advantages: first, the trade agreement literature adopts almost exclusively dyadic models, in part because of the wide acceptance of gravity models of trade. As such, assessing the role of regime type within a dyadic model allows for easier integration of my analysis into the wider literature on trade agreements. Dyadic models also allow us to control for factors such as distance, contiguity, and joint political factors such as alliances between states. Since trade costs increase with distance between states, not taking into account a country’s distance to other states, as monadic models do, could falsify expectations about their PTA memberships.

³⁹Henisz (2002)

Secondly, importantly dyadic factors can also affect regime type, since regimes tend to be clustered in space. Thus for instance, personalist dictatorships are likely to be located near other dictatorships. Including measures of distance and contiguity in my analysis therefore allows me to control for the possibility that personalist states do not enter into PTAs more frequently simply because they happen to be clustered in close proximity, whereas other types of autocracy may be more dispersed.

Thirdly, adopting a monadic format requires making difficult decisions about how to weight multilateral compared to bilateral agreements. For example, since states that more actively join PTAs may choose to enter into multiple PTAs in a given year (which happens in about 20% of cases in which states entered into PTAs), a simple dummy variable measuring whether a state enters into any PTA in a given year would underestimate the overall likelihood of states to enter into PTAs. In addition, counting the absolute number of trade agreements may also lead to false conclusions about PTA membership, since some states may be more likely to sign bilateral treaties and other states may enter into fewer, multilateral agreements. My theory does not make specific predictions about multilateral or bilateral agreements. A better dependent variable for a monadic model, and one that is somewhat more analogous to dyadic models, would be a count variable that measures the number of states a country enters into a PTA with in a given year. This reflects a more accurate measure of PTA entry.

Despite these potential advantages of dyadic models of trade agreements, I also construct a monadic model of PTA entry as a robustness check. As discussed above, dependent variable is *PTA Partners*, a count variable of the number of new PTA partners in a given year. Similar as in the dyadic model, I control for (log) GDP, GDP per capita, GATT/WTO membership, communism, as well as the time since the state entered into its last PTA (squared and cubed) to account for potential temporal dependence. Since it is not possible to account for factors such as distance to other states in a monadic model, I instead control for the log of trade openness, measured as (exports+imports)/GDP. As before, variables are lagged where appropriate.

Using count data, an OLS model would be biased. More appropriate would be to use a negative binomial or Poisson model. Here, since the variance (37.77) of my dependent variable is much larger than its mean (1.75), a negative binomial model is more appropriate due to over-dispersion. However, I show my analysis for both types of model. Summarizing, the monadic model I use is:

$$\begin{aligned} \text{PTA Partners} = & \beta_0 + \beta_1 \text{ Democracy} + \beta_2 \text{ Nondemocratic Regime Type} + \beta_3 \text{ GDP growth} \\ & + \beta_4 \text{ GDP pc} + \beta_5 \text{ Trade Openness} + \beta_6 \text{ GATT/WTO membership} + \beta_7 \text{ Communism} + \\ & \beta_8 \text{ Other Institutional Variables} + \epsilon \end{aligned}$$

The results of the monadic models are reported in table 3.15 below. The results again mostly provide confirmation of my main theoretical argument. The first two models use a negative binomial regression with and without fixed effects. In these models, the latent personalism is positive and significant as expected. Model 5 shows the same analysis using a fixed effects Poisson model instead. In addition, the third and fourth models use the 2014 Geddes, Wright, and Frantz regime typology. Again using a negative binomial model, contrary to expectations, the regime type variables are not significant. However, this applies not only to the variation within autocracies, but to the democracy dummy variable as well. Using a fixed effects Poisson model, I find that, as predicted, both personalist regimes and democratic states are more likely to enter into trade agreements. Overall, the findings of the monadic model are consistent with the earlier dyadic models and provide evidence that more personalist regimes have a higher likelihood of entering into a trade agreement using the latent personalism variable.

3.7 Conclusion

This chapter has provided empirical evidence for the hypothesis that the likelihood of entry into a trade agreement increases as the level of personalism within an autocracy rises. My findings suggest that autocrats are strategic about their trade commitments, and that

domestic factors can play an important role in the decision whether to enter into a trade agreement. It is consequently important to dis-aggregate not only between regime types, but also within authoritarian states when analyzing trade agreement memberships.

My findings about entry into PTAs are somewhat counter-intuitive, because less personalist autocracies tend to be more institutionalized and are often described as being “more similar” to democratic states than other forms of authoritarianism because they have parties, legislatures, and moderate executive constraints. As such, it would be reasonable to expect these states to behave akin to democracies when making choices about PTA entry, in the sense of being more likely to enter into these agreements. However, as I argued in the previously, purely institutional arguments fail to account for variations in preferences across regime types. While more veto players should be associated with a lower likelihood to enter into trade agreements,⁴⁰ democratic governments are ultimately accountable to voters with relatively liberal trade preferences. On the other hand, authoritarian governments respond to the preferences of small coalitions that are likely to have more protectionist preferences. When members of protectionist coalitions gain veto power, this is likely to result in a stable protectionist status quo. The results presented in this chapter support this logic. In the following chapter, I will analyze how the propensity to enter into a trade agreement relates to the content of that agreement. I will show that although personalist states enter into PTAs more frequently, they also prefer to sign shallower agreements than other authoritarian states.

⁴⁰Mansfield & Milner (2012); O’Reilly (2005)

	(1) Logit PTA Likelihood	(2) Logit PTA Likelihood	(3) Logit PTA Likelihood
<i>Democracy</i>	0.223*** (0.026)	0.092*** (0.033)	0.138*** (0.043)
<i>Latent personalism</i>	0.424*** (0.040)	0.262*** (0.047)	0.461*** (0.066)
<i>(Log) Distance</i>	-0.763*** (0.017)	-1.076*** (0.017)	
<i>Contiguity</i>	0.041 (0.040)	-0.655*** (0.053)	
<i>(Log) GDP_i</i>	0.008 (0.007)	0.074*** (0.008)	-0.539*** (0.113)
<i>(Log) GDP_j</i>	0.024*** (0.005)	0.095*** (0.007)	0.467*** (0.096)
<i>pc GDP_i</i>	0.007 (0.010)	-0.108*** (0.012)	0.448*** (0.108)
<i>pc GDP_j</i>	-0.021** (0.009)	-0.135*** (0.010)	-0.340*** (0.094)
<i>GDP Growth_i</i>	-0.014*** (0.001)	-0.008*** (0.001)	-0.008*** (0.001)
<i>GDP Growth_j</i>	-0.012*** (0.001)	-0.008*** (0.001)	-0.010*** (0.001)
<i>GATT/WTO</i>	0.275*** (0.021)	0.121*** (0.023)	-0.491*** (0.037)
<i>Communism</i>		0.094** (0.047)	0.382*** (0.074)
<i>Alliance</i>		0.576*** (0.035)	-0.000 (0.050)
<i>Armed Conflict</i>		-0.641** (0.297)	-0.476 (0.305)
<i>Resource Rents</i>		-0.001 (0.001)	-0.011*** (0.002)
<i>Colonial Relationship</i>		-0.231** (0.115)	
<i>Last PTA</i>	-0.053*** (0.005)	-0.026*** (0.007)	
<i>Last PTA²</i>	0.001** (0.000)	0.001*** (0.000)	
<i>Last PTA³</i>	0.000 (0.000)	-0.000*** (0.000)	
<i>Constant</i>	0.636*** (0.202)	3.836*** (0.208)	
Observations	1219501	805095	216374
Year Fixed Effects	Yes	Yes	Yes
Dyad Fixed Effects	No	No	Yes
Pseudo-R2	0.130	0.155	0.072
AIC	143392.936	103831.776	65474.269
BIC	144354.052	104748.075	66225.057

Table 3.6: Main Entry Models.

Significance levels: ***>.01, **>0.05, *>.1

	(1) New Treaty PTA Likelihood	(2) Accession PTA Likelihood
<i>Democracy</i>	0.400*** (0.025)	0.672*** (0.051)
<i>Latent Personalism</i>	0.372*** (0.039)	-0.357*** (0.105)
<i>(Log) Distance</i>	-0.559*** (0.013)	-0.983*** (0.025)
<i>Contiguity</i>	0.328*** (0.045)	-0.729*** (0.100)
<i>(Log) GDP_i</i>	-0.009 (0.007)	-0.120*** (0.011)
<i>(Log) GDP_j</i>	0.038*** (0.006)	-0.033*** (0.009)
<i>pc GDP_i</i>	0.064*** (0.011)	0.168*** (0.017)
<i>pc GDP_j</i>	-0.012 (0.009)	0.151*** (0.014)
<i>GDP Growth_i</i>	-0.002*** (0.001)	-0.014*** (0.003)
<i>GDP Growth_j</i>	-0.002*** (0.001)	-0.016*** (0.003)
<i>GATT/WTO</i>	0.686*** (0.021)	0.957*** (0.044)
<i>Last PTA</i>	0.084*** (0.005)	0.072*** (0.010)
<i>Last PTA²</i>	-0.005*** (0.000)	-0.002*** (0.000)
<i>Last PTA³</i>	0.000*** (0.000)	0.000** (0.000)
<i>Constant</i>	-1.457*** (0.166)	-0.102 (0.267)
Observations	1200551	721675
Pseudo-R2	0.204	0.324
AIC	155758.065	29914.956
BIC	156621.942	30431.976

Table 3.8: Likelihood of entry into new treaty and accession to existing treaty

Significance levels: ***>.01, **>0.05, *>.1

	(1) Nondemocracy PTA Entry	(2) Nondemocracy PTA Entry	(3) Nondemocracy PTA Entry	(4) Non-Personalist PTA Entry	(5) Personalist PTA Entry
<i>Democratic Partner</i>	-0.626*** (0.034)		-0.398*** (0.049)	-0.394*** (0.068)	-0.469*** (0.081)
<i>Personalism Country 2</i>		0.879*** (0.059)	0.122** (0.062)	0.022 (0.089)	0.244** (0.095)
<i>(Log) Distance</i>			-0.933*** (0.043)	-0.947*** (0.034)	-0.879*** (0.071)
<i>Contiguity</i>			0.150* (0.078)	0.113 (0.095)	0.216* (0.125)
<i>(Log) GDP_i</i>			0.121*** (0.011)	0.111*** (0.017)	0.160*** (0.022)
<i>(Log) GDP_j</i>			0.045*** (0.012)	0.090*** (0.015)	-0.024 (0.020)
<i>pc GDP_i</i>			-0.095*** (0.016)	-0.137*** (0.023)	-0.056* (0.034)
<i>pc GDP_j</i>			-0.177*** (0.019)	-0.194*** (0.023)	-0.207*** (0.032)
<i>GDP_i Growth</i>			-0.002*** (0.001)	-0.002** (0.001)	0.001 (0.002)
<i>GDP_i Growth</i>			-0.000 (0.000)	-0.001 (0.001)	0.000 (0.000)
<i>GATT/WTO Membership</i>			0.382*** (0.032)	0.454*** (0.045)	0.412*** (0.049)
<i>Time Since Last PTA</i>			-0.029*** (0.010)	-0.018 (0.013)	-0.077*** (0.021)
<i>Time Since Last PTA²</i>			0.000 (0.000)	-0.001** (0.001)	0.004*** (0.001)
<i>Time Since Last PTA³</i>			-0.000 (0.000)	0.000*** (0.000)	-0.000*** (0.000)
<i>Constant</i>	-4.282*** (0.019)	-4.607*** (0.035)	-0.043 (1.056)	2.461*** (0.538)	3.073*** (0.587)
Observations	702965	374057	551815	249111	160361
Pseudo-R2	0.007	0.006	0.324	0.301	0.377
AIC	85758.133	56851.045	50848.722	25109.137	16750.836
BIC	85781.059	56872.709	51645.411	25797.230	17349.947

* $p < .1$, ** $p < .05$, *** $p < .01$

Table 3.10: PTA Partner Choice

	(1) Polity IV Nondemocracies	(2) Polity IV Autocracies	(3) GWF 2017 Autocracies	(4) Polity IV Full Model Nondem.	(5) GWF 2017 Full Model
<i>Personalism</i>	0.326*** (0.058)	0.438*** (0.078)	0.306*** (0.055)	0.115** (0.048)	0.097* (0.058)
<i>Distance (logged)</i>	-0.856*** (0.042)	-0.861*** (0.050)	-0.869*** (0.040)	-0.927*** (0.022)	-0.939*** (0.022)
<i>Contiguity</i>	0.051 (0.075)	-0.059 (0.093)	0.038 (0.072)	-0.408*** (0.065)	-0.394*** (0.068)
<i>(Log) GDP_i</i>	0.126*** (0.013)	0.118*** (0.015)	0.106*** (0.012)	0.121*** (0.011)	0.128*** (0.011)
<i>(Log) GDP_j</i>	0.049*** (0.009)	0.054*** (0.012)	0.043*** (0.009)	0.058*** (0.009)	0.067*** (0.009)
<i>pc GDP_i</i>	-0.144*** (0.021)	-0.251*** (0.027)	-0.126*** (0.020)	-0.126*** (0.016)	-0.151*** (0.018)
<i>pc GDP_j</i>	-0.281*** (0.016)	-0.239*** (0.021)	-0.276*** (0.015)	-0.255*** (0.014)	-0.281*** (0.014)
<i>GDP Growth_i</i>	-0.012*** (0.001)	-0.013*** (0.002)	-0.011*** (0.001)	-0.009*** (0.001)	-0.003** (0.001)
<i>GDP Growth_j</i>	-0.015*** (0.001)	-0.013*** (0.002)	-0.015*** (0.001)	-0.009*** (0.001)	-0.009*** (0.001)
<i>GATT/WTO Membership</i>	0.379*** (0.031)	0.504*** (0.040)	0.443*** (0.030)	-0.001 (0.030)	0.202*** (0.030)
<i>Communism</i>				0.041 (0.048)	0.011 (0.048)
<i>Alliance</i>				0.777*** (0.047)	0.784*** (0.045)
<i>Armed conflict (PRIO)</i>				-0.844** (0.337)	-0.773** (0.378)
<i>Colonial relationship</i>				0.351* (0.182)	0.112 (0.183)
<i>Resource Rents</i>				0.000 (0.001)	-0.001 (0.001)
<i>Time Since Last PTA</i>				-0.101*** (0.011)	-0.075*** (0.010)
<i>Time Since Last PTA²</i>				0.005*** (0.001)	0.004*** (0.001)
<i>Time Since Last PTA³</i>				-0.000*** (0.000)	-0.000*** (0.000)
<i>Constant</i>	3.750*** (0.381)	4.146*** (0.458)	3.955*** (0.357)	3.028*** (0.308)	4.907*** (0.252)
Observations	582110	385010	626442	472388	421940
Pseudo-R2	0.088	0.084	0.090	0.157	0.110
AIC	67123.868	41294.839	73549.333	58778.844	59173.967
BIC	67247.886	41414.310	73674.159	59641.957	59382.067

* $p < .1$, ** $p < .05$, *** $p < .01$

Table 3.11: Robustness Checks – Nondemocracies Only

Dyadic Models: Other Personalism Measures	(1) Geddes Logit	(2) Magaloni et al. Logit	(3) XCONST Logit
<i>Democracy Dummy</i>	-0.086*** (0.033)	0.292*** (0.034)	0.402*** (0.052)
<i>Party Regime</i>	-0.154*** (0.033)		
<i>Military Regime</i>	0.215*** (0.039)		
<i>Monarchy</i>	-0.458*** (0.058)		
<i>Other Regime</i>	-0.737*** (0.061)		
<i>Magaloni Personalism</i>		0.349*** (0.041)	
<i>Magaloni Xconst</i>			0.155*** (0.021)
<i>(Log) Distance</i>	-0.801*** (0.019)	-0.759*** (0.017)	-0.758*** (0.017)
<i>Contiguity</i>	-0.022 (0.043)	0.033 (0.041)	0.029 (0.040)
<i>(Log) GDP_i</i>	0.016* (0.008)	0.017** (0.007)	0.015** (0.007)
<i>(Log) GDP_j</i>	0.033*** (0.006)	0.024*** (0.005)	0.024*** (0.006)
<i>pc GDP_i</i>	0.014 (0.013)	-0.006 (0.010)	-0.016 (0.010)
<i>pc GDP_j</i>	-0.029*** (0.009)	-0.023*** (0.009)	-0.024*** (0.009)
<i>GDP growth_i</i>	-0.012*** (0.001)	-0.013*** (0.001)	-0.013*** (0.001)
<i>GDP growth_j</i>	-0.013*** (0.001)	-0.013*** (0.001)	-0.013*** (0.001)
<i>GATT/WTO</i>	0.249*** (0.022)	0.265*** (0.021)	0.282*** (0.021)
<i>Last PTA</i>	-0.078*** (0.006)	-0.054*** (0.005)	-0.054*** (0.005)
<i>Last PTA²</i>	0.002*** (0.000)	0.001** (0.000)	0.001** (0.000)
<i>Last PTA³</i>	-0.000*** (0.000)	0.000 (0.000)	0.000 (0.000)
<i>Constant</i>	1.206*** (0.228)	0.508** (0.213)	0.561*** (0.209)
Observations	1086029	1172103	1174139
Year Fixed Effects	Yes	Yes	Yes
Dyad Fixed Effects	No	No	No
Pseudo-R ²	0.137	0.129	0.129
AIC	128368.834	140052.640	140158.296
BIC	129344.473	141010.585	141116.380

Table 3.12: Robustness Checks – Alternative Measures of Personalism

	(1) Nonreciprocal PTA	(2) Checks	(3) Polconiii
<i>Democracy</i>	0.242*** (0.027)	0.235*** (0.028)	0.186*** (0.036)
<i>Latent Personalism</i>	0.327*** (0.040)	0.423*** (0.042)	0.311*** (0.047)
<i>Checks</i>		-0.018*** (0.007)	
<i>Henisz Veto points</i>			-0.126* (0.076)
<i>(Log) Distance</i>	-0.530*** (0.016)	-0.741*** (0.015)	-1.028*** (0.028)
<i>Contiguity</i>	-0.132*** (0.038)	0.115*** (0.039)	-0.519*** (0.055)
<i>(Log) GDP_i</i>	0.046*** (0.007)	0.021*** (0.007)	0.029*** (0.008)
<i>(Log) GDP_j</i>	0.056*** (0.006)	0.056*** (0.005)	0.033*** (0.007)
<i>pc GDP_i</i>	0.102*** (0.011)	0.003 (0.010)	-0.089*** (0.014)
<i>pc GDP_j</i>	0.103*** (0.010)	-0.052*** (0.008)	-0.096*** (0.011)
<i>GDP Growth_i</i>	-0.014*** (0.001)	-0.014*** (0.001)	-0.011*** (0.001)
<i>GDP Growth_j</i>	-0.013*** (0.001)	-0.013*** (0.001)	-0.011*** (0.001)
<i>GATT/WTO</i>	0.186*** (0.021)	0.192*** (0.020)	0.254*** (0.025)
<i>Nonreciprocal Treaty</i>	-0.075** (0.033)		
<i>Last PTA</i>	-0.033*** (0.005)	-0.035*** (0.005)	-0.059*** (0.007)
<i>Last PTA²</i>	0.001*** (0.000)	-0.000 (0.000)	0.002*** (0.000)
<i>Last PTA³</i>	-0.000 (0.000)	0.000*** (0.000)	-0.000*** (0.000)
<i>South Asia</i>	0.981*** (0.111)		
<i>MENA</i>	0.485*** (0.081)		
<i>Sub-Saharan Africa</i>	1.090*** (0.063)		
<i>Europe/Central Asia</i>	0.813*** (0.084)		
<i>Latin America & Caribbean</i>	1.171*** (0.075)		
<i>North/Central America</i>	0.463*** (0.072)		
<i>Western Europe</i>	0.117 (0.072)		
<i>Cross-Regional</i>	-0.717*** (0.060)		
<i>Constant</i>	-3.574*** (0.199)	0.739*** (0.196)	3.810*** (0.286)
Observations	1219501	899915	999888
Year Fixed Effects	Yes	Yes	Yes
AIC	138562.321	125147.444	115341.329
BIC	139631.563	126095.959	116215.668

Table 3.13: Robustness Checks – Additional Controls

	(1) No China PTA Likelihood	(2) Pre-1990 Only PTA Likelihood	(3) Post-1980 PTA Likelihood	(4) Post-1990 PTA Likelihood
<i>Democracy Dummy</i>	0.248*** (0.026)	-0.077 (0.049)	0.381*** (0.033)	0.381*** (0.033)
<i>Personalism</i>	0.380*** (0.041)	0.025 (0.064)	0.798*** (0.054)	0.798*** (0.054)
<i>Distance (logged)</i>	-0.768*** (0.017)	-0.684*** (0.027)	-0.904*** (0.014)	-0.904*** (0.014)
<i>Contiguity</i>	0.068* (0.041)	0.059 (0.075)	0.436*** (0.046)	0.436*** (0.046)
<i>Log GDP_i</i>	0.012* (0.007)	0.149*** (0.011)	-0.053*** (0.009)	-0.053*** (0.009)
<i>Log GDP_j</i>	0.029*** (0.006)	0.156*** (0.009)	0.007 (0.006)	0.007 (0.006)
<i>pc GDP_i</i>	-0.002 (0.011)	-0.138*** (0.020)	0.083*** (0.012)	0.083*** (0.012)
<i>pc GDP_j</i>	-0.020** (0.009)	-0.171*** (0.017)	-0.005 (0.009)	-0.005 (0.009)
<i>Log GDP Growth_i</i>	-0.013*** (0.001)	-0.012*** (0.003)	-0.013*** (0.001)	-0.013*** (0.001)
<i>Log GDP Growth_j</i>	-0.012*** (0.001)	-0.012*** (0.002)	-0.011*** (0.001)	-0.011*** (0.001)
<i>GATT/WTO Membership</i>	0.276*** (0.021)	0.523*** (0.035)	0.421*** (0.024)	0.421*** (0.024)
<i>Time Since Last PTA</i>	-0.060*** (0.005)			
<i>Time Since Last PTA²</i>	0.001*** (0.000)			
<i>Time Since Last PTA³</i>	0.000 (0.000)			
<i>Constant</i>	0.682*** (0.204)	-0.013 (0.299)	2.314*** (0.197)	2.314*** (0.197)
Observations	1202699	582781	636720	636720
Pseudo-R2	0.136	0.061	0.109	0.109
AIC	145515.897	53177.641	98723.617	98723.617
BIC	146475.903	53312.948	98859.986	98859.986

* $p < .1$, ** $p < .05$, *** $p < .01$

Table 3.14: Robustness Checks – Additional Controls continued

Monadic Models	(1) nbreg PTA No.	(2) nbreg PTA No.	(3) nbreg PTA No.	(4) nbreg PTA No.	(5) xtpoisson PTA No.	(6) xtpoisson PTA No.
<i>Democracy</i>	0.368*** (0.121)	0.190 (0.217)	0.068 (0.125)	0.251 (0.233)	0.236*** (0.036)	0.273*** (0.042)
<i>Latent Personalism</i>	0.829*** (0.219)	0.590** (0.296)			0.593*** (0.058)	
<i>Geddes Personal</i>			0.295* (0.154)	0.237 (0.264)		0.244*** (0.050)
<i>Geddes Military</i>			0.235 (0.197)	0.334 (0.227)		0.221*** (0.049)
<i>Geddes Monarchy</i>			-0.166 (0.217)	-2.343** (1.089)		-2.732*** (0.402)
<i>Geddes Other</i>			0.191 (0.398)	-0.016 (0.431)		-0.321*** (0.112)
<i>(Log) GDP</i>	0.044 (0.029)	-0.214 (0.135)	0.078** (0.031)	-0.178 (0.164)	-0.221*** (0.030)	-0.197*** (0.036)
<i>pc GDP</i>	0.000 (0.000)	0.000* (0.000)	0.000 (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)
<i>(Log) Trade Openness</i>	0.156** (0.068)	0.031 (0.091)	0.169** (0.081)	0.048 (0.097)	-0.130*** (0.025)	-0.078*** (0.026)
<i>GATT/WTO</i>	0.080 (0.113)	0.440** (0.201)	0.119 (0.116)	0.407** (0.185)	0.214*** (0.039)	0.265*** (0.041)
<i>Communism</i>	0.335 (0.286)	0.017 (0.525)	0.431 (0.291)	-0.045 (0.505)	0.622*** (0.080)	0.631*** (0.080)
<i>Time since last PTA</i>	0.002 (0.028)	0.046 (0.030)	-0.005 (0.038)	0.053 (0.038)	0.053*** (0.007)	0.055*** (0.008)
<i>Time since last PTA²</i>	-0.001 (0.002)	-0.003* (0.002)	-0.001 (0.003)	-0.002 (0.003)	-0.002*** (0.000)	-0.001 (0.001)
<i>Time since last PTA³</i>	0.000 (0.000)	0.000* (0.000)	0.000 (0.000)	0.000 (0.000)	0.000*** (0.000)	-0.000 (0.000)
<i>Constant</i>	-0.636 (0.508)	-0.359 (1.979)	-0.791 (0.596)	-3.708 (2.367)		
<i>lnalpha</i>	2.003*** (0.029)	1.596*** (0.064)	1.962*** (0.031)	1.524*** (0.065)		
Observations	6260	6260	5368	5368	5316	5316
Country Fixed Effects	No	Yes	No	Yes	Yes	Yes
Year Fixed Effects	No	Yes	No	Yes	Yes	Yes
Pseudo-R2	0.004	0.066	0.005	0.071		

Table 3.15: Robustness Checks – Monadic Models

4 | Trade Agreement Design: Cross-National Evidence

In the previous chapter, I showed that more personalist autocracies have a higher likelihood of entering into a trade agreement compared to less personalist autocracies. Yet that is not the only way in which personalism influences the types of trade commitments nondemocratic states make. As I argued in chapters one and two, trade agreements vary significantly in their design, including the degree of trade liberalization they require, their legalization, and scope. If autocrats are strategic rational actors, then we can expect them to make strategic choices not only about whether to enter into a PTA, but also about the content and design of these agreements. Consequently, this chapter focuses on providing empirical evidence for the second part of my theoretical argument, which suggests that highly personalist dictators prefer to enter into “shallower” trade agreements compared to less personalist autocracies. As I argued in chapter two, personalism thus affects trade agreement entry and depth in opposite directions. This chapter explores this concept of “shallowness” in greater detail.

Due to their lack of constraints, highly personalist leaders face fewer political obstacles to entering into trade agreements compared to less personalist autocrats. They are therefore at greater liberty to make foreign policy decisions, and they may enter into PTAs in order to enhance their legitimacy, build regional alliances, or to secure access to a valuable natural resource. I therefore expected personalist dictators to be more likely to enter into a trade agreement than more constrained, non-personalist dictators, and provided empirical evidence for this in the previous chapter.

However, despite this greater propensity for entering into trade agreements, personalist autocrats are hesitant to make trade commitments that require significant policy concessions across a wide range of issue areas. Personalist dictators’ primary concern is with strength-

ening and consolidating their rule and thus maximizing their policy-making control. They fear the loss of sovereignty and empowerment of economic actors associated with deep trade integration that requires significant policy harmonization and infringes on their sovereignty. In particular, I argued that trade liberalization strengthens large, competitive exporters. As exporters become stronger, they have a more difficult time committing to supporting a dictator politically, because they become less dependent on the autocratic regime and could potentially benefit from greater political reforms and democratization. Consequently, I suggested that there is a commitment problem between dictators and export-oriented elites.

