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## Trade as the New Colonialism: the Case of Latin America

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# Trade as the New Colonialism: the Case of Latin America

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## **Abstract**

Trade and politics are intertwined, however, the question is until when are they intertwined. This thesis focuses on discovering the degree of political aspects as presented within international trade agreements. Therefore, the addressed research question *Is there a different degree of the political aspects of international trade agreements of the United States of America, the European Union and China?* Creating a dictionary based on political aspects, incorporating four key terms: political influence, politicization, power and non-trade issues, to explore the degree of political aspect as presented in international trade agreements. Using the dictionary for the analysis of fifteen trade deals, of the European Union, China and the United States of America with Latin American countries, via the content analysis. The output of this method provides descriptive statistics that should compute a ranging degree of political aspects within these international trade agreements. The thesis concludes by answering that there is a different degree of political aspects, starting with the highest degree of the political aspect of China, intermediate is the United States of America and the lowest degree is posted to the European Union.

**Key Terms:** Trade, International Trade Agreements, Latin America, Political Aspect, Political Influence, Politicization, Non-Trade Issues, Power, The People's Republic of China, The United States of America and The European Union.

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## List of Abbreviations

Andean Community	Group of countries: Bolivia, Colombia, Ecuador and Peru – <i>CAN</i>
ASEAN	Association of Southeast Asian Nations
BRI	Belt and Road Initiative
CAFTA-DR	Dominican Republic-Central America Free Trade Agreement
Central America	Group of countries: Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama
China	The People’s Republic of China
CTPA	United States-Colombia Trade Promotion Agreement
EU	The European Union
EU-CAAA	European Union Central American Association Agreement
FTA	Free Trade Agreements
GATT	General Agreements on Tariffs and Trade
INTA	Committee on International Trade
Mercosur	Southern Common Market – <i>Mercado Común del Sur</i>
NAFTA	North American Free Trade Agreement ( <i>Preceded by UMSCA</i> )
NTIs	Non-Trade Issues
PTA	Preferential Trade Agreements
PTPA	United States-Peru Free Trade Agreement
RTA	Regional Trade Agreement
TIFA	Trade and Investment Framework
TPA	Trade Promotion Agreement
UMSCA	United States-Mexico-Canada Agreement ( <i>Successor of NAFTA</i> )
UNCTAD	United Nations Division of International Trade and Commodities
USA	The United States of America
WTO	World Trade Organization

## Chapter 1: Introduction

On the 28<sup>th</sup> of June 2019, the longest negotiated international trade agreement in history was signed by European Union as well as its counterpart the Southern Common Market, known as Mercosur. After a trade deal has been signed by the European Union, every member state has to ratify the agreement within its national parliament, called the ratification process. Therefore, this so-called “agreement in principle”, still has to be ratified by certain European Union Member States. If the agreement is ratified, the largest free trade area ever created by the European Union (EU) will be established, encompassing 780 million people and a strong advocate for free trade focussing on geopolitical relevance (Cañas, 2021, p. 1).

However, several member states have not ratified the trade deal yet, including France, Ireland, the Netherlands and Austria (Cadogan, 2020). In accord to the European Union delegation in Brazil, the most prominent reason for this is that the trade deal will “not advance towards ratification” if Brazil does not make a commitment to “curb deforestation in the Amazon rainforest” (Boadle, 2020). Regarding the same issue, the committee of the European Parliament, called the Committee on International Trade, otherwise known as INTA, held a public hearing on the European Union agreement with Mercosur on the 25<sup>th</sup> of February 2021, to re-emphasize the importance of the trade agreement, especially regarding the “geopolitical dimension” (INTA, 2021). In other words, the trade deal no longer encompasses solely issues regarding trade. The EU-Mercosur trade agreement is a prime example of how trade can be used in a political way, illustrating how a trade deal is used to achieve certain political goals, for example, regarding certain EU values and norms in order to achieve certain goals or values regarding the other.

The EU-Mercosur deal indicates that trade and politics are intertwined. Further indications presume that trade could be used for political purposes. For example, trade was used to politically influence during the most recent United States–China trade wars (Hass & Denmark, 2020). Several scholars have researched the political aspects of trade, and have found that there is an increase of non-trade issues within trade agreements and in some cases that indeed politics influence trade and that trade can affect politics (R. E. Baldwin & Kay, 1975, p. 104; Fordham & Kleinberg, 2012, p. 312; Milewicz, Hollway, Peacock, & Snidal, 2018, p. 743; Morrow, Siverson, & Tabares, 1998, p. 659).

Continuing on the aforementioned premise, additional cases indicate that trade is used for political aspects, such as for certain own gains of a government. China has been investing in several trade agreements in the Global South, including Latin America and Chinese influence

is underwritten within these investments (Suárez Torres, 2017, p. 187, 193). Therefore, on the premise that trade is used for political aspects, trade could even become ‘dangerous’, as domestic politics could influence the security of their country via trade (Digiuseppe & Kleinberg, 2019, p. 289). Historically, the United States of America pertains hegemony over the Latin-American region, influencing regime change, such as during the coup of Brazil in 1964 and the coup in Chile in 1973 (Weyland, 2018, p. 135). This direct influence has decreased in more recent years; however, governments of Latin American countries continue to pursue trade agreements with the United States of America, knowing that trade politics are at play (Hakim, 2006, p. 49).

Trade and politics intertwinement on the global scale is perfectly illustrated within the study done by the United Nations Division of International Trade and Commodities (UNCTAD) in December 2018, regarding voting pattern in the voting of the United Nations General Assembly. This study found that “common trade policy spills over into voting convergence in the United Nations General Assembly” (Sokolova & DiCaprio, 2018, p. 1). Illustrating that indeed, “trade agreements are not just about trade” (Sokolova & DiCaprio, 2018, p. 2). Therefore, today international trade agreements no longer solely have chapters on tariffs within their treaties, chapters including the environment as well as intellectual property rights are incorporated as well (Rodrik, 2018, p. 79). The study of UNCTAD focuses on the implications of foreign policy on economic policy, as they view the negotiation process of the trade agreements themselves as “vote-buying” (Sokolova & DiCaprio, 2018, p. 4).

It seems that it is established that trade and politics are intertwined, yet, “perhaps no other area of economics displays such a gap between what policymakers' practice and what economist preach as does international trade” (Rodrik, 1995, p. 1468). Therefore, scholars have established that there is a correlation, however, scholars have not established, yet the difference of political aspects between three major powers: the EU, China and the USA. Here lies a gap. Regarding this gap, in society it is presumed that trade is used for political aspects, however, empirical evidence of this is hard to find (Baccini & Urpelainen, 2014, p. 197).

Trade can be used for political aspects. However, when trying to differentiate the degree of political aspects in regard to three main powers on the global scale; the United States of America, the European Union and China, academic literature falls short of a solution. For this reason, this thesis seeks to answer the following research question, see *Figure (1)* on the next page.

*Figure 1: Research Question*

Is there a different degree of the political aspects of international trade agreements of the United States of America, the European Union and China?
---

The aim of this thesis is to research the differences between the degree of political aspects with international trade agreements of the United States of America (USA), the European Union and the Peoples Republic of China (China). This thesis will add to the specific scholarly literature gap as it will compare the political aspects of three major powers. Furthermore, this positivist study will add to the societal relevance in the regard to ‘back-up’ society’s claim over the fact that international trade can be used for political aspects.

This explanatory study tries to convey the different degree of political aspects upon trade agreements between three major powers: the USA, the EU and China. This thesis focuses at first on the conceptual framework including the literature review and will conclude with the hypotheses. Continuing, the research methods are given, including the variables, the data collection, the data analysis and the reliability and validity. The following chapter focuses on the analysis, outlining the data, the analysis as well as descriptive statistics. The final and fifth chapter provides the conclusion including a discussion and a summary.

## Chapter 2: Theory

Since the end of the cold war, in the post-cold war era, the degree of interconnectedness between all peoples of this world has been increasing. New media has made it easier to connect to the other side of the world and is fastened by the implications of the COVID-19 virus, which started spreading in the final months of 2019 and still has the world in its grip in May 2021. The world has become and continues to become more globalized and interconnected. Essentially globalization or globalism entails the supraterritorial connections between peoples (Scholte, 2008, p. 1478). As globalism has been on the rise, international trade agreements were sparked with the General Agreement on Tariffs and Trade (GATT) in 1948, today known as the World Trade Organization (WTO) (Saggi & Yildiz, 2018, p. 26). Essentially the GATT is a multilateral trade agreement, initiated by the United Nations. The GATT consists out of an original treaty, signed in Geneva in 1947, and several rounds of negotiations, named after the city they were held in. In 1949, the first round was held in Annecy, and the latest round is called the Doha round as it was held in Doha in the year 2001.

