



PREFERENTIAL TRADE AGREEMENTS AND CIVIL SOCIETY RESTRICTIONS: EMPIRICAL EVIDENCE FROM GRAVITY MODEL

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Abstract

This paper asks the question of how preferential trade agreements affect civil society restrictions. It argues that preferential trade agreements reduce civil society restrictions. However, this relationship varies across different types of trade agreements. We test the hypotheses using a gravity model of trade by incorporating directed-dyads data on PTAs and civil society restrictions from 1948 to 2009. The results suggest a curvilinear relationship between preferential trade agreements and civil society restrictions. Moreover, it appears that countries signing in-depth trade agreements increase civil society participation compared to the ones signing shallow trade agreements.

Keywords

Preferential Trade Agreements, Civil Society, Gravity Model

Since the 1990s, the world economy has seen rapid growth, which is primarily driven by growth in international trade. Countries that opened their economies to the world through free trade or preferential trade agreements (PTAs) have achieved economic success (International Monetary Fund, 2001). Besides financial gains, PTAs have non-economic effects on the member states. These non-economic effects are primarily because of the governance-related clauses attached to the PTAs. For example, since early 2000, one of the essential features of the European Union trade policy is adding the human rights clauses in PTAs (Sicurelli, 2015; Buonanno 2017). In addition to that, states engaged in trade policymaking have seen an increased representation of civil society groups in the trade policy process. One such example representing civil society in the trade policy process is Transatlantic Trade and Investment Partnership (Velut, 2016). Trade agreements provide unique provisions that allow civil society to organize freely in member states and can present public complaints against the rights violations occurring in trade partners (Oehri, 2017). However, recently we have seen that the rise in the civil society in the state that economically opened to the world is in decline.

For example, since the late 1990s, civil society grew in China and is primarily attributed to the economic reforms that started in the late 1970s. Further, China's entry into the World Trade Organization in 2001, a step towards trade liberalization which paved the way for free trade and preferential trade agreements, further boost civil society organization (Qin 2004). According to the Civilian Affairs Ministry of China, there are 354,000 NGOs registered with the Ministry in 2006, and more than a million grassroots level organizations are unregistered. These organizations work at different levels, including education, environment, health, children, technology, poverty alleviation, advocacy on human rights, labor, and religious issues (Lau, 2009; Gadsden 2008; Lu 2007; Schwartz 2004). China now has a larger economy and has become globally powerful and self-confident (Diamond, 2020).

Moreover, major powers have become economically dependent on China. As such, in 2019, China is the largest partner for European Union imports and the third-largest partner for exports of goods. For the trade balance between China and the European Union, the EU has Euro 164 billion trade deficit (Eurostate 2020). Likewise, the US is equally dependent on China. The US trade deficit with China has grown from \$81 billion in 2001 to \$336

billion in 2017 (Meltzer and Shenai, 2019). With that economic interdependence, recently, there is an increase in civil society restrictions. In 2016, the Chinese Communist Party passed a law that came into effect in 2017. This law restricts civil society in following ways; non-governmental organizations need to register with the government, can only operate in particular areas, have to pair with the Chinese partner unit, and government organization has to act as official sponsor for foreign NGO, etc. (China NGO Project, 2019).

Besides China, India is another example that indicates an expansion of civil society in India with its economic openness. India adopted trade openness in the 1990s, and this policy shift increased India's economic growth compared to the pre-openness period (Habib and Shah, 2003). Now, India has become the fifth-largest economy in the world (Bajpai, 2020). For instance, trade between India and the US rose from \$6 billion in the 1990's to \$33 billion in 2006, indicating the economic interdependence of trading partners (Martin and Kronstadt, 2007). A study on the rise of civil society in India demonstrates that in 1993 with India opening itself to the world, the non-governmental organizations ranged from 50,000 to 100,000 (Heitzman and Worden, 1995). However, the changing economic status has affected civil society, and since 2010 civil society organization has been restricted in India. As such, civil society operations were limited, and in other cases, legal registration of NGO's is suspended. In 2018, around 20,000 NGO's licenses were canceled, and foreign funding has declined to 40 percent, and members of civil society are tortured and harassed (Goswami and Tendon 2013; Harneit-Sievers, 2016; Chaney 2019; Kumar 2019).

Focusing on the possible effect of trade in particular PTA's on civil society organization, this article develops a theoretical framework and empirically examines the impact of PTAs on civil society organization. The empirical analysis utilizing the gravity model of trade incorporating data on PTAs and Civil Society Restrictions from 1948 to 2009, indicates that trading partners restrict civil society at the at lower and higher levels of PTAs, indicating a curvilinear relationship. The results further suggest that shallow PTAs negatively affect civil society organizations than in-depth PTAs. We further tested our argument with robustness checks, and findings remain consistent. This paper adds to the political economy literature by complementing and adding to the literature that examines the impact of the trade agreement on non-economic policies. This work emphasizes the importance of international trade in improving civil society organizations, which have so far been ignored in the civil society literature. To our knowledge, this is the first study that empirically examines the relationship between trade agreements and civil society restrictions.

The article proceeds as follows. The next section (Section 2) briefly reviews the relevant literature. The following section (Section 3) develops a theoretical framework explaining the impact of PTAs on civil society restrictions and derives hypotheses. We present the data, and the empirical strategy in section 4. Next we present empirical findings and discuss the main results lastly; we conclude the paper and discuss policy implications and future work to address in this area.