Personalist autocrats thus face a dilemma between wanting to be strong leaders with a reputation for making sound economic policy, and ensuring that economic development does not empower exporters who may be difficult to control or co-opt. I argued that personalist dictators solve these problems by entering into many “shallow” trade agreements that require less policy harmonization and lack complexity. Shallow PTAs still have the benefits of visibility, providing legitimacy, and strengthening alliances. But they don’t have the costs associated with deep policy harmonization, and they are less effective in empowering exporters. As a result, they provide personalist dictators with the benefits associated with these agreements without having to pay their costs.

On the other hand, in states with low levels of personalism, entrenched protectionist interests are the biggest obstacle to trade agreement membership. Since protectionist elites have a disproportionate ability to constrain dictators in non-personalist autocracies and can effectively block PTA membership, these states are more likely to abstain from trade agreement membership altogether. Yet sometimes they do enter into PTAs, and this usually occurs when export-oriented elites become strong enough to pressure the government into committing to a trade agreements.

When they do decide to enter into PTAs, non-personalist autocracies have to navigate a political environment where there are more actors involved in, and there is much greater contestation over, trade policy than in personalist states. Non-personalist autocracies share

some features with democracies, in particular the fact that they have a wider range of formal, institutional mechanisms available to facilitate policy-making. This gives them an edge in negotiating PTAs compared to personalist regimes. For these reasons, the trade agreements these states enter into tend to be deeper and more complex than trade agreements signed by more personalist states. They are not the product of an individual dictator seeking personal gains such as legitimacy, but of pressures by more organized, often conflicting interest groups. Despite these advantages, non-personalist autocracies differ from democracies in that they generally face much greater constraints from protectionist elites than democratic governments do. As a result, the bar for entering into a PTA is high, and they are much more hesitant than democracies to enter into PTAs so as not to alienate protectionist interest groups.

The following sections provide empirical evidence for these arguments. I will start by discussing issues around the concept of "depth." I will then outline my research design, including a description of the dependent variables used in my analysis, controls, and modeling strategy. This will be followed by a discussion of results and robustness checks.

4.1 Background: The Importance of PTA Design

Since trade agreements vary significantly in terms of their content and scope, the signing of a PTA provides only partial information about what motivates a state to join a trade agreement. In addition, PTA entry and design are likely interdependent. For rational state actors, the decision whether to enter into a PTA in the first place may be influenced by the expected terms and content of a potential agreement. I therefore argue that we should expect dictators to act strategically not only in choosing whether to enter into trade agreements, but also with respect to their design.

Existing research on the relationship between regime type and trade agreements has focused primarily on explaining variation in entry into trade agreements and pays less attention to

potential variation in the design of trade agreements across or within regime types. However, there has recently been an increased scholarly interest among trade scholars in analyzing the content of trade agreements. Thus, for instance, Ahcar and Siroen critique that “The current literature has not sufficiently explored the heterogeneity of [regional trade agreements].”¹ Similarly, in her recent analysis of “dysfunctional” regional trade agreements, Julia Gray notes that: “Most empirical studies have tended to operationalize [regional trade agreement] RTA membership as a dichotomy: a country is in one or it isn’t, and the relative capacity of different agreements is ignored. Yet we know that wide variation exists across trade agreements, in terms of their ability to accomplish their goals and their structure.”²

Due to a recent increase in attention to PTA design, several new datasets provide information on a large range of PTA design features for all regions of the world.³ As a result, we can now examine much more fine-grained differences in trade agreement design than previously possible. These data collection efforts have also been aided by more sophisticated software. For instance, new text analysis programs allow for word-by-word comparisons of treaty texts, granting scholars a better understanding of the diffusion of trade agreement design.⁴ Yet better data availability also calls for theory building regarding design differences and regime type. The research presented in this chapter therefore contributes to an emerging literature on the content of trade agreements by “unpacking” the content of PTAs signed by autocratic states.

There are several reasons why scholars are increasingly interested in PTA design. First, there is a general trend towards increasing complexity in international trade agreements. Early trade agreements tended to be rather basic documents, consisting of a preamble and provisions that were often just a few pages long, and were primarily focused on lowering tariffs. More recent trade agreements, on the other hand, are often highly complex, lengthy documents requiring detailed harmonization across a wide range of issue areas.⁵

¹(Ahcar & Siroën, 2017, 617)

²(Gray, 2010, 1)

³Duer *et al.* (2014); Hofmann *et al.* (2017)

⁴E.g. Allee & Elsig (2016)

⁵See Horn *et al.* (2010); Hofmann *et al.* (2017)

In some sense, this trend towards increasing PTA complexity is an intuitive consequence of globalization. Early trade agreements laid the groundwork for reciprocal trade liberalization between states by lowering trade barriers. These early agreements subsequently led to increased trade flows and greater interdependence between states, which in turn raised the need for deeper harmonization and coordination. In other words, once the removal of tariff barriers was largely accomplished, states were free to negotiate over other, non-tariff issues. This process thus led to a natural deepening and greater complexity of trade agreements over time.

However, despite this overall trend towards more complexity in trade agreements, there remains a lot of variation across individual PTAs. What the previous story omits is that, despite the advance of globalization, trade commitments can be stalled and reversed. Similarly, it is known that states sometimes make multiple simultaneous commitments that, from a purely technical standpoint, would seem superfluous. We therefore cannot assume that all states follow the same path towards “deeper” trade commitments. In fact, as I show below, this is particularly true for some types of autocracy.

A second reason for a renewed interest in trade agreement design is that since the end of the Cold War, there has been an increased entry of states from the global South, formerly communist states, and nondemocratic states into trade institutions. These actors likely have different preferences than the developed industrial democracies that formerly shaped trade institutions. Greater preference heterogeneity makes disagreement over agreement design or even bargaining failure more likely. Thus, for example, failure of the Doha round is often attributed to greater preference heterogeneity among member states.⁶ On the other hand, there is also a potential for cooperation between heterogeneous actors as a result of issue linkage. Overall then, there is now an increased need to understand how nondemocratic actors shape trade institutions.

Trade experts have been increasingly concerned about our lack of understanding of the

⁶E.g. [Bouët & Laborde \(2010\)](#)

content of trade agreements. As former WTO Director General Pascal Lamy noted: “it would be fair to say that proliferation [of PTAs] is breeding concern - concern about incoherence, confusion, [...] unpredictability, and even unfairness in trade relations.”⁷ Yet without a clearly defined notion of how the design of PTAs varies across trade agreements and over time, it is difficult to determine whether, and which, trade agreements are “stumbling blocks” versus “building blocks”.⁸ How then should we make sense of these complex design features?

First, despite the recent resurgence of interest in PTA design, research on the design of international institutions is not in fact a new phenomenon. There is a wealth of existing research that seeks to explain the design of formal international institutions.⁹ Perhaps most prominent is the “rational design project” of the early 2000s, when Koremenos, Lipson, and Snidal emphasized that “major institutions are organized in radically different ways.”¹⁰ The authors proposed five key dimensions along which formal international institutions can vary: membership, scope, centralization of tasks, rules for controlling the institution, and flexibility.¹¹ In their conception, international institutions should be thought of as equilibria, the stable outcomes of strategic interactions between rational actors. Their framework provides some general guidance on how to think about the wealth of design aspects of international trade agreements. Although all five characteristics they describe are theoretically relevant for the analysis of autocratic PTA membership, my analysis in this chapter focuses on those design elements that are most consequential for my theory of the domestic politics of autocratic PTAs.

For example, scholars of trade agreements have paid much attention to questions regarding the flexibility of PTAs. Thus for instance, Rosendorff and Milner argue that escape clauses, which allow for the temporary suspension of commitments, are particularly useful under high domestic uncertainty, because temporary PTA suspension can then prevent agreement

⁷Lamy 2007, cited in (Horn *et al.* , 2010, 4)

⁸E.g. Limão (2006)

⁹Although this earlier research tended to be more theoretically rather than empirically driven.

¹⁰(Koremenos *et al.* , 2001, 1)

¹¹Ibid., 3

breakdown.¹² However, since my theory makes no specific predictions regarding either flexibility of trade agreements or voting rules, I will not assess these design features in this dissertation. Nevertheless, Rosendorff and Milner's arguments could be extended to autocracies in future research. For instance, it is plausible that domestic conflict over trade policy in autocracies could influence the flexibility of trade agreements, such as the inclusion of escape clauses and transition rules. The primary focus of this chapter will thus be on the scope of autocratic trade agreements as well as questions of legal enforcement. The following sections will focus on scope. I will then discuss centralization and enforcement in subsequent sections.

As I explained previously, PTAs vary hugely in terms of their scope. Table ?? provides a rough overview of how the scope of a given PTA may vary (with some examples of each). Apart from the obvious tariff provisions, a huge focus of more recent trade agreements has been on regulatory issues that attempt to standardize and harmonize issues relating to trade policy more broadly. These range from provisions on the technical barriers to trade, to provisions that govern competition and intellectual property rights. Services trade in particular, has increased significantly, and this has been accompanied by a similar increase in PTAs regulating this trade in services.¹³ In addition to these regulatory issues, trade agreements may cover a host of other clauses relating to non-trade economic issues that are of relevance to global trade. For example, PTAs might call for cooperation on energy politics, or may include provisions on the movement of capital or people.¹⁴ Lastly, trade agreements increasingly include a host of non-economic issues relating to governance or pressing global issues. Perhaps most prominently, PTAs increasingly cover human rights, environmental provisions, or clauses relating to security cooperation or terrorism.¹⁵

¹²e.g. Rosendorff & Milner (2001)

¹³See e.g. Roy *et al.* (2007)

¹⁴See Hofmann *et al.* (2017)

¹⁵Lechner (2016)

Scope	Examples	
Tariffs	Tariff rates	Agriculture
	Excluded vs. included sectors	
Regulatory Issues	Technical barriers to trade	Intellectual Property Rights
	Customs Administration	Competition
	Public Procurement	Services Trade
	Antidumping	
Other economic issues	Investment	Movement of People
	Energy	
	Movement of Capital	
Non-trade issues	Corruption	Security provisions
	Human rights	Drug Enforcement
	Labor rights	Consumer protection
	Environmental provisions	

Thus, despite their name, many trade agreements are no longer merely about trade, but cover a wide range of topics that may be more or less closely related to trade. The wealth of provisions present in many trade agreements makes it difficult to directly compare PTA content. One way to abstract from specific provisions and gain an overall sense of the extent of trade harmonization required by a PTA is to think of trade agreements as varying in their “depth.” Depth is an aggregate measure of trade agreement content that assesses the extent to which a trade agreement requires liberalization across a range of different issue areas.¹⁶ “Deeper” agreements are those that require more extensive liberalization across a wider range of policy areas. The concept of depth is useful for the purposes of this dissertation because it provides a general sense of the complexity and extent of liberalization required by an agreement that a focus on any particular measure could not. The next section discusses the concept of depth and its potential advantages and disadvantages in greater detail.

4.2 Conceptualizing “Depth”

In the previous section, I defined “depth” as the extent of liberalization and harmonization required by a trade agreement. In other words, depth is essentially an aggregate way to

¹⁶See (Downs *et al.* , 1996, 383)

characterize the scope of a trade agreement. It is useful because it allows us to conceptualize the complexity of an agreement in a single, summary measure.

However, it is important to note that although the concept of PTA depth appears relatively frequently in the existing PTA literature, and while it has a certain intuitive appeal, there is no unified approach to defining or measuring depth. Older literature sometimes refers to formal tariff cuts and bindings as depth, in the sense that “lower tariff bindings require deeper cooperation”.¹⁷ Another interpretation of depth that used to be quite commonly used considers whether the agreement is a preferential trade agreement, full trade area, a customs union, or an economic market.¹⁸ This is a broader interpretation of depth, but still less fine-grained than more recent uses of the term.

While tariffs are an important aspect of depth, looking only at tariffs provides an incomplete notion of the concept. This is because tariff bindings without harmonization or cooperation on key regulatory issues are likely to have little bite. States that have little or no trade between them have been known to sign PTAs that commit to eliminating all tariffs. Yet in the absence of expected trade flows, a reduction in tariffs is often mainly symbolic. On the other hand, when states include a range of regulatory provisions along with lower tariffs, tariff ceilings or bindings, in an agreement, it provides at least some indication of “deep” tariff liberalization. Note also that little data is available on the extent to which trade agreements actually get implemented by states. My analysis, as that of other scholars, focuses on the trade liberalization that is prescribed by the text of a PTA.

As an example of this distinction, consider the African Economic Community (AEC), which was created in 1991 and went into effect in 1994. The AEC promoted lofty goals that included the elimination of tariffs, non-tariff barriers, and the establishment of a Free Trade Area between member states, with the possibility of a future common market and single currency. Implementation of these goals was not immediate, but was to proceed in stages over the course of several decades. As can be seen in figure ?? , despite the elimination

¹⁷([Johns, 2014](#), 469)

¹⁸e.g. [Mansfield & Pevehouse \(2008\)](#)

of tariff barriers, the AEC ranks low in terms of overall depth. The main reason for this is that the AEC did little to move beyond very general language on issues other than the elimination of tariffs. Many African trade agreements suffer from notoriously vague language and provisions that lack detail. In addition, since only about 12 percent of African trade is intra-continental,¹⁹ the elimination of tariffs alone may not have a strong effect on trade in the absence of additional provisions focused on stimulating growth, building infrastructure, and providing better incentives for businesses to focus on regional trade.

Nevertheless, it should be noted that since the original AEC treaty, there has been slow but steady deepening of trade integration through subsequent agreements. The African Continental Free Trade Agreement, which went into effect in 2018, now constitutes the world's largest free trade area. However, once again negotiations on key areas that would signify true deep trade integration is still ongoing, and there is no agreement yet on issues that are key to deeper trade integration, such as competition and intellectual property rights. The case of the AEC illustrates that there is an important distinction to be made between depth defined as tariff reductions and a broader conception of depth as the overall extent of trade integration. As a result, more recent scholarship tends to conceptualize depth not only by looking at tariff cuts, but also in terms of the overall presence of other issue areas that require harmonization within a trade agreement.

Hofmann et al. call this type of depth “horizontal” depth, which they distinguish from “vertical” depth in recent work.²⁰ In their words, horizontal depth captures the breadth or total number of issue areas included in an agreement, whereas “vertical” depth refers to the comparative stringency of each provision compared to similar provisions in other PTAs. For example, two PTAs may contain provisions on competition, but one may go deeper in terms of the regulation required in the agreement. Reliable data on vertical depth is currently unavailable, since existing datasets on PTA depth generally focus on horizontal rather than vertical depth. It is also important to note that depth in general refers to depth “on paper”:

¹⁹<https://www.brookings.edu/blog/africa-in-focus/2014/01/09/will-there-be-an-african-economic-community/>

²⁰Hofmann *et al.* (2017)

There is little cross-national data available on the extent to which states actually implement the provisions they commit to. Nevertheless, vertical depth would be an interesting area for future research.²¹

One problem with a broader definition of depth is identifying exactly which provisions should be considered as “deepening” an agreement. For instance, while depth is usually used to characterize the extent of liberalization on tariffs and regulatory issues, it most often omits non-trade related issues (such as human rights or security).²² But where do provisions on services or infrastructure or even corruption fall? In their definition, scholars face the challenge of making the concept of depth meaningful without making it so broad that it encompasses all provisions. In general, correlation between different measures is likely high, which alleviates some of the concerns regarding definitions.²³ Nevertheless, it is important to realize that different definitions of depth measure somewhat different concepts, and therefore possibly speak to different theoretical questions.

Figure ?? illustrates the trend towards deeper trade agreements over time using a measure of depth by Duer, Baccini, and Elsig.²⁴ The figure shows that average depth was low until the 1980s, but then increased dramatically since the 1990s. The measure considers the North American Free Trade Agreement (NAFTA) and the Central American Free Trade Agreement (CAFTA) to be among the deepest trade agreements, whereas trade agreements such as the ASEAN Free Trade Area and the African Economic Community are shallow. The figure also illustrates that depth continues to vary strongly even among more recent trade agreements.

Why then should we care about trade agreement depth? The first reason is that the depth of trade agreements varies significantly across regime types. As figure 4.2 illustrates, non-democratic states generally tend to enter into “shallower” agreements than democratic states.

²¹Ibid., 24

²²Hofmann *et al.* (2017)

²³For instance, agreements that require lower tariff bindings also frequently cover liberalization across a wide range of other issues.

²⁴Duer *et al.* (2014)

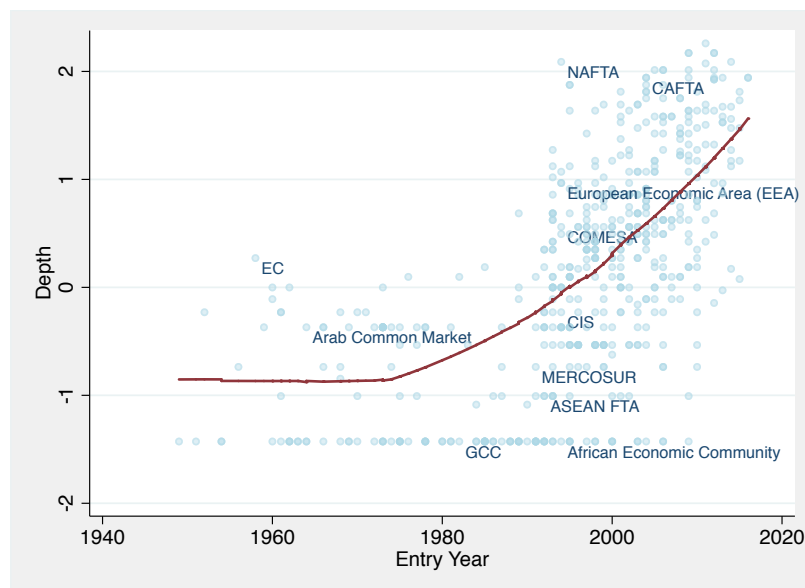


Figure 4.1: PTA depth over time

Democracies are therefore not only more likely to sign trade agreements, but they also prefer deeper agreements compared to nondemocratic states. As a result, there is a clear link between the type of government of a country and the depth of trade cooperation. Existing research suggests that differences in PTA entry across regime types are due to differences in domestic political institutions, and it would therefore make sense that domestic factors also influence the depth of agreements. I argue that, when analyzing the relationship between regime type and trade, we should thus think about entry and depth as linked.²⁵

The tendency of nondemocratic states to choose shallower trade agreements is also reflected in aggregate PTA membership. Figure 4.3 illustrates that PTAs tend to become shallower as the proportion of nondemocratic member states increases. In other words, having lots of nondemocratic member states is bad news for deep trade cooperation.

This is concerning, because existing research suggests that depth matters for economic outcomes and that deeper PTAs are more likely to be trade-creating. Previous research

²⁵For some articles exploring the link between domestic politics and trade agreement design, see [Kucik \(2012\)](#); [Lechner \(2016\)](#).

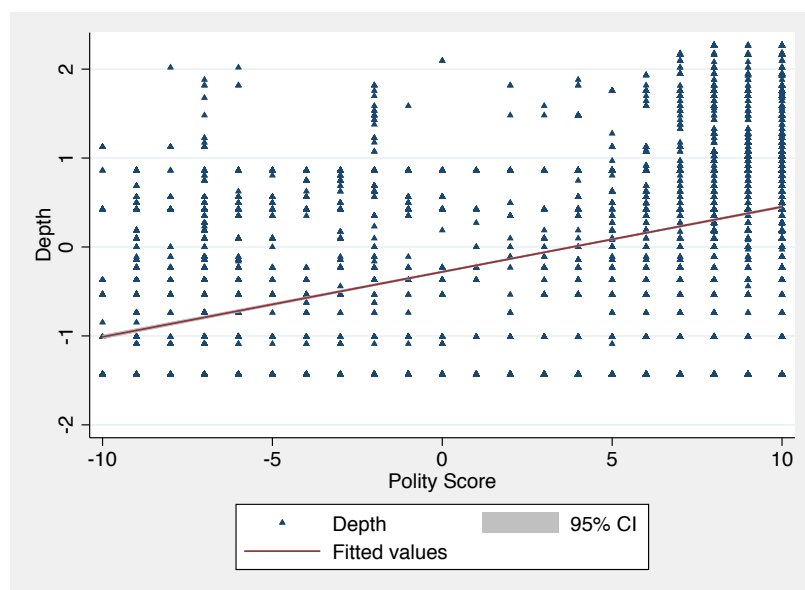


Figure 4.2: Average depth by Polity IV score

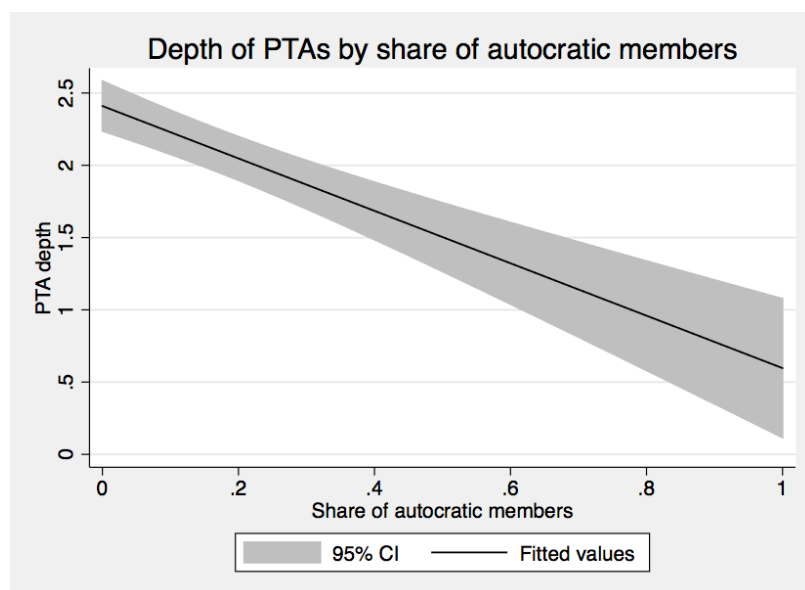


Figure 4.3: Depth by share of autocratic member states

shows that the design of trade agreements matters for economic outcomes.²⁶ Similarly, there is a large literature analyzing whether trade agreements have trade diverting or trade

²⁶E.g. Allee & Elsig (2016); Gray (2010); Slapin & Gray (2014)

creating effects.²⁷ While these debates have generally produced mixed results, there is a strong implication that the effects on trade flows likely depend on the terms and provisions included in any given PTA. In particular, there is evidence that deeper agreements increase trade volume more than shallow ones do.²⁸ For instance, Ahcar and Soroen use an additive, unweighted measure of depth and find that “deeper, rather than shallow RTAs promote trade. A 10% increase in the depth of integration raises bilateral trade flows by some 3.0%.”²⁹

If deeper trade agreements are more likely to be trade-creating, then this raises another question: why do not all states sign such deep trade agreements? Or, as Gray notes about regional trade agreements, “existing theories do not sufficiently explain when and why regional trade agreements fail to promote trade or why leaders would even bother to negotiate agreements that are likely to be ineffective.”³⁰ More generally, given that states could simply abstain from PTA membership, why would they choose to sign shallow and ineffective PTAs? The most plausible answer is that trade agreements are not always about trade, but that states have a variety of economic and political motivations in signing them. However, there is little research examining the rationale for shallow trade agreements. One exception is Gray’s analysis, who argues that trade organizations can provide private rents to government elites.³¹

The variation in depth across PTAs therefore calls for a more thorough investigation and increased theory-building regarding both the causes of this variation and its possible effects on policy outcomes. Whether a PTA is shallow or deep can have implications for trade flows, but also broader implications for security cooperation and the diffusion of norms about international cooperation. Domestically, it could affect not only economic growth, but also has potential implications for political institutions and stability. While scholars

²⁷E.g. Baier & Bergstrand (2007); Rose (2004); Tomz *et al.* (2007); Kohl (2014); Krueger (1999); Koo *et al.* (2006)

²⁸Ahcar & Siroën (2017); Orefice & Rocha (2011); Baier *et al.* (2014)

²⁹(Ahcar & Siroën, 2017, 648). However, an earlier study by Vicard using a less fine-grained definition of depth finds no evidence of greater trade creation for deeper PTAs. Vicard (2009)

³⁰(Gray, 2010, 1)

³¹*ibid.*

are increasingly interested in these potential effects, on the whole they have not yet been explored in detail. As Duer et al point out,

“The limited attention paid to differences in the design of trade institutions is problematic given that PTAs clearly vary in terms of overall ambitions and commitments [...] The logic of signing deep or shallow agreements will differ, as the former may cause important losses for some sectors of society.”³²

To sum up, it is important to keep in mind that analyzing of depth is a two-fold issue: first, we need to ask about the conditions leading states to sign deeper trade agreements. And secondly, given there are many shallow agreements, what benefits are there to signing “shallow” trade agreements? My dissertation provides answers to both of these questions with a focus on nondemocratic states. Specifically, I propose several reasons for why personalist dictators prefer to make shallow trade commitments. The most important of these is that dictators don’t actually have a preference for deep liberalization, but rather have an inherent preference for protectionism. As a result, in personalist states, the decision to enter into a trade agreement is driven primarily by dictators’ desire to consolidate their rule. Shallow PTAs are desirable because they help personalist dictators build legitimacy at home and abroad and strengthen regional alliances. Highly personalist dictators do not need to make the more complex types of commitments that arise where elites have a greater ability to constrain dictators. For these reasons, I expect that trade agreements signed by personalist states tend to cover fewer issue areas, have less complexity, and involve more limited tariff reductions compared to PTAs signed by less personalist states.

Lastly, it should be noted that there are also potential downsides to analyzing PTA design purely in terms of depth. Using an aggregate, summary concept to characterize PTA design obscures potential trade-offs between different design features. For instance, Johns argues that there is a trade-off between the depth and rigidity of trade agreements. She suggests

³²(Duer *et al.* , 2014, 5)

that deep agreements tend to be more flexible than shallower agreements, in the sense that they are more likely to include safeguards and anti-dumping procedures, because deeper agreements are more difficult to comply with. Increasing flexibility for deeper agreements decreases the likelihood that cooperation breaks down completely as a result of a treaty violation.³³ In related research, Baccini et al show that the link between flexibility and depth is generally weaker for nondemocratic states. This interesting finding suggests that design trade-offs may differ across regime types.³⁴ While the depth-flexibility link has been explored in detail, there are other potential trade-offs between design features that have not yet been analyzed and that are not captured by an aggregate depth measure. Although this is not the focus of this chapter, it would be an interesting area of future analysis. The following sections will describe my depth variables, followed by analysis of the impact of personalism on PTA depth. I will then “unpack” the concept of depth to explore some additional implications regarding the relationship between personalism and trade agreement design.