A major part of globalization is interstate multilateralism, which institutionalizes globalism. In its simplest form multilateralism is defined as the “practise of coordinating national policies in groups of three or more states” (Ruggie, 1992, p. 565). More broadly, multilateralism integrates cooperation on the international as well as national level. Furthermore, its management integrates social construct which is based on solidarity (Ruggie, 1992, p. 565). Supplementary to multilateralism is regionalism (IDB-ECLAC, 1995, p. 26). In its turn, regionalism is defined similarly to multilateralism, however, focussing on regional instead of supraterritorial relations.

Globalisation transformed international economic relationships (Saner & Yiu, 2006, p. 1), affecting economic, social and political spheres. Furthermore, interconnectedness influences diplomacy as well. In general, economic diplomacy concerns economic policies, and economic resources, often “in pursuit of a particular foreign policy objective” (Saner & Yiu, 2006, p. 13). For example, trade is such a policy objective (Milewicz, Hollway, Peacock, & Snidal, 2016, p. 4).

This chapter focuses on the theory, explaining the literature review and defining terms within this thesis. Therefore, this chapter focuses first on international trade, followed by the difference of trade of certain geographical areas as well as explaining certain types of trade agreements, then the definition of free trade is given. Continuing, topics relating to politics and

trade are discussed, after which a definition of political aspects is given including the hypotheses as assumed within this thesis.

## *2.1. International Trade*

The oldest subfield of economics is the theory of international trade (Jones & Neary, 1984, p. 2). This field is preceded by the classical theory of Ricardian followed by the neoclassical Heckscher-Ohlin theory and by the New Trade Theory (Choi & Yu, 2003, p. 186). The general conception of trade is to apply protectionism to trade or to encompass free trade. Within the classical assumption, there are broadly two characterizing features of international trade theory, the first focuses on the fact that goods are tradeable, whereas primary inputs are merely mobile between domestic sectors. The second characterizing feature is that the analysis is usually conducted upon small-scale models, like the Ricardian and the Heckscher-Ohlin model (Jones & Neary, 1984, p. 2).

The Ricardian model by David Ricardo (1951) is based on Adam Smith's *Wealth of Nations* of 1776, both championing free trade for global production efficiency (Sen, 2012, p. 2). The Ricardian model foresees a production pattern shift when the trade of an economy is opened up, generally, the model focuses on the gains of trade on the basis of the fact that production and techniques of that production are independent: "isolating differences in technology as the basis for trade" (Jones & Neary, 1984, p. 11). In short, the Ricardian model expects trade gains on the basis of technological skills (Sen, 2012, p. 4).

The basic proposition within the Heckscher-Ohlin model is a positive theory, encompassing the effect of policy changes on trade flows, domestic distribution or relative prices as well as determining trade patterns (Jones & Neary, 1984, p. 2, 3). The Heckscher-Ohlin model provides an alternate vision on trade patterns, focussing on country differences of commodities, centring resource endowments to determine trade gains (Jones & Neary, 1984, p. 14; Sen, 2012, p. 4).

Moving on from the 'old trade theories' to the New Trade Theory, this 'new theory' focuses on incorporating scale production economies, fostering a competitive international market (Krugman, 1987, p. 138). Generally, trade liberalization has been the norm worldwide since the 1980s, and policies on trade in itself are contingent on politicians (Milner, 1999, p. 94, 98), even multilateral organizations were found to further establish the trade liberalization, like the World Trade Organization (Sen, 2012, p. 16). International systems influence trade policies, and political institutions could even explain changes in trade policies (Milner, 1999, p. 102).

When the GATT arose in 1948, a platform to handle international trade agreements was established. Prior to the GATT, there were negotiations to establish an International Trade Organization, in the 1940s (Hamanaka, 2014, p. 53). This institution was preceded by the World Trade Organization as known today. Alongside the rise of the GATT, trade liberalization of trade agreements became a common word (Maggi & Rodríguez-Clare, 2007, p. 1374). Johnson (1954) argued that when there are no trade agreements, a trade war could occur, causing inefficiency for all involved. Continuing with this argumentation, Grossman and Helpman (1995) argued that political pressures are part of governments, thus governments are politically inclined to engage in trade agreements (as cited in Maggi & Rodríguez-Clare, 2007, p. 1374). Furthermore, joining a trade agreement could have costs and benefits on an economic as well as political scale (D. Mansfield & Milner, 2012, p. 23).

Different geographical areas have different views of international trade, the next subheading will focus on that. This heading in its turn is preceded by explaining several types of trade agreements.

### *2.1.1. Geographical Trade*

Prior to trade agreements, negotiation of the trade agreement takes place. Therefore, foreign policy and trade can go hand in hand (Kleinberg & Fordham, 2010, p. 687), hence economic diplomacy plays a role as well. Economic diplomacy focuses on monitoring economic policies and guiding negotiations of a trade agreement (Saner & Yiu, 2006, p. 13). As trade and foreign policy and diplomacy are closely intertwined, it can be assumed that the approach to trade differentiates per geographical area; Asia, America and Europe.

Asia entered the global trade wave in the 1990s and in 2016 the continent implemented around 60 Free Trade Agreements (FTAs) (Postigo, 2016, p. 380), even though most of these FTAs remained bilateral and within the continent itself, the first step towards more trade agreements was set. The regional organization, the Association of South-East Asian States, or ASEAN, contributed to the number of FTAs. ASEAN consists out of: Brunei, Indonesia, Malaysia, Thailand, Singapore and the Philippines (Hayakawa, Hiratsuka, Shiino, & Sukegawa, 2013, p. 246). Besides signing trade agreements focussed within the region, or so-called Regional Trade Agreements (RTAs), countries of the Asian continent are signing intraregional trade agreements as well. The Asian continent is part of the third wave of regionalism, as this wave was initiated by the ASEAN – China FTA in 2001 (Hayakawa et al., 2013, p. 94). Still, FTAs increased popularity within Asia. The reasoning behind this is the fact

that in 1998 there was a financial crisis and in the aftermath of this crisis, developing nations focussed on expanding trade relationships as a way of increasing national economies (Jiaxian & Vanhullebusch, 2014, p. 220). In 2013, Xi Jinping, the leader of China, launched a new programme; the Belt and Road Initiative, known as BRI, to create a Silk Road Economic Belt, linking China with the Mediterranean Sea, the Persian Gulf and the Indian Ocean (Nordin & Weissmann, 2018, p. 231). Alongside this new project, China continues to offer loans to other developing nations, where the USA and international organizations have declined to do so (Roby, 2020, p. 233). Therefore, “China is focused on expanding its global influence” (Roby, 2020, p. 235), using soft power diplomacy and focussing on the developing world, as several western nations, including the USA and Japan, have adopted protectionist policies towards China (Roby, 2020, p. 235).

Within America, the USA has a numerous number of FTAs, this amount is so high that a scholar even calls the USA “a leader of FTAs” (Jiaxian & Vanhullebusch, 2014, p. 3). Which in its turn is a benefit for American businesses, as a global manufacturer it is now easier to obtain a headquarter in the USA while building the facilities that manufacture the products, overseas (Leung, 2016, p. 178). The USA is a member of the WTO, whose headquarters are located in New York City. Therefore, it is common within the USA that trade deals are made with a variety of countries, including intraregional trade agreements with Asia, Europe and Latin America. The Americas are part of the second wave of regionalism, which occurred in the 1980s and, again was initiated due to a financial debt crisis, after which most (Latin) American countries adopted a more liberal focus within their economic policies. As is known, a more liberal approach is required to establish a Preferential Trade Agreement (PTA). An example is the NAFTA of 1994, known as the North American Free Trade Agreement, subsumed by the UMSCA (United States – Mexico – Canada Agreement) in 2018. Historically, the USA is predominant over Latin America, on the basis of the Spanish-American war which was fought during 1898 (Furtado, 1966, p. 385). In that year the USA had an advantage on all scales, economically, politically and military. Then in the 1900s, the USA exerted an imperialistic foreign policy view towards its neighbouring countries and the rest of the world. Yet during the decolonization wave, when most Latin American countries became independent, this view of hegemonic USA, no longer held (Weyland, 2018, p. 140). Instead, since the 1990s there is a rise in interregional trade agreements of the USA with Latin American countries, as well as an increase of foreign direct investments (Hakim, 2006, p. 49; Tuman & Emmert, 2004, p. 9).