The Causes of Civil Society Restrictions

To begin our discussion, it is important to highlight the scholarly work related to civil society restrictions. A growing body of literature examines the causes of civil society restrictions. Scholarly work approaches civil society restrictions from different dimensions. For example, some scholars access the strategies government use in restricting civil space. Scholarly work indicates that states use multiple strategies to restrict civil society organizations. At times states restrict civil society's ability to organize by imposing mandatory registration processes, restricting engagement in political advocacy, or by intimidating activists to limit mobilization. In other cases, states restrict foreign funding to weaken the domestic civil society (Christensen and Weinstein 2013; Dupuy et al. 2016; Wolf and Poppe 2015).

In addition to restriction strategies, other work examines the emergence of the phenomenon. Some studies argue that civil society restrictions are an outcome of counter-terror measures. For example, countries facing terrorist attacks are more likely to engage in limiting civil society such as imposing restrictions on cross-border money transfer. Other work argues, leaders started imposing civil society restrictions because of the revolutions. Revolutions like-colored revolution threatened the incumbent leader and the regime responded by imposing restrictive measures on civil society. Moreover, changing International power structure such as the emergence of non-western countries lead to an increased civil society restriction (Carothers and Brechenmacher 2014; Carothers & Samet-Marram 2015; Howell 2012). Besides that, scholars argue that domestic factors play a key role in restrictions. As such, leaders facing domestic political challenges are more likely to engage in restricting civil society (Dupuy et al. 2016).

Beyond restriction strategies, scholars in this area have focused on other important aspects. Of particular importance are studies that focus on such as regime type. The central question in such studies is to examine whether regime type affects the closing space phenomenon. Carothers and Brechenmacher (2014) argue that one way or other countries all over the world are engaged in restricting civil society. For instance, some states prohibited foreign funding, whereas others restricted the funding and organization of civil society (Christensen and Weinstein 2013).

While there is a growing body of work examining causes, restriction strategies, and conditioning effect of regime type on civil society restrictions, there is little scholarly work that examines the impact of economy, particularly trade agreements. It is surprising given how trade with other countries has affected almost every aspect of state one way or other. Economic globalization has encouraged governments to protect human rights through economic penetration, state dependency, the spread of capitalism, and expansion of the global market (Richards, Gelleny, and Sako 2001; Apodaca 2001; Mitchell and McCormick 1988). In addition to these factors, preferential trade agreements have encouraged trade partners to improve the physical integrity and empowerment rights of their civilians (Hafner-Burton, 2005). Though we find work like Hafner-Burton (2005) addressing question-related to human rights, we are unsure about PTA's effect on civil society organization.

To our knowledge, there are no global cross-national studies connecting Preferential Trade Agreements to civil society organization. There is scholarship, however, that addresses the process of civil society engagement in trade agreements and the challenges civil society faces in engaging trade policies (Brock and McGee 2004; Spalding 2007; Waterman and Timms 2004). None of these studies analyzed the impact of trade agreements between member states on the civil society organization, thus leaving the space to address this question.

Preferential Trade Agreements and Civil Society Restrictions

States have been engaged in trade liberalization, and we have seen a surge in Preferential Trade Agreements (PTAs) in recent years. In 1990, there were only 70 PTAs in force, whereas this number increases to 300 in 2010 (See figure1). Average World Trade Organization (WTO) members signed 13 PTAs, and about half of these agreements are cross-regional. PTAs increased the share of world trade from 22% in 1965 to 60% in 2010. For the scholars of unconditional liberal hypothesis, such trade openness represents peace and prosperity in the world, whereas, for critics of commercial liberalism, it might not be the case. Though PTAs are not designed to solve the non-economic problems such as state repression, however, they seem to impact state behavior. For example, Hill and Jones (2014) find trade openness as one of the important predictors of repression. Hafner-Burton (2005) argues that PTAs play an important role in altering repression, and it is because PTAs with hard standards help to influence actors' preference of using repression through coercion. We may observe this phenomenon because of the increased non-economic provisions of modern PTAs. For example, PTAs in 2011 indicate that provisions related to non-economic issues, including environment, health, human rights, illicit drugs, etc. have doubled since 1991 (Limao 2016).

Moving beyond human rights, recently, we started seeing a surge in civil society restrictions. States have been engaged in shrinking civil space, and it leads scholars to examine the factors affecting closing civil space. One of understudied question is, does PTAs affect civil society organization? Though there is no such study conducted to address this question, we are drawing our expectation from the liberal hypothesis that maintains trade openness increase peace. Peace in some studies is taken as an absence of war and in others as improvement in human rights, and here we take it as a presence of vibrant civil society (Harrelson-Stephens and Callaway 2010; Barbieri and Schneider 1999; Bliss and Russett 1998).

There are reasons to expect that PTAs could lead to increased vibrant civil society. For example, states engaged in economic openness signal their trading partners about political stability and predictability, which affects trade flow and investment (Mansfield and Milner 2012). This, in turn, allows for an economically efficient society. For example, since the late 1970s with economic reforms in China, it opened a lot more new opportunities for civil society. As such, new laws had been passed in the last twenty-five years, Chinese citizens could sue government officials, political and democratic institutions emerged, and elections became prevalent. This phenomenon of vibrant civil society regained momentum in the 1990's and covered almost every sector of the society (Ye 2003). However, recently China started a crackdown on civil society and restricted civil society organization (Haas 2017). The case of China indicates a complex relationship between PTAs and civil society organization, which is not always a positive one.

Why might we not always expect a positive relationship between PTAs and civil society organization? Two factors address this question. First is the economic interdependence. As we mentioned earlier that states signing PTAs are likely to see an increase in a vibrant civil society. This happens because the state signals their commitment to trading partners about the economic and non-economic provisions of the trade agreements. However, this phenomenon may disappear after some time. Now the question is why states start behaving in the opposite direction after some time even though they still are part of preferential trade deals. One of the explanations is the welfare gains attached to the trade agreements.