4.3 Research Design

Measuring Depth

Based on the theoretical arguments outlined in chapter 2 of this dissertation, I expect that less personalized and more institutionalized dictatorships are more likely to enter into “deeper” agreements compared more personalized autocracies. As I argued previously, more personalist dictators face fewer formal constraints on their rule and as a result it is politically less costly for them to enter into PTAs. Personalist dictators enter into trade agreements to build legitimacy and consolidate their rule. They want to gain the benefits of PTA membership without paying the potential costs associated with deeper commitments. I therefore expect that trade agreements signed by personalist states tend to cover fewer issue

³³Johns (2014)

³⁴Baccini *et al.* (2013a)

areas, have less complexity, and more limited tariff reductions compared to PTAs signed by less personalist states.

On the other hand, in less personalist and more institutionalized states, the biggest obstacle to international trade cooperation is political opposition to PTA entry. The presence of organized protectionist interest groups means that these states tend to enter into PTAs less frequently. However, whenever they do enter into PTAs, this implies the presence of organized pro-trade interest groups. Governments of these states have better information about economic preferences because there are more effective, formal bargaining forums allowing for debate over economic issues among a larger number of actors. As a result, conditional upon entry, PTAs signed by these states should be deeper in the sense of covering more issue areas and generally have more complex regulations. To summarize, the key hypothesis I will assess here is:

Hypothesis 4.1: More personalist autocracies tend to enter into shallower trade agreements than less personalist dictatorships.

This section describes how I measure the dependent variables used in my analysis. Specifically, I employ several different measures of depth. As I argued previously, there is no agreed-upon definition of the depth of a trade agreements and consequently comparing empirical results across several different measures of depth will strengthen my empirical results. Based on my previous discussion, depth measures that include both tariff bindings as well as a range of regulatory provision provide a more convincing and accurate sense of the extent of trade liberalization compared to measures focused only on tariff reductions.

According to this line of thinking, the inclusion of a larger number of regulatory issues in addition to the elimination of tariffs indicates a deeper PTA compared to an agreement with fewer regulatory provisions. A second issue, however, is whether these provisions should be weighted differently. There is no agreement on this, mostly because of a lack of literature on this topic. In the absence of guidelines for weighting various component provisions of

my depth measures, most of the variables described in the following sections do not place increased weight on specific provisions over others.

(1) *Latent depth measure*: The first depth variable, $Depth_c$, is a continuous measure of agreement depth from the Design of Trade Agreements (DESTA) dataset, with higher values indicating deeper agreements. The authors derived this variable through latent trait analysis covering 48 individual components that are “theoretically related to depth”. These areas mostly concern regulatory issues, but also some broader issues such as movement of persons and whether the agreement includes a services provision.³⁵ A full list of the components of this measure is reproduced in the appendix below.

Latent trait analysis assumes that the “depth” of a PTA is a single underlying trait or characteristic which cannot be directly observed, but that correlates with the presence of different PTA provisions. A Rasch model, which the authors use, is one of the simplest types of latent trait model. It assumes that there is a single underlying trait that, together with the difficulty of each item, determines observed answers to each item.³⁶ The latent trait approach has some potential advantages over simpler count measures.³⁷ Most importantly, it is broad and accounts for correlation between the individual measures as well as weighting their relative importance.³⁸

At the same time, the approach is not without issues. Motivations for signing trade agreements are complex and multidimensional. As a result, the assumption that there is only one latent dimension present may be violated here. Given different interpretations of the concept of depth, it is also not entirely clear what exactly the latent trait is that it is measuring here. Despite these reservations, this measure of depth is nevertheless a plausible concept. However, I also code an alternative measure of depth in the next section.

The scatterplot graph below illustrates the distribution of the latent depth variable across

³⁵See https://www.designoftradeagreements.org/media/filer_public/3a/5b/3a5b6e31-579c-470e-8d2a-82280ad52d81/depth_notes.pdf

³⁶E.g. Rost (1990)

³⁷E.g. Hambleton & Swaminathan (1985)

³⁸Duer *et al.* (2014)

different values of personalism. We can see that the relationship is weakly negative, with lower depth at higher levels of personalism. However, the depth values generally seem to be clustered around the shallower agreements for all levels of personalism. In other words, initial evidence suggests that autocracies across the board tend to enter into shallower agreements than democracies. While there were very large differences within autocracies with respect to PTA entry, for depth the differences between autocracies appear more subtle.

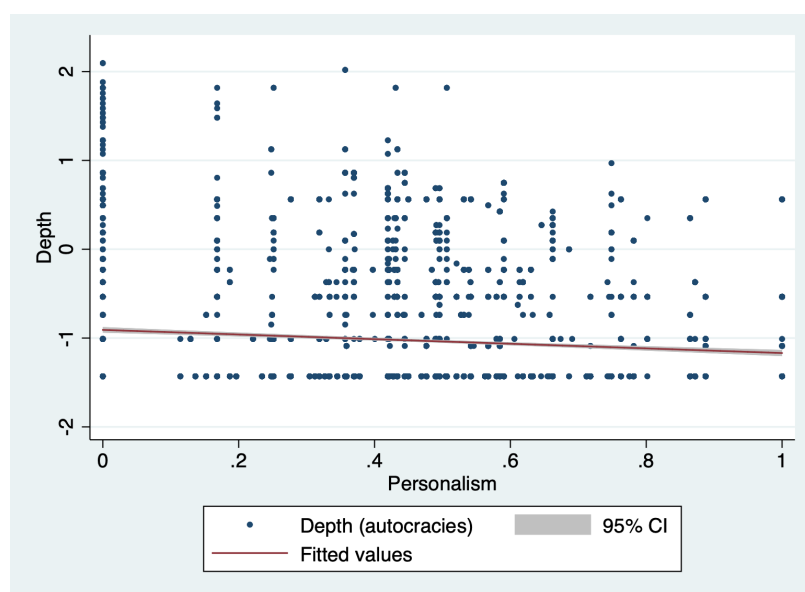


Figure 4.4: PTA depth by personalism score

Nevertheless, a few things are noticeable from the scatterplot. The spread of the depth variable is much larger for lower values of personalism. In addition, there are more states entering into deeper agreements for non-personalist autocracies. The deepest values of depth are missing completely for the most personalist autocracies. There thus appears to be an upper bound for PTA depth for highly personalist states that is not present for non-personalist regimes.

In addition, the main reason why there is greater variation in the depth values for non-personalist autocracies is that there is a time trend in depth. As figure 4.5 illustrates, non-personalist regimes have been entering into noticeably deeper PTAs in more recent

years. Yet the trend towards deeper PTAs decreases for higher levels of personalism. The most personalist states, which have been most active in entering into PTAs, have seen almost no increase in depth over time.

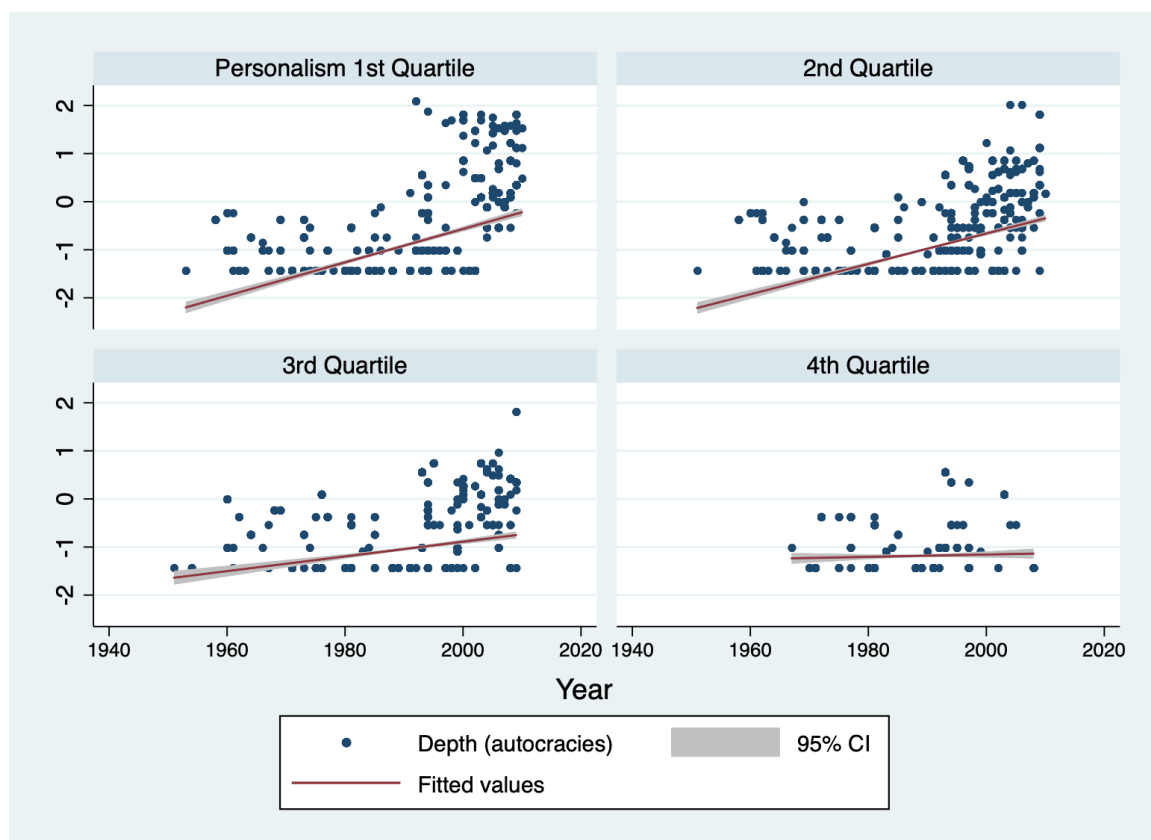


Figure 4.5: Depth trends by personalism quartiles

(2) *Discrete depth measure:* To provide further evidence that personalist dictators are less likely to sign deep agreements, I use an alternative, additive measure of depth from the DESTA dataset that assesses whether a PTA includes liberalization across seven areas. This measure has seven components: first, tariff reduction, which is a dummy indicating whether or not all tariff are set to zero. And secondly, it has six additional components relating to depth: whether the agreement includes provisions relating to services, investments, standards, public procurement, competition, and intellectual property rights. All of these are important regulatory issues relating to trade liberalization. While it could be argued

that information on other provisions relevant to depth, such as cooperation on technical barriers to trade, is missing from this variable, the variable nevertheless includes enough core elements of depth that it is a useful measure.³⁹

As figure 4.4 illustrates, there are noticeable differences in the distribution of the discrete depth variable for different levels of personalism. Several things stand out in particular: first, highly personalist autocracies do not enter into the deepest PTAs. Secondly, there is a large number of non-personalist autocracies that enter into the shallowest PTAs. Once again, there is greater variance in the depth of PTAs signed by non-personalist autocracies compared to highly personalist autocracies. Again, this is partly explained by a recent trend towards deeper agreements for non-personalist autocracies. Lastly, compared to the distribution of depth for democratic states (see figure on next page), nondemocratic states generally enter into noticeably shallower agreements.

To further assess variation in depth across nondemocracies, I code a dichotomous variable, *Depth_d* that is based on the seven categories I discussed and measures whether a PTA is deep or shallow. The variable takes on a value of zero for shallow agreements and one for deep agreements, with dyads that do not enter into a PTA in a given year coded as missing. I use different possible cutoffs for what counts as a “deep” agreement: first, I define deep as the presence of at least three out of the seven possible issue areas. I also show empirical results for deep defined as at least two out of seven issue areas.⁴⁰

Alternative Measures of Depth

The previous sections surveyed conceptual issues relating to the concept of depth and discussed two empirical measures of depth from the Design of Trade Agreements Database. In this section, I introduce two additional measures relating to the depth of trade commitments

³⁹For future robustness checks, one could add additional issue areas to this measure.

⁴⁰Results are similar if the cutoff for deep is four or higher.

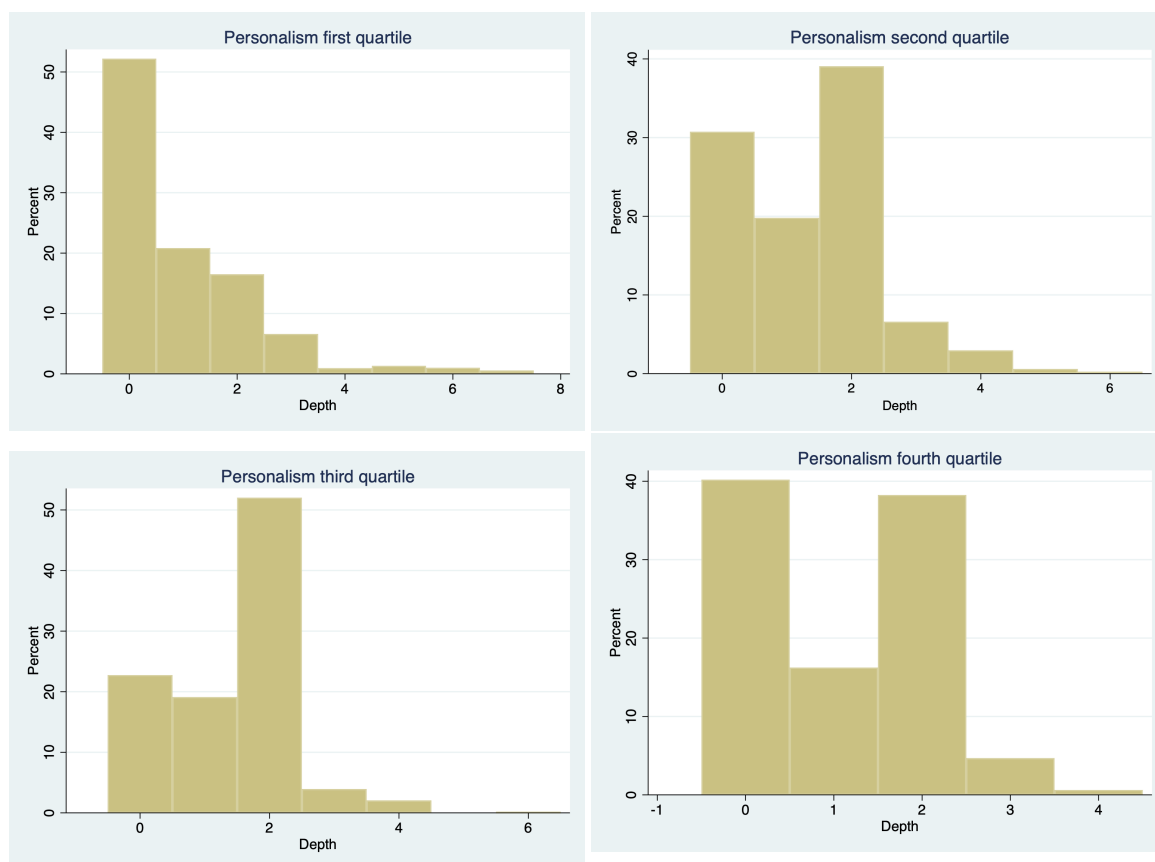


Figure 4.6: Personalism Quartiles Histogram

made by authoritarian states. Both of these measures define depth in terms of how PTA provisions relate to existing WTO mandate.

As nearly all states have entered the World Trade Organization, they have become more constrained in the commitments they can make via PTAs. Most importantly, WTO members commit to non-discrimination between their trade partners under the most-favored nation (MFN) clause. Nevertheless, the WTO allows for exceptions to this rule by permitting member states to sign reciprocal trade agreements, given that they do not raise trade barriers for non-members. The WTO regards this as a way for states to “negotiate rules and commitments that go beyond what was possible multilaterally.”⁴¹ In addition, the enabling clause also specifically permits preferential treatment for developing countries.

⁴¹https://www.wto.org/english/thewto_e/whatis_e/tif_e/bey1_e.htm

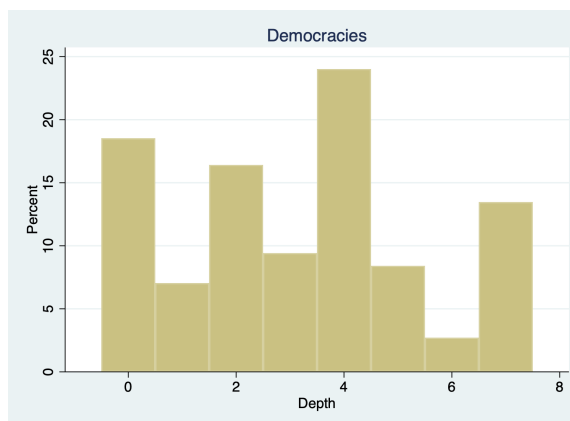


Figure 4.7: Depth Distribution, Democratic States

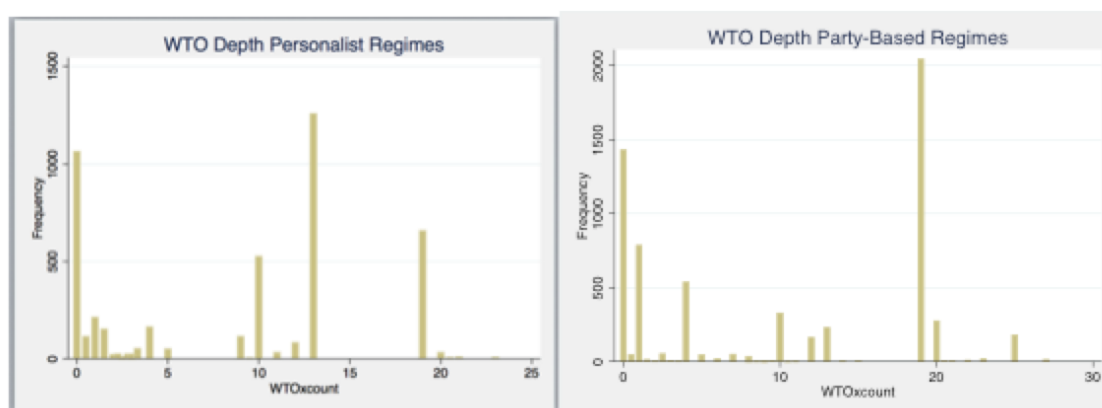
I extend my earlier argument about personalist dictators' preferences for shallow trade agreements to the WTO framework. I have argued that personalist dictators enter into PTAs because they want to gain the benefits of a limited degree of liberalization, but they do not want genuine deep trade cooperation. Given that most states are WTO members, trade agreements that cover only provisions already mandated by WTO rules should be considered “shallower” than PTAs that extend past these existing rules. Therefore, I expect that more personalized states will be less likely to enter into deep trade agreements defined in this way.

Hypothesis 4.2: More personalist autocracies tend to enter into trade agreements that cover fewer rules that exceed existing WTO mandate.

To evaluate this hypothesis, I code a measure, *WTO Count*, which is derived from a recent World Bank dataset on the depth of trade agreements by Hofmann et al. The authors provide data on specific provisions of 279 trade agreements that were notified to the WTO and in force as of 2015. These agreements cover 189 countries.⁴² The data is particularly useful because it provides detailed measures across a wide range of areas. It should be noted, however, that some of these WTO-X provisions cover non-trade issues, such as environmental

⁴²Hofmann et al. (2017). Their methodology follows Horn et al. (2010). The authors update the earlier data by Horn et al.

issues. It is therefore a somewhat broader concept of depth than the other measures.⁴³ The authors specifically distinguish two types of provisions: those that fall within current WTO mandate, and those that fall outside of current WTO mandate (which they call WTO-x). The *WTO Count* measure is a count variable that codes the number of provisions that exceed GATT/WTO mandate. The distribution of *WTO Count* for personalist vs. non-personalist states is shown in figure ?? . As I showed with the other depth measures, highly personalist states are not entering into the deepest PTAs, particularly those that have twenty or more provisions that exceed WTO mandate.



Finally, I also code an additional variable that measures the extent to which the WTO-X provisions included in a PTA are legally enforceable. Again, this data comes from Hofmann et al. What does it mean for a provision to be “legally enforceable”? And why should enforceability vary across provisions and not be uniform within a PTA?

Provisions within a PTA can vary in the specific terms and language they use. Horn, Mavroidis, and Sapir argue that vague and “non-committal language” is a key reason why a provision is not legally enforceable.⁴⁴ Legally defensible in the authors’ view means that a provision “specifies at least some obligation that is clearly defined, and that is likely effectively to bind the parties.”⁴⁵ Note that this does not mean that there is a specific

⁴³See appendix for a complete list of included issue areas.

⁴⁴Horn *et al.* (2010)

⁴⁵See *ibid.* for a detailed coding description.

enforcement or dispute settlement present. It only means that the language is clear enough that it could at least in principle be legally enforced. While this measure may seem subjective, it has merit. The authors argue that wording of a provision provides insights into whether signatories “intend that the agreement has legal effect under international law.” The authors look for language including words such as “rights”, “obligations”, and “agree to”.⁴⁶ On the other hand, terms such as “encourage”, “voluntary”, or “recognize” are considered non-legally binding. Hofmann et al adopt this approach, but extend it to include a wider range of PTAs and a larger number of provisions.⁴⁷ The authors find that “legally enforceable WTO-X provisions are included in more than one-third of PTAs.”⁴⁸

Based on my previous arguments concerning personalist dictators’ preferences for shallower, ineffective trade agreements, I expect that more personalist autocracies are also more likely to enter into PTAs that contain fewer legally enforceable provisions. The vagueness of the language contained in the PTA is a further indicator that personalist autocrats frequently sign symbolic, legitimacy-building PTAs that do not require extensive trade commitments. As a result, I expect the following:

Hypothesis 4.3: More personalist autocracies tend to enter into trade agreements that contain fewer legally enforceable rules going beyond existing WTO mandate.

The following sections outline my control variables and models, followed by a discussion of empirical results.

Independent variables

As with my analysis of entry into trade agreements, my main independent variable is a continuous measure of personalism from Geddes, Wright, and Frantz. Please review chapter three for a more detailed description of this variable.⁴⁹ In addition, in order to compare

⁴⁶Ibid., 19

⁴⁷(Hofmann *et al.* , 2017, 8)

⁴⁸Ibid., 2

⁴⁹Geddes *et al.* (2017)

depth across regime types, as in the previous chapter, I also include a dummy variable that indicates whether a country is a democracy. This dummy has a value of one if the country has a polity score of six or higher. The inclusion of democracies in the sample allows me to compare variation within autocracies to variation between autocracies and democracies.

As in my previous analysis of entry into trade agreements, I also include a number of control variables in my analysis. Since there is a close relationship between entry into trade agreements and their design, I expect that depth will be affected by similar factors as PTA entry. Consequently, the first set of controls are economic factors that might influence PTA depth and that are typically included in “gravity” models of trade. These (logged) distance and contiguity between states, to account for transport costs, as well as logged GDP, GDP growth, and GDP per capita, to account for variation in economic growth and development. Including these control variables is important, since closer countries and those with larger economies are more likely to trade and therefore are expected to be more interdependent. As a result, I expect that they are also more likely to enter into deeper trade agreements.

Furthermore, my analysis includes dummy variables for existing GATT/WTO membership, alliances, colonial relationships, and communism, all of which may influence PTA depth. As with trade agreement entry, these factors could also plausibly influence the depth of a trade agreement. I would expect that colonial relationship and alliances are likely to strengthen the interdependence between states, resulting in closer political and economic relations. As a result, I would expect states with a previous colonial relationship and alliances to enter into deeper trade agreements. Similarly, joint GATT/WTO membership should increase the likelihood of entering into a deep PTA.

Communism, however could affect depth in either direction. On one hand, communist states had a late start to trade integration and only formally began joining PTAs after the fall of the Soviet Union. Based on this, I would expect PTAs of former communist states to be shallower than other PTAs. However, communist states also have a long history of cooperating with one another informally, and the economies of former communist states are

often more interdependent than those of communist-non-communist dyads. In this sense, I would expect communist dyads to enter into deeper PTAs. However, these two effects may potentially cancel each other out.⁵⁰

Finally, I argued in the previous sections that there has been a “deepening” of trade agreements over time, in the sense that liberalization prior to the 1990s tended to be less wide-ranging and PTAs were often less sophisticated. In general, we would expect the depth of PTAs to increase over time. Similarly, we would also expect increasing depth for countries with existing PTAs. Thus it is important to account for temporal dependence in the data. I therefore include a count of the time since the last trade agreement was signed between dyads, and also include cubed and squared values of this term. In addition, I lag control variables where appropriate. Finally, my models also include decade fixed effects to account for the development of PTAs over the past decades.

Empirical Models

The data is in directed dyad format, where state *i* is a nondemocratic state, and state *j* is either a democracy or nondemocracy. This has the advantage that we need to include each domestic-politics related measure only once for each dyad, for the nondemocratic state *i*. The analysis is conditional on having entered into a PTA, meaning that dyad-years with no trade agreements are coded as missing.

For models using the continuous dependent depth variable $Depth_C$, I use ordinary least squares. For models using the dichotomous depth variable $Depth_D$, I use a logit model. For the WTO Count models, I use a negative binomial regression model. I report results using additional controls and models in the robustness checks section. The basic model is:

$$\text{PTA Depth} = \beta_0 + \beta_1 \text{ Democracy} + \beta_2 \text{ Personalism} + \beta_3 \text{ GDP} + \beta_4 \text{ GDP pc} + \beta_5 \text{ GDP Growth} + \beta_6 \text{ GATT/WTO membership} + \beta_7 \text{ Communism} + \beta_8 \text{ Alliance} + \beta_9 \text{ Interstate}$$

⁵⁰See previous chapter for sources of these control variables.

Conflict + β_{10} Colonial Relationship + β_{11} Time Since Last PTA + β_{12} Time Since Last PTA² β_{13} Time Since Last PTA³ + ϵ

	(1) <i>Depth_c</i> OLS	(2) <i>Depth_c</i> Fixed Effects Regression	(3) <i>Depth_c</i> Dyad & Year F.E.
<i>Democracy Dummy</i>	1.208*** (0.021)	0.678*** (0.037)	0.015 (0.033)
<i>Personalism</i>	-0.516*** (0.029)	-0.257*** (0.061)	-0.391*** (0.050)
<i>Constant</i>	-0.806*** (0.016)	-0.586*** (0.028)	-1.369*** (0.054)
Observations	16077	16077	16077

* $p < .1$, ** $p < .05$, *** $p < .01$

Table 4.1: Depth Basic Models

Significance levels: *** $>.01$, ** >0.05 , * $>.1$.

4.4 Results and Discussion

Table 4.3 reports empirical results. For all models, the coefficient on democracy is positive and statistically significant, suggesting that consistent with existing theory, democratic states are both more likely to enter into PTAs and also prefer to enter into deeper trade agreements. When it comes to variation within autocracies, however, the opposite is the case: although, as I previously showed, more personalist autocracies are more likely to enter into trade agreements, the results presented here suggest that they are also more likely to enter into shallower PTAs compared to less personalist autocracies.

For all models except *Model 4*, the coefficient on personalism is negative and statistically significant, suggesting that as autocratic governments become more personalist, they tend to enter into shallower PTAs. This result is supported by both *Models 1 and 2*, which use the continuous depth dependent variable, and *Model 3* using the discrete depth variable, where “deep” is defined as PTAs containing at least 3 out of 7 issue areas.⁵¹ Similarly, *Models 5*

⁵¹This result also holds if the cutoff for a deep agreement is any other value higher than or equal to 3 (not reported).