The first wave of regionalism in the 1960s was initiated by the European Integration, the greatest regionalism project until today (Hamanaka, 2014, p. 93). At the moment the EU consists out of 27 Member States and incorporates an economic, monetary and political Union. Hence, the EU conducts foreign trade by itself, even though it is not a country, it has the powers to acquire trade deals with other entities, either other regional organizations or countries. In other words, the EU became a power through and in trade. The EU is a power through trade as their internal trade liberalization was considered the 'glue' to bind former enemies after the second world war ended (Meunier & Nicolaïdis, 2006, p. 907). With this in mind, it is no surprise that the EU has an immense number of signed FTAs and PTAs with several regions across the world. The relation of the EU with other regional groupings in Latin America, such as Mercosur and the Andean Community, provides more evidence for regional integration promotion of the EU, otherwise known as 'pure interregionalism' (Luce, 2015, p. 621). Therefore, the EU is very active within its economic diplomacy, incorporating a range of different economic policy instruments, such as sanctions and development policies (Peterson, 2007, p. 2). With the EUs' active economic diplomacy, trade is the tool to conduct foreign policy, where the EU acts as a civilian power using economic power to pursue its foreign policy objectives, where FTAs are strategic instruments (Peterson, 2007, p. 4, 6). An example of this strategical instrument is the 'Everything But Arms' agreement of 2001, which was offered to developing countries in 2001, giving access to all the products of the EU market, except arms, hence the name (Peterson, 2007, p. 14).

Conducting trade with other regions requires a trade agreement. Even though the reasoning of a region in why an agreement should be signed could differ, the legal consequences of such a trade deal could be similar, as most countries in the world are part of the WTO. Therefore, most nations are required to define certain rules when engaging in international trading. Hence, the next section focuses on a definition of geographical trade as perceived within this thesis.

#### *2.1.1.1. Conceptualization Geographical Trade*

Within this thesis, regionalism is defined as "policies and practices of state-based permanent organizations with membership confined to a limited geographical area" (Fawcett, 2012, p. 3). As there were three main regionalism waves, this thesis focuses on the main actor of each of these regionalism waves.

There are three main regionalism waves, as mentioned before in this thesis. The first occurred in the 1960 and 1970s, led by European Integration after the Second World War.

During this wave, the European Coal and Steel Community was founded in 1952, today known as the European Union (EU). This Union was followed by other regional cooperation efforts, such as the Caribbean Community also known as CARICOM, which was founded in 1973. The second wave was initiated by the Latin American continent and arose in the 1980s and 1990s. During this wave many FTAs were established, such as the North American Free Trade Agreement (NAFTA), by Mexico, Canada and the United States of America (USA). Continuing, the third wave followed in 2001, when an FTA between the People's Republic of China (China) and the Association of Southeast Asian Nations (ASEAN) was signed (Hamanaka, 2014, p. 93, 94).

More on Geographical trade and politics of trade are presented in *Section 2.2.1.1*. Within the next section, types of trade agreements are explained, after which a definition of free trade agreements as applied within this thesis is provided.

### *2.1.2. Trade Agreements*

When a country wishes to pursue trade with another country, trade agreements are necessary in order to acquire the legal background of the finalized negotiations of the trade deal. A negotiation regarding a trade agreement can cost several months, a year or many years. For example, the EU-Mercosur trade deal cost 25 years to be negotiated, and still needs to be ratified by some of the EU member states in May 2021. At the core of a trade deal is a trade agreement, which essentially is a trade treaty. However, there are several types of trade agreements, the most common being preferential trade agreements and free trade agreements. These different trade agreements exist because all of them can be viewed in a more or less comprehensive way of combining trade of one country with the trade of another country. For example, a FTA incorporates a PTA, however, a preferential trade agreement does not always incorporate a free trade agreement, the same counts for a customs union. This is because an FTA and a PTA are at different stage within economic integration.

Alongside different types of trade agreements, there is a difference between a multilateral, bilateral and unilateral trade agreement. The first to be explained is the multilateral trade agreement, which is incorporated into being a member of the World Trade Organization. In other words, if you are a member of the WTO, you have signed the multilateral trade agreement, meaning every other WTO member will have to give the same preferential access to their trade as any other member of the WTO. However, if you are not a member of the WTO, then you do not have to oblige. When a trade deal is signed with two signatory countries, then

this trade deal is labelled bilateral trade agreement as two countries have signed the agreement. A unilateral trade agreement is made within one country itself.

Besides a multilateral trade agreement, trade liberalization is often linked to the creation of the GATT and its successor the WTO, as well as connected to signing trade agreements (Maggi & Rodríguez-Clare, 2007, p. 1374). Furthermore, the cost of negotiating a trade agreement is often related to transaction costs, bargaining costs and enforcing costs, as trade agreements are a form of international cooperation. The countries who have signed the trade deal are cooperating internationally due to the fact that with signing the trade deal, the trade barriers are adjusted of the signed countries (D. Mansfield & Milner, 2012, p. 24). There are several stages of the economic integration process, such as the economic and monetary union, which applies to the European Union, as this union is an economic, monetary and even political Union. Prior to that is a customs union, combining the trade barriers of one country to a customs union, for example, Mercosur is such a customs union. Besides these unions, there are trade agreements focussing on providing preferential access to the trade of one country to another, decreasing the trade barriers.

A Free Trade Agreements, or FTA, is a trade agreement to decrease trade barriers in order to be able to conduct 'free trade'. Opposite of FTA is protectionism; however, economists agree that free trade is superior. Before the 1980s, trade agreements focussed mainly on tariffs and quotas, yet after the 1980s, other areas within a trade agreement required more attention as well, such as intellectual property rights, dispute settlement, regulatory standards and capital rules (Rodrik, 2018, p. 74). Essentially, an FTA requires the abolishment of tariffs between the signatory countries, however, the tariffs arise once announcing the other country (Saggi & Yildiz, 2018, p. 26).

Where an FTA allows signatory countries to conduct free trade, a Preferential Trade Agreements provides preferential access to the countries who have signed the trade deal. Therefore, a PTA does not eliminate all trade barriers, however, a PTA does open the economy towards overseas commerce; reciprocal trade barrier reductions (D. Mansfield & Milner, 2012, p. 36). For this reason, developing countries focus more on creating PTAs, as these are more binding than joining the WTO and thus can benefit the country more. Furthermore, "PTAs are designed to enforce voluntary commitments to coordinate market policies at a transnational level," supplying different mechanisms of influence, for example, to influence human rights (Hafner-Burton, 2005, p. 595). Today, PTAs are widespread across the world and almost all countries have obtained a PTA with another country or countries (Saggi & Yildiz, 2018, p. 34). Another feature of a PTA is that a democratic country has a bigger incentive to engage with a

PTA than a non-democratic country (D. Mansfield & Milner, 2012, p. 24). Furthermore, during the second regionalism wave in the 1980s, it became clear that on the basis of GATT article XXIV, FTAs were preferred over Customs Union (Hamanaka, 2014, p. 94).

Often, an FTA and PTA are used intertwined, as all trade agreements focus on certain preferential trade access as discussed in the treaty. However, essentially the name regarding the type of the trade agreement can imply something different. Yet most scholars other than International Political Economy Scholars, use a PTA and an FTA intertwined.

Within the next section, the conceptualization of trade agreements is provided for, on the basis of this section's literature review.

### *2.1.2.1. Conceptualization Free Trade Agreements*

Free trade can achieve efficiency of production on the global level (Sen, 2012, p. 2). When the independence wave hit, a wave of liberalization came alongside it, which caused most developing countries to become part of the globalization movement (Sen, 2012, p. 13). With globalism on the rise, international trade agreements were sparked with the GATT in 1948, known as the World Trade Organization today. In other words, globalisation transformed international economic relationships (Saner & Yiu, 2006, p. 1), affecting social and political spheres as well. Economic diplomacy concerns economic policies and economic resources, often "in pursuit of a particular foreign policy objective" (Saner & Yiu, 2006, p. 13). Trade can be considered as such a policy objective (Milewicz et al., 2016, p. 4).

With the rise of GATT, trade liberalization of trade agreements became a common word (Maggi & Rodríguez-Clare, 2007, p. 1374). Johnson (1954) argued that when there are no trade agreements, a trade war could occur, causing inefficiency for all involved. Continuing with this argumentation, Grossman and Helpman (1995) argued that political pressures are part of governments, thus governments are politically inclined to engage in trade agreements (as cited in Maggi & Rodríguez-Clare, 2007, p. 1374). Furthermore, joining a trade agreement could have costs and benefits on an economic as well as political scale (D. Mansfield & Milner, 2012, p. 23).

Generally, when a country wishes to become part of a trade agreement, the country is aware of possible costs and benefits on the economic as well as political scale (D. Mansfield & Milner, 2012, p. 23). Therefore, joining a Free Trade Agreement (FTA), more commonly known as a

Preferential Trade Agreements. A PTA<sup>1</sup> is considered a form of international cooperation, in the form of granting preferential trade access to each other within the agreement (D. Mansfield & Milner, 2012, p. 24). Within this thesis, even though minor details of a PTA and FTA can be considered different, a PTA encompasses an FTA as well. Thus, this thesis will use the names ‘FTAs’ and ‘PTAs’ intertwined for the sake of simplicity.

The reasoning for a country to sign an international trade agreement can diverge, in more recent years it has become more common to establish developed-developing countries trade agreements, while prior to that it was more common to focus on developed-developed countries trade agreements.

In conclusion, an FTA can include political topics as well, such as human rights, for this reason, the next section will focus on these politics of trade subjects.