Scholarly work on trade and peace argues that trading partners deters from engaging in conflict because of the cost attached to the conflict. The benefits associated with trade affect leaders' policy choices of avoiding potential trade losses (Polachek 1980). It further argues that in the event of a conflict, the states may not necessarily cease the trade; however, it will lead to inferior terms of trade that may affect the gains from trade (Polachek and McDonald 1992). Applying the same logic to states signing PTAs, when states sign PTAs, they are less willing to lose trade gains. Thus, we are likely to see states abiding the economic and non-economic provisions of trade

agreements, including the respect for civil society. Likewise, states may know that violating the provisions of PTAs may not result in termination but may lead to inferior terms, thus affecting the welfare gains. Such benefits at the signing and implementation of trade agreements allow states to abide by the provisions of trade agreement; therefore, we see an increase in vibrant civil society. In addition to the trade gains associated with PTAs, asymmetric dependence may also push states to show commitment to the provisions of the agreement. Studies examining asymmetric trade relations argue that dependent states may face coercion when engaged in a trade with powerful states. This is particularly true when dependent states cannot alter the patterns of trade (Hirschman 1980; Keohane and Nye 1977). This indicates that the presence of an asymmetric relationship between states signing PTAs may push the dependent states into abiding the provisions of the agreement. Thus, we see a prosperous civil society.

However, when states move away from the asymmetric relationship and enter into a symmetric partnership, then we are likely to see a decrease in states abiding the provisions of PTAs. Different factors explain a shift in state power structures such as economic self-sufficiency or increasing trade power. For example, South Korea's trade power was meager in the 1950' and 1960s; however, it increased dramatically after the 1970's making South Korea an essential player in World trade (Hwang, 2017). Such an increase in trade power increases asymmetric relations between trading partners and signals interdependence. Interdependence implies mutual need and vulnerability between trading partners (Keohane and Nye 1977). When states are mutually dependent, then it is likely for them to play by their own rules and is less afraid of losing the gains from trades because of their retaliation power. For example, when President Trump imposed tariffs on China in 2019, the Chinese government retaliated against the United States with higher tariffs (New York Times, 2019). In this situation, when states become economically interdependent and feel threatened or insecure by implementing non-economic trade provisions such as promoting civil society organizations, then we are likely to see a pattern of shrinking civil society space.

Taken together, this implies that economic interdependence may alter state incentives to promote civil society organizations. Prior to economic interdependence, when a state or trading partner signs a PTA, receives trade gains, and is in the asymmetric trade relationship, then we expect state commitment to non-economic provisions of PTA, such as increased civil society in a country. However, when trading partners become economically interdependent, then they are less likely to have an incentive to commit to the provisions of PTA, especially if the commitment to those provisions put the leadership in jeopardy, i.e., vibrant civil society increases leader accountability. Overall, this leads us to posit;

Hypothesis 1: Preferential trade agreements have a curvilinear impact on civil society restrictions

So far, our discussion highlighted how PTAs might affect civil society. In particular, it focuses on the economic interdependence aspect of the trading partner. We also need to consider the possibility that the difference in the nature or design of PTAs may affect the outcome. One may wonder how an in-depth trade agreement would have a different effect than a shallow trade agreement. Studies on trade flows indicate deep trade agreements matter more than shallow trade agreements (Dur et al. 2013). Likewise, scholarly work on the type of agreement demonstrates that type of trade agreement affects the trade flows between member states. For example, custom unions had a greater effect on trade flows than free trade agreements (Baier et al. 2011; Roy 2010; Magee 2008). Depth of a trade agreement is defined as "an extent to which (an agreement) requires the state to depart from what they would have done its absence" (Downs et al. 1996, 383). Shallow agreements on other are on paper agreements that neither reduces trade barriers nor improves trading partner's market access (Downs et al. 1996). Leaders either sign in-depth trade agreements or shallow trade agreements, depending on their preferences. For example, a study on PTAs in autocratic regimes indicates that leaders that come into power through coups sign in-depth trade agreement because it helps them gain elite support. The leader gains elite cooperation by providing exporters an access to the market and earning importers loyalty by providing exemption clauses related to trade (Baccini and Chow, 2018). In addition to that, a study examining the effect of PTAs on human rights indicates that PTAs providing hard human rights standards are likely to improve human rights compared to the soft human rights standards (Hafner-Burton 2005). This illustrates that the design of agreement and economic incentives associated with hard trade agreements affect the leaders' decision. Applying the same logic, we expect states signing PTAs with greater depth are more likely to commit to the non-economic provisions. In particular, states with deeper PTAs are more likely to see a vibrant civil society than states engage in trade by relying more on shallow trade agreements. This leads to our second hypothesis;

Hypothesis 2: States with deeper PTAs are less likely to restrict civil society than states signing shallow trade agreements.

Research Design

To test our hypotheses, we are using data on preferential trade agreements, and civil society restrictions from 1948 to 2009. The temporal constraints result from the start date and last year of available data of our measure of preferential trade agreements. Since we are focusing on trade's impact on civil society restrictions, our unit of analysis is the country directed-dyad year. This unit of analysis is appropriate because trade usually is modeled using a dyadic gravity model (Anderson and Wan Wincoop 2004; Peterson and Murdie 2016). Table 1 reports the summary statistics of the variables used in the analysis. Figure 1 reports the distribution of preferential trade agreements in full and zero truncated samples.