	(1) <i>Depth_c</i> OLS	(2) <i>Depth_c</i> OLS	(3) <i>Depth_D ≥ 3</i> Logit	(4) <i>Depth_D ≥ 2</i> Logit	(5) WTO Count NB Reg	(6) WTO Legality NB Reg
<i>Democracy Dummy</i>	0.700*** (0.032)	0.478*** (0.026)	1.357*** (0.138)	1.228*** (0.106)	0.389*** (0.057)	0.682*** (0.025)
<i>Personalism</i>	-0.203*** (0.046)	-0.197*** (0.038)	-1.001*** (0.342)	1.573*** (0.164)	-0.316*** (0.086)	-0.163*** (0.042)
<i>(Log) Distance</i>	0.060*** (0.010)	-0.076*** (0.008)	-0.276*** (0.042)	-0.084** (0.043)	-0.055*** (0.021)	-0.330*** (0.009)
<i>Contiguity</i>	-0.010 (0.033)	-0.078*** (0.028)	-0.554*** (0.128)	-0.574*** (0.127)	-0.138*** (0.047)	-0.402*** (0.017)
<i>GDP_i</i>	-0.024*** (0.007)	-0.015*** (0.005)	-0.072*** (0.025)	-0.130*** (0.026)	-0.034*** (0.011)	-0.009** (0.004)
<i>GDP_j</i>	-0.032*** (0.005)	-0.017*** (0.004)	-0.019 (0.019)	-0.001 (0.023)	-0.023** (0.009)	0.006 (0.004)
<i>pc GDP_i</i>	0.218*** (0.013)	0.145*** (0.011)	0.709*** (0.054)	0.233*** (0.048)	-0.112*** (0.025)	0.050*** (0.011)
<i>pc GDP_j</i>	0.285*** (0.011)	0.179*** (0.009)	0.829*** (0.050)	0.155*** (0.040)	-0.032 (0.020)	0.127*** (0.009)
<i>GDP Growth_i</i>	-0.032*** (0.010)	-0.036*** (0.007)	-0.163*** (0.041)	-0.424*** (0.042)	-0.098*** (0.009)	-0.075*** (0.007)
<i>GDP Growth_j</i>	-0.048*** (0.010)	-0.053*** (0.008)	-0.182*** (0.041)	-0.361*** (0.037)	-0.090*** (0.010)	-0.069*** (0.007)
<i>GATT/WTO</i>	0.483*** (0.022)	0.335*** (0.017)	1.202*** (0.089)	1.155*** (0.078)	0.638*** (0.040)	0.947*** (0.018)
<i>Communism</i>		0.186*** (0.033)	-0.659 (0.452)	0.388** (0.175)	-0.397** (0.169)	-0.341*** (0.082)
<i>Alliance</i>		-0.107*** (0.021)	-0.183** (0.092)	-0.770*** (0.100)	-0.161*** (0.030)	0.059*** (0.012)
<i>Colonial Relationship</i>		-0.034 (0.050)	0.109 (0.220)	0.353 (0.276)	-0.077 (0.071)	-0.084*** (0.027)
<i>Time Since Last PTA</i>		-0.020*** (0.003)	-0.006 (0.019)	0.003 (0.016)	-0.024*** (0.006)	-0.016*** (0.004)
<i>Last PTA²</i>		0.001*** (0.000)	0.000 (0.001)	-0.001 (0.001)	0.000 (0.000)	-0.002*** (0.000)
<i>Last PTA³</i>		-0.000*** (0.000)	-0.000 (0.000)	0.000 (0.000)	-0.000 (0.000)	0.000*** (0.000)
<i>Constant</i>	-5.091*** (0.134)	-2.770*** (0.128)	-10.993*** (0.808)	-1.622*** (0.507)	4.615*** (0.220)	2.520*** (0.099)
<i>Alpha</i>					-0.527*** (0.051)	-0.333*** (0.014)
N	10134	9762	9468	9762	22750	22750
R2	0.549	0.720				

Table 4.3: Depth Main Models

Significance levels: ***>.01, **>0.05, *>.1. Decade dummies not reported

and 6 suggest that more personalist states tend to enter into PTAs with fewer provisions that exceed existing WTO mandate and that contain fewer legally enforceable provisions.

The results also generally confirm expected effects of the control variables: Higher per

capita GDP and GATT/WTO membership are associated with deeper trade agreements. This is consistent with the argument that wealthier states and those with existing WTO commitments have more complex and extensive trade relations, and that this should be reflected in agreement depth. On the other hand, GDP growth is associated with shallower PTAs. This could be because states growing rapidly may be developing economies or states that do not yet want to commit to deep trade agreements. Similarly, greater distance between countries as well as a longer time period since countries signed a previous PTA are associated with shallower agreements. This is expected, since more distant dyads are less likely to trade. Finally, formal alliances are associated with more PTAs, whereas military conflict, communism, and colonial relationships do not appear to have a clear impact on PTA depth. This suggests at weak linkages between security factors and trade commitments.

Lastly, the coefficient on personalism in *Model 4* is inconsistent with my empirical arguments, since it suggests that personalist regimes are actually more likely to sign trade agreements with a depth of two or less. That is, when we set the cutpoint for a deep agreement at two or one (out of seven), personalist regimes become more likely to sign a deep PTA. Looking back at the histogram on page 21, it seems that highly personalist autocracies are somewhat less likely to enter into the shallowest PTAs (those with a value of zero). Instead, they tend to agree to some liberalization, with two being the most common depth value for more personalist regimes. Thus it appears that personalist regimes prefer a small degree of liberalization, but do not prefer more extensive agreements requiring liberalization across a large number of areas. What might explain this behavior?

I find that there are two factors driving these results. The first factor, as I previously discussed, is time. Non-personalist regimes have become less likely to enter into the shallowest types of PTA over time. Non-personalist autocracies are increasingly entering into deeper agreements and are abstaining from the shallowest types of agreements. As shown in *Model 7* in table 4.3 below, if we consider only the time period from 1995 onward for *Model 4*, the coefficient on the personalism variable is no longer statistically significant. Yet that does not yet explain why highly personalist autocracies would seemingly prefer a moderate degree of

depth. The second factor is tariff cuts. As Model 8 in table 4.5 suggests, highly personalist autocracies are in fact more likely to agree to a complete elimination of tariffs compared to both non-personalist dictatorships and democracies. While this may seem counter-intuitive, this finding is actually consistent with my earlier arguments.

As I have argued throughout this dissertation, personalist autocrats are less constrained by protectionist coalitions and hence are at greater liberty to enter into trade agreements. This means that it should be easier for them to enter into PTAs compared to other dictators. It also implies it should be easier for them to commit to full tariff cuts compared to other states. Non-personalist autocracies have to navigate pressures from protectionist elites as well as export-oriented groups. As a result, PTAs signed by non-personalist dictators generally have more complexity in their tariff provisions and are less likely to commit to cutting all tariffs, but they are more likely to back up the commitments they do make with rules and procedures that ensure they are actually implemented.

Why however would personalist dictators commit to fully cutting tariffs if they are concerned with keeping export-oriented elites weak? The answer is that tariff cuts alone provide only limited liberalization in the absence of (a) clear, binding mechanisms that facilitate policy implementation, and (b) the expectation of actual future trade between PTA partners. Many PTAs that could be characterized as “symbolic” or “shallow” have provisions promising to eliminate all tariffs. For example, Kazakhstan and Azerbaijan signed a free trade agreement in 1997 that committed to the elimination of tariffs between the countries. The two countries have a history of close cultural and political connections, but they are not major trade partners; in 2018, for example, less than 1% of Kazakhstan’s trade was with Azerbaijan.⁵² Instead, the main purpose of a free trade agreement between these states is sending a message that these two states are important allies and committed to regional cooperation. It also makes for good press, for example, when government-aligned newspapers in Azerbaijan announced that trade with Kazakhstan had doubled within a year.⁵³ While it is easy for

⁵²<http://wits.worldbank.org/visualization/country-analysis-visualization.html>

⁵³<https://www.azernews.az/business/140129.html>

citizens and even experts to get lost in the complexity of trade agreements, tariff cuts are easy to understand and have a high potential for generating positive publicity and sending cooperative signals to allies.

Overall, the results presented in this chapter suggest that less personalist regimes are more likely to enter into deeper PTAs compared to more personalist regimes. This raises interesting questions for future research concerning dictators' motivations for entering into trade agreements and the conditions under which they are likely to join trade agreements. Two questions in particular deserve further analysis in the future. The first concerns the exact timing of PTA membership under different forms of autocracy. The second question concerns preferences for particular provisions. This dissertation takes a relatively broad approach to analyzing PTA design, but there is greater variation within the various issue areas that are part of these depth measures that would be worthy of further analysis in future studies.

	(7)	(8)
	$Depth_D \geq 2$ Post-1995	Full Tariff Cuts
	Logit	Logit
<i>Democracy Dummy</i>	2.181*** (0.178)	-0.180** (0.083)
<i>Personalism</i>	0.608 (0.396)	0.852*** (0.123)
<i>(Log) Distance</i>	-0.387*** (0.086)	-1.543*** (0.048)
<i>Contiguity</i>	-1.152*** (0.185)	-1.201*** (0.115)
<i>(Log) GDP_i</i>	0.034 (0.044)	-0.071*** (0.018)
<i>(Log) GDP_j</i>	0.192*** (0.039)	-0.015 (0.016)
<i>pc GDP_i</i>	0.326*** (0.080)	0.100*** (0.031)
<i>pc GDP_j</i>	0.448*** (0.071)	-0.065** (0.026)
<i>GDP_i Growth</i>	-0.259*** (0.087)	-0.254*** (0.031)
<i>GDP_j Growth</i>	-0.304*** (0.095)	-0.166*** (0.029)
<i>GATT/WTO Membership</i>	1.084*** (0.135)	0.587*** (0.056)
<i>Communism</i>	1.007** (0.419)	-0.341*** (0.130)
<i>Alliance</i>	-0.108 (0.146)	-0.102 (0.086)
<i>Colonial Relationship</i>	0.524 (0.445)	-0.723*** (0.114)
<i>Time Since Last PTA</i>	-0.314*** (0.038)	0.158*** (0.028)
<i>Time Since Last PTA²</i>	0.017*** (0.003)	-0.021*** (0.004)
<i>Time Since Last PTA³</i>	-0.000*** (0.000)	0.001*** (0.000)
<i>Constant</i>	-6.356*** (1.066)	12.242*** (0.523)
N	3084	9970

Table 4.5: Depth: additional results

Significance levels: ***>.01, **>0.05, *>.1. Decade dummies not reported

4.5 Robustness Checks

I also conduct a variety of robustness checks. The results for these additional tests are listed in the appendix. As I explained in chapter 3, I have chosen dyadic as opposed to monadic

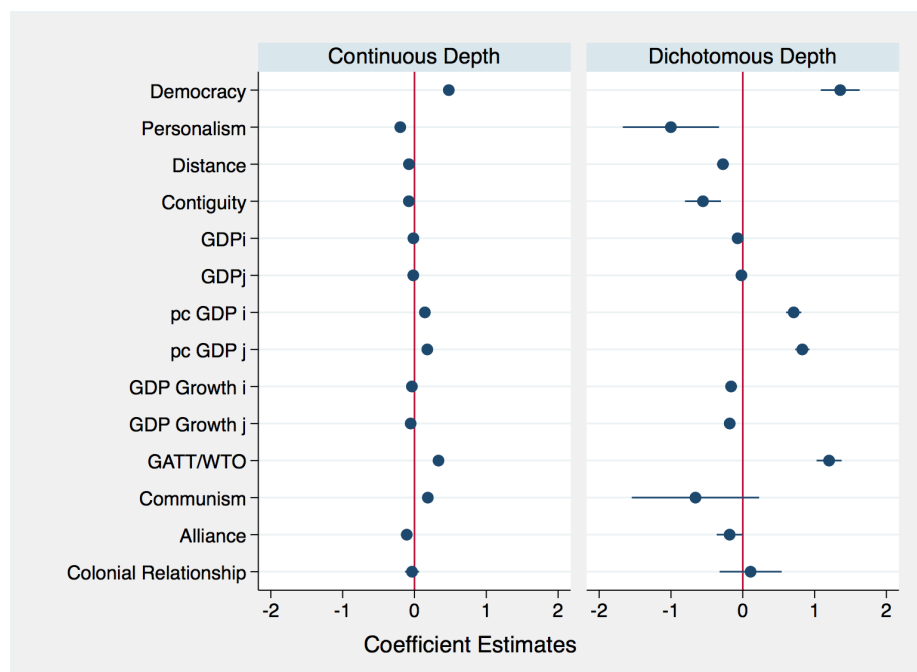


Figure 4.8: Depth models coefficient plots

models for my main analysis for several reasons. First, states frequently enter into multiple PTAs in a given year. Using a dyadic approach does not require me to average PTA depth for years in which states enter into multiple PTAs, and does not require me to distinguish potential differences in bilateral versus multilateral agreement depth. The dyad-year is thus a convenient way of analyzing both PTA entry and depth. In addition, the dyadic approach allows me to account for distance-based factors that could affect both trade agreement membership and regime type. For example, autocracies often cluster in certain regions, but PTAs are also affected by distance. It is more difficult to control for these factors in a monadic analysis. Nevertheless, in the appendix, I show that my core results regarding PTA depth and personalism hold even when using a monadic, country-year approach to modeling PTA membership.

I also account for several additional factors that may be driving PTA depth in table 4.8. As I argued in the previous chapter, China may be influencing PTA depth due to its size and active membership in trade agreements. To ensure results on depth are not driven by

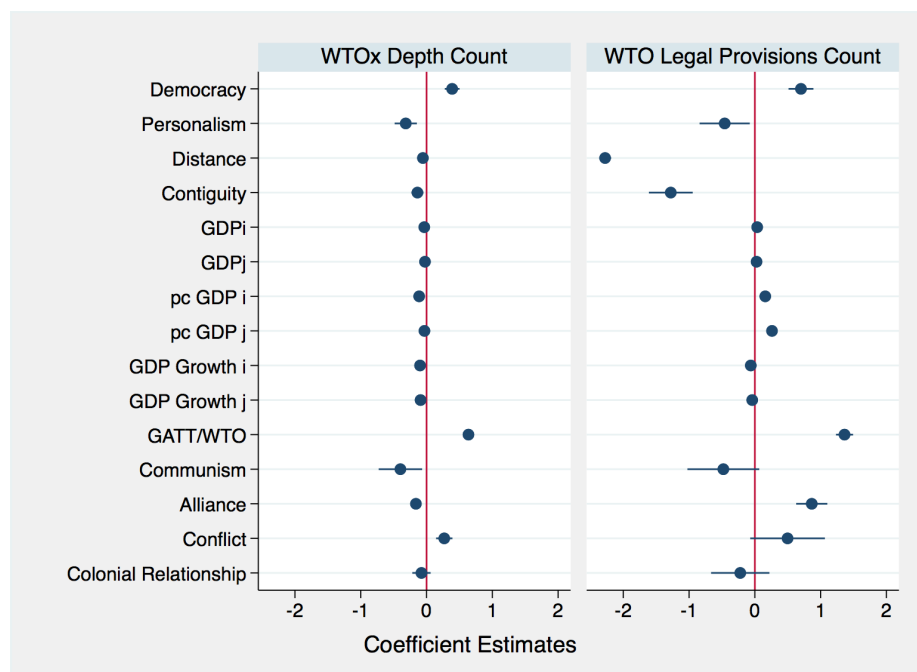


Figure 4.9: WTO depth models: coefficient plots

China's PTA commitments, I exclude China from my analysis. In addition, I also check that results not driven by a specific region by controlling for region.⁵⁴ Furthermore, states that have many existing nonreciprocal trade agreements, i.e. PTAs that grant developing countries preferential market access to developed economies, may be less likely to enter into reciprocal trade agreements and may also prefer shallower agreements when it comes to reciprocal PTAs. To assess this possibility, I also include a control variable for whether a dyad has an existing reciprocal PTA. Somewhat surprisingly, Models 3 and 4 suggest that states with existing nonreciprocal PTAs are more likely to enter into a reciprocal PTA. One reason for this could be that nonreciprocal PTAs lay the foundation for future close trade relations. Overall however, the results of these robustness checks do not change the significance of the key personalism variable.

Furthermore, I find that my main results do not change if analysis is limited to a post-1980 or post-1990 time period. However, if only pre-1990 PTAs are included in the analysis, then it seems that personalist states actually prefer deeper PTAs compared to non-personalist

⁵⁴South Asia is the base category in the reported results

states. However, it is important to keep in mind that autocracies signed very few PTAs prior to 1990, and so this finding is based on a small number of autocratic PTAs.

In addition, Table 4.10 assesses whether institutional factors other than personalism may be driving the results. I address this possibility in two ways: first, I show that results hold even when using a different classification of personalism. Using an alternative measure of personalism by Magaloni, Min, and Chu, I again find that more personalist autocracies prefer shallower PTAs.⁵⁵ Secondly, I include an analysis of veto players to show that results not driven by the presence of more veto players in non-personalist autocracies. Furthermore, I also include two institutional measures from Cheibub, Vreeland, and Gandhi.⁵⁶ The first measures if legislatures are present and whether they are elected or unelected. The second variable measures whether de facto opposition parties are present in a state. I find that both legislatures and opposition parties are associated with deeper trade agreements. This suggests that these institutions have the ability to pressure dictators to enter into deeper PTAs. Despite these findings, personalism continues to be strongly associated with shallower PTAs even when controlling for these institutional factors.

Finally, as I argued before, selection into PTAs is likely influenced by the expected depth of an agreement, i.e. PTA entry and design are related. We can model this selection effect more explicitly using a different modeling strategy. First, I use a zero-inflated negative binomial model, where the dependent variable, depth, is 0 if a dyad does not enter into a PTA, one for shallow PTAs, and two for deep PTAs. Table ?? below reports results from the zero-inflated negative binomial model. The lower part of the table shows results for the inflation stage, which predicts the likelihood that a dyad does not have a PTA. The coefficient on personalism is negative, meaning that more personalist states are less likely to have no PTA and more likely to enter into a PTA in a given year. In addition, the count model shows that more personalist states are less likely to deep PTAs (here deep was defined as two or more out of seven).

⁵⁵Magaloni *et al.* (2013)

⁵⁶Cheibub *et al.* (2010)

4.6 Alternative Arguments

While the empirical evidence I have presented in this chapter supports my theoretical arguments, I also want to address the possibility that a different mechanism may be responsible for these results. In this section, I discuss several alternative explanations for why personalist autocracies enter into trade agreements more frequently than other nondemocracies, but tend to prefer shallower PTAs. I will argue that my explanation provides the most plausible interpretation of these findings.

The first alternative argument is what may be called the “nondemocracies are still catching up” argument. Chapter 3 discussed that on average, nondemocracies join trade agreements less frequently than democratic states. We could argue that if these states join less frequently, it would make sense that autocracies lag behind democratic states in terms of their depth: they are on average less well integrated into the global trade regime and have made fewer trade commitments overall. As a result, they should also enter into shallower PTAs. It would be unreasonable to expect that these states would sign the same types of complex trade agreements as advanced industrial democracies. However, over time, as nondemocratic states are becoming more integrated into the global economy, we should expect them to start signing deeper trade agreements, eventually “catching up.”

While this argument seems plausible on the surface, it does not match the empirical results presented in this paper. First, nondemocracies enter into shallower trade agreements even when controlling for economic factors such as GDP and growth as well as geographic location. In other words, even economically developed autocracies tend to prefer shallower trade agreements. In addition, as I have emphasized throughout this dissertation, there is crucial variation in depth within autocratic states. Highly personalist autocracies enter into trade agreements quite frequently. As a result, one might expect them to start “catching up” to democratic states by entering into deeper trade agreements. But that is not in fact what we observe: for highly personalist states, depth has remained relatively constant at a low level

despite increased entry into PTAs. As a result, contrary to the “catching up hypothesis”, the depth of trade integration remains stalled for these states despite increased entry.

On the other hand, we see the opposite trend for non-personalist autocracies. These states are indeed undergoing a trend toward deeper trade agreements, as I have discussed throughout this chapter. However, they are also much more cautious about signing PTAs than democratic states. These states sign rarely, but prefer somewhat deeper agreements when they do sign. Once again, this pattern suggests different, and more complex dynamics than we would expect based on the “catching up” hypothesis. Overall, my empirical results suggest that both personalist and non-personalist autocracies are failing to catch up to their democratic counterparts, but for different reasons. Highly personalist autocracies are lagging behind in depth, whereas non-personalist autocracies are lagging behind in entry (and they have not fully caught up to democracies in terms of depth).

A second alternative argument is the “unreliable partners” hypothesis. According to this line of thinking, which I previously discussed in Chapter 3, nondemocracies make for less attractive cooperation partners because they lack transparency, are unreliable, and frequently unstable. As a result, potential trade partners and democratic states in particular are hesitant about making deeper commitments to nondemocracies. Because they make for bad PTA partners, they receive worse cooperation terms when they do cooperate.⁵⁷ These worse cooperation terms in turn may lead autocracies to stay out of trade agreements. As a result, it could be argued that these states end up cooperating mostly with other unreliable partners, and consequently end up in shallower trade agreements.

As previously mentioned, I cannot exclude the possibility that this mechanism is taking place, and in fact it seems quite plausible. However, the “unreliable partners” mechanism fails to explain my empirical results, which strongly suggest an alternative mechanism at play. First, highly personalist autocracies are less institutionalized, more repressive, and less transparent compared to non-personalist autocracies. They are also known to be bel-

⁵⁷See e.g. [Svolik \(2006\)](#)

ligerent.⁵⁸ For these reasons, we should expect highly personalist autocracies to make less attractive cooperation partners than other autocracies. If this is true, then they should enter into PTAs less frequently overall. Yet my findings suggest the opposite: personalist autocrats frequently enter into PTAs. The unreliable partners hypothesis thus cannot explain why personalist autocrats love to join trade agreements, and it also does not make clear predictions regarding my findings on depth. Consequently, my arguments provide a more plausible explanation of the empirical evidence. Based on my empirical results, it is likely that domestic mechanisms drive the PTA membership patterns of autocrats.

Thirdly, it could be argued that there is existing literature on the role of “veto players” in influencing PTA membership.⁵⁹ According to these arguments, veto players can block both PTA entry and as well as possibly depth. Could it be that my theory is just a way of restating existing veto player arguments? My theoretical arguments depart from veto player mechanisms in several ways. While veto players concept is commonly used for analyzing democratic states, it is less useful for understanding policy-making under autocracy. The first issue with the concept has to do with measurement. The veto players variable has very little variation when it comes to nondemocratic states, only varying within party-based autocracies and to a smaller degree within monarchies. Most autocracies above a certain threshold of personalism have no veto players. Autocratic leaders are often politically dependent on informal actors operating outside of formal institutions. These actors can have significant influence on policy-making, but would not count as veto players. For these reasons, the veto players concept is less useful for distinguishing differences within autocratic regimes. In addition, the veto player argument has trouble explaining why democratic states are signing more and deeper PTAs compared to autocracies, since democracies generally have more veto players than autocracies.

Alternatively, the findings could be explained by a “selectorate theory” argument. Since selectorate theory has already received lots of attention in the literature, I will only discuss it

⁵⁸See Weeks (2012)

⁵⁹E.g. Henisz (2002); Allee & Elsig (2016); Mansfield *et al.* (2007a, 2008)

briefly.⁶⁰ Bueno de Mesquita et al. argue that the relative size of the selectorate and winning coalitions determine the provision of public versus private goods. Specifically, governments are expected to provide more public goods as the size of the winning coalition increases. If we consider PTAs to be public goods, selectorate theory would then expect that non-personalist autocracies, which have larger winning coalitions than highly personalist autocracies, enter into trade more frequently. However, we observe the opposite behavior.

Another alternative argument that is important to consider relates to the weak institutional setting autocratic governments operate in.⁶¹ Suppose that autocratic leaders actually have a genuine interest in good economic policy and trade liberalization. Suppose also that they want to signal this commitment to sound trade policy to domestic audiences. Because domestic political institutions are so weak, these leaders lack the ability to send credible signals. In this situation, international agreements, through their monitoring and enforcement mechanisms, could act as substitutes for weak domestic institutions. By committing to a trade agreement, autocrats can more effectively send a costly signal about their commitment to economic reforms.

While plausible, this mechanism again is not consistent with the empirical evidence I have presented in the last two chapters. More personalist dictators arguably operate in a weaker institutional setting compared to less personalist dictators. As a result, they should benefit more from making international commitments than less personalist dictators, because they would have a greater need for the substituting effect of trade agreements. As a result, it would make sense that highly personalist dictators would enter into trade agreements more frequently. PTA membership would then allow personalist dictators to commit more credibly to sound trade policy.

However, if PTA membership is primarily about credible commitments and costly signaling, then we should also expect more personalist dictators to enter into deeper trade agreements compared to less personalist autocrats. If they have a need to rely on international insti-

⁶⁰Bueno de Mesquita *et al.* (2003). See e.g. Gallagher & Hanson (2015) for a critical discussion.

⁶¹See Acemoglu *et al.* (2005); Acemoglu (2005)

tutions, then they should not be making shallow, ineffective trade commitments. However, that is exactly the pattern we observe: highly personalist dictators do not make the deep commitments that costly signaling and institution building require. Instead, they preferably enter into shallow PTAs. This pattern is more consistent with the arguments I have made that personalist autocrats prefer “cheap” easy commitments that provide legitimacy but are less effective in substituting for weak domestic institutions. On the other hand, the deeper commitments of non-personalist autocracies may be more effective as costly signaling/commitment mechanisms. Yet as I have shown, non-personalist autocracies often hesitate to enter into PTAs.

Finally, Julia Gray argues that trade agreements may have a “patronage function” for dictators.⁶² According to the author, trade agreements can provide opportunities for private rents, which can be exploited by member states with high levels of corruption. This argument does not contradict my own theoretical argument, but potentially complements it. I have suggested that personalist dictators have more freedom to enter into PTAs that they can then exploit to their personal advantage. Based on this argument, we could then expect that the patronage function described by Gray would be one of the benefits of PTAs that personalist dictators can exploit. Shallow agreements in particular may give rise to private rents, whereas deeper PTAs are associated with lower private rents.⁶³ Future research could thus compare the various mechanisms through which personalist dictators may employ PTAs to their advantage in greater detail. Overall, while the alternative arguments I discussed have some merit, my arguments provide a better overall explanation of the patterns of autocratic PTA membership we observe.

⁶²Gray (2010)

⁶³See Ornelas (2005) on the “rent destruction” effect of PTAs.

4.7 Summary of Findings

This chapter analyzed how the design of trade agreements varies across autocracies. I discussed conceptual issues relating to the concept of trade agreement depth and presented evidence showing that more personalist autocracies enter into PTAs that are shallower, have fewer legally enforceable provisions, and tend to have fewer provisions that exceed current WTO mandate.

Overall, I found that the depth of autocratic trade agreements lags behind the depth of commitments made by democratic states. While the PTA commitments made by highly personalist autocracies have remained shallow over time, non-personalist autocracies have begun to enter into deeper trade agreements, which is a trend we also see in democratic states. Future research could pay greater attention to the timing of autocratic PTA membership.

In addition, my research shows that we should not study membership in international institutions and the design of these institutions in isolation. With increasing entry of nondemocratic states into PTAs, understanding the preferences of these states and how they shape the design of trade agreements and other international institutions is becoming more urgent. My findings suggest that the relationship between the domestic politics of dictatorships and specific design features of trade agreements is complex and will continue to be an exciting area of research in the future.