## *2.2. Politics of Trade*

Today, nearly all countries in the world have obtained an international trade agreement with another country (Limão, 2006, p. 896), and the network is expanding. Adding to the economic benefits, on a basic level, a trade agreement is designed as a means to “internalize externalities that cross state borders,” such as human rights (Hafner-Burton, 2005, p. 605). Adding provisions on human rights within the treaty to establish a PTA, will improve the human rights of the members of the PTA, which is done in this way via coercion (Hafner-Burton, 2005, p. 593). Therefore, PTAs no longer solely exists for economic purposes, but for other purposes as well.

Several scholars focus on the implications trade might have on politics. Rodrik (2000) views trade reform as an institutional reform (Rodrik, 2000, p. 2), whereas Schirm (2020) finds that domestic forces amplify the international influences and therefore the chosen trade policies (Schirm, 2020, p. 40). Milner (1999) finds that political institutions explain trade policy (Milner, 1999, p. 101), and Maggi & Rodriguez-Clair (2007) find that trade agreements are signed with the underlying thought of governments to enhance their domestic lobbies (Maggi & Rodríguez-Clare, 2007, p. 1374). What is further found in the scholarly literature is that information on security may matter when agreeing to trade agreements, as the information on security could change the argumentation for trade liberalization (Digiuseppe & Kleinberg, 2019, p. 289).

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<sup>1</sup> Even though the details of a PTA and FTA are considered to be different. A PTA encompasses an FTA as well. For this reason, this thesis will use FTA and PTAs intertwined for the sake of simplicity.

Within a government, suboptimal trade policies are implemented frequently, because politicians make the trade policies, and do often not focus on the maximization of economic efficiency (Gawande & Krishna, 2003, p. 213). A study conducted by the United Nations Conference on Trade and Development on the voting pattern within the United Nations General Assembly finds that there are “clear political spillovers from trade cooperation” (Sokolova & DiCaprio, 2018, p. 3). This thesis endorses that trade is used for political aspects.

A practical example of politics influencing trade is amplified by the actions of the former President of the USA. Trump no longer desired multilateral trade agreements because his government perceived that bilateral trade agreements were better, due to this reason his administration focussed only on signing a bilateral trade agreement. Which occurred between the years 2016 up until 2020. This is most likely one of the reasons why Trump decided to exit the Transatlantic Trade and Investment Partnership, as this trade agreement focussed on continental trade, encompassing a large PTA. This example underlines that politics influence trade.

Non-trade issues (NTIs) are present and widely varied within a PTA, focussing on non-trade policy objectives, such as economic and social rights, political and civil rights as well as environmental protection (Milewicz et al., 2016, p. 4). NAFTA was signed in 1992 by the USA, Canada and Mexico and was one of the first agreements to include NTIs. The EU soon followed and decided in 1995 that all their agreements would include NTI clauses (Lechner, 2016, p. 841). Commonly, NTIs exists for power leverage as well as political institutions concerns. Lechner (2016) found that in general, the EU focuses on political clauses and physical integrity, whereas the USA focuses on the promotion of rule of law and democracy promotion (p. 845). General NTIs are considered to be human rights, labour standards, corruption, democracy and the environment (Milewicz et al., 2016, p. 1).

As this section preceded into organizing politics of trade issues within common literature, the next section focuses on how ‘politics of trade’ topics will be defined within this thesis.

### *2.2.1. Conceptualization Politics of Trade*

Globalization has caused that today almost all countries in the world have a bilateral or multilateral trade agreement with another or many other countries (Limão, 2006, p. 896). This web of trade agreements continues to expand, as new trade agreements keep being discussed and implemented. Within these paragraphs, at first, NTIs are discussed, after which politicization is analysed which is followed by power.

Trade has not solely been about tariffs since the 1980s, therefore it can be stated that trade no longer exclusively exists to accomplish economic purposes, but perhaps accomplish political and military purposes as well. Part of such issues is Non-Trade Issues (NTIs). NTIs are widely present and vary within a PTA, furthermore, an NTI could encompass economic, social, political and civil rights, it could imply environmental protection rights (Milewicz et al., 2016, p. 4). For example, human rights have been a major part of NTIs, as this will improve the human rights of the signatory countries of a PTA (Hafner-Burton, 2005, p. 593). The first time that NTIs were included within a trade agreement, was when NAFTA was signed in 1992. NAFTA was soon followed by the EU, the EU declared that from 1995 onwards, all trade agreements should include NTI clauses (Lechner, 2016, p. 841).

Commonly, NTIs exist for power leverage as well as political institutions concerns, Lechner (2016) found that in general, the EU focuses on political clauses and physical integrity, whereas the USA focuses on the promotion of rule of law and democracy promotion (p. 845). General NTIs are considered to be; human rights, labour standards, corruption, democracy and the environment (Milewicz et al., 2016, p. 1).

Besides NTIs, the politicization of trade agreements occurs as well, which requires an actor to move a certain issue or right into the “political realm” (Young, 2019, p. 1885). Therefore, the standard definition of politicization is to make something political, or more involved in political matters (“Politicizing,” 2021). In other words, politicization implies incorporating a topic that previously was not labelled as political, and be put under the political framework (Zürn, 2014, p. 50). According to Zürn (2014), the next step is to characterize the political sphere, of which the core is public communication about decisions that might concern the common good (p. 51). Thus, politicization occurs when political decisions and topics are moved into the public light, such as the media. Furthermore, politicization occurs when a subject that was handled in the private sphere are suddenly handled in the public sphere, as well as from the public into the governmental sphere (Zürn, 2014, p. 51).

The politicization of trade agreements differs, for example, the Comprehensive Economic and Trade Agreement of the EU with Canada received quite some politicization, especially regarding media attention as farmers were protesting, whereas others did not (Bièvre & Poletti, 2020, p. 244). Furthermore, politicization could imply the “increase in polarization of opinions, interests or values and the extent to which they are publicly advanced towards the process of formulation” (de Wilde, 2011, p. 560), in other words: lobbying. According to McKibben and Taylor (2014), politicization occurs when political elites choose to put something on the negotiation agenda of a trade agreement, as a strategic choice. Therefore, most policies are

more complex, as it is easier to add a certain policy beneficial to the politician themselves, as a more complex trade agreement hides its “actual consequence” (McKibben & Taylor, 2014, p. 8). For example, high on the EU agenda were issues such as labour and environment, thus, in the EU-Chile agreement of 2002, chapters were included on labour and the environment, in other words, the trade agreement was politicized.

#### *2.2.1.1. Power*

The EU has become an economic power through trade, at the core of the EU power is trade localized, as the EU incorporates trade to achieve political and economic goals, thus the EU uses trade to influence politics. Continuing on the premise that the USA continues to constitute the hegemonic power in the Latin American hemisphere, the USA perceives trade as a way to continue its influence. China is a newer actor on the global scale, on the premise of using its soft power and diplomatic tools, trade is an increasingly way for China to insert itself on the global scale, including trade deals with the Latin American continent in order to expand its BRI project. For example, there are qualms that China under its Belt and Road Initiative is operating on a similar front, engaging Latin American Countries into debt-trap diplomacy – implying that the geostrategic and economic interest of China is maximized when investing in another country – as occurred in Venezuela in 2014 (Brautigam, 2020, p. 8).

As globalization has led to a world more intertwined, via international trade agreements, the definition of power has shifted within this realm as well. The theory of neo-colonialism has to be explained in this regard, colonialism is followed by the theory of neo-colonialism, developed by Kwame Nkrumah in the 1960s (Nkrumah, 1965), the then Ghana President initiated this term on the basis that his country has found independence, yet as the economy was totally reliant on the British colonialism, there was no independent economy (Suárez Torres, 2017, p. 189). Essentially neo-colonialism entails that the State is indirectly controlled politically and economically by another State (Durokifa & Ijeoma, 2018, p. 356; Suárez Torres, 2017, p. 189). The main international relations theory behind the so-called ‘socially construct’ is constructivism, defining that people act towards objects, such as actors or policies, in other words, it is a ‘cause-and-effect relationship’ (Hurd, 2008, p. 3). As generally power is a “relational concept” (D. A. Baldwin, 2016, p. 50). Power in a constructivist manner is seen to be established on the basis of the premise of clarity, logical and coherent argument, familiarity with literature as well as originality (R. Baldwin, 2016, pp. 145–147). Constructivism in itself is seen, to encompass; “1) social construction of social reality; (2) social construction of



knowledge; and (3) the interaction between the first two” (R. Baldwin, 2016, p. 140). Attached to the definition of power in constructive terms, are four pillars according to Baldwin (2016): clarity, a coherent and logical argument, familiarity with relevant scholarly literature and originality (p. 145, 146).

On the basis of the definition of NTIs, politicization and power, the following section focuses on defining political aspects, which is central for the analysis part within this thesis.