Variable	Obs	Mean	Std. Dev	Min	Max
Civil society repression (ordinal)	251,148	2.45	1.32	0	4
Civil society repression (interval)	251,148	.36	1.59	-3.56	3.34
Preferential Trade Agreements	251,216	5.15	6.99	0	62
Deep trade agreement	251,216	.03	.18	0	1
Shallow trade agreement	251,216	.02	.15	0	1
Distance	244,135	8.72	.76	4.08	9.90
Polity	227,111	.56	7.47	-10	10
GDP	198,331	4385.8	6141.28	38	43129.5
CEDAW Ratification	121,065	.71	.45	0	1
Intra state Conflict	251,216	.05	.23	0	1
Religion	240,986	.12	.33	0	1
Exports from Country A to B	186,308	1.20	1.95	0	12.71

Table 1. Descriptive Statistics

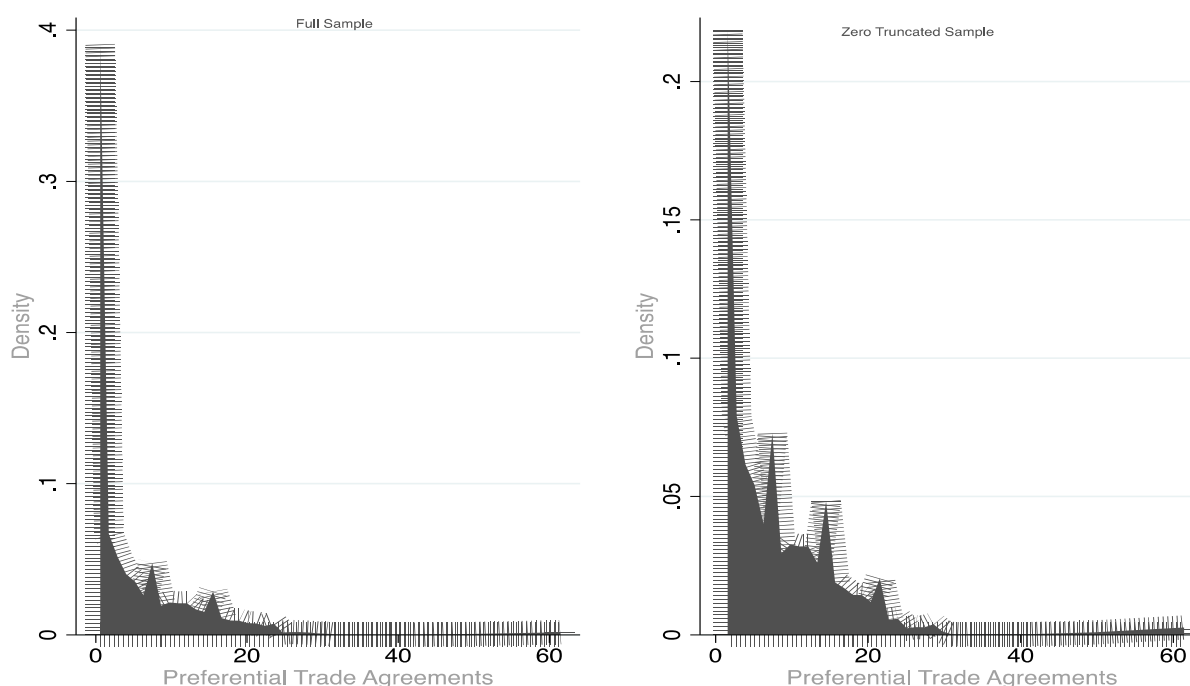


Fig 1. The left plot shows the full distribution of preferential trade agreement including 36% of zeros. The right plot shows similar distribution with zero values removed. 99 % of the values are less than 60.

Dependent Variable

Our hypotheses concern how PTAs can inadvertently affect civil society participation. In particular, we are interested in whether PTAs lead to enhancement in civil society organizations or restrict civil society organization. To capture this outcome, we use the Varieties of Democracy (V-Dem) civil society organization (CSO) variable (Coppedge et al. 2018). In general, the V-Dem measure of civil society defines civil society as a group of citizens that are organized to pursue their interests. Such groups include interest groups, labor unions, religious organization, social movements, and other non-governmental organizations (Bernhard et al. 2017, p. 346). The data on the variable is available in both ordinal and interval measures. The ordinal measure ranges from 0 to 4. Zero indicates restrictions on civil society organization, whereas 4 indicates the absence of restrictions for civil

society organization or free civil society in a country. As for the interval measure, the lower score indicates more restrictions on civil society whereas the higher score represents fewer restrictions. In this paper we are using both measures, where higher scores are indicative of less restriction on civil society organizations within the state.

Independent Variables

The key independent variable is the number of PTAs signed between directed dyads in a given year. Preferential trade agreements data is from the Design of Trade Agreements Data (Dur et al. 2014). This data provide a measure indicating countries' efforts to sign and ratify the PTA. The PTA measure is a count variable that gives information on preferential trade agreements signed between directed-dyads.⁵ To be able to test hypothesis 1, which states that preferential trade agreements have a curvilinear effect on civil society restrictions, we re-centered the PTA variable at its median value and squared it so both low and high levels of PTAs are represented by higher values. Higher value indicates either lots of or very few civil society restrictions. We thus use the squared term as an independent variable.

Another independent variable is the depth of the agreement. To capture depth, we use the Design of Trade Agreements Data (Dur et al. 2014). Depth is defined as "the extent to which an agreement requires states to depart from what they would have done in its absence (Downs et al. 1996, 383 in Dur et al. 2014, 358).⁶ It is a dummy variable where 1 indicates a deep agreement, and 0 indicates a shallow agreement. In addition to that, we conduct a robustness check using long-term deep and long-term shallow trade agreements. It is a dummy variable where 1 indicates long term agreement representing more than 15 years and 0 otherwise.

Control Variables

In addition to these variables, we control for a set of variables that correlates with civil society restrictions. We include polity score that ranges from -10 (highly autocratic) to 10 (highly democratic) to control for regime type (Marshall, Jaggers, and Gurr, 2003). As populous countries have more opportunities to restrict civil society and wealthy countries are less likely to engage in limiting civil society (Batool et al, 2023), we controlled for population and gross domestic product (GDP). We use Gleditsch's (2002) trade and GDP data to measure population and GDP.