4.8 Appendix

	(1) OLS PTA Depth	(2) OLS PTA Depth
<i>Democracy</i>	0.076 (0.107)	0.072 (0.108)
<i>Latent Personalism</i>	-0.592*** (0.169)	-0.595*** (0.168)
<i>GATT/WTO</i>	0.270** (0.110)	0.278** (0.111)
<i>(Log) GDP</i>	-0.061 (0.117)	-0.062 (0.118)
<i>pc GDP</i>	0.000*** (0.000)	0.000*** (0.000)
<i>Trade Openness</i>	0.002* (0.001)	0.002* (0.001)
<i>Communism</i>	0.120 (0.450)	0.113 (0.451)
<i>Last PTA</i>		-0.019 (0.018)
<i>Last PTA</i> ²		0.001 (0.001)
<i>Last PTA</i> ³		-0.000 (0.000)
Constant	0.140 (1.707)	0.194 (1.720)
Observations	1403	1403
Country Fixed Effects	Yes	Yes
Year Fixed Effects	Yes	Yes

Table 4.7: Monadic models with continuous depth DV.

	(1) No China <i>Depth_c</i>	(2) No China <i>Depth_{D3}</i>	(3) OLS <i>Depth_c</i>	(4) Logit <i>Depth_{D3}</i>
<i>Democracy Dummy</i>	0.467*** (0.026)	1.382*** (0.139)	0.248*** (0.023)	0.746*** (0.138)
<i>Personalism</i>	-0.189*** (0.037)	-0.959*** (0.335)	-0.235*** (0.031)	-2.020*** (0.309)
<i>Existing Nonreciprocal PTA</i>			0.658*** (0.023)	1.547*** (0.151)
<i>(Log) Distance</i>	-0.071*** (0.008)	-0.235*** (0.042)	-0.038*** (0.007)	0.103** (0.044)
<i>Contiguity</i>	-0.086*** (0.027)	-0.562*** (0.123)	-0.010 (0.020)	-0.053 (0.118)
<i>(Log) GDP_i</i>	-0.015*** (0.005)	-0.080*** (0.025)	-0.015*** (0.005)	-0.055* (0.028)
<i>(Log) GDP_j</i>	-0.017*** (0.004)	-0.019 (0.020)	-0.006* (0.004)	-0.013 (0.022)
<i>pc GDP_i</i>	0.135*** (0.010)	0.730*** (0.054)	0.023** (0.010)	0.043 (0.064)
<i>(Log) GDP_j</i>	0.175*** (0.009)	0.841*** (0.051)	0.088*** (0.008)	0.497*** (0.059)
<i>GDP_i Growth</i>	-0.037*** (0.007)	-0.150*** (0.040)	-0.009 (0.006)	0.028 (0.047)
<i>GDP_j Growth</i>	-0.048*** (0.008)	-0.160*** (0.040)	-0.015** (0.007)	-0.048 (0.042)
<i>GATT/WTO Membership</i>	0.330*** (0.017)	1.174*** (0.088)	0.262*** (0.016)	1.147*** (0.100)
<i>Time Since Last PTA</i>	-0.027*** (0.003)	-0.006 (0.019)	-0.015*** (0.003)	0.043** (0.019)
<i>Time Since Last PTA²</i>	0.002*** (0.000)	0.000 (0.001)	0.001*** (0.000)	-0.003*** (0.001)
<i>Time Since Last PTA³</i>	-0.000*** (0.000)	-0.000 (0.000)	-0.000** (0.000)	0.000*** (0.000)
<i>East Asia</i>			0.348*** (0.033)	1.257*** (0.438)
<i>MENA</i>			0.183*** (0.035)	2.853*** (0.450)
<i>Sub-Saharan Africa</i>			0.153*** (0.031)	1.858*** (0.438)
<i>Central Asia</i>			0.727*** (0.036)	3.111*** (0.423)
<i>Latin America</i>			0.241*** (0.034)	1.244*** (0.424)
<i>North/Central America</i>			0.519*** (0.042)	2.535*** (0.420)
<i>Western Europe</i>			1.037*** (0.038)	5.485*** (0.441)
<i>Constant</i>	-2.743*** (0.124)	-11.615*** (0.804)	-1.897*** (0.123)	-7.975*** (0.895)
Observations	10061	9767	10134	9840
R2		0.561		0.633

* $p < .1$, ** $p < .05$, *** $p < .01$

Table 4.8: PTA Depth – Robustness Checks: China, Region Controls, Nonreciprocal PTAs

	(1) <i>Depth_C</i> Post-1980	(2) <i>Depth_{D3}</i> Post-1980	(3) <i>Depth_C</i> Post-1990	(4) <i>Depth_{D3}</i> Post-1990	(5) <i>Depth_C</i> Pre-1990
<i>Democracy Dummy</i>	0.766*** (0.035)	1.668*** (0.124)	0.620*** (0.039)	1.258*** (0.139)	0.354*** (0.023)
<i>Personalism</i>	-0.258*** (0.051)	-0.901*** (0.293)	-0.492*** (0.060)	-1.288*** (0.331)	0.081** (0.033)
<i>(Log) Distance</i>	0.044*** (0.010)	-0.047 (0.033)	0.146*** (0.009)	0.117*** (0.034)	-0.253*** (0.012)
<i>Contiguity</i>	-0.066* (0.035)	-0.585*** (0.117)	-0.023 (0.035)	-0.485*** (0.119)	-0.187*** (0.036)
<i>(Log) GDP_i</i>	-0.024*** (0.007)	-0.104*** (0.023)	0.010 (0.007)	-0.090*** (0.024)	-0.016** (0.007)
<i>(Log) GDP_j</i>	-0.028*** (0.006)	-0.048** (0.019)	0.005 (0.006)	-0.019 (0.019)	-0.008 (0.007)
<i>pc GDP_i</i>	0.211*** (0.013)	0.836*** (0.049)	0.202*** (0.014)	0.788*** (0.055)	0.040*** (0.010)
<i>pc GDP_j</i>	0.273*** (0.012)	0.952*** (0.046)	0.259*** (0.012)	0.891*** (0.051)	0.065*** (0.010)
<i>GDP_i Growth</i>	-0.014 (0.010)	-0.090** (0.036)	-0.032*** (0.011)	-0.129*** (0.042)	-0.025*** (0.008)
<i>GDP_j Growth</i>	-0.018 (0.011)	-0.092** (0.037)	-0.042*** (0.011)	-0.135*** (0.042)	-0.030*** (0.009)
<i>GATT/WTO Membership</i>	0.514*** (0.024)	1.398*** (0.082)	0.408*** (0.025)	1.016*** (0.088)	0.163*** (0.019)
<i>Constant</i>	-4.898*** (0.138)	-16.520*** (0.741)	-5.804*** (0.143)	-16.223*** (0.735)	0.089 (0.138)
Observations	9022	9022	7375	7375	2759
R2		0.501		0.463	
AIC	21492.583	6233.778	16415.668	5487.322	3417.498
BIC	21577.872	6319.067	16498.539	5570.192	3488.570

* $p < .1$, ** $p < .05$, *** $p < .01$

Table 4.9: PTA Depth – Additional Robustness Checks: Different Time Periods

	(1) <i>Depth_C</i> OLS	(2) <i>Depth_C</i> OLS	(3) <i>Depth_C</i> OLS	(4) <i>Depth_C</i> OLS
<i>Democracy Dummy</i>	0.290*** (0.026)	0.385*** (0.022)	0.418*** (0.022)	0.185*** (0.040)
<i>Personalism</i>	-0.131*** (0.032)	-0.220*** (0.031)	-0.248*** (0.032)	
<i>Henisz Veto Points</i>	0.528*** (0.054)			
<i>Legislature</i>		0.061*** (0.010)		
<i>Opposition Parties</i>		0.050*** (0.013)		
<i>Executive Constraints</i>			0.000 (0.000)	
<i>Magaloni Personalism</i>				-0.075*** (0.013)
<i>(Log) Distance</i>	-0.208*** (0.010)	-0.114*** (0.008)	-0.090*** (0.008)	-0.144*** (0.012)
<i>Contiguity</i>	-0.250*** (0.029)	-0.130*** (0.026)	-0.107*** (0.026)	-0.132*** (0.028)
<i>(Log) GDP_i</i>	0.019*** (0.006)	0.000 (0.005)	0.003 (0.005)	0.017*** (0.006)
<i>(Log) GDP_j</i>	0.039*** (0.005)	-0.007 (0.004)	-0.006 (0.004)	0.017*** (0.005)
<i>pc GDP_i</i>	0.057*** (0.011)	0.113*** (0.010)	0.112*** (0.010)	-0.043*** (0.010)
<i>pc GDP_j</i>	0.105*** (0.009)	0.152*** (0.009)	0.153*** (0.008)	0.031*** (0.009)
<i>GDP_i Growth</i>	-0.007*** (0.001)	-0.007*** (0.001)	-0.007*** (0.001)	-0.003*** (0.001)
<i>GDP_j Growth</i>	-0.006*** (0.001)	-0.005*** (0.001)	-0.005*** (0.001)	-0.004*** (0.001)
<i>GATT/WTO Membership</i>	0.187*** (0.015)	0.257*** (0.015)	0.271*** (0.015)	0.048*** (0.016)
<i>Time Since Last PTA</i>	-0.003 (0.007)	-0.032*** (0.005)	-0.035*** (0.004)	-0.021*** (0.008)
<i>Time Since Last PTA²</i>	-0.001 (0.001)	0.002*** (0.000)	0.002*** (0.000)	-0.000 (0.001)
<i>Time Since Last PTA³</i>	0.000* (0.000)	-0.000*** (0.000)	-0.000*** (0.000)	0.000 (0.000)
<i>Constant</i>	-1.424*** (0.131)	-2.438*** (0.116)	-2.446*** (0.116)	0.164 (0.130)
Observations	10924	12856	13737	6701
R2				
AIC	21651.932	25730.712	27485.733	11688.987
BIC	21805.205	25894.867	27651.346	11831.997

* $p < .1$, ** $p < .05$, *** $p < .01$

Table 4.10: PTA Depth – Additional Robustness Checks: Different Institutional Variables

	(1)	(2)
	<i>Deep_D</i>	<i>Deep_D</i>
Count stage		
<i>Democracy</i>	1.263*** (25.27)	0.680*** (9.63)
<i>Personalism</i>	-1.431*** (-13.62)	-0.921*** (-6.07)
<i>(Log) Distance</i>		-0.0406** (-2.40)
<i>Contiguity</i>		-0.126*** (-2.66)
<i>(Log) GDP_i</i>		0.00247 (0.23)
<i>(Log) GDP_j</i>		0.00645 (0.76)
<i>pc GDP_i</i>		0.317*** (9.82)
<i>pc GDP_j</i>		-0.0451 (-1.45)
<i>GDPGrowth_i</i>		-0.101*** (-6.87)
<i>GDPGrowth_j</i>		-0.114*** (-8.03)
<i>GATT/WTO</i>		0.523*** (9.72)
<i>Constant</i>	(-25.56)	(-13.04)
Inflation Stage		
<i>Democracy</i>	0.230*** (4.66)	0.163** (2.29)
<i>Personalism</i>	-2.182*** (-19.42)	-1.362*** (-8.18)
<i>(Log) Distance</i>		0.914*** (49.57)
<i>Contiguity</i>		-0.413*** (-7.05)
<i>(Log) GDP_i</i>		-0.0151 (-1.37)
<i>(Log) GDP_j</i>		-0.0278*** (-3.06)
<i>pc GDP_i</i>		0.223*** (7.39)
<i>pc GDP_j</i>		-0.0868*** (-3.16)
<i>GDPGrowth_i</i>		0.0289* (1.77)
<i>GDPGrowth_j</i>		0.0305* (1.94)
<i>GATT/WTO</i>		-0.0124 (-0.23)
<i>Constant</i>	3.541*** (73.58)	-4.761*** (-16.87)
<i>lnalpha</i>	-17.87 (.)	-2554.3*** (-65.87)
<i>N</i>	1400657	754411

t statistics in parentheses

* p<.1, ** p<.05, *** p<.01

Table 4.11: Zero-inflated negative binomial models



Table 4.12: Components of Depth

(a) Figure taken from Duer et al. 2014

WTO-X Areas

Agriculture	Financial Assistance	Movement of Capital
Anti-Corruption	Health	Nuclear Safety
Approximation of Legislation	Human Rights	Political Dialogue
Audio Visual	Illegal Immigration	Public Administration
Civil Protection	Illicit Drugs	Regional Cooperation
Competition Policy	Industrial Cooperation	Research and Technology
Consumer Protection	Information Society	SMEs
Cultural Cooperation	Innovation Policies	Social Matters
Data Protection	Investment	Statistics
Economic Policy Dialogue	IPR	Taxation
Education and Training	Labor Market Regulation	Terrorism
Energy	Mining	Visa and Asylum
Environmental Laws	Money Laundering	

Table 4.14: Components of WTO-X Count

(a) From Hofmann et al. 2017

5 | Case Studies: Uganda and Vietnam

Democratic states enter into PTAs more frequently than nondemocratic states. However, I have argued that this finding obscures important variation in preferences over PTA membership within autocratic regimes. Throughout this dissertation, I emphasized that there is an important connection between personalism – the extent to which dictators are constrained by other elites in their policy-making, and preferences over PTA entry and design.

The previous chapters presented large-N empirical evidence that highly personalist autocrats are more likely to enter into trade agreements, but these memberships tend to be shallow in nature, often lacking significant trade liberalization. For highly personalist dictators, PTA membership is one of many strategies for consolidating their rule. By joining trade agreements, these dictators often gain legitimacy and international recognition. However, highly personalist dictators fear the deeper commitments that many trade agreements require, because they are concerned about strengthening economic actors that are unable to commit to supporting the dictator in the future.

On the other hand, more constrained dictators are limited in their ability to use trade agreements to legitimate and consolidate their own rule. These types of dictators are more dependent on other elite actors in their policy-making. Since autocrats tend to build highly protectionist support coalitions, support coalitions often block dictators from entering into trade agreements all together. Non-personalist autocracies therefore face much higher obstacles to PTA entry than other types of state. Yet when they do join PTAs, these are often deeper than the commitments made by other types of autocracy.

While the cross-national empirical analyses I presented in the previous chapters provide strong evidence for my theoretical arguments and suggest a clear link between personalism and PTA membership, quantitative empirical analysis is not as well suited for illustrating

the key causal mechanisms my theory proposes. In this chapter, I begin to explore these causal mechanisms in greater detail through two case studies. The selected cases illustrate trade policy-making in two types of authoritarian regime – a highly personalist autocracy and an autocracy with a low level of personalism.¹ The following section describes my case selection, which is followed by a discussion of the high personalism case, Uganda. I then discuss the low personalism case, Vietnam.

5.1 Case selection

The central aim of this chapter is to illustrate the causal arguments I proposed in chapter two through several case studies. For the purposes of illustrating the causal mechanisms described in this dissertation, use descriptive case selection focusing on diverse sub-types.²

I select two cases that with low (less than .25) and high (greater than .75) levels of personalism respectively. In addition, for each of these cases, I made sure to select a case that had sustained low and high levels of personalism over a period of multiple years. This is because trade agreements take time to negotiate and implement, so for a suitable case study, the level of personalism for each country should be consistent enough to allow for PTA negotiation processes to take place. Personalism levels for both Uganda and Vietnam are illustrated in Figure 5.1. This increases the likelihood that the mechanisms I describe are in fact due to the level of personalism rather than other factors, such as political instability.

Furthermore, since the proliferation of trade agreements began in the early 1990s, I focus on two cases that sustained high and low levels of personalism in the post-1990 time period specifically. While autocracies signed trade agreements prior to the 1990s, PTAs were rare prior to that time period. I would expect that similar causal mechanisms hold for earlier time periods, but these would be more problematic to trace and identify when PTAs were

¹Future research would benefit from an extension to other regions and cases that would illustrate the mechanisms described in this dissertation.

²See Gerring 2017, 41

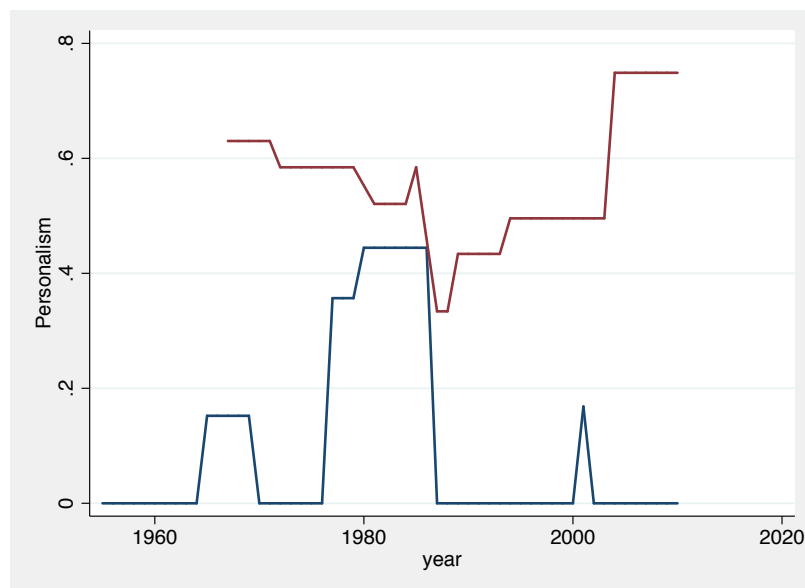


Figure 5.1: Uganda and Vietnam personalism over time

Note: Uganda in red, Vietnam in blue

rare. Finally, note that the cases I select are independent of each other. Due to geographical distances, the cases are unlikely to have influenced each other and therefore can be considered independent evidence.³

While there may be concerns that these cases differ in too many respects due to their geographical distance, Uganda and Vietnam share a number of important features.⁴ Both experienced civil war and emerged from colonialism as some of the poorest nation in the world. While Uganda's earlier leaders embraced some of the tenets of socialism, Vietnam has continually been ruled by a communist party, the Communist Party of Vietnam (CPV) since the country's reunification in 1975. Vietnam is remarkable in having undergone a dramatic transformation from centrally planned economy to free market while retaining a nominally communist government.

Both countries had developing, mainly agricultural economies that have experienced remarkable economic growth in recent years, although Vietnam's growth has been more pronounced

³See Gerring 2017, 43

⁴Since personalist and non-personalist autocracies often cluster regionally, it is difficult to identify two stable autocracies in close proximity that vary strongly in their levels of personalism.

and successful than Uganda's. Both states are also governed by firmly authoritarian regimes that draw a lot of legitimacy from having emerged victorious following the civil war. As a result, both governments retain the strong political support of the armed forces, and this has further contributed to their stability.

The primary purpose of these case studies is to illustrate some of the causal mechanisms that I have discussed throughout this dissertation. These mechanisms relate not only to PTA membership directly, but also more fundamentally to economic policy-making processes under different types of dictatorship.

In addition, it is difficult to compare absolute numbers of PTA memberships in a two-country case study. For instance, a country entering into three bilateral agreements has signed more PTAs than a country that enters into a single multilateral agreement, and yet the latter may (or may not) provide more integration than the former. As a result, my case studies will focus less on PTA membership numbers and instead will seek to identify the actors that have most pushed for, or attempted to block, PTA membership in these two countries, in order to provide evidence of the elite dynamics I have proposed.

5.2 Uganda's Museveni: "Dictator in a Suit"

"We are using negotiations to create a united African nation where the people trade freely and relate to each other regardless of existing borders. We intend to render irrelevant the colonial borders through supranational economic and political integration."⁵

Yoweri Museveni's tenure as president of Uganda can, by many standards, be characterized as a success. A former guerilla leader, he became president in 1986 following a dark period in Ugandan history that included brutal military rule, a civil war, and multiple coups.

⁵Museveni 1999, 79

From the onset of his presidency, Museveni worked hard to distinguish himself from this legacy. At his swearing in ceremony, he promised “a fundamental change in the politics of our country.”⁶ Today he is the longest serving president in Uganda’s history. During his tenure, Uganda has experienced significantly reduced violence, greater peace and stability as well as remarkable economic growth. Museveni has also been a strong advocate for regional integration and maintains friendly relations with developed democracies such as the United States. In many ways, his rule has thus provided “much-needed respite from chaos” in the eyes of citizens.⁷

Despite all this, Museveni is not a democratic leader. On the contrary, over the past 33 years, he successfully consolidated his rule to the point where he has control over most of the key levers in the government. Uganda’s government is therefore notable for its great concentration of executive power. Similarly, since Museveni took office, Uganda has consistently received scores of less than 0 on the Polity scale. Museveni consolidated his rule largely under the guise of “pseudo-democratic reforms” and economic development.⁸ He initially governed in an unelected, “no-party” system. While the National Resistance Movement (NRM) was essentially a one-party government, having prohibited political parties, Museveni benefited politically from characterizing the NRM as a non-party. When he faced increasing pressures to transition to multi-party elections, he agreed - under the condition that he could remove term limits and become president for life. Thus Ugandan politics became more personalist even as new parties entered the political sphere.

In this case study, I argue that Museveni’s conscious embrace of regionalism and membership in trade agreements played an important role in his regime consolidation by helping to legitimate his rule at home and abroad. This increased legitimacy allowed Museveni to gain important economic benefits in the form of aid from the United States and the European Union, which he further used to his political advantage. In addition, it also allowed him to avoid scrutiny and external pressures for political liberalization that other African states

⁶Quoted in Muhumuza 2009, 24

⁷Tripp 2010, 1

⁸Muhumuza 2009, 24

have faced.⁹ Trade agreements therefore complemented his overall strategy of legitimization and consolidation of power. The case of Uganda therefore serves to illustrate the mechanisms that I describe in this dissertation.

To provide a brief overview of the following sections, this case study will provide illustrative evidence of the key theoretical arguments I outlined in chapter two. First, I provide a brief overview of Ugandan politics and explain why Uganda is best characterized as a highly personalist regime. It is therefore an appropriate case for analyzing the foreign policy-making dynamics in personalist autocracies, which occur primarily at the discretion of the authoritarian leader. The case illustrates that political actors are excluded or marginalized from political decision-making in highly personalist autocracies and have little influence on PTA entry and design. Secondly, I provide evidence that trade agreements are an important legitimization strategy for Museveni and that they have helped him stabilize his regime. I also describe several more detailed mechanisms through which this legitimization has occurred. Thirdly, I argue that despite this legitimizing role of PTAs, Uganda's trade commitments have remained shallow. In fact, I suggest that that Museveni has taken steps to undermine exporters and prevent the emergence of "deep" PTAs during his rule.

Historical Background

Uganda has a long history of autocratic rule. Following independence from British colonial rule in 1962, the country soon took a turn towards authoritarianism when democratically elected prime minister Milton Obote suspended the constitution and removed the president. He later banned political parties and declared a state of emergency, thereby assuming all political power. Idi Amin, who was a high ranking military officer during Obote's rule, overthrew him in a coup in 1971, nine years after independence. Under Amin, Uganda became a military dictatorship, with officers occupying key government posts. Amin became notorious for his violent and repressive rule that led him to be nicknamed the "butcher of

⁹See e.g. Muhumuza 2009; Tripp 2010

Uganda.” As one contemporary scholar observed, “the scale of official murder in Uganda, its ferocious brutality, and its terrible capriciousness all place Idi Amin’s Uganda in a category of its own.”¹⁰

Amin’s government was initially popular and positively received both domestically and abroad by the UK and the United States. Obote had embraced socialist economic policies, which led to nationalization of key industries and escalating food prices. It was hoped Amin would provide a counter-force to increasingly popular socialist economic policies in Africa. However, Amin was more focused on strengthening the armed forces and escalating regional factionalism than practicing sound economic policy. His foreign policy was focused on securing military aid, which he accomplished by strengthening relations with fellow autocracies such as the Soviet Union, Libya, and Saudi Arabia. Having placed inexperienced military officers in charge of economic policy, Uganda experienced a major economic downturn.

Notably, Amin was also responsible for the large-scale expropriation of foreign-owned property in Uganda. In 1972, Amin expelled Uganda’s prominent South Asian minority population, giving them three months to leave the country. Many Asians living in Uganda were highly educated, wealthy entrepreneurs engaged in trade and had been in the country since the times of the British Protectorate. Prior to the expropriation, they held a dominant role in the Ugandan economy and in particular trade. Following their expulsion, the government took control over thousands of firms and businesses. These events provide clear evidence that dictators can feel threatened by strong, regime-independent business elites, especially when they have transnational connections and are engaged in trade.

The expulsion had a dual purpose for Amin: it rid him of a potential threat to his rule, and it allowed him to simultaneously build legitimacy by branding his actions as a policy of “Africanization of the economy” that would bring wealth to his native Ugandan supporters. Following the removal of Uganda’s Asian population, the strength and independence of the business class was seriously undermined, and it has remained relatively weak through

¹⁰Ullman 1978, 530

Museveni's term, a fact from which Museveni arguably has continued to benefit. Overall, Amin's choice to expell ethnic Asians from Uganda therefore illustrates a point I emphasize in this dissertation: autocrats feel threatened by strong, independent, export-oriented economic elites and often work hard to weaken and undermine them. Having destroyed the economy and practiced widespread murder and repression, Amin was forced into exile by the Tanzanian army following a border altercation. He died peacefully in Saudi Arabia at the age of 80.¹¹

Following Amin's abdication, Milton Obote was re-elected president, and he soon continued his earlier policies of human rights violations and undemocratic governance. Protests over Obote's second term escalated into a violent civil war, in which the National Resistance Army (NRA) led by Yoweri Museveni emerged as the main resistance to government forces. The war ended after the NRA captured the capital Kampala. At this point, Museveni had the difficult task of transitioning from a guerilla fighter into a politician and transforming the NRA into a political party, which became known as the National Resistance Movement (NRM). He accomplished this through careful political maneuvering and branding of himself as a strong leader: "Museveni emerged from the bush as a [...] mythical figure who endured years of fighting in the bush in order to bring dictatorship to an end."¹²

The Making of a Personalist Autocracy

From the onset of his rule, Museveni was concerned with distinguishing himself from his political predecessors. With both Obote and Amin living in exile (but alive and potential threats), Museveni focused on building political support for his government both at home and abroad. Legitimacy building was particularly crucial to Museveni, given that the NRM evolved out of a guerilla group and was inexperienced at governing.¹³ He had the "professed goal of effecting a 'fundamental change' and radically differentiating his regime from previous

¹¹<https://www.nytimes.com/2003/08/17/world/idi-amin-murderous-and-erratic/-ruler-of-uganda-in-the-70-s-dies-in-exile.html>

¹²Rubongoya 2007, 23

¹³Rubongoya 2007

ones”¹⁴ Consequently, where Amin ruled through murder and rebellion, Museveni took care to establish a reputation for being an intellectual, a wise statesman, who became known as the “dictator in a suit”.¹⁵

He accomplished this through a three-fold strategy: first, he initiated pseudo-democratic reforms.¹⁶ These reforms had the semblance of democratization, but in reality fell short of democratization and served to strengthen Museveni’s rule. Second, throughout his tenure, he has emphasized economic growth and prosperity. Yet as I will argue, he has taken care to implement only economic reforms that will strengthen rather than undermine his rule. And thirdly, he has focused on strengthening regional and international alliances, leading Uganda to be recognized as a key stabilizing force in East Africa. In all this, Museveni took a very active role in shaping his reputation through his many writings and interactions with other international leaders.