### *2.2.2. Political Aspects*

Generally, political aspects are a contested subject. It can incorporate several other definitions, such as NTIs, politicization and power. Besides these three key terms, another definition is still missing from the political aspects' pallet. This section focuses on that last definition and will provide the assumed hypothesis as derived within this thesis.

There are three main schools of thoughts on the concept of political influence. The first focuses on Max Weber's influence, treating power as synonymous. The second school focuses on the influence country A has on country B, in line with the definition Baldwin (2016, p. 51) gives to power. The third school indicates that political influence is a 'force' transforming power when country A modifies the behaviour of Actor B (Moyer, Sweijs, Burrows, & Van Manen, 2018, p. 6). Underlining this school of thought is to be seen in the difference of the usage in trade policies by developed and developing countries. For developing countries, liberalization and opening up the economy is mentioned to be part of free trade, whereas developed countries focus on strategies of the New Trade Theory. In general, the former focuses on intergovernmental trade deals, whereas developed countries steer the World Trade Organization via multilateral agreements (Sen, 2012, p. 16).

Several scholars focus on the implications trade might have on politics. Rodrik (2000) views trade reform as an institutional reform (Rodrik, 2000, p. 2), whereas Schirm (2020) finds that domestic forces amplify the international influences and therefore the chosen trade policies (Schirm, 2020, p. 40). Milner (1999) finds that political institutions explain trade policy (Milner, 1999, p. 101), and Maggi & Rodriguez-Clair (2007) find that trade agreements are signed with the underlying thought of governments to enhance their domestic lobbies (Maggi & Rodríguez-Clare, 2007, p. 1374). What is further found in the scholarly literature is that information on security may matter when agreeing to trade agreements, as the information on security could change the argumentation for trade liberalization (Digiuseppe & Kleinberg, 2019, p. 289). Alongside this finding, is the fact that often suboptimal trade policies are

implemented within a government, because politicians make the trade policies, and do often not focus on the maximization of economic efficiency (Gawande & Krishna, 2003, p. 213). A study conducted by the United Nations Conference on Trade and Development on the voting pattern within the United Nations General Assembly finds that there are “clear political spillovers from trade cooperation” (Sokolova & DiCaprio, 2018, p. 3), this article endorses that trade is used for political influence and builds further from that premise, on the basis that political aspects are defined as NTIs, power, politicization and political influence.

Based on the conceptual framework and the asked research question, three hypotheses are derived for this thesis, see *Figure (2)*.

*Figure 2: Hypotheses*

<i>Hypothesis 1</i>	The European Union has the greatest degree of political aspects in Latin American countries.
<i>Hypothesis 2</i>	The People’s Republic of China has the lowest degree of political aspects in Latin American countries.
<i>Hypothesis 3</i>	The United States of America has an intermediate degree of political aspects in Latin American countries.

Alongside the research question, these derived hypotheses will be central within this thesis. Aiming to accept or reject either of these hypotheses. Within the next chapter, the research design regarding how the research question and hypotheses will be answered is provided.

## Chapter 3: Research Design

Within this chapter, the methodology will first be discussed, including the variables. Continuing, the operationalization is outlined and discussed. After which the cases are justified and explained. The final part of the research design focuses on the data collection.

### *3.1. Methodology*

Within this thesis, the method of content analysis is applied. The content analysis focuses on analysing documents and texts, seeking a way to “quantify content” systemically and in a replicable manner (Bryman, 2012, p. 290). In other words, content analysis focuses on analysing “words and concepts expressed in texts” (Schwartz & Ungar, 2015, p. 78).

The first part of the analysis applies the automated content analysis. As analysing text by hand can be time-consuming, there are data-driven techniques for analysing data reducing the time-cost effectiveness of analysing data (Schwartz & Ungar, 2015, p. 79). In particular, the automated content analysis is able to analyse a large amount of text and reduces the time of analysing in doing so. Nonetheless, to analyse the complexity of language, a data-driven technique can never fully replace a careful reader, however, the automated content analysis method will amplify and augment “careful reading and thoughtful analysis” (Grimmer & Stewart, 2013, p. 268).

Within the automated content analysis, there are two broad goals: classification and scaling. The first entails categorizing the text into categories, the dictionary method falls under this goal of the automated content analysis. A dictionary method uses “the frequency of keywords to determine a document’s class” (Grimmer & Stewart, 2013, p. 268). Essentially the dictionary method works on the basis of a list of words, then the computational programme is able to read those words in, and via reading all the documents, which were inserted within the programme, the programme can tell you how often such a word occurred. This dictionary requires several key terms<sup>2</sup>, under which it is able to post other keywords. On the basis of these key terms the computational programme will provide an output. This type of dictionary is a data-driven open-vocabulary content analysis technique, open-vocabulary as the programme reads the posted texts on the basis of the keywords and terms which were given to the programme (Schwartz & Ungar, 2015, p. 80). Thus, my thesis applies the automated content analysis via the dictionary method. The dictionary is created within this thesis, on the basis of the literature review and

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<sup>2</sup> Within this thesis whenever there is referred to ‘key terms’, for the sake of simplicity this means: ‘key terms of political aspects: politicization, non-trade issues, political influence and power’.

the conceptual framework, as posted in *Chapter 2*. In the final section of this chapter, an overview of this dictionary is given. Naturally, this dictionary is designed for specific application to analyse the political aspects.

The second part of the content analysis focuses on elaborating on the findings, relating this to further analysis. Including, the agreements, as well as implications regarding the treaties, relating to the concept of neo-colonialism.

Therefore, this thesis applies a mixed-method approach, as it “integrates quantitative and qualitative research” (Bryman, 2012, p. 628). Within this thesis, both these types of research are used regarding the content analysis, as this will inform the research with more completeness, as combining both types is providing for a more comprehensive account (Bryman, 2012, p. 633). Furthermore, this mixed approach utilizes the research, as it applies both quantitative and qualitative analysis (Tashakkori & Creswell, 2007, p. 4). Language is the “medium for politics”, consequently, the method of content analysis is applicable within this thesis (Grimmer & Stewart, 2013, p. 267) As the data researched upon within this content analysis are treaties, which is clarified in *Section 3.4*. Continuing, within the content analysis, it is common to illustrate the word count (Bryman, 2012, p. 295). On the basis of the dictionary encompassing political aspects, its key terms as non-trade issues, politicization, political influence and power, this word count per key term and political aspect are provided for within the analysis.

Moving on to the variables. The main dependent variable in my thesis is the ‘degree of political aspects of international trade agreements’. Within my thesis, international trade agreements are defined as Free Trade Agreements, as almost all States have an FTA with another State (Limão, 2006, p. 869), FTAs are on the rise since the origin of the General Agreement on Tariffs and Trade in 1948 (Sun & Reed, 2010, p. 1351). Essentially an FTA is a treaty defining preferential access to a certain State over other participants (E. D. Mansfield & Solingen, 2010, p. 147). Furthermore, within my research, the main independent variable is the ‘region’. Whereas the unit of analysis is ‘international trade agreements as grouped by actors’, the actors being the EU, China, USA and Latin American countries. At last, the unit of observation is ‘international trade agreements.’

Thus, within this thesis, the computational programme of R studio is used in order to conduct the automated content analysis, incorporating the primary data as well as applying the dictionary method. After which further content analysis focuses on describing the involvement of the treaties. In the next section, this thesis will continue with the justification of the cases.

### *3.2. Operationalization*

Within this section, the operationalization regarding political aspects is focussed on, continued by the data, and finalized with the statistical analysis.

The analysis demands the creation of an original dictionary with tokens relating to the ‘political aspects of international trade agreements’, as characterized in the literature review and conceptual framework. This dictionary is outlined in *Appendix 2* and implemented within the computational programme of R Studio. As this dictionary is made by the author, the dictionary is original and coded by hand in R studio. Furthermore, this dictionary is developed for the specific application to investigate ‘political aspects’ within international trade agreements, therefore, the dictionary methods is a sufficient method (Grimmer & Stewart, 2013, p. 274). This dictionary method works on the basis of keywords, under which you can post more key terms. The keywords used for the dictionary regarding political aspects are politicization, political influence, power and non-trade issues. For reference purposes, the keyword of trade is posted as well within the dictionary, please see *Appendix 2* for detailed information. Within this appendix, besides the key term itself, the conjugation of several terms is attributed in the dictionary as well, as treaties might have that specific word in it, and R solely reads the precise words which are posted within the dictionary. Therefore, the key terms and several conjugations are added to the dictionary. Thus, the dictionary analysis is a hybrid as it is a combination of qualitative content analysis and fully automated methods, as the dictionary approach analyses text as data (Benoit, 2020, p. 10).

The primary data collection, see *Section 3.4.*, illustrates that the sample size is 15 international trade agreements. As this sample size is too small to compute statistical analysis, descriptive statistics will be provided instead. Since the dictionary is created within this thesis and therefore is original, descriptive statistics will suffice for the validity and reliability of this thesis. Relative frequencies will be included in the descriptive statistics, see *Figure (3)*, in order to illustrate the political aspect respectively towards the other treaties, as each treaty has a different word count.