Countries engaged in civil conflicts are likely to see an increase in civil society restrictions. To control for civil war, we use the UCDP/PRIO Armed Conflict dataset that identifies civil wars with more than twenty-five battle deaths and generates a dummy to indicate whether a country experienced a civil war or not (Gleditsch et al. 2002). We also added a CEDAW ratification variable, which is a dummy variable where value of 1 indicates ratification and 0 indicates non-ratification of CEDAW. Countries that ratified conventions on the elimination of all forms of discrimination against women tend to engage in less abusive behavior, and we also expect them to be less restrictive of civil society (Cole 2012). We also control for common religion between dyadic members that are trading partners. Religion is likely to affect trade and civil society organization, especially if civil society is organizing for women's rights (Herbert, 2017). The data on religion comes from Maoz and Henderson (2013). Finally, we also include variables related to gravity models. We include imports and exports of dyadic members and the data for trade comes from the World Bank. We also include a (logged) measure of the distance between capitals, and the distance data comes from Mayer and Zignago's (2011) geo-distance database.

Modeling framework

In this section, we describe briefly the empirical methodology used to estimate the impact of preferential trade agreements (PTA) on civil society restrictions. To examine the impact of preferential trade agreements on civil society restrictions we develop a series of gravity panel models that are frequently used in trade literature. Gravity models are the most popular econometric approach used to explore bilateral trade flows (Bergstrand, 1989; Kepaptsoglou et al., 2010). The incorporation of distance within the gravity model allows for identifying differences between sub-markets.

The seminal theoretical work of Anderson (1979) has resulted in various econometric advances and adequate empirical technique allowing accurate trade flows estimate (Anderson and Van Wincoop, 2003).

The trade gravity model, in its canonical form, assumes that exports from one state to another are directly proportional to the wealth (i.e. their Gross Domestic Product) of each state and inversely proportional to the distance between those states (i.e. a proxy for trade costs) (Anderson, 1979). Nonetheless, recognizing the relevance of the policy and institutional context, the elementary gravity equation has been complemented by policy variables that capture the institutional context of trading partners (e.g. free trade agreements and market integration agreements).

⁵ The original PTA variable in DESTA data is a dummy variable indicating whether a preferential trade agreement exist between a dyad or not. For our analysis, we summed up the PTAs for directed dyad years.

⁶ For details on Depth of an agreement, please see Dur et al. 2014, 357-361.

One significant econometric consideration in the gravity model is that the distance between the two countries, one of the key independent factors, does not change over time. This restricts substantially the number of available econometric approaches. For instance, the fixed effect estimator will not estimate the parameter of this factor, as the distance factor would be differenced out of the model (Barnes, and Bosworth, 2015). For that reason, we employ a random effects panel model, which allows capitalizing on the panel nature of data preserving the variable of interest.

In addition, each factor, with the exception of the trend and the distance between the two countries, is used twice: once for the country from which the export originates, and once for the country of destination. Due to the 60-year duration of the panel, it may also be appropriate to include a self-correlated error term. Accordingly, we employ an AR process (Eq.1) model to correct for any autocorrelation.

In this study, first, adapting the standard trade gravity model, we start with an AR (1) model. Formally, we estimate the following model:

$$CSR_{ij,t} = \alpha_0 + \alpha_1 PTA_{ij,t} + \alpha_2 Depth_{ij,t} + \alpha_3 Z_{ij,t} + \mu_{it} \quad (1)$$

Where CSR is the dependent variable depicting the civil society restriction, with PTA capturing the number of trade agreements, Depth represents the agreement depth. $Z_{ij,t}$ are vectors of control variables, $\alpha_0, \alpha_1, \alpha_2,$ and α_3 are the coefficient of the model, and μ is the error term with an AR (1) process.

To examine the robustness of our results model specification and control factors choice, we develop alternative specifications of our model. As a second specification, we drop the AR (1) process from the first model. Further, we estimated another specification based on a pooled OLS with clustered standard errors approach. The results are provided in Table1. In addition, we used an alternative measure for civil society restriction where we replace our dependent variable (CSR ordinal measure) with a civil society repression interval measure. We present the results in Table 2. Broadly, the results of these specifications are largely consistent with the results in Tables 2 and 3, suggesting that our estimates are not sensitive to error specification choice.

Empirical Results and Discussion

In this section, we discuss the results of the research design described previously. In a nutshell, we find strong support for our hypotheses. Our results indicate that the relationship between preferential trade agreements and civil society restrictions is curvilinear in nature. Moreover, we find partial support for our argument indicating in depth trade agreement is more likely to increase the respect of civil society than shallow trade agreements.

	Model 1 AR (1) CSR-Ordinal	Model 2 AR CSR-Ordinal	Model 3 Pooled OLS CSR-Ordinal
PTA	0.015*** (0.001)	0.024*** (0.001)	0.024*** (0.001)
PTA (squared)	-0.000*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)
Deep Trade Agreements short term	0.041*** (0.007)	0.068*** (0.009)	0.124*** (0.013)
Shallow Trade Agreements short term	0.054*** (0.008)	0.024** (0.010)	-0.058*** (0.015)
ln (Distance)	-0.007 (0.015)	-0.018*** (0.006)	-0.021*** (0.006)
Polity Country A	0.101*** (0.001)	0.116*** (0.000)	0.124*** (0.000)
Polity Country B	0.004*** (0.001)	0.001** (0.000)	-0.000 (0.000)
ln (GDP) Country A	0.121*** (0.007)	0.152*** (0.004)	0.122*** (0.002)
ln (GDP) Country B	0.025*** (0.007)	0.005 (0.004)	0.002 (0.002)
CEDAW Ratification Country A	0.130*** (0.006)	0.145*** (0.006)	0.132*** (0.005)
CEDAW Ratification Country B	0.023*** (0.006)	0.030*** (0.006)	0.018** (0.007)
Conflict Country A	-0.064*** (0.007)	-0.060*** (0.009)	-0.133*** (0.009)
Conflict Country B	0.010 (0.007)	0.005 (0.009)	0.007 (0.011)