This dissertation argues that highly personalist leaders face fewer constraints when deciding whether to join international institutions. Highly personalist autocrats strategically join trade agreements in order to shape their reputation and consolidate their rule without too many policy concessions. Museveni’s government provides evidence of this mechanism. In particular, PTAs played an important role in Museveni’s regime consolidation strategy by (i) distracting from the shortcomings of his political reforms and providing better access to regime funding; (ii) establishing him as a leader oriented towards economic growth and prosperity; and (iii) giving him a reputation as a beacon of African stability. Before describing these mechanisms in greater detail, I explain why Uganda can be characterized as a highly personalist autocracy. I show that Museveni has faced few constraints on his political decision-making and therefore has been able to exploit foreign policy-making to his personal advantage.

¹⁴ibid. 16

¹⁵This nickname has been described in various outlets. See e.g. Uganda’s independent newspaper the Daily Nation, <https://www.nation.co.ke/news/africa/Uganda-dictator-in-a-suit-Yoweri-Museveni-holds-power/1066-3094528-jh4wklz/index.html>

¹⁶See Tripp 2010

As president, Museveni was able to consolidate his executive power over time to the extent that he faced few constraints on political decisions. Like other autocrats that operate under weakly institutionalized settings, Museveni's strength depends on several key factors: having control over and support from the military, having strong executive control over the dominant party, and eliminating potential sources of opposition. Museveni has been successful in all of these aspects. Early in his rule, Museveni focused on implementing various populist policy reforms, building a functioning administration, and writing a new constitution.¹⁷ All of these helped establish a reputation as a reformer. While his revolutionary support base consisted mainly of rural farmers and working class actors, he initially focused on broadening this base by advocating political tolerance and the overcoming of ethnic divisions.¹⁸ Yet scholars have argued that this early strategy of inclusion and tolerance was exactly what helped him strengthen his executive power in subsequent years and allowed him to build a more exclusive form of governance. "President Museveni implemented populist reforms not because he subscribed to democratic ethos but for purposes of strengthening his hold on power."¹⁹

By focusing on broadening his support base and building legitimacy, Museveni was able to "undercut the power base of traditional political parties, which posed a threat to the NRM's hold on power."²⁰ Museveni further excluded and weakened other political parties by not holding elections in the first ten years of his presidency and governing in a "no-party system". By branding the NRM as a "movement" rather than a party during his early rule, he was able to circumvent laws that prevented political parties from organizing. When he did hold elections in 1995 following the passing of the new constitution, they were highly fraudulent, leading to a landslide win for the NRM. Furthermore, in the 1990s, Museveni began a process of authoritarian consolidation. During this time, "the regime began to actively limit political space and centralize power."²¹

¹⁷Muhumuza 2009

¹⁸ibid

¹⁹ibid, 32

²⁰ibid

²¹Tripp 2004, 9

Overall, Museveni has faced few legitimate domestic challenges to his rule. Opposition parties have remained relatively weak and not in any position to challenge policies.²² While there is a parliament, its independence is greatly limited to the extent that “it serves the vested interests of the NRM government [...] President Museveni did not want a strong parliament because it would frustrate his political interests.”²³ Within the NRM, Museveni enjoys a large amount of discretion as well and he has enjoyed great discretion and control political appointments. Ministers and politicians who have voiced opposition to the government’s policies are frequently fired by Museveni.²⁴ As one observer, notes, “Through a skewed power structure, the executive often ignores or derides institutions like Parliament whenever these institutions are at variance with the executive’s narrow political interests.”²⁵

Museveni has also enjoyed strong support from the military. This support derives in part from his history as a revolutionary leader. Museveni has also made sure to provide significant funding and rents to the military, which have kept them loyal. His great executive control over the military is also evidenced by his “appointing and promoting loyal cadres to top positions, but has also purged those insubordinate and disloyal to him.”²⁶ This ability to purge dissenters in the military is “a testimony of President Museveni’s personalization of the army and using it to entrench himself in power while growing intolerant to people with divergent political views.”²⁷ Overall, Museveni has been quick to eliminate potential political obstacles and has faced few challenges to his rule. As a result, he has enjoyed a large amount of discretion in his policy-making.

Economic and Trade Policy-Making under Museveni

The lack of constraints I described in the previous section is particularly true of economic policy-making. Despite experiencing significant economic growth during Museveni’s govern-

²²See Muriaas and Wang 2012

²³Muhumuza 2009, 32

²⁴See Muhumuza 2009, Tripp 2010, Asiimwe 2013

²⁵(Asiimwe, 2013, 131)

²⁶Muhumuza 2009

²⁷ibid.

ment, economic actors have remained weak and unorganized. As a result, they have not been able to exert strong political pressures. Museveni has therefore been relatively unconstrained in his economic policy-making, and this has resulted in shallow trade agreements that serve primarily to improve the president's personal reputation.

Several features of the Ugandan economy have contributed to this overall weakness of economic elites. First, as mentioned previously, the expulsion of the Asian minority and large-scale expropriations under Amin and Obote resulted in Uganda's industry groups being relatively unorganized and not politically active. While Museveni has publicly stated that he does not support the earlier hostilities towards South Asians and has welcomed some of them back into Uganda, these groups no longer have the organized strength they did prior to the expulsion. Moreover, Museveni has used privatization as a way to weaken economic elites that had previously supported Amin and Obote's governments. Thus, Pitcher notes that "In Uganda, the president and his supporters in government have used privatization to remove rival political elites who were entrenched in state enterprises. By getting rid of elites connected to previous regimes, the government has eliminated potential threats to its power."²⁸

All of these strategies imply that economic elites are not able to act independently and exert strong political pressure on Museveni's government. Consequently, according to Tripp, "the business class is weak; it has not been able to articulate its own demands for stronger governance, and it has no incentive to do so [...] the business class contributes to propping up a clientelistic system that eventually must undermine its own long-term interests."²⁹ As in other policy areas, economic actors do not exert very strong pressures on the government and Museveni has a largely free hand in economic policy. This heavy-handedness is also evidenced by the fact that his economic policy is often driven by his personal preferences.

For instance, the fishing sector, and in particular the production of frozen fish fillets that are exported to Europe and other foreign markets, is one of Uganda's largest agricultural

²⁸Pitcher 2004, 389

²⁹Tripp 2010, 130

sectors and one of the key export industries. However, Kjaer et al argue that the president has shown little interest in this sector and has provided it with insufficient political support in part because he “does not even eat fish himself”.³⁰ In contrast, Museveni has frequently declared himself “a man of milk” and has made efforts to support the development of the dairy industry.³¹ These examples illustrate that economic policy in Uganda revolves around Museveni’s personal interests and preferences rather than being the result of societal or organized industry pressures.

This under-development of business interests is further illustrated by features of the economy. Uganda’s key industries are agricultural products, with the biggest exports including coffee, tea, fish, and oil.³² While the economy is in transition towards a more advanced economy that is less dependent on agriculture, declines in the agricultural sector have been met with increases mostly in services industries, whereas manufacturing has been growing relatively slowly.³³ Most businesses are small or medium enterprises, many of which do not have business associations or organizations that could formally lobby the government. As a result, these small enterprises have not been able to organize very well.³⁴ The fact that many firms are quite small is therefore another reason why economic elites have not been able to exert strong pressures on policy-making, which is so heavily concentrated on the executive and provides few formal political access mechanisms.

Despite Museveni’s large amount of discretion in economic policy-making, there are two key factors that have shaped his economic policy, and both of these are crucial to his political survival. The first is rent provision. Many observers of Ugandan politics note that the Ugandan political system depends heavily on patronage and side payments for its survival.³⁵ For instance, Museveni’s close ties to the army depend in part on a system that allows the security forces to extract personal benefits. Since the advent of multi-

³⁰Kjaer et al 2011

³¹Museveni, Twitter, July 17, 2019

³²Uganda’s main trade partners include Sudan, Kenya, Congo, Netherlands, Germany, and the UAE

³³E.g. Wood and Jordan 2000, Clarke 2009

³⁴See Tripp 2010, Kjaer et al.

³⁵Flanary and Watt 1999, Tripp 2010

party elections, vote buying and provision of economic benefits to areas with weaker NRM support have also become important.³⁶ Thus, in his economic policy, Museveni has worked to ensure that reform does not undermine rents. “Rather than use national resources for priority development programmes, they are instead wasted on rewarding loyalty, buying off opposition, bribing voters, and investing in forces of coercion.”³⁷ Similarly, Asiimwe observes that “President Museveni achieved the status of a father figure and accumulated a mountain of resources that he dispensed to his clientele. [...] the president ‘donated’ money, vehicles, and cattle to strategic actors such as religious leaders, cultural figures, and entertainment celebrities who had the potential to mobilize political support.”¹³¹

The importance of rent provision is at odds with another factor driving economic policy, which relates to donor pressures and regime legitimation. The Ugandan government is heavily dependent on aid and funds received from Western donors make up more than half of the government budget.³⁸ The Museveni government has been highly successful in attracting funds and support from donor states in large part because of his promises of democratic and economic reforms. Thus, neoliberal economic reforms were part of Museveni’s core promises as president. These were not empty promises: in fact, Uganda experienced significant economic growth in the Museveni period, with an average annual GDP growth of 6.7%. This has led Uganda to be characterized as a “star performer of liberal economic reforms.”³⁹

Why has donor support been so important to Museveni’s economic policy? Scholars have noted that Museveni’s “ascendancy to power occurred at a time when donor support was tied to pursuing neo-liberal economic and democratic reforms.”⁴⁰ Museveni benefitted from his reputation as a reformer during a period when predominant views thought of democratization and economic growth as going hand in hand. By branding himself as an economic reformer, Museveni’s promises for future democratization became much more plausible. As

³⁶Fischer 2015, Tripp 2010

³⁷Muhumuza 2009

¹³¹Asiimwe (2013)

³⁸Fisher 2015: 65

³⁹Wiegratz 2010

⁴⁰Muhumuza 2009, 33

a result of his reformist reputation, Museveni “was hailed in the West as an exemplar of a new breed of dynamic and democratic African Leader who deserved generous aid for development.”⁴¹

Consequently, while Museveni has extensive executive powers and few domestic pressures from economic actors, his economic policy has also been limited by a need to please donors as well as the necessity to protect domestic sources of rent. These two pressures are often at odds with one another. Museveni’s solution to these competing pressures has been to endorse economic policies that have high legitimating potential while also protecting his sovereignty and access to rent by limiting reforms in politically sensitive sectors. This helps explain why many of his economic reforms have been partially successful but ultimately stalled. As Tripp notes, “In Uganda [...] economic gains have helped legitimize some of the more undemocratic tendencies of the Museveni regime at least in the short term. [...] The heavy donor focus on economic development unwittingly helped legitimate undemocratic practices, corruption, and clientelism.”⁴² The following section will discuss how trade agreements contributed to this strategy of legitimation and partial economic reforms.

PTAs as Tools of Regime Legitimation

The previous sections argued that Museveni holds large discretion in policy-making, especially economic policymaking, with only limited political pressures by economic elites. These features mark Museveni’s government as a highly personalist regime. However, his government has also been driven by concerns about regime legitimation, pressures from democratic donor countries, and the desire to protect sources of rents.⁴³ In this section, I argue that Uganda’s memberships in trade agreements have played an important role in Museveni’s strategy of building a reputation as a strong reformer and pleasing donors while also preserving his sovereignty.

⁴¹Economist 2013. Available at <https://www.economist.com/middle-east-and-africa/2013/10/12/a-leader-who-cannot-bear-to-retire>

⁴²Tripp 2010, 181

⁴³E.g. Carbone 2005

In particular, I argue that PTAs have helped Museveni by first, cementing his image as a strong and competent leader, and secondly, branding himself as a beacon of regional stability. This in turn helped Museveni strengthen his relations with foreign donors, distract from lack of democratic reforms at home, and increase his popularity with domestic constituents. While trade agreements are not the only way in which Museveni has accomplished these goals, they have been important complements to his overall regime legitimization strategy and therefore have played a crucial role in cementing his power. I discuss each of these mechanisms in turn below.

Perhaps most importantly, Uganda's memberships in trade agreements have helped Museveni build his image as a strong and competent leader. Table 5.2 below lists the trade agreements that Uganda is a member of. Among these, Museveni most frequently references the East African Community (EAC) and the Common Market for Southern Africa (COMESA), and more recently the newly signed African Community FTA in his writings and speeches. Uganda was a founding member of all of these regional trade agreements. In particular, it was one of three founding members of the EAC in 1967 (along with Tanzania and Kenya), but the organization collapsed in 1977 under Idi Amin due to conflicts among its member states. It was revived in 1999, and has since extended its membership and framework.⁴⁴ Throughout his presidency, Museveni has repeatedly emphasized that he deserves credit as one of the key drivers of East African economic integration. In particular, Museveni has frequently expressed his vision to turn the EAC not only into a common market, but also into a future political union without borders and common security.⁴⁵

Museveni has gone to great lengths to shape his own reputation and legacy by advocating for his government through a variety of channels. As I argued previously, one of his key concerns is to distinguish himself from his more violent political predecessors as well as from other African leaders. On Idi Amin, for instance, Museveni wrote that “[t]yrants have to be made to leave by one means or another – often by force.”⁴⁶ These “tyrants” provide a

⁴⁴Bizuneh et al 2018

⁴⁵E.g. Museveni tweet, Feb 6 2018

⁴⁶Museveni 1999

stark contrast to the enlightened, world-embracing leadership of Museveni himself. Thus, in his numerous writings, Museveni has carefully created an image of himself as an intellectual and a wise, experienced statesman who is “a new-style of African leader, to be emulated in his almost singleminded pursuit of economic development, fiscal discipline, and the free market”.⁴⁷

Museveni’s use of social media also supports his overall legitimation strategy. He is not only an active user of Twitter, where his posts about economic policy are accompanied by carefully composed pictures of himself, but he also frequently gives speeches at international think tanks. He is also the author of a book entitled “What is Africa’s Problem?”,⁴⁸ and he has published writings in US publications such as the *Harvard International Review*. Similarly, Museveni has paid lobby groups to mail favorable and promotional materials to U.S. representatives. In these, Museveni is described as “one of Africa’s greatest leaders”.⁴⁹ In all of these outlets, Museveni emphasizes trade and regional integration as central tenets of his rule.

In establishing himself as a strong and competent African leader, Museveni emphasizes two messages in particular. The first is that he is strongly committed to economic reforms and development, and that he particularly embraces neoliberal reform programs advocated by developed economies via the IMF and World Bank. The second message is that he is a key source of African stability, and he has emphasized pan-Africanism and regional integration as sources of future African peace and prosperity. These two messages are closely intertwined, and Museveni often refers to both of them jointly. For example, in a recent series of tweets he discusses Pan-Africanism as one of his most important motivations as a leader, but he also discusses regional integration via the EAC as a key source of prosperity.⁵⁰

Similarly, his government paid for a multi-page advertising supplement in the New York

⁴⁷Tripp 2004, 3

⁴⁸Museveni 2000

⁴⁹Whitaker Group, cited in Fischer 2015

⁵⁰Museveni Twitter, March 29 and May 18, 2019

Times in 2002. The ad proclaims that “The Door to Trade has opened”.⁵¹ In a 1999 article, Museveni wrote about Africa that “The prospects for both economic and political cooperation are growing as the region’s leaders become more convinced that [...] no country will be able to manage on its own in an increasingly globalized world.”⁵² In particular, he emphasizes that regional organizations are “setting the pace for cooperation in Africa.”⁵³ In addition, in his book, Museveni identifies regional integration as one of the key remedies to Africa’s problems: “What we need is possibly fewer states through the peaceful integration of existing ones in order to make them more economically viable. If we could consolidate the PTA, for instance, and have one market instead of sixteen in Eastern and Southern Africa, it would be better.”⁵⁴

Museveni consistently positions himself as the key leader in accomplishing the regional integration and growth he advocates. For instance, in one publication, next to a picture of Museveni attending an event accompanied by locals and military officers, he confidently asserts that “President Museveni [is] trekking toward a new order. African development means transnational commitment to progress.”⁵⁵ These types of messages not only served to establish Museveni as a competent leader. It is also very likely that they were consciously placed in publications read by political actors in the United States, a key ally and important source of aid for Museveni.

Throughout his government, Museveni has also styled himself as a force of regional stability and pan-Africanism. He frequently refers to trade agreements when he discusses Uganda’s role in strengthening African relations, fostering peace, and developing Africa’s future. In an article Museveni wrote for *Harvard International Review* in 1999, he describes his vision for the African continent as it moves into the new millenium. After contrasting his government with Rwanda, Amin’s Uganda, and the Congo, Museveni argues that “[r]egenerative forces are moving Africa into a new phase of socioeconomic rejuvenation and development [...] This

⁵¹New York Times Ad Supplement, 2002

⁵²Museveni 1999

⁵³Museveni 1999

⁵⁴Museveni 2000, 221

⁵⁵Museveni 1999

is where hope for Africa lies.”⁵⁶ In another message, he discusses his goals for the “unity of the African continent” along with a picture of himself releasing a white dove, a symbol of peace.⁵⁷ In these writings, Museveni appears as a strong leader who unifies the African continent through his economic and political visions. As a result of these efforts, Uganda has become known “for enviable economic growth and as an island of stability in a region full of turmoil. Led by president Yoweri Museveni, who is feted by admirers as an enlightened and fearless warrior intellectual, the nation has been held up as a model for countries across the continent that are struggling to emerge from decades of conflict, poverty, and oppression.”⁵⁸

Advocating regionalism, with Museveni as its leading force, is therefore one of the core tenets of Museveni’s rule. But Museveni has also worked to ensure that these messages reach their audiences. Uganda’s active engagement in trade agreements has given Museveni legitimacy in part because of the high visibility associated with trade summits. Thus for example, COMESA summits and his recent chairmanship of the EAC have given Museveni many opportunities to be photographed shaking hands with regional and world leaders and speaking in front of groups of policy-makers. He frequently links these summits to Uganda’s economic development as well as his personal influence on African economic development. Museveni also publishes reports of every meeting of these trade organizations on his personal media accounts. As a result of these efforts to promote his government, “foreign governments praised Uganda for good governance, transparency, restraint and reforming zeal. The charismatic Museveni was welcomed by presidents and legislatures around the world to deliver erudite, witty and pointed attacks on the west and other African leaders.”⁵⁹ This chapter’s appendix lists a few examples of these promotional images and messages.

⁵⁶ibid, 4

⁵⁷Museveni 2019

⁵⁸Cargill 2004, 26

⁵⁹Cargill 2004, 26

Domestic Effects of Legitimation Strategies

What effects have these strategies of advocating regional integration and economic cooperation through trade agreements had on Museveni's tenure as president of Uganda? Is Museveni truly a reformist, or can these policies be linked to his persistently autocratic government? This section argues that embracing regionalism and trade agreements has helped Museveni consolidate his government in three ways: first, it increased his popularity abroad and provided his government with increased access to donor funding, which he used for purposes of regime consolidation; second, it distracted from the absence of democratic reforms, which Museveni had promised early in his rule; and third, it increased his popularity at home.

“The Donors’ Darling” and Access to Regime Funding

First, one of the key effects of Museveni's strategy is his popularity with foreign donors. According to Fischer, “[s]ecuring the support of international actors and institutions has long been a central element of regime maintenance strategies for most African governments”⁶⁰ Museveni's conscious embrace of both economic reforms and regional integration, and his extensive efforts to be portrayed as a reformist in the media, have convinced donors from the US and EU that Uganda is a source of African development and stability who deserves political and financial support. As a result, several observers have described Uganda as being “the Donors’ darling.”⁶¹

Positive relations with donors are crucial to Museveni, because his regime is heavily dependent on foreign funding. According to observers, more than half of Uganda's government budget derives from foreign aid.⁶² This aid is therefore a key source of regime support for Museveni's government. More recently, Museveni has also used foreign funding to finance

⁶⁰Fischer 2015, 63

⁶¹Cargill 2004

⁶²Fischer 2015, 64

the NRM's election campaigns.⁶³ According to Tripp, donor "transfers have multiplied more than eightfold in the decade following the NRM takeover."⁶⁴ Similarly, Museveni also managed to gain funds from various foreign sources, including the British government, for the 2000 referendum that allowed him to abolish term limits and become president for life.⁶⁵ Foreign funding has therefore directly contributed to the persistence of Museveni's government.

Why have donors been willing to support Museveni's autocratic government? As Tripp observes, donors are "overlooking many aspects of Uganda's political record because of the strength of the country's economic performance and the eagerness with which it adopted structural adjustment programs".⁶⁶ Because of his open and outward embrace of neoliberal economic reforms and regional integration, Museveni has received more support than criticism from foreign audiences, including praise from the World Bank.⁶⁷

Due largely to Museveni's economic policy successes, "donors who normally put a lot of pressure on other undemocratic African states have kept a blind eye on Museveni's NRM regime."⁶⁸ Trade agreements have therefore played a role in this legitimization because they have provided Museveni with public forums and opportunities to brand himself as a reformer. Because of the publicity and international visibility of trade summits, PTAs have also helped Museveni convey his reformist messages more publicly and more effectively than in the absence of these memberships.

In addition to the visibility of trade agreements, PTAs have helped gain Museveni foreign support because of conditionality. In particular, donor support has been dependent on a promise of neo-liberal economic reforms that include privatization and trade liberalization. According to Fischer, donor funds have "generally been contingent on the latter fitting a particular profile vis-à-vis Western interests. [...] governments and states perceived to be

⁶³Tripp 2004

⁶⁴ibid.

⁶⁵Tripp 2004

⁶⁶ibid.

⁶⁷Jabweli 1999

⁶⁸Muhumuza 2009

geostrategically and/or economically important by donors have frequently received more generous and sustained assistance [...] than others, as have those considered to be key allies in the global security and/or development arena.”⁶⁹ Uganda’s trade agreements, by promoting long-term economic visions such as the establishment of a common market and shared currency, have therefore helped lend credibility to these reforms. However, it should be noted that in Uganda’s case, donors were often satisfied with partial reforms and the promise of future liberalization, as opposed to full implementation of these promises, in providing Museveni with funding. With their ambitious, aspirational messages of long-term integration and liberalization, Uganda’s trade agreements therefore contributed to sending successful reform signals.

Similarly, his embrace of African regionalism has sent a signal to foreign supporters that Museveni deserves support as a source of regional stability and peace-maker. Key to this message is an emphasis that economic integration will bring peace to Africa, which is a prime interest of Western allies. As a result, Museveni has been able to gain military assistance, in the form of both funding and training, from the United Kingdom and the United States.⁷⁰ As Fischer notes, Uganda’s foreign support is thus the result of “threefold images as economic success stories, guarantors of stability and donor security allies.”⁷¹ In the eyes of foreign governments, Museveni’s promises of stability were far preferable to his violent predecessors, even if they lacked full implementation.

PTAs and Democratization Pressures

Trade agreements also helped Museveni, because they distracted from more complex political dynamics and lack of genuine democratization at home. When Museveni first came into office, he promised swift implementation of democratic reforms. Yet he also emphasized

⁶⁹Fischer, 63

⁷⁰Fischer 2015, 69

⁷¹Fischer 2015, 69

that economic reforms had to be implemented prior to democratization. His embrace of economic liberalization therefore allowed him to delay political reforms.

This is significant also when considering the global context in which Museveni built his reformist image. In the minds of Western allies in the 1990s, economic progress and democratization were closely linked. The Soviet Union had recently collapsed and socialist policies were in decline in most regions. At the time, there was great hope that economic reforms and democratization would go hand in hand. Museveni cleverly exploited these perceived links between economic and political reforms to his own advantage. By embracing regionalism and economic liberalization, he ultimately avoided scrutiny over his domestic autocratic governance. Thus, “African governments have used a variety of media to ‘sell’ and emphasize particular images of themselves to donors – redirecting them from alternative, potentially more damaging ones.”⁷² By demonstrating a strong commitment to economic growth, Museveni has been able to signal his quasi-democratic intentions more credibly and more effectively to foreign audiences.

There has been a fair amount of attention in the comparative politics literature to ways in which dictators legitimize their rule.⁷³ However, Uganda’s example shows that such analyses are incomplete without attention to international factors: international commitments play a key role in such legitimation strategies. This point is particularly true of autocracies that depend on foreign support, either through military aid or economic aid. Foreign audiences have a limited understanding of what is happening within foreign countries; however, visible participation in international institutions helps convey the message that dictators are doing a good job at ruling. International commitments are often highly visible and more easily understandable than the intricacies of domestic politics. The extent to which foreign governments have financially supported Museveni provides evidence of this mechanism.

Because of their generally weak enforcement, Uganda’s trade agreements were not capable of promoting either deeper trade liberalization or democratic reforms. Overall, their legitimiz-

⁷²Fischer 2015, 66

⁷³E.g. Levitsky and Way 2002

ing power has been their greatest effect. In addition, trade agreements provided evidence that Uganda was a stable regional force which again justified Western support. In all this, the high profile and visibility of Uganda's PTAs were key.

Domestic Legitimacy

Lastly, Museveni's endorsement of regionalism and trade agreements has also increased his domestic popularity. First, the visibility that participation in trade summits and titles such as chairmanship of the EAC provide to international audiences have also served to build Museveni's reputation at home. In interactions with citizens, Museveni frequently refers to Uganda's regional PTA memberships in discussing his government's successes, and he has mentioned regional integration as one of the key pillars of the NRM. For example, he remarked that "Our purpose of the EAC is surviving in a competitive world, guaranteeing our prosperity and how to be secure in this modern world."⁷⁴

In preparing for a future candidacy as president for the 2021 elections, Museveni has been on a campaign to promote "wealth creation", which has become his core political message in recent years. He has repeatedly linked this message to regional cooperation and used it to gain favor with voters. Thus for instance, addressing younger voters, he wrote that "If young people desire to see their families prosper, they should embrace integration because it widens markets and creates wealth."⁷⁵ Similarly, he has repeatedly proclaimed that "Integration is at the core of our efforts" because "When you support integration, you are supporting the prosperity of East African families, producers and industries."⁷⁶ He has also held information sessions and essay writing competitions "aim[ed] at sensitising our youth about the benefits of the EAC integration and encouraging them to be part of the process."⁷⁷ All of these are designed to ensure that citizens are aware of his strength as a regional leader committed to promoting economic development.

⁷⁴Museveni, Twitter, 2 March 2016

⁷⁵Museveni, Twitter, November 23, 2016

⁷⁶Museveni, Twitter, April 16, 2016 and August 21, 2015

⁷⁷Museveni, Twitter, March 2, 2016

Secondly, the vagueness and lack of implementation of Uganda's PTA commitments have allowed Museveni to use PTAs to his personal advantage. For Museveni, there is no contradiction in promoting regional integration while at the same time arguing against foreign imports and promoting protectionism. For example, he argues that "We must only import what is essential and only if we cannot produce it locally", ⁷⁸ and "we should invest our efforts in producing goods we spend money importing". Similarly, Museveni has repeatedly suggested that "We spend \$7 billion annually on imports and yet many of them can be made here. Once we do import substitution, Ugandans will prosper."⁷⁹ For Museveni, there is little contradiction in advocating both integration and protectionism, when both have the goal of increasing his domestic popularity.