*Figure 3: Relative Frequencies*

$$\text{Relative Frequencies} = \frac{\text{number of words which were detected and belong to the dictionary}}{\text{word count of full text}}$$

Now that the dictionary is known, the rest of this section focuses on the step-by-step approach within the analysis, including validity and reliability features.

The analysis starts with computing *Table* (1) into an excel file, including another sub-heading called ‘text’, and exporting this into a .csv file, so that R studio can read the file. Then the primary data, in other words, the text of the treaties of all 15 FTAs, are added within R<sup>3</sup>. Once this data is implemented within R, the dictionary is created and then the dictionary reads all the texts and provides an output of these. Then the author created a new variable to be able to encompass the word counts of each treaty, in order to be able to create the relative frequencies. Then these outputs are stored into a .csv file, after which a new .rmd file is created within R to compute the descriptive statistics.

With the descriptive statistics, at first summaries of all the dictionary keywords are provided for, which all fall under political aspects, and are: political influence, politicization, non-trade issues and power. For validity reasons, the word trade is posted within the dictionary as well, to be able to showcase further detailed information. After the summary overview, the mean and median are provided. Followed by political aspect, which in its turn is followed by trade. After which the Pearson’s R is added, to illustrate any other underlining issues within the descriptive statistics or potential correlations regarding each key term. This method examines ratio and interval variables, indicating a perfect relationship when the coefficient is 1, and no relationship when the coefficient is 0, in other words, “the closer the coefficient is to 1, the stronger the relationship” (Bryman, 2012, p. 341). Furthermore, the “direction” of the relationship can be positive or negative (Bryman, 2012, p. 342). Continuing, the content analysis focuses on the involvement of the treaties as indicated in the descriptive statistics.

The phenomenon of ‘different degree of political aspect in international trade agreements’ is studied upon within this thesis, as it has been assured that this phenomenon exists, however, research focusing on three different powers and differentiating their degree of political aspects is new. Due to these facts, my thesis will most likely only be able to show tentative answers. The reliability within my thesis relies on the content of the dictionary, how the dictionary is able to count for ‘political aspects. The internal validity will most likely be low, as the assessed hypotheses are based on the literature review, and are a first-timer to be tested within explanatory research. The external validity will most likely be low as well, as the generalization of this thesis will be difficult to other continents, as the thesis specifically focuses on the Latin American continent. However, as this thesis will fill a scholarly gap, tentative answers towards the research question and hypotheses will suffice.

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<sup>3</sup> For simplicity, the computational programme R studio will be referred to as R.

This chapter provided the methodology of the thesis, explained the variables, the operationalization as well as the step-to-step approach as will be conducted within the following chapter concerning the analysis.

### *3.3. Cases*

Within this thesis there are several cases as the international trade agreements of the EU, China and the USA are analysed with Latin American countries.

Latin American countries are defined as the Spanish and Portuguese speaking countries of the Latin American continent, otherwise known as Iberian America, see *Appendix 1* for details. Latin American countries are assessed as the case, as they are suitable because scholarly literature implies that trade is used for political influence in the Latin American continent as well (Suárez Torres, 2017, p. 187). An example of the importance of the case is understood in the MERCOSUR-EU trade deal, as explained in *Chapter 1*, which has not yet been ratified, until today, in order to assert political power over the Brazilian region in regard to the Amazon (Boadle, 2020).

One of Latin America's main trading power is the EU (Doctor, 2007, p. 282), the EU in itself is power through trade, establishing the political union the regional organization is today. Historically the USA pertains hegemony over the region (Weyland, 2018, p. 137), and most governments of Latin American countries wish to pursue trade deals with the USA, even though they know that conditions could be somewhat unbalanced (Hakim, 2006, p. 49). The Chinese interest in the Latin American continent has increased over recent years, as trade agreements have been made since the late 1900s, and China has become an important actor within the region in more recent years (Li, 2007, p. 833). As the cases are now explained, the following section focuses on the data.

### *3.4. Data*

The unit of observation in this study entails the 'international trade agreements', which indeed is the data. Therefore, the data collection within this thesis is primary data. In total there are 15 FTAs of China/EU/USA with Latin American Countries (OAS, 2021), see *Table (1)* below. The data consists out of international trade agreements, otherwise known as international trade

treaties<sup>4</sup>. Several of these treaties consist of approximately 1300 pages per international trade agreement, such as the treaty of the European Union with Chile of 2002 (EU–Chile, 2002).

Within this thesis, for the sake of simplicity, when referring to the international treaties within the computational programme of R studio, usage of the, internationally recognized, Country or ISO codes is made (Nations Online, 2021), see *Appendix 3* for details. On top of that, the regional cooperation of Central America is abbreviated with CA. Whereas the Southern Common Market is abbreviated as Mercosur, and lastly, the Andean Community is abbreviated as CAN.

*Table 1: Primary Data Overview*

<b>Nr.</b>	<b>Official name</b>	<b>Coded name in R Studio</b>	<b>Entry into force</b>	<b>Signing year</b>
1	FTA Mexico and the European Union	EU_MEX	2020	2018
2	European Union – Mercosur FTA	EU_MERCOSUR	NA	2019
3	EU – Andean Community FTA	EU_CAN	2013	2013
4	EU – Chile Association Agreement	EU_CHL	2003	2002
5	European Union Central American Association Agreement (EU-CAAA)	EU_CA	2013	2012
6	China-Peru FTA	CHN_PER	2010	2009
7	China-Costa Rica FTA	CHN_CRI	2011	2010
8	China-Chile FTA	CHN_CHL	2006	2005
9	US-Uruguay Trade and Investment Framework Agreement (TIFA)	USA_UY	2008	2007
10	United States-Chile FTA	USA_CHL	2004	2003
11	United States-Mexico-Canada Agreement (UMSCA)	USA_MEX	2020	2019
12	United States-Peru FTA (PTPA)	USA_PER	2009	2007
13	United States-Colombia Trade Promotion Agreement (CTPA)	USA_COL	2013	2012
14	United States-Panama Trade Promotion Agreement	USA_PAN	2012	2007
15	Dominican Republic-Central America FTA (CAFTA-DR)	USA_CA	2006	2004

There are three treaties of China with Latin American countries, whereas there are five treaties with the EU and seven treaties with the USA, as assessed within this thesis.

The EU-Mercosur remains ‘under negotiation’, hence there is no data of entry into force, yet, and thus the entry into force is coded as *NA*. However, this FTA is considered for analysis as well, as the negotiation has finished, however, due to incompletion of either party with the specific requirements of the legal text within the FTA, this FTA remains under negotiation. As the agreement has been signed in 2019, this agreement is eligible for the analysis.

This data will help to answer the research question, as it encompasses all the cases, the EU, the USA and China. Furthermore, because that these FTAs all are written in English and can

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<sup>4</sup> Within this thesis ‘treaties’ and ‘trade agreements’ are used intertwined for the sake of simplicity.



be freely accessible in order to obtain the legal text, these FTAs are suitable for the analysis of this thesis. Please note that for all the treaties, added updates which were added later, are not taken into account, due to the fact that this will no longer correspond to the year of signing anymore, as well as the fact that not all FTAs have an update, which could result in skewed outputs.

For these reasons, the author has chosen to proceed with the fully signed FTA in accord to the signing year and entry into force year. Solely for the EU-Andean Community, Ecuador is added as part of the 2013 signing, whereas this agreement was signed in 2017, Ecuador was added later to the trade agreement. Yet, as Ecuador is part of the Andean Community, the author had decided that this treaty is implemented as well in order to provide a full image of the Andean Community. The following section provides more details regarding the data.

### *3.4.1. Sources*

This sub-section focuses on explaining where the treaties are posted, starting with China, continuing with the EU and finally the USA.

China has three treaties, a treaty with Peru, Costa Rica and Chile. Publishing their agreements on the official Chinese website, presented by the Ministry of Commerce of China. This website contains an overview of all signed FTAs, including full texts of these FTAs, as well as further updates regarding FTAs. The Chinese treaty with Peru was signed on the 28<sup>th</sup> of April in 2009 and entered into force in the year 2010. In total, there are thirty-three files to be downloaded from this website regarding the China Peru trade deal (Ministry of Commerce, 2021c). The Chinese trade agreement with Costa Rica was signed in 2010 and entered into force in 2011 (Ministry of Commerce, 2021b). The agreement consists out of thirty-four different files. China's trade agreement with Chile was signed in November 2005 and implemented in October 2006 (Ministry of Commerce, 2021a).