Religion	-0.156*** (0.034)	-0.169*** (0.013)	-0.161*** (0.009)
ln (Exports)	0.004* (0.002)	0.001 (0.002)	0.000 (0.002)
Constant	1.173*** (0.149)	1.136*** (0.067)	1.428*** (0.056)
N	75,268	75,268	75,268
Number of dyads	18,783	18,783	0.642

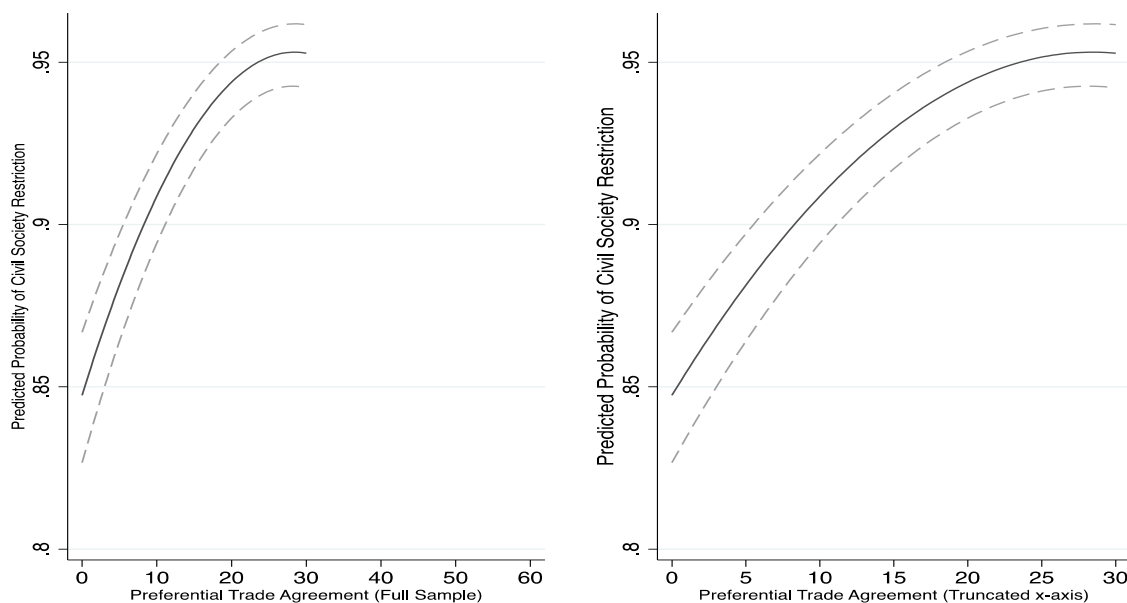
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.10

Table 2. Panel regression with different specification and Civil Society Restriction (Ordinal Measure) as a Dependent Variable

Table 2 presents coefficients and robust standard errors of random effects models examining preferential trade agreements impact on civil society restrictions. Table 2 presents three models. Model 1 is AR (1), Model 2 drops the AR (1) process and Model 3 is based on pooled OLS with clustered standard errors approach. Preferential trade agreement is positive and statistically significant across all models suggesting that a preferential trade agreement increases respect for civil society in trading partners. This finding is consistent with trade literature indicating trade in general or preferential trade agreements, in particular, promote respect for human rights (Hafner-Burton 2005). Since hypothesis 1 deals with the curvilinear relationship, to capture the curvilinear impact of preferential trade agreement on civil society restrictions (free civil society) relationship we included the square term in all our models. The coefficient estimates of preferential trade agreement square term is negative and statistically significant at 1% level across all models. The results indicate an inverse U-shape (curvilinear) relationship between preferential trade agreement and civil society restrictions (free civil society). This finding supports our first hypothesis that preferential trade agreements have a curvilinear impact on civil society restrictions.

To facilitate interpretation, we calculated predicted probabilities of a free civil society in a given country year based on the values of preferential trade agreements, its square term, and controls. After calculations, we plotted the results against preferential trade agreements, and findings based on Model 3 in Figure 2. Figure 2 shows two panels. The left panel reflects all values of PTA ranging from 0 to 60. The right panel indicates a truncated sample since 99% of the PTAs fall between 0 and 30. The x-axis represents preferential trade agreements whereas the y-axis represents the predicted probability of the being a free civil society. The solid line plots the predicted probability across different levels of preferential trade agreements and the dashed lines signify 95% confidence intervals around the predicted probability.

Predicted probabilities and confidence intervals are based on actual values of Model 3 covariates. Both panels in Figure 2 further support our initial findings. Both these panels show that once states sign preferential trade agreements, it increase the probability of open civil society. However, after reaching a certain threshold or gaining more economic interdependence, PTAs decreases the probability of open civil society. The distributive overview in Figure 3 also demonstrates that in 98% of directed dyad country years between 1948 and 2009, an increase in PTA increases the probability of open civil society. However, the effect starts disappearing after reaching a certain threshold.