These policies have helped Museveni increase his domestic popularity. Thus for instance, scholars found that satisfaction with economic policy has been one of the main reasons why Museveni's party has won during recent elections.⁸⁰ Similarly, in a recent survey, a majority of respondents (50.5%) think that the economy is headed in the right direction, and more than half reportedly trust the president.⁸¹

Depth of Trade Integration

Have Museveni's commitments to economic development and regional integration resulted in deep trade integration? Research suggests that this is not the case. Instead, his promises of integration have lagged significantly behind their implementation. This provides evidence that Museveni's promises represent above all a strategy of legitimation rather than a comprehensive political strategy.

First, Uganda's trade agreements have remained relatively shallow and ineffective. Thus for instance, in a study evaluating the impact COMESA has had on Uganda's economy,

⁷⁸May 23 2019

⁷⁹Oct 31, 2017

⁸⁰Contry-Krutz and Logan 2012

⁸¹Afrobarometer 2016/2018 survey wave

the authors find that the the agreement has had only a minimal positive impact on trade flows.⁸² The authors argue that one of the reasons is that the member states had little trade to begin with and are “not natural trading partners”.⁸³ As a result, they suggest that non-economic motivations may be the primary drivers of COMESA membership for Uganda. Similarly, another study lists Uganda as among the “countries that are not members of an effective PTA.”⁸⁴ The author comes to this conclusion by comparing how trade flows changed between PTA member states compared to trade flows with non-PTA members. In an earlier study, the same author argues that Uganda had “an unimpressive and slow start” to trade liberalization.⁸⁵

As I argued above, one of the reasons for the shallowness of trade commitments is that exporters in Uganda have remained relatively weak and often have not received the level of support promised by the NRM government. This lack of organized export interests has contributed to shallow regional commitments. The fishing industry in Uganda illustrates some of these dynamics. Following privatization, the Ugandan government lost its former monopoly on fish fillets. New exporters emerged, which produced frozen fish fillets primarily for the European markets.⁸⁶ Yet these fish exporters were not part of the ruling coalition and as a result have had difficulties making their needs heard. Instead, the NRM has had political incentives to allow overfishing and continued inefficiencies because many regime supporters benefit from illegal fishing. Kjaer et al thus argue that the Ugandan government frequently endorses partial economic reforms in ways that are not politically costly, but blocks reform in more politically sensitive sectors.⁸⁷ This is also evidenced by the government’s difficulties to find agreement with investors in the recently discovered oil sector.⁸⁸

In addition, as argued in the previous section, the NRM government has frequently called for import restrictions and endorsed protectionist policies even when simultaneously advocating

⁸²Mayda and Steinberg 2009

⁸³ibid, 1360

⁸⁴Foroutan 1999

⁸⁵Foroutan 1999, 19

⁸⁶Kjaer, Muhumuza, Mwebaze and Kusiimeh 2012

⁸⁷Kjaer, Muhumuza, Mwebaze and Kusiimeh 2012

⁸⁸<https://www.independent.co.ug/museveni-locks-out-oil-investors/>

for regional integration. This provides evidence that the Ugandan government in many ways remains committed to protecting its rent-based system of governance. One recent paper notes that “Many African leaders have called for further trade liberalization. But, although they urge an end to protectionist policies [...] African leaders refuse to open their own markets to foreign competition”.⁸⁹ The same article points out that “Speaking at the AU meeting, Uganda’s trade ambassador, Nathan Irumba, urged African leaders to ‘reject the straightjacket of radical tariff reductions, which would pose terrible risks for our domestic industries and jobs.’”⁹⁰ Similarly, the EAC is built on a principle of “asymmetry”, allowing Uganda and Tanzania to protect themselves from imports from other member countries under an infant industry argument.⁹¹ Similarly, while advocating for the EAC, Museveni has become involved in border disputes with its neighbor Rwanda, which has led to the repeated shutting down of border crossings and halting of trade. All these examples illustrate the divergence between promises of integration and how it is implemented.

Overall then, there has been a significant disconnect between Museveni’s rhetoric of liberalization and regional integration, and Uganda’s actual practice of trade liberalization. This illustrates my argument that highly personalist autocrats use trade agreements to build legitimacy and consolidate their regime, without making too many concessions to export-oriented elites that might pose a longer-term threat to their rule.

5.3 Vietnam: “Tiger on a Bicycle”

I have argued that Uganda and Vietnam share a number of important features, including their experiences with civil war and colonialism. Both had mainly agricultural economies that have experienced remarkable economic growth in recent years, although Vietnam’s growth has been more pronounced and successful than Uganda’s.⁹² Both states are also

⁸⁹Cato article

⁹⁰ibid.

⁹¹Mutai 2011

⁹²Adam Fforde has described Vietnam’s economy as a “Tiger on a Bicycle”Fforde (2007)

governed by long-lasting, firmly authoritarian regimes that draw legitimacy from having emerged victorious following the civil war. As a result, both governments retain the strong political support of the armed forces, and this has further contributed to their stability. Vietnam is remarkable in having undergone a dramatic transformation from centrally planned economy to free market while retaining a nominally communist government.

In contrast to Uganda's highly personalist regime, Vietnam is governed by a stable single-party government, the Communist Party of Vietnam (CPV). This means that within the party, key decisions are made jointly by the Politburo rather than a single leader. Vietnam's authoritarian government therefore has much lower levels of personalism compared to Uganda. I argue that this difference affects how economic policy-making and accession to trade agreements is conducted.

The following sections will show that as a non-personalist autocracy, there are more actors involved in political decision-making and more formal influence for economic actors in Vietnam compared to Uganda. As Vietnam has undergone a transition to market economy, the government has been careful in choosing its trade commitments, and has especially been concerned about alienating key protectionist groups that the regime depends on, many of which are state-owned enterprises. However, with increasing empowerment of competitive, pro-trade actors, Vietnam has begun to enter into PTAs more frequently, and these memberships are marked by deeper integration than in the Ugandan case.

Historical Background

Vietnam has been governed by a stable single-party, socialist government since the country's reunification in 1976. The reunification marked the end of a prolonged period of violent conflict and war, which has left a deep and lasting legacy. The origins of this conflict lie in the country's colonial past; what was then French Indochina was under the control of the French government until the end of the second World War, when the country was occupied by Japan. As a result of this long period of occupation and colonial rule, several guerrilla movements

formed. The most important of these was the Viet Minh movement led by Ho Chi Minh, which eventually gained control over Hanoi and proclaimed independence.⁹³ The French refusal to accept an independent state resulted in the first Indochina War and subsequent partition of the country into North and South. Conflict between the communist North and US-sponsored South then escalated into a brutal civil war. Following US withdrawal from Vietnam, the communist North emerged victorious and united with the South to form the Socialist Republic of Vietnam (SRV).

The stability with which the ruling Communist Party of Vietnam has governed the country since reunification is remarkable given this violent history. Two defining features of this rule have been the government's commitment to socialist policies and its legitimacy, which derives from its victory over foreign occupation. When Ho Chi Minh's health began to decline, he gradually passed power to Le Duan, who governed the country until his death in 1986. Following his death, the CPV, under general secretary Nguyen Van Linh, launched a series of remarkable political and economic reforms which became known as *Doi Moi* or "Renovation". These reforms transformed Vietnam from an economically devastated country with a closed, socialist economy into a fast-growing market economy. While Vietnam was a late joiner to the World Trade Organization and regional trade agreements, it has recently begun to enter into more frequent and deeper PTAs.

Vietnam therefore represents a case of a non-personalist autocracy that successfully transformed from a country embracing strongly protectionist policies into a more open economy with increasingly liberal trade policies. Looking at Vietnam today, with its growing fast-growing export sectors, it may seem that the country poses a counter-example to my arguments that non-personalist autocracies tend to be more constrained by protectionist coalitions compared to more personalist autocracies. However, Vietnam's economic opening was the result of a prolonged process of liberalization that initially arose out of economic necessity. The case allows me to trace through which processes non-personalist autocracies

⁹³E.g. Bertrand 2013

come to make deeper trade commitments. It therefore illustrates the key arguments I have made throughout this dissertation.

The following sections proceed as follows: describe governance in Vietnam, explain how trade policy-making and the decision to enter into PTAs work. Then discuss how political dynamics between protectionist and liberal elites have influenced trade policy and PTA membership since the initiation of the Doi Moi reforms.

Political Structure: Non-Personalist, Single-Party Government

Vietnam's ruling CPV retains tight control over key political institutions, including the National Assembly and the army, which supports the communist party. Due to the strength of the governing party and absence of other formal parties, there is weak opposition presence. This is consistent with existing research that finds that single-party regimes tend to be highly stable and often survive for extended time periods.⁹⁴ While personalist autocracies are particularly vulnerable following the death of a leader, single-party states often benefit from clearly defined succession and promotion rules.

This is also particularly true of communist party states. As Bertrand notes,

‘Many communist regimes remained stable and strong for long periods of time because of a highly structured party organization. They are hierarchically organized, from villages up to the central government. Party cadres implement central directives, recruit members and keep tight control at the local level. At the top, the Political Bureau (Politburo) typically defines policies and controls the regime. It also acts as a mechanism to regulate the top leadership and constitutes a pool of candidates for leadership succession.’⁹⁵

In contrast to personalist regimes such as Uganda, therefore, policy-making power in Vietnam is not concentrated primarily in the hands of a single leader, but shared among party

⁹⁴Magaloni and Kricheli 2010

⁹⁵Bertrand 2013, 145

elites. In this case, the Politburo holds the key decision-making powers. As Weeks describes it, Vietnamese leaders “did not enjoy untrammelled control over internal and external security forces, nor did they have the ability to cow potential rivals into silence. [...] As a consequence, debate was relatively open, and top party members often switched factions and policy positions.”⁹⁶ As Bertrand notes, elite cohesion has been one of the key factors in the continued strength of the CPV government. Thus, Bertrand notes that “the Communist Party was able to create an elite that has remained united and committed to maintaining the regime.”⁹⁷

In addition, these joint decision-making processes are also more formally regulated, resulting in more effective forums for decision-making. This is another defining feature of single-party states such as Vietnam. As Magaloni and Kricheli note, single-party states are noteworthy for their efficient bargaining mechanisms that have the party at its center.⁹⁸ While these features of the Vietnamese government imply that policy-making in Vietnam has more room for contestation and debate, and potentially greater room for efficient bargaining compared to Uganda, Vietnam is not a democracy, but firmly authoritarian. In fact, there are many shortcomings regarding political representation that mark the country as an autocratic government. For instance, Malesky and London argue that: “Property rights [...] have been strengthened over time, but they remain poorly protected; legal institutions are opaque, highly arbitrary, and not independent; political opposition is severely repressed; and participation in political decision making remains limited to a select few.”⁹⁹ Similarly, according to Freedom House, “Although some independent candidates are technically allowed to run in legislative elections, most are banned in practice. Freedom of expression, religious freedom, and civil society activism are tightly restricted.”¹⁰⁰

Compared to Uganda, where economic policy occurs to a large extent at the whim of the president, we can therefore expect that economic actors can bargain more efficiently with

⁹⁶(Weeks, 2014, 137)

⁹⁷Bertrand 2013, 149

⁹⁸Magaloni and Kricheli 2010

⁹⁹Malesky and London 2014, 396

¹⁰⁰<https://freedomhouse.org/report/freedom-world/2019/vietnam>

the government in an institutionalized non-personalist autocracy. However, my theoretical argument also suggests that protectionist elites tend to have disproportionate political influence in non-personalist autocracies. Because they often hold a privileged position within the government, exporters have greater difficulties gaining political access and playing a role in policy-making. Protectionist groups can thus effectively “capture” trade policy-making in these states. In this sense, non-personalist autocracies are distinct from democratic states despite their more effective elite bargaining. In order to find support for this argument, the following sections trace the evolution of trade policy and PTA membership dynamics in Vietnam beginning with the Doi Moi reforms.

Economic Structure and Policy-Making

Vietnam’s stable and cohesive party structures, combined with its communist ideology, provided an ideal foundation for the emergence of strong protectionist elites. For a long time, these elites benefited from the central planning system that focused on promoting protectionist and inefficient heavy industry. These industries provided employment and sources of political support to the party. However, increasing economic difficulties eventually necessitated economic reforms that allowed for the emergence of new, more liberal economic and political elites. This section briefly outlines how the dynamics of economic policy-making in Vietnam evolved over time. The following section describes how these dynamics subsequently affected Vietnam’s membership in trade agreements.

During the government of communist party leader Le Duan, Vietnam was a closed, planned economy. Similarly to Uganda, Vietnam was initially primarily an agrarian economy, with rice production as its primary export commodity.¹⁰¹ As in Uganda, Vietnam struggled to recover economically from its prolonged civil conflict, and poor decisions made through central planning deepened structural economic problems. Consistent with the ideology of

¹⁰¹Bertrand 2013, Abbott, Bentzen, and Tarp 2008

other communist planned economies, the Vietnamese government decided to focus on the development of heavy industry.

However, this development strategy quickly led to problems. The centrally planned industrial sectors depended strongly on receiving inputs, which came from communist allies, primarily the Soviet Union. Yet due to difficulties with central planning in the Soviet Union itself, these inputs fluctuated significantly, leading to severe supply shortages. By the early 1980s, communist countries around the world were in decline. With Vietnam heavily dependent on Soviet support, economic weakness in the Soviet Union thus had strongly negative implications for Vietnam.¹⁰² As a result, the industries promoted by the central government were increasingly inefficient and soon struggled to meet their planned goals. Consistent with my arguments about the mutual political support between import-competing elites and autocratic governments, Vietnam's development strategy thus resulted in the creation of sectors that depended crucially on state support for their survival.

After decades of Communist rule and central planning, powerful elites had emerged that benefited from the continuation of the status quo in which the state had a monopoly on trade and private pro-trade economic actors had little influence on policy-making. These powerful import-oriented groups, who were embedded in the regime initially opposed economic reform. As Bertrand notes, "Many party members also benefited from central planning, and were therefore reluctant to modify it. With control over resources and their allocation came political powers. If they allowed the market to operate more freely, they would lose the ability to leverage compliance and reap benefits from their control over production."¹⁰³ However, increasing economic difficulties made it harder for the government to continue to provide this support. Thus it became increasingly clear that significant changes had to be made in order to secure the survival of the authoritarian regime.

By the time of Le Duan's death in 1986, economic problems had become increasingly apparent, including massive inflation and budget problems related to the financial support of

¹⁰²Beresford and Phong 2000

¹⁰³Bertrand 2013, 155

state-owned enterprises. In addition, Vietnam was not only economically, but also politically isolated at the time, with the Soviet Union as its last remaining major ally. The system of central planning and government ownership of industries was failing. A series of economic crises, stagflation, food shortages was threatening the survival of the regime. According to Hiebert, “Popular dissatisfaction, even within the Communist Party, finally forced leaders to reverse the dogmatic policies that had kept Vietnam among the ranks of the world’s poorest countries.”¹⁰⁴

Similarly, Beresford and Phong write that state officials that had been in charge of foreign trade began to experience a sort of “paralysis’. The problems with both supply of inputs into manufacturing and difficulties meeting production goals I have described meant that those in charge of facilitating trade met with increasing “criticism from superiors for their failure to implement the plan. The sense of powerlessness in the face of what officials understood as their inability to create a firm basis for socialist production and trade clearly formed a basis for political ideas and action in favor of reform.”¹⁰⁵

The leadership change following Le Duan’s passing opened up a window of opportunity for the government to implement fundamental economic reforms. Younger elites looking to secure the future survival of the regime blamed the older elites in the process of retiring for the economic failures. In the following period, elites used the party institutional structures to implement a bargain between entrenched old elites and market-oriented elites that allowed for a shift towards trade liberalization:

‘The reformist wing in the Foreign Ministry and the Vietnamese Communist party worried particularly about Vietnam’s poor economic performance, her heavy dependence on Soviet economic aid and her isolated international position. Pragmatic reformists looked toward capitalist Southeast Asian countries in order to overcome their international isolation and vitalize their weak economy. [...] On the other hand, Vietnamese Marxist-Leninist theoreticians had rather big problems translating the old political doctrine of the two roads

¹⁰⁴??

¹⁰⁵Beresford and Phong 2000, 38

of development into a new vocabulary. [...] Conservative elements wanted to hold firm to the old Vietnamese Marxist-Leninist doctrine, while new influences and reformist political doctrine threatened its disintegration.”¹⁰⁶

Consequently, it was a combination of political and economic shock which provided room for economic policy change. As socialist forms of governance were weakening around the world, entrenched protectionist actors were also weakened. Thus the government decided to reverse course through the introduction of major reforms. These reforms were introduced the Sixth National Congress in 1986 became known as the Doi Moi, and which paved the way for Vietnam to transition from central planning to a market economy (e.g. Malesky and Schuler 2009). This led to re-integration into global politics, with renewed diplomatic and economic relations with most states. The reforms in turn empowered private producers, leading to another political shift in favor of competitive industry groups. The reforms eventually led to the emergence of new, pro-trade actors. These actors then pushed for both increasing trade liberalization and membership in PTAs.

However, this process was not a straightforward one, but was met with many attempts by existing protectionist elites to block or reverse reforms. Compared to democratic states, Vietnam’s example as an institutionalized, non-personalist autocracy therefore illustrates the struggles that emerging pro-trade actors face in pushing for reform. While central government officials felt that there was a need for reform, initial reforms also increased fears among party elites that they would undermine both central planning and central party control over governance. As a result, each reform was met with subsequent attempts at reversing them. For instance, Beresford and Phong note that “Quite a number of politicians felt that 40-CP [a directive weakening the central monopoly on trade] was wrong in principle [...] One of the key issues was that limitation of the foreign trade monopoly effectively meant restriction of central planning [...] So, as was often the case, subsequent decisions attempted partially to reverse the reform.”¹⁰⁷

¹⁰⁶Palmujoki 2001, 40

¹⁰⁷Beresford and Phong 2000, 42

This illustrates that decisions to reform economic policy in non-personalist autocracies are subject to greater elite contestation and constraints compared to personalist autocracies such as Uganda. Entrenched political elites can counteract and block economic reforms if they perceive them as threatening to their politically privileged position. In Vietnam, these elites were embedded in the regime not just through party structures, but also through state-owned enterprises, which were a major source of employment and consequently held high political significance.¹⁰⁸

The mechanism described in this section is thus consistent with the commitment problem I have described in this dissertation: autocratic governments have a preference for entering into political alliances with protectionist groups because it is easier for autocratic governments to reward and control these groups through rents and subsidies. With the empowerment of exporters, governments lose many of these mechanisms, and this is potentially de-stabilizing for the autocracy. Independent exporters have incentives to push for further economic and political liberalization in order to increase their economic competitiveness. From the point of view of autocratic governments, this is potentially threatening to their rule.

Lastly, there is an interesting geographic aspect to this dynamic, which is not discussed in my theoretical argument, but which could be an interesting future extension of the mechanism I have discussed. The Vietnamese government was able to exert strong central political control through its monopoly on trade. As this monopoly was weakened and legal avenues for direct trade opened up, provinces with export-oriented industries benefited and gained political bargaining power. This made it more difficult for the central government to exert control over these areas. Given Vietnam's history of violent conflict between the North and the South, the fact that the South has historically held greater economic strength and a larger number of exporters implies that the North has an interest in retaining strong control over the Southern economy. Economic liberalization implies a weakening of this executive

¹⁰⁸Ibid.

control, which is potentially threatening to the regime.¹⁰⁹

Vietnam's Trade Agreements

I have argued that Vietnam's trade policy has been characterized by a tension between protecting existing protectionist interests that have a large degree of political influence and rising export-oriented, liberal interests. Economic crisis, combined with a generational shift in party leadership, provided an opportunity for some trade liberalization. This initial opening led to the gradual emergence of economic actors with a stake in further trade liberalization. As these actors have gained strength, they have been able to push for increasing economic reforms. However, they have also been met with resistance from the established protectionist elites. These includes elites tied to the government's state-owned enterprises (SOEs) as well as those elites that were heavily involved in the central planning system. Thus Beresford and Phong describe how SOEs profited from state support and corruption; for instance, they note that "many SOEs have found ways to divert capital to private uses."¹¹⁰

As is illustrated in table 5.1 in the appendix, ASEAN represents Vietnam's first trade agreement. Since joining this organization, its trade agreement memberships have increased significantly, with multiple bilateral treaties signed within the last ten years.¹¹¹ When Vietnam decided to join ASEAN in 1995, the organization had already been in existence since 1967. ASEAN was not initially an economic organization; instead, security cooperation was one of the key motivations that led to the formation of ASEAN. Member states were particularly concerned about counteracting the regional spread of communism.¹¹² As such, ASEAN's very organizational purpose stood in contradiction to Vietnam's core values. It is therefore not surprising that Vietnam was not an early joiner of ASEAN.

¹⁰⁹E.g. Bertrand 2013

¹¹⁰Beresford and Phong 2000, 18

¹¹¹Note that some of these agreements are too recent to be included in the dataset, and do not yet have depth rankings. As a result, my discussion regarding these agreements will be more general.

¹¹²Sriharan 2007

In addition, member states in the Southeast Asian region shared a rejection of colonialism and foreign occupation. With many states having gained independence from a colonial power, they were not in a hurry to make international commitments that might impinge upon their sovereignty. As Palmujoki notes, ASEAN's founding principle was "unity in diversity", which recognizes and respects the independence of its member states and ensure the "inviolability of member interests."¹¹³ As a result, the region has arguably lagged behind others in its integration. As discussed in chapter 4, ASEAN has remained relatively shallow compared to similar agreements in other regions such as NAFTA.

The end of the Vietnam war paved the way for increasing regional cooperation. However, it is notable that Vietnam took a significant amount of time even following the initial Doi Moi reforms before joining ASEAN. This is consistent with my argument that non-personalist autocracies are more hesitant in entering PTAs because they are constrained by their protectionist coalitions. As I argued in the previous section, Vietnam experienced both rising exporter influence, but also tensions and contestation with more established protectionist elites during this time. This would explain why the government was initially hesitant to join ASEAN.

Transitioning from a security and political to an economic organization, in 1992, at the Singapore Summit, the ASEAN members decided to launch a free trade agreement (AFTA).¹¹⁴ Vietnam joined ASEAN in 1995 as its seventh member state.¹¹⁵ What factors led to Vietnam's eventual integration into ASEAN? ASEAN's general opposition to the communist regime in Vietnam suggests that Vietnam's late joining could be due primarily to existing member states preventing Vietnam from joining the organization. If this were true, the domestic political dynamics I have described would hold less significance. However, while member opposition indeed partly explains Vietnam's delayed accession, domestic mechanisms were also at play. In fact, the primary push for membership in ASEAN in fact came from Vietnam itself. As Palmujoki describes it,

¹¹³Palmujoki 2001, 36

¹¹⁴See e.g. Liu and Regnier 2003

¹¹⁵It was followed by Laos, Myanmar, and Cambodia

‘In August 1991, a symposium between Vietnamese and ASEAN experts and politicians gathered in Hanoi, their main consideration being how to integrate Vietnam’s economy into the economies of the ASEAN countries. Negotiations for a free trade area in ASEAN [...] worked as a springboard for these discussions. Both the Vietnamese and ASEAN arguments referred to changes in the world economy. For example, they pointed, on the one hand, to the tendency toward protectionism between the regions and, on the other hand, to the liberation of trade in the region. Both the Vietnamese and ASEAN sides reached the conclusion that economic integration of the Vietnamese economy into the region, as well as the development of regional integration as a whole, were both desirable and necessary.”¹¹⁶

This perspective suggests that ASEAN members and the Vietnamese government mutually approached each other in ASEAN negotiations. However, Palmujoki goes on to note that Vietnam took a primary role in these negotiations, and that Vietnam’s motivations were primarily economically motivated: “hopes for integrating member economies came mainly from the Vietnamese side.”¹¹⁷

A key role in this process was played by a diplomat names Nguyen Co Thach, who orchestrated initial ASEAN negotiations. There is evidence therefore, that reformist elites pushed for ASEAN membership. However, once again this reformist push came at a political cost. Other, more protectionist elites opposed the move, and in a subsequent reversal, Nguyen Co Thach lost his political positions in the Foreign office and Politburo.¹¹⁸ His example thus illustrates that it is difficult for pro-trade elites to push for liberalization in non-personalist autocracies.

In addition, in deciding to enter into trade agreements, the Vietnamese government has also been concerned about increased foreign influence and its potential effects on political liberalization. This has been a particular concern in more recent negotiations over trade agreements that evolved powerful Western democracies, primarily the United States and

¹¹⁶Ibid., 41

¹¹⁷Ibid., 42

¹¹⁸Palmujoki 2001, 40

Europe. As I have argued, concerns over the link between PTAs and democratization can be an obstacle to PTA membership in the first place. “The Communist Party’s biggest fear of the United States, however, is ‘ideological contamination.’ President Clinton alarmed Vietnamese leaders when, while announcing normalization of relations with Hanoi, he declared that ‘increased contact between Americans and Vietnamese will advance the cause of freedom in Vietnam just as it did in Eastern Europe and the former Soviet Union’ – exactly the kind of ‘peaceful evolution’ Vietnamese leaders hope to avoid.”¹¹⁹ While fear about democratization is shared by both personalist and non-personalist autocrats, it may be a more prominent concern for non-personalist autocracies that already share many political features with democracies, such as parties and legislatures. These existing institutional structures imply easy democratization processes, but this is something that leaders want to avoid.

Since the launch of Doi Moi and Vietnam’s entry into ASEAN, the country has slowly transformed into a more open economy. This has led to the rise of new economic actors with a greater preference for trade liberalization. Consistent with my theoretical arguments, as export-oriented actors have gained economic power, they have also been able to gather political strength. More recently, they have been better able to pressure the government to provide political concessions in the form of trade policy reforms and increased PTA membership.

Thus, Vietnam acceded to the WTO in January of 2007. Despite all this, and despite Vietnam’s fast-growing export sector, protectionist groups continue to hold privileged positions in government. Thus, in evaluating the effects of Vietnam’s WTO accession, Baccini, Impullitti, and Malesky find that the presence of SOEs, along with their privileged position, has significantly reduced the overall productivity gains that resulted from Vietnam’s WTO membership, to the extent that gains would be 40% larger if Vietnam did not have SOEs.

¹²⁰ This suggests that even in the face of strong economic growth and an export-oriented

¹¹⁹Hiebert 1996, 225

¹²⁰Baccini, Impullitti, and Malesky 2019

economy, which Vietnam has had in the last decade, non-personalist autocracies continue to experience a strong pull from protectionist actors.