The European Union international trade agreements with Mercosur remains under negotiation. Yet, as the agreement has been signed, the agreement in principle is accessible via the European Commission general website and contains twenty-nine files (European Commission, 2019). The EU its trade agreement with Mexico was signed in 2018 and entered into force in 2020, this trade agreement consists out of forty-five files, and was extracted from the official European Commission website (European Commission, 2020). On the 29<sup>th</sup> of June of 2012, the EU signed a trade agreement with Central America, including the countries of Honduras, Nicaragua, Guatemala, Costa Rica and Panama, the treaty is posted on the official

EU website (European Commission, 2012) and entered into force in 2013. The fourth trade agreement of the EU with Latin American countries is the comprehensive trade agreement of the EU with the Andean Community: Colombia and Peru. This treaty was signed and entered into force in 2013. Subsidiary to that, being part of the Andean Community, Ecuador was added to the treaty in 2017, signing the same treaty as Peru and Colombia prior to Ecuador. The treaty is posted on the official EU website (European Commission, 2021a). The fifth trade agreement of the EU is with Chile, signed in 2002 and entered into force in February 2003. Due to the association agreement, in 2019, the EU comprised a total of 12% of all Chile's trade, and the treaty was published by the official EU website (European Commission, 2021b).

The USA comprises seven international trade agreements with Latin American countries, all treaties are published and openly accessible via the website of the executive office of the President of the USA, the website is hosted by the Office of the United States Trade Representative. The USA signed the United States-Chile FTA in 2003, the treaty entered into force on the 1<sup>st</sup> of January 2004. The treaty is posted on the official USA website of treaties (Office of the United States Trade Representative, 2021b). The trade agreement of the USA with Peru was signed in 2007, entered into force on the 1<sup>st</sup> of February 2009 (United States Trade Representative, 2021a). Continuing, the third FTA which will be analysed of the USA with a Latin American country, comprises the USA deal with Uruguay, signed in 2007 and entered into force in 2008. This treaty is found on the official USA website combined with the SICE website (SICE, 2021; United States Trade Representative, 2021b). Fourth, the USA treaty with Panama was signed in 2007 and entered into force in 2012 (Office of the United States Trade Representative, 2021c). Continuing, the agreement of Central America with the USA includes the countries of Honduras, Guatemala, Nicaragua, Costa Rica, El Salvador and the Dominican Republic (Office of the United States Trade Representative, 2021a). The final-to-last treaty is the treaty of the USA with Colombia, signed in 2012 and entering into force in 2013 (Office of the United States Trade Representative, 2021d). The final treaty of the USA is the most recent: the renewed treaty of the USA with Mexico and Canada. The United States-Mexico-Canada Agreement was signed in 2018 and entered into force in 2020, the text is available on the official USA website (Office of the United States Trade Representative, 2021e).

Thus, these fifteen FTAs are selected for data collection as they correspond to the assessed cases within this thesis, as this thesis investigates the international trade agreements of China, the USA and the EU with Latin American countries. Within the next chapter, the analysis is outlined.

## Chapter 4: Analysis

Within this chapter, the hypotheses and research question are analysed via the content analysis. At first, the content analysis is described. The following sub-chapter will focus on outlining the results of the descriptive statistics. The next section, will indicate the implications as found within the descriptive statistics and will analyse. At last, this chapter incorporates the discussion of this thesis.

### *4.1. Content Analysis*

Within this sub-chapter the focus lies on explaining the automated content analysis, as conducted in R, after which the further content analysis is explained, as used within this thesis, as well.

Within the automated content analysis, a step-by-step approach is conducted in order to illustrate the analysis as conducted with the help of the computational programme R studio. Prior to storing this primary data into R, a simple excel file including the assigned name of the treaty, with the country – or so-called ISO codes, as posted in *Appendix 3* – as well as the variables: year of signing the treaty, year of entry into force and the text of the treaty. This last variable is where the primary data – being the international trade agreements – will be stored, after which further analysis can be conducted.

After the primary data is stored, a document feature matrix needs to be made. As my primary data consists of several files per treaty but is stored under the same treaty name, the corpus is created on the basis of tokens. Now that the document-feature matrix is created, the dictionary can be implemented. The dictionary consists of five key terms: power, political influence, politicization, non-trade issues and trade, see *Appendix 2* for details. The next step for our data to be able to be analysed is to let the dictionary ‘read’ the text, and see how many words per dictionary key term is applicable. Furthermore, the word count is added. Now the data consists out of the read files, including the text files themselves. Due to the fact that the text files are very large, it is easier for R to conduct further analysis without the entire treaties posted within R, therefore a new data frame was created, and saved. Within the new `.rmd`<sup>5</sup> file, the analysis continued with the created data frame.

The next step uses the new file and data frame, as this data frame is saved as a `.csv` file, it is possible to add the relative frequencies. This is done, after which the `.csv` file is saved and

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<sup>5</sup> A `.rmd` file is a R Markdown file.

re-opened in R, in a new .rmd file. The data has to be manipulated, as several variables are read as 'integer' while they are characteristically or numerical values. From this point forwards, it is possible to start to conduct descriptive statistics. At first, the boxplot and its summaries are computed, which are respectively stored as an image and a .csv file. Second, when the dictionary of political aspects was entered into R, the programme outputted only the key terms, when computing the summaries and boxplot. For this reason, a new variable is created, the political aspect. With this variable, another boxplot is created. Continuing, more new variables are created in order for R to read when a treaty is a treaty from the USA, the EU or from China. In the next step, computations are made for all the means, and computed in a table and saved, a similar approach is conducted for the median as well. Regarding these, a for loop within R studio is used, for simplicity, instead of copying pasting, the for loop will do this for us.

As the data, including the variable political aspect, is saved within a data frame as a .csv file, several graphs and tables are able to be computed via excel. Therefore, within excel, at first, the political aspect frequency per treaty is made. Followed by the graph of the dictionary key terms frequencies per treaty, continued by the frequencies of trade and the political aspect, in order to put perspective upon the usage of certain items within each treaty. The next graph incorporates the frequencies of trade as well as the dictionary key terms. Then the word counts are posted in a graph, after which the key terms and trade in 'raw data' – in other words, not in relative frequencies – is computed.

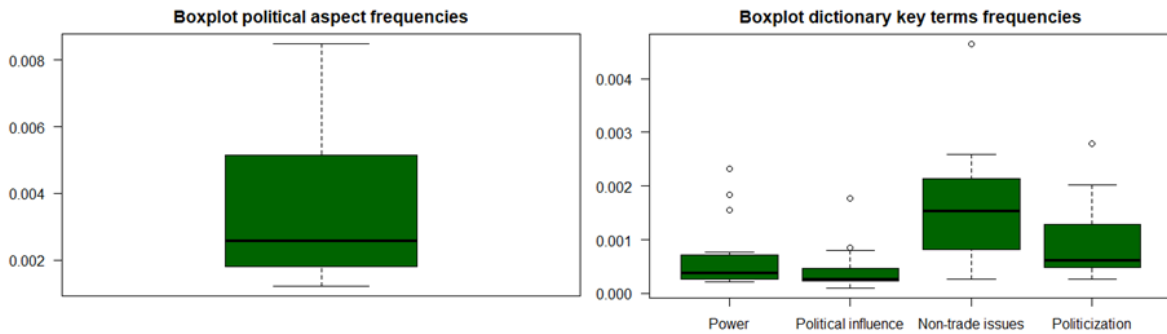
These steps are all part of the descriptive statistics, which are outlined in the next section. Building forward upon these descriptive statistics, the implications of these results as presented in the several graphs will be discussed upon in the context of the international trade agreements, as well as in the context of bilateral and multilateral treaties and their differences regarding the degree of the political aspect.

## *4.2. Descriptive Statistics*

On the basis of the research question and the hypotheses, this sub-chapter will focus on the results. Regarding the results, at first, the boxplot of political aspects and their key terms is given. The first sub-section focuses on political aspects representation within the treaties, and the second sub-section focuses on the key terms of political aspect as well as on trade within the treaties. In other words, this sub-chapter focuses on the results, describing the descriptive statistics, as coded and outputted via R studio. For an overview of the data as outputted by R studio, see *Appendix 4*.

In order to have a referencing point, at first the summaries of all the dictionary key terms and political aspect, as described in the previous section, will be posted. These summaries are presented in boxplots in *Figure (4)*. On the left of this graph, the summaries of the frequency of political aspect are provided, whereas on the right within this figure, the frequencies of the key terms of political aspect are provided.

*Figure 4: Boxplot of Political Aspect and its Key Terms*



The left boxplot in the figure illustrates that the political aspect<sup>6</sup> is skewed to the right, implying that all treaties have a certain minimum degree of political aspects, with several quite high outliers, as the maximum score, which is the top whisker, is quite high compared to the median (black line) and the minimum score (lowest whisker). In other words, the lowest 50% of all the treaties, corresponding to the minimum score and the lower quartile (which is the dark green below the black line), are nearer to each other than the upper quartile and the maximum score of political aspects.