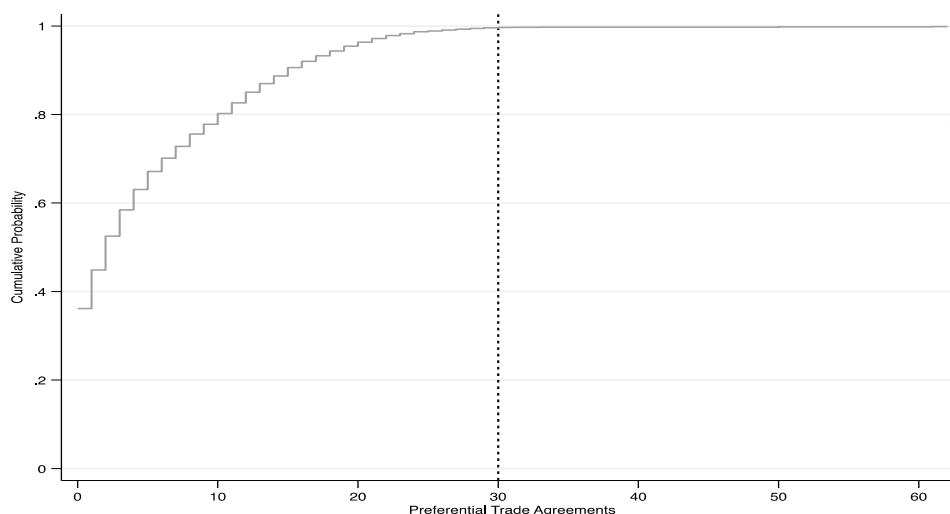


Figure 3. Cumulative distribution functions for preferential trade agreements.

Let us now explore the nature of preferential trade agreements. Our argument (hypothesis 2) predicts that deeper preferential trade agreements are more likely to have a positive effect on the respect for civil society compared to shallow trade agreements. Deep trade agreements reduce trade barriers and in turn, trading partners have higher accountability for non-economic provisions of trade agreements. The findings from Table 1 indicate that coefficient estimates for deep trade agreements are statistically significant at 1% level. In addition to that, deep trade agreements have a positive sign across all Models 1-3. This indicates that deep preferential trade agreements increase the respect of civil society. However, our variable capturing shallow trade agreements show mixed results. Specifically, the coefficient estimates for shallow agreement in Model 1 (AR1) and Model 2 (AR) have a positive sign whereas Model 3 (Pooled OLS) indicates a negative sign. Coefficient estimates of shallow trade agreements across all models are statistically significant at the 1% level. Based on this, we can only claim weak support for Hypothesis 2. While we can say that a deep preferential trade agreement increases respect for civil society, we cannot say that shallow trade agreements negatively affect the respect of civil society.

	Model 4 AR (1) CSR-Interval	Model 5 AR CSR-Interval	Model 6 Pooled OLS CSR-Interval
PTA	0.015*** (0.001)	0.021*** (0.001)	0.024*** (0.001)
PTA (squared)	-0.000*** (0.000)	-0.001*** (0.000)	-0.000*** (0.000)
Deep Trade Agreements (short-term)	0.051*** (0.008)	0.085*** (0.010)	0.184*** (0.015)
Shallow Trade Agreements (short-term)	0.049*** (0.008)	0.004 (0.011)	-0.138*** (0.023)
Ln(Distance)	-0.034** (0.017)	-0.045*** (0.007)	-0.044*** (0.009)
Polity Country A	0.118*** (0.001)	0.140*** (0.001)	0.150*** (0.000)
Polity Country B	0.005*** (0.001)	0.001** (0.001)	-0.000 (0.000)
ln(GDP) Country A	0.158*** (0.008)	0.260*** (0.005)	0.246*** (0.003)
ln(GDP) Country B	0.040*** (0.008)	-0.004 (0.005)	-0.004 (0.003)
CEDAW Ratification Country A	0.147*** (0.006)	0.168*** (0.007)	0.129*** (0.005)
CEDAW Ratification Country B	0.038*** (0.006)	0.016** (0.007)	-0.010 (0.007)
Conflict Country A	-0.067*** (0.007)	-0.083*** (0.010)	-0.175*** (0.011)
Conflict Country B	0.019** (0.007)	0.007 (0.010)	0.010 (0.012)

Religion	-0.168*** (0.039)	-0.173*** (0.016)	-0.158*** (0.011)
ln(Exports)	0.009*** (0.003)	0.008*** (0.002)	0.008*** (0.002)
Constant	-1.098*** (0.168)	-1.524*** (0.078)	-1.426*** (0.078)
N	75,268	75,268	75,268
Number of dyads	18,783	18,783	0.692

Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.10

Table 3. Panel regression with different specification and Civil Society Restriction (Interval Measure) as a Dependent Variable

Table 3 replicates Table 2 with one important alteration. We replace the ordinal measure of our dependent variable, civil society restrictions, with an interval measure of civil society restrictions. The results of these models remain the same as the results reported in Table 2; therefore, we are omitting the detail discussion. However, one important change emerges. The coefficient estimate of our shallow trade agreement in Model 5 (AR) appears to be statistically insignificant. Overall, the findings provide support for our hypotheses 1 and 2.