Despite this, there is strong evidence that the overall economic performance of Vietnam's trade agreements has been much more successful than that of Uganda's PTA memberships. Thus, scholars have noted that ASEAN membership has had a strong trade creating effect for Vietnam.¹²¹

5.4 Appendix

Name	Year Signed	Member States
Association of Southeast Asian Nations (ASEAN) Free Trade Area (AFTA)	1995	Indonesia, Thailand, Malaysia, Singapore, Philippines, Laos, Vietnam, Brunei, Myanmar, Cambodia
U.S.-Vietnam Bilateral Trade Agreement (BTA)	2000	United States, Vietnam
Japan-Vietnam	2008	Japan, Vietnam
Chile-Vietnam	2011	Chile, Vietnam
Korea, Republic of - Vietnam	2015	Korea, Vietnam
Eurasian Economic Union (EAEU) - Vietnam	2015	Armenia, Belarus; Kazakhstan, Kyrgyz Republic, Russian Federation, Vietnam
Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)	2018	Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam
EU-Vietnam	2019	European Union, Vietnam
As a member of ASEAN:		
ASEAN-China	2005	ASEAN member states, China
ASEAN-Korea, Republic of	2006	ASEAN member states, Korea
ASEAN-Japan	2008	ASEAN member states, Japan
ASEAN-India	2009	ASEAN member states, India
ASEAN-Australia-New Zealand	2009	ASEAN members, Australia, New Zealand

Table 5.1: Vietnam PTA memberships

¹²¹E.g. Fukase and Winters 2003

**President
Museveni
trekking toward
a new order.
African
development
means
transnational
commitment to
progress.**



Uganda

THURSDAY, SEPTEMBER 19, 2002

The door to trade has opened

FROM ITS POSITION at the heart of sub-Saharan Africa, Uganda is ideally placed as a base for regional trade and investment. In recent years it has proved a sustainable growth success story, outpacing its neighbors.

This success is due in no small measure to the government of President Yoweri Museveni, the guiding hand behind Uganda's progress over the last 16 years. Under his leadership, the country has won a well-deserved reputation for macroeconomic stability and low inflation, and has worked hard to earn the confidence of the international community and foreign investors. This has been achieved through sound economic management and a steady program of structural reforms, backed by the World Bank and the International Monetary Fund (IMF).

It is a remarkable comeback from the dark decade of the 1970s when state-sponsored

GOING TO MARKET PRESIDENT MUSEVENI IS URGING HIS PEOPLE TO TAKE ADVANTAGE OF A U.S. INITIATIVE THAT GIVES UGANDA ACCESS TO AMERICAN CONSUMERS AND COULD HELP TRANSFORM THE COUNTRY'S ECONOMY



International support remains vital, but President Museveni knows that the long-term solution to the poverty in which his people are trapped lies not in aid but in trade. The economy needs to be diversified, levels of productivity raised and exports increased. Most important of all, Uganda needs access to major foreign markets through free trade.

The U.S. has opened the door to its own vast market with the African Growth and Opportunity Act (AGOA), signed into law by President Clinton in May 2000. The Act removes tariffs and quotas for sub-Saharan African goods.

President Museveni has given AGOA his personal backing. He was the first African president to endorse the Act and plays an active role in promoting its potential benefits for Uganda, both at home and abroad.

"We are on the threshold of a strategic breakthrough," he says.



Yoweri K Museveni @KagutaMuseveni · 3 Jul 2018

The government is working towards improving the business environment by working on widening the market (East Africa & **COMESA**), providing abundant, cheap electricity and ensuring availability of affordable transport.



30 21 128

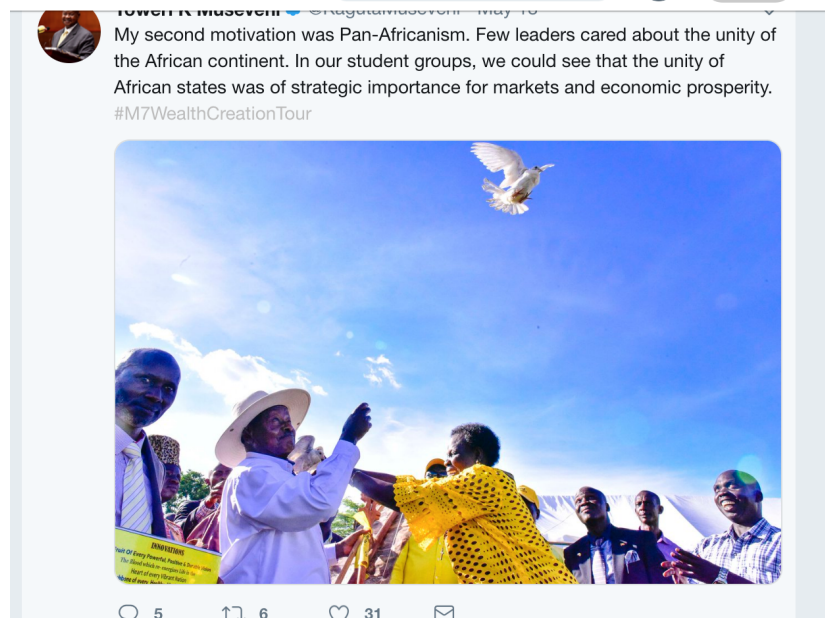


Yoweri K Museveni @KagutaMuseveni · 27 Sep 2017

Arrived in Belgium on a three-day working visit. As Chairman of **EAC**, I will hold discussions with the EU over EPA & other related issues.



193 152 508



Name	Year Signed	Member States
PTA for Eastern and Southern African States	1981	Angola, Burundi, Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, Somalia, Sudan, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.
African Economic Community (AEC)	1991	Most African States
Cross Border Initiative	1992	Burundi, Comoros, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe
Common Market for Eastern and Southern Africa (COMESA)	1994	Burundi, Comoros, Djibouti, D.R. Congo, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Somalia, Swaziland, Tunisia, Uganda, Zambia, and Zimbabwe
East African Community (EAC)	2000	Burundi, Kenya, Rwanda, South Sudan, Tanzania, and Uganda
EU-EAC EPA (Economic Partnership Agreement)	2016	Burundi*, Kenya, Rwanda*, Tanzania, and Uganda* (*negotiated but have not signed)
African Continental Free Trade Area (ACFTA)	2018	Algeria, Angola, Burkina Faso, Cape Verde, Cameroon, Central African Republic, Chad, Comoros, Côte d'Ivoire, Democratic Republic of Congo, Djibouti, Egypt, Equatorial Guinea, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Kenya, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Niger, Republic of Congo, Rwanda, Arab Democratic Republic, São Tomé and Príncipe, Senegal, Seychelles, Somalia, South Sudan, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zimbabwe
Kenya-Uganda	2019	Kenya, Uganda
India-Africa FTA	2019 (in negotiation)	Angola, Botswana, Cameroon, Cote d'Ivoire, Ghana, Liberia, Mauritius, Mozambique, Nigeria, Rwanda, Senegal, Seychelles, South Africa, Swaziland, Tanzania, Uganda, Zaire, Zambia, Zimbabwe

Table 5.2: Uganda PTA memberships

6 | Conclusion

Since the end of the Cold War, authoritarian states have increasingly been participating in international institutions, and this is particularly true of trade agreements. Autocracies have not only joined the World Trade Organization, but are actively engaged in many regional and bilateral trade agreements. Yet despite this trend, there is still much variation in the extent to which nondemocratic states participate in PTAs, and I have argued that this variation presents an interesting empirical puzzle.

This dissertation suggested that, by focusing primarily on the role of democratic states in shaping international trade institutions, existing literature has failed to recognize that autocracies are a highly heterogeneous group of states, and that this heterogeneity affects their behavior in international institutions. This is particularly true with respect to the design of the trade agreements which autocracies join. This dissertation has addressed these gaps in the theoretical literature by focusing on the conflicting motives of autocratic elites for entering into trade agreements. By disaggregating among authoritarian states, I have shed light on the relationship between the domestic politics of autocratic states and international outcomes.

6.1 The Argument

Throughout the dissertation, I have emphasized two drivers of trade cooperation in authoritarian states: the first is a commitment problem that makes it more difficult for dictators to form long-term relationships with export-oriented elites and explains why dictators have a greater propensity than democratic leaders to engage in protectionist policies. The second is the role of personalism, which measures the extent to which a dictator is personally constrained or unconstrained in their policy-making. In particular, I have argued that less

constrained dictators are at greater liberty to enter into trade agreements and use them as a tool for consolidating their rule. They do so by strategically entering into trade agreements that are not too costly and provide benefits such as legitimacy, building regional alliances, or access to specific resources. In signing trade agreements, however, personalist dictators shy away from trade agreements that require a large degree of trade liberalization and costly policy harmonization, or have strong enforcement mechanisms. This is because they worry about the future empowerment of export-oriented elites. As a result, I found that non-economic motivations drive much of the entry of autocratic states into trade agreements, and this ultimately has important implications for the content of these agreements as well.

On the other hand, the commitment problem I described implies that more constrained autocrats are often strongly dependent on protectionist elite coalitions for their survival. These elites are more concerned about protecting the protectionist status quo than participating in international agreements. As a result, they frequently prevent autocrats from entering into trade agreements in constrained autocracies. I therefore find that, although constrained autocracies often have institutions that more closely resemble those of democracies, these states do not behave like democracies in their limited entry into trade agreements. Since dictators face much greater pressures to adopt protectionist trade policies than average democratic leaders, this is reflected in the rates at which constrained autocracies enter into trade agreements.

My research also strongly suggests that the content of trade agreements matters. In particular, I showed that personalist dictators tend to enter into shallower and less legally enforceable trade agreements compared to non-personalist dictatorships. On the other hand, more constrained autocracies tend to sign more complex trade agreements. The reason is that PTAs in constrained autocracies are not the result of a single dictator seeking personal benefits, but of a greater number of actors and more complex decision-making processes. Because a larger number of actors is involved in policy-making in these states, there is more room for debate and contestation. In addition, more constrained autocracies often have better developed institutions that can facilitate these debates.

The main difficulty non-personalist autocracies face, therefore, is protectionist coalitions blocking entry. While they have the potential for deeper trade integration, many constrained dictatorships choose to abstain from trade integration. I argued that overcoming these protectionist biases requires that exporters are already quite strong and are in a position where they can pressure the government to pursue liberalization. Overall, my arguments imply that since dictators have incentives to form coalitions with protectionist elites and prefer to keep exporters weak, exporters face greater difficulties in authoritarian states.

6.2 Summary of Findings

I assessed these arguments in two quantitative empirical chapters and a case study chapter. Chapter 3 analyzed autocratic variation in the likelihood to enter into trade agreements. Consistent with my theoretical argument, I found that an autocracy's likelihood of entering into a trade agreement increases significantly as the level of personalism within an autocracy increases. In particular, I found that states with the highest level of personalism are about fifty percent more likely to enter into a trade agreement than autocratic states with the lowest level of personalism. Secondly, I showed that rather than joining existing PTAs, personalist dictators prefer to form new treaties, and they do so at a higher rate than other types of regime. This finding provides further evidence that dictators are strategic in their choice of trade agreements and have a high demand for PTAs.

In chapter 4, I focused on analyzing the design of trade agreements. I argued that although more personalist regimes are more likely to enter into a trade agreements, the agreements they choose tend to be "shallow", meaning they require less extensive trade liberalization across a smaller number of issue areas. Personalist autocrats want to reap the legitimacy benefits of trade agreements, but they do not want to make sacrifices to their sovereignty or strengthen competitive exporters who might pose a future threat to their rule. They solve this by entering into frequent PTAs that do not require extensive trade liberalization.

I conceptualized this notion of “shallowness” in different ways, showing that as the level of personalism increases, dictators tend to sign trade agreements that require commitments across fewer issues, have lower legal enforceability, and are less likely to go beyond existing WTO mandate in their provisions. My results suggest that PTAs signed by more personalist autocracies perform worse on all these measures of depth. In addition, while I found that personalist autocrats are actually more likely to agree to full (rather than partial) tariff cuts in a trade agreement, I argued that tariff cuts alone paint a misleading picture of trade integration. This is because tariff cuts have little bite if they are not accompanied by enforcement mechanism, legalization, and policy harmonization. Overall, my findings showed a more complex pattern of autocratic PTA membership than previous research suggested.

Finally, I illustrated these mechanisms through several detailed case studies. For my cases, I selected two states on opposite ends of the spectrum of personalism, with Uganda under President Museveni as an example of a highly personalist state, and Vietnam as an example of a state with low levels of personalism. I argued that Uganda’s President Museveni has used trade agreements to legitimate his National Resistance Movement government in the eyes of important international and domestic allies. In particular, trade agreements allowed him to build a reputation as a reform-oriented leader who promotes regional stability and economic development. This helped Museveni gain access to large amounts of foreign funding and distract attention away from the lack of democratic governance in Uganda. His popularity has helped him become the longest-ruling autocrat in Africa. Trade agreements were therefore a contributing factor to consolidating personalist rule in Uganda.

Furthermore, the case of Vietnam illustrated trade policy dynamics in a non-personalist autocracy. In contrast to Uganda, policy-making power is shared among the party elites rather than concentrated in a single dictatorial leader. I argued that due to its history as a communist state with a closed economy, the Vietnamese government had close ties to elite actors with an interest in the continuation of protectionist trade policies. As a result, I found that Vietnam abstained from PTA commitments such as ASEAN and other

agreements at a time when neighboring states were already joining these organizations. Yet the *Doi Moi*, contributed to the emergence of new, export-oriented actors with greater political power. These reforms were possible because established protectionist elites had been weakened by economic crisis and the government realized that economic reform was crucial to its longer-term political survival. The early reforms contributed to the development of a politically influential pro-trade elite, which eventually was able to push for increasing membership in trade agreements. Nevertheless, this process was not without contestation, and protectionist groups have continued in their efforts to block further reform. Overall, the case of Vietnam therefore illustrates two points consistent with my theoretical arguments. First, non-personalist autocracies are more likely to abstain from PTA membership; and secondly, the emergence of pro-trade actors is a prerequisite for deeper trade integration in these states.

Furthermore, I expect that the differences in the entry and depth of autocratic trade commitments to have long-term implications for trade integration in these states. If personalist autocracies consistently make shallower PTA commitments than other states and if non-personalist autocracies continue to experience obstacles to entry into these agreements, then we can expect their trade development to lag further behind democratic states in the future. This is because authoritarian states fail to make the commitments that would allow them to catch up to democratic states in their trade integration. Both personalist and non-personalist autocracies therefore face challenges to their trade integration, but the nature of these challenges differs: for personalist autocracies, the primary requirement is institution-building and deepening of commitments. For non-personalist autocracies, the main challenge is empowering exporters and overcoming obstacles to entry.

6.3 Contributions to the Literature

My analysis draws connections between existing insights from several strands of literature: first, research on comparative authoritarianism; secondly, scholarship on the political econ-

omy of international institutions; and thirdly, the literature on trade. My findings have implications for all three of these research fields.

First, this dissertation contributes to the (already large) existing literature on trade by providing a clearer understanding of the motivations autocrats have for entering into trade agreements. This is important because nondemocratic states are playing an increasingly active role in trade institutions. My research provides a foundation for analyzing the ways in which autocracies shape the trade institutions they join. I have also provided a general framework for thinking about the preferences and motivations autocratic elites have for joining or abstaining from trade institutions. This framework can inform future research on trade institutions that seeks to include autocratic states in its analysis.

Furthermore, this dissertation argued that the design of trade agreements is of particular importance for understanding the preferences of autocrats. If autocrats are entering trade institutions, then we need to understand how they shape the content of these institutions. As I have shown, entry into trade agreements is driven primarily by highly personalist dictatorships that strategically enter into “shallow” trade agreements. These dictators shy away from legal enforcement and deeper trade agreements. On the other hand, more constrained dictatorships have greater difficulties overcoming domestic obstacles to trade liberalization. For this reason, they have not yet joined trade agreements at the same rate as other states. As a result, I found that autocracies and democracies are drifting further apart in their trade integration even as autocracies are increasingly joining PTAs. This finding would not be obvious if we only paid attention to the signing of trade agreements rather than their design and depth.

In addition, previous research showed that some types of autocracy are more likely to enter into human rights agreements,¹ and more likely to experience violent conflict.² This dissertation adds another element to these findings by focusing on a different aspect of international behavior: trade agreements. My findings suggest some similarities between the

¹E.g. [Vreeland \(2008\)](#); [Hollyer & Rosendorff \(2011b\)](#)

²[Weeks \(2014\)](#)

behavior of personalist dictators in human rights institutions and trade institutions: both can be used to bolster and support personalist rule, and personalist autocrats seem to have a preference for joining both types of institution. Strategic selection into international agreements that provide high legitimacy or other benefits, are relatively low cost to sign, and lack strong enforcement mechanisms is also a shared finding. But it also raises interesting new questions: what other types of international institutions might be fulfilling a similar role? What other aspects of international institutions might be appealing or costly in the eyes of personalist dictators?

While there is existing evidence that democratizing states can use international institutions to make credible commitments,³ my research joins a smaller body of existing evidence that shows that international institutions can also be used for purposes of stabilizing autocracy.⁴ Understanding under what circumstances international cooperation can have harmful effects such as prolonging authoritarian rule would enhance our understanding of international organizations. Future research should therefore seek to find a way to better integrate scholarly thinking about international cooperation of dictators across a range of issue areas.

Furthermore, my findings have several implications for the literature on authoritarianism: First, there has recently been an “institutional turn” in the study of authoritarianism.⁵ A large amount of research now analyzes the constraining effects of nominally democratic institutions in dictatorships, such as parties and legislatures. In addition, there has recently been an increasing interest in applying this research to international relations.⁶ In particular, there is a strong tendency in the existing IR literature to view more constrained, institutional dictatorships as being more similar to democratic states than other types of autocracy.

However, my own findings suggest that we should be cautious in evaluating the impact of authoritarian institutions, because their effects on policy outcomes is often more varied than previous research suggests. Thus I found that while constrained dictatorships resemble

³Pevehouse (2002a,b)

⁴Gray (2015)

⁵Pepinsky (2014)

⁶See e.g. Weeks (2014, 2012, 2008); Mattes & Rodriguez (2014); Steinberg & Shih (2012), and others

democracies in their preference for entering into "deeper" trade agreements, they also face constraints that make them overall less likely to enter into trade agreements. Autocratic institutions can facilitate bargaining between a larger number of actors and can allow for better, more efficient policy-making compared to autocracies that lack parties and legislatures. But these institutions can also be captured by actors with non-democratic and protectionist preferences.

Institutionalized autocracies may therefore behave differently from democratic states because different actors, with different preferences, operate within these institutions. As Thomas Pepinsky notes: "Institutions are important, but as they are analytically secondary to an understanding of what groups within a society demand from the government, they alone are incomplete as a purely economic explanation."⁷ It is important to remember that autocratic governments, whether personalist or institutionalized, fear democratization. Since economic policy is crucial to autocratic survival, nondemocratic governments will be hesitant to give up their authority over economic policy. As a result, I have argued that highly protectionist elites often have greater control over policymaking in these states compared to pro-trade elites. One takeaway is that authoritarian institutions and constraints do not necessarily lead to institutionalization in other areas. This may be particularly true when it comes to economic institutions such as trade agreements.

Lastly, my findings suggest that autocrats are using international agreements to strategically legitimize and stabilize their rule. Previous literature identified domestic institutions as having the same purpose. But this dissertation has proposed that there are important international dimensions to authoritarian consolidation that scholars should consider and study. In this respect, I agree with previous findings that highly repressive dictators use human rights treaties as a tool for strengthening their regime. Overall, my research contributes to a more thorough understanding of how international factors interact with domestic institutions and constituencies, and the extent to which they jointly contribute to the survival and

⁷Pepinsky (2009)

breakdown of authoritarian regimes. By bridging domestic and international determinants, my work speaks to both of these bodies of research.

6.4 Implications for Policymakers

My findings have several implications that are relevant for policy-makers seeking to promote trade integration in nondemocratic settings. First, policymakers should pay close attention to the design and implementation of trade agreements by authoritarian states. With autocracies' increasing entry into trade agreements, we can expect that these states are becoming better at bargaining over trade policy and are taking a more active role in shaping the content of these agreements. This means that policymakers in democratic states must pay even closer attention to the demands of nondemocratic states, and evaluate their potential impact on governance and democratization.

As the case of Uganda illustrates, autocrats can use PTAs in order to build favorable relations with other states. Entering into trade agreements allowed the Ugandan government to lend credibility to their promised economic reforms. However, these reforms ultimately fell short of its promised goals. I have argued that Uganda's strategy of legitimation is one of the strategy that personalist dictators employ: promising development, engaging in highly visible forms of cooperation, but then failing to implement many of these promises. Policymakers should therefore be more careful in evaluating the actual impact and implementation of dictators' international commitments.

One question that policymakers should pay attention to and evaluate critically is whether shallow trade agreements that lack enforcement mechanisms are more likely to be "stumbling blocks" to longer-term trade liberalization rather than "building blocks". My arguments suggest that, at least for highly personalist autocracies, shallow PTAs ultimately present an obstacle to longer-term reforms rather than being the first step to future liberalization. The fact that personalist trade relations have failed to deepen despite their increased entry into

trade agreements suggests that the former is the case. Policymakers should thus find ways to encourage deepening of trade commitments in these states. Overall, my findings suggest that encouraging trade cooperation in authoritarian states requires both institution building and empowering exporters, in the sense of allowing them to organize through interest groups and participating in policy-making, such as through the promotion of business associations and formal state-business relations. Policymakers therefore should pay attention to the domestic factors that lead autocracies to fail to integrate.

Secondly, my results suggest that increased entry into trade agreements does not necessarily lead to democratization. Instead, dictatorships can sometimes use trade agreements to stabilize their rule and distract from lack of democratization. However, the case of Uganda illustrates that donor states still tend to view the two as connected, and that they view autocracies that frequently enter into trade agreements in a more favorable light than autocracies that abstain from these agreements.

Thirdly, my finding that autocracies prefer to enter into trade agreements with other autocracies, and that these PTAs may be shallower compared to those between autocratic dyads, has potential security implications that may be relevant to policy-makers. Rising autocratic trade networks might mean that autocracies will be better able to promote autocratization, provide military aid, and undermine democracy promotion efforts in the future. China's engagement in Africa and Russia's engagement in Central Asia may be recent examples of this. While this dissertation has focused primarily on domestic politics, the broader regional and security implications of my findings would be interesting to study in future research. Overall, this dissertation suggests that policymakers should think carefully about the role that democratic states should have in trade relations with autocratic states.

6.5 Directions for Future Research

This dissertation lays the groundwork for conceptualizing variation in trade cooperation across autocracies. However, there are questions that were beyond the scope of this dissertation and would be promising areas of future research.

First, my dissertation has focused on the demand that autocrats have for deep versus shallow trade agreements. Future research should investigate more thoroughly what the potential implications of these variations are. As briefly summarized in Table 6.1, trade agreement design variations could have a range of either international and domestic effects that could be either economic or political. Whether a PTA is shallow or deep can impact not only trade flows, but could also have broader implications for security cooperation and the diffusion of norms about international cooperation. Domestically, it could affect not only economic growth, but also potentially influences domestic political institutions and stability. While scholars are increasingly interested in these potential effects, on the whole they have not yet been explored in detail. This dissertation has suggested that in choosing the design of PTAs, dictators hope that PTAs will help them stabilize their regime and build relationships with international allies. However, future research should analyze the actual effects of PTA design in greater detail.

Design as independent variable	
Level	Effects on...
International	Trade flows Security cooperation Interdependence more broadly Norm diffusion
Domestic	Economic growth and stability Political institutions/regime type Political stability

Table 6.1: Depth as Independent Variable

In addition, my findings also suggest an increasing trend towards what might be called

“autocratic trade networks”. Chapter 3 found that dictators are more likely to enter into trade agreements with other autocracies, and that personalist autocrats are most likely to enter into PTAs with one another. Based on the arguments about the trade policy preferences of autocrats made in this dissertation, it is also reasonable to expect that these PTAs are more similar in their content compared to trade agreements between democratic states or autocracy-democracy dyads.

This trend has implications for future research: for example, it would be interesting to investigate whether trade agreements with mostly autocratic member states experience diffusion processes similarly to democratic PTAs. For instance, a recent literature suggests that many trade agreements copy and paste the text from existing agreements.⁸ As a result, researchers are able to trace which states and trade agreements have been most influential in shaping PTA design. Similarly, it would be interesting to see if PTAs signed primarily by autocracies, or those signed by powerful autocracies such as China and Russia, follow different diffusion paths compared to those signed by democratic member states. If so, there might be a certain path dependence in PTA membership.

Overall, my arguments have strongly suggested that domestic politics matters for membership in trade institutions. My findings also at least partly explain why some regions with clusters of autocracies, for example in Africa and Central Asia, have failed to integrate into trade institutions. My arguments imply that such regional trends may be partly due to domestic political dynamics. However, future research might investigate how the domestic factors I discussed may interact with international factors in promoting or preventing trade integration.

In addition, my findings raise questions about the potential security implications of autocratic trade agreements, which would be a worthwhile subject of future study. If autocracies are increasingly cooperating through trade agreements, can we expect this to lower the likelihood of international conflict because of greater interdependence between these states, or

⁸Allee & Elsig (2016)

increase it? Can we expect stronger cooperation between autocratic states? On one hand, research suggests that by increasing economic interdependence between states, trade can decrease the likelihood of violent interstate conflict.⁹ However, can we still expect this relationship to hold if trade agreements are shallow and ineffective? Relatedly, formal cooperation between autocracies, even via shallow trade agreements, could lead to increased coordination and cooperation between autocracies in a different sense: PTAs could make it easier for autocracies to provide military aid, exchange information, and provide mutual aid on issues such as policing or terrorism. This coordination could once again help autocrats stabilize and prolong their rule.

Furthermore, my analysis has been centered around the concept of personalism. While this dissertation has presented strong evidence that personalism is an important factor in shaping PTA membership in autocracies, there are other factors that vary across autocracies that may also influence economic policy. For instance, while military regimes vary in their underlying level of personalism, there are also unique aspects of military regimes that could potentially influence trade policy in military regimes. Thus military officers are often personally invested in economy, they partner with private entrepreneurs, and they have privileged access to the tools of violence. As a result, exploring how military-business linkages impact trade policy would allow us to gain an even richer understanding of economic policy-making under autocracy. Similarly, future research could pay closer attention to the role that specific sectors play in autocratic regime survival, such as heavy industry or sectors that are important for security. While my discussion has adopted a broad approach that contrasts exporters and import-competing sectors, there are likely more fine-grained sectoral distinctions my approach has missed.

Similarly, this dissertation advanced an elite-level theory of autocratic PTA membership, since I argued that the role of ordinary citizens is greatly diminished in autocracies. Nevertheless, it would be worthwhile to explore more formally to what extent consumer preferences and public opinion about trade have a role in dictatorships. In particular, autocracies

⁹See e.g. [Morrow \(1999\)](#); [Barbieri & Schneider \(1999\)](#); [Hegre *et al.* \(2010\)](#)

that are developing countries may be concerned about public protests over food prices. We still know little about to what extent such public opinion dynamics might shape economic policy-making in autocracies.

Finally, future research might provide insights into the precise timing of autocratic entry into trade agreements. How do the preferences I have described play out if a dictator is weak, or if he is in the process of handing over power to a future successor? How do international factors such as PTA memberships by neighboring states, influence domestic processes? And to what extent are autocrats concerned about economic volatility? These are some factors that might influence the timing of PTA memberships that this dissertation has not explored.

More broadly, my dissertation has implications for the behavior of autocracies in international institutions. As discussed above, my findings contribute to a recent literature that finds that autocrats sometimes use international organizations and treaties, such as human rights agreements, for regime stabilization purposes. Future research should extend this analysis in two ways: first, by drawing connections between PTAs and other types of economic agreements such as bilateral investment treaties (“BITs”); and secondly, by analyzing the behavior of autocracies in international institutions more broadly. My research therefore opens up paths for future investigation into both trade agreements and autocratic participation in international institutions.

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