	Model 7 AR (1) CSR-Ordinal	Model 8 AR CSR-Ordinal	Model 9 Pooled OLS CSR-Ordinal
PTA	0.017*** (0.001)	0.017*** (0.001)	0.024*** (0.001)
PTA (squared)	-0.000*** (0.000)	-0.000*** (0.000)	-0.001*** (0.000)
Deep Trade Agreements (long-term)	-0.037*** (0.009)	-0.023 (0.035)	-0.015 (0.020)
Shallow Trade Agreements (long-term)	-0.012 (0.009)	-0.026 (0.017)	-0.135*** (0.028)
ln(Distance)	-0.014 (0.015)	-0.010 (0.015)	-0.029*** (0.006)
Polity Country A	0.102*** (0.001)	0.102*** (0.001)	0.124*** (0.000)
Polity Country B	0.004*** (0.001)	0.004*** (0.001)	0.000 (0.000)
ln(GDP) Country A	0.121*** (0.007)	0.119*** (0.007)	0.121*** (0.002)
ln(GDP) Country B	0.024*** (0.007)	0.022*** (0.007)	0.001 (0.002)
CEDAW Ratification Country A	0.129*** (0.006)	0.129*** (0.006)	0.135*** (0.005)
CEDAW Ratification Country B	0.022*** (0.006)	0.022*** (0.006)	0.021*** (0.007)
Conflict Country A	-0.064*** (0.007)	-0.065*** (0.007)	-0.135*** (0.009)
Conflict Country B	0.010 (0.007)	0.009 (0.007)	0.005 (0.011)
Religion	-0.154*** (0.034)	-0.152*** (0.034)	-0.165*** (0.009)
ln(Exports)	0.004* (0.002)	0.004* (0.002)	0.002 (0.002)
Constant	1.240*** (0.149)	1.232*** (0.149)	1.519*** (0.055)
N	75,268	75,268	75,268
Number of dyads	18,783	18,783	0.641

Standard errors in parentheses*** p<0.01, ** p<0.05, * p<0.10

Table 4. Robustness Check Panel regression with different specification and Civil Society Restriction (Ordinal Measure of deep and shallow agreement long term)

There is an expectation that the effect of PTAs diminish in the long-term (Baccini and Chow, 2018). It is because leaders are likely to respect the non-economic provisions of the agreement at the very beginning. With time, the incentives to abide by the agreement fade away. As a robustness check, we test this argument by examining both deep and shallow trade agreements' effect on civil society restrictions after 15 years of signing

preferential trade agreements. The results are presented in Table 4. Table 4 replicates Table 2; however it replaces deep and shallow five-year trade agreements (short-term agreements) with agreements that have existed for more than 15 years (long-term agreements). The coefficients of our estimates for both deep and shallow agreements are negative throughout all models 7-9. The coefficient estimate of the deep agreement is statistically significant at 1% level in model 7 (AR1) whereas, the coefficient estimate of shallow trade agreement is statistically significant at the 1% level in model 9 (pooled OLS). The findings for long-term deep and shallow trade agreements further support our arguments that over time leaders move away from their commitment to non-economic provisions of trade agreements i.e., supporting respect for civil society regardless of the nature of trade agreement.

Control variables behave as expected. In all models, as expected we find greater distance is negatively related to civil society restrictions. It is because the greater distance reduces trade and thus there is less likelihood of vibrant civil society in the absence of trade interdependence. Exports are positively related to increased respect for civil society. This shows that countries engage in exports are more sensitive of vibrant civil society because their repression of civil society is likely to be punished either through sanctions or boycott of their exports. Increased GDP of both trading partners indicates a positive effect on civil society organization. In all models, we find higher level of democracy is associated with higher respect of civil society. The Convention on the elimination of all forms of discrimination against women (CEDAW) ratification suggests that countries ratifying CEDAWs are also likely to see an increase in respect of civil society. As expected, conflict negatively affects civil society organization. Finally, religion variable shows a negative association with civil society association, as expected. This is primarily when civil society promotes issues like women's rights, LGBTQI+, environment, religious freedom or support of atheism/ agnosticism, etc.

Conclusion

International community aims to advance civil society through different mechanisms, including trade agreements; nonetheless, free civil society is still a concern. Scholars have long argued about the impact of international rules governing human rights. However, we know very little about how preferential trade agreements affect civil society restriction (free civil society). To our knowledge, no large-scale study has analyzed impact of trade agreements on civil society. This gap is surprising given the importance of trade in world politics.

In this article, we argue that prior to achieving economic interdependence, a state signing PTA, receiving trade gains, and being in an asymmetric trade relationship is more likely to commit to increasing civil society participation. However, after achieving an economic interdependence, the commitment to civil society openness disappears. This is particularly true if the commitment to those provisions put the leadership in jeopardy, i.e., vibrant civil society increases leader accountability. Moreover, nature of preferential trade agreements affects the outcome. States signing deep trade agreements are more likely to commit to civil-society openness than ones relying on shallow trade agreements. Our empirical analysis supports our theoretical arguments, showing that, preferential trade agreements have a curvilinear effect on civil society restrictions. Moreover, deep trade agreements are positively related to civil society openness than shallow trade agreements.

These findings largely fit in with the growing literature on the interaction between international trade, human rights, and civil society. Previous studies indicate that international institutions such as trade could influence state behavior (Axelrod 1984; Down et al. 1996; Hafner-Burton, 2008). However, other are skeptical about institution affecting substantial behavioral change (Mearsheimer 1995). Overall, our results combined with these others largely indicate that international institutions such as trade agreements are capable of influencing civil society openness, however nature of trade agreements could affect the outcome especially if the agreement does not incorporate clauses related to civil society policy reforms.

The findings of this study provide valuable insights for policymaking. Since 1990's countries are engaged in preferential trade agreements. The consequences of trade agreements are important for all states engaged in international trade. For states signing trade agreements and promoting civil society openness, if they aim at promoting civil society, it is important to know when states fail to promote civil society openness. For states engaged in restricting civil society, they should know the consequences of violating provisions of trade agreements. The good news is that trade agreements could help achieve vibrant civil society in the short run, and focus on deep preferential trade agreements could be helpful in sustaining the outcome.

Nonetheless, more study is needed on this topic. Specifically, further research could examine how differences in political institutions condition the effect of the preferential trade agreement on civil society organization. Considering the variation in the state's characteristics may reveal some states signing PTAs are more likely to restrict civil society than others. Future work can also focus on substitution effect of preferential trade agreements on civil society openness.

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