Zooming in on the key terms of the political aspect, the boxplot on the right illustrates that non-trade issues are most occurring within political aspects, whereas political influence is the least occurring within political aspects, as this boxplot is the smallest. Starting with the boxplot on the left, power is slightly skewed to the right and has the most outliers of all key terms, as there are three outliers. The maximum of power is 0.0023, whereas the median of power is 0.0003, see *Appendix 5* for more details. Continuing, political influence is slightly skewed to the right as well, and has two outliers, one of them is just outside the maximum of 0.0017. The median of political influence is 0.0002. This boxplot is the smallest of all boxplots, implying that the key term political influence is, generally, used least when political aspects are present within a trade agreement. The third boxplot from the left, non-trade issues, is the largest boxplot as presented within political aspects. It seems that non-trade issues are almost a normal distribution, however, the median is marginally skewed to the left, and has one vast outlier.

<sup>6</sup> As outlined in the *Theory* section, the political aspect is defined with the key terms; power, political influence, politicization and non-trade issues.

The median of non-trade issues is 0.0015, corresponding to a maximum of 0.0046, both obtaining the highest median and maximum of the key terms as presented within political aspects. The fourth boxplot illustrates the summaries of politicization and is highly skewed to the right. This boxplot is the second biggest boxplot, with a maximum of 0.0028 and a median of 0.0006, comprising one outlier.

The boxplots in *Figure (4)* illustrate that the political aspect is skewed to the right, and its key terms comprise several outliers, in total six. The term non-trade issue is used the most when talking about political aspects within trade agreements, whereas political influence is used the least. Within the next section, more information regarding the political aspects will be presented, after which the key terms of political aspects and trade are addressed.

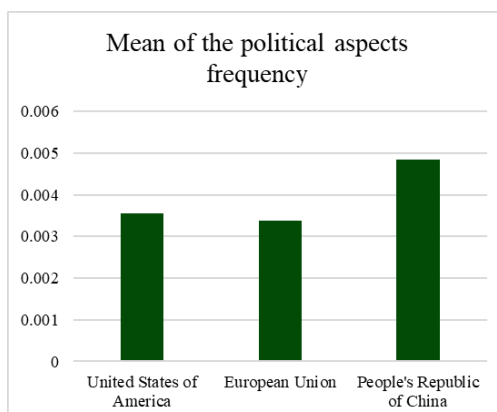
#### *4.2.1. Political Aspects*

Within this section, at first the mean and the median of political aspect frequencies are provided for, followed by the results of political aspects per treaty, after which the next section presumes.

Building further with the summaries, an overview of the mean per case, the EU, China and the USA is illustrated within *Graph (1)* below. This graph encompasses all the cases as suggested within the asked research question, providing the mean, otherwise known as the average of a set of numbers. Starting from left to right, the graph illustrates that the USA comprises a mean of political aspects within their treaties with Latin American countries, to be 0.0036. See *Appendix 6*, for more details about the means.

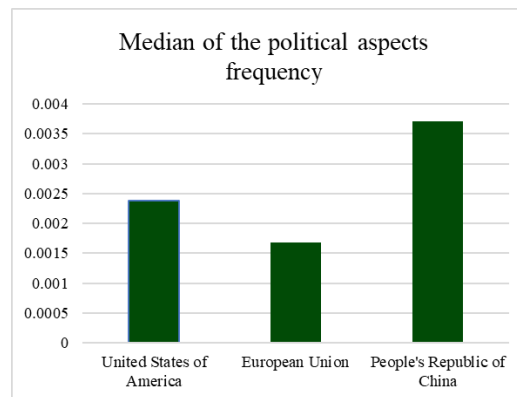
Note that the values are quite low, this is the result of the frequencies, as all the word counts of the key terms relating to the political aspect, is divided by the entire word count of the international trade agreement text as presented in their treaty. Even though this number is quite low, seeing in comparison with the other presented values, the results are in line. Following these results, several findings and statements could potentially be made.

*Graph 1: Mean Political Aspect*



This graph illustrates that the EU has the lowest mean, with a 0.0034 mean of political aspects. The histogram shows that the most left bar has a mean of 0.0049, therefore, China has the highest mean of political aspects compared to the EU and the USA. However, as the mean incorporates the outliers as well, it could be that these results remain skewed and are not presenting the data fully. For this reason, the following graph will encompass the median of political aspects, in other to avoid this potential issue. For this reason, *Graph (2)*, illustrates the median of political aspects in a graph, see *Appendix 7* for more details.

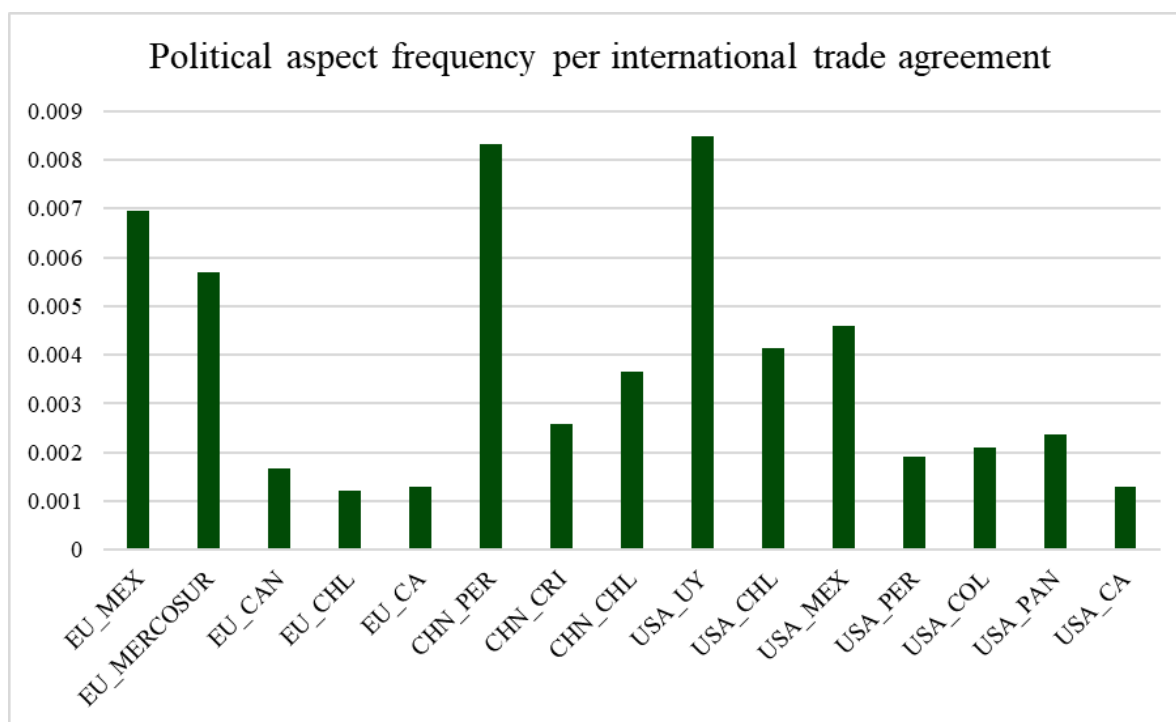
*Graph 2: Median Political Aspect*



Here, on the left side, the USA is located, with a median of 0.0024 regarding political aspects within their treaties with Latin American countries. Continuing the median of the EU is 0.0017, which is the lowest mean regarding the USA and China when having political aspects within their treaties with Latin American countries. China has the highest political aspects within its median, encompassing a number of 0.0037, precisely 2.2% greater political aspects than the EU within their treaties. Thus, for both the mean and the median, China has the highest political aspects in their treaties, followed by the USA, whereas the EU has the lowest political aspects in their treaties regarding the USA and China. The main difference between the median and the mean is that the median is slightly lower than the mean, however, respectively the findings remain similar.

Equally important, it would be interesting to elaborate on the findings as presented above. As, both the first and the second graph illustrate that there is a difference between the degree of political aspect within the treaties, continuing with this in mind, it would be interesting to see how the degree of political aspect is found per treaty. Within *Graph (3)* on the next page, the political aspects per international trade agreement are posited in a histogram, in order to be able to provide a broader insight into the differences of degree of political aspects between each international trade agreement.

Graph 3: Political Aspect per International Trade Agreement



This graph illustrates that there is per case, one outlier regarding the degree of political aspects. The highest degree of political aspects of the EU is within their trade agreement with Mexico, which is 0.0069, this is the outlier, which is followed by the EU agreement with Mercosur, with a political aspect of 0.0057. Then the EU agreements with the Andean Community, Chile and Central America, obviously have a lower degree of political aspects within their treaties, respectively; 0.0017, 0.0012, 0.0013 political aspects. See *Appendix 8* for more details. The outlier within the Chinese trade agreements is their agreement with Peru, encompassing a political aspect of 0.0083. This is followed by a drop in degree, with Chile's political aspect being 0.0037, and concluded by Costa Rica, with the lowest political aspect of 0.0026 of the Chinese treaties. The outlier within the USA treaties is their treaty with Uruguay 0.0085. The political aspect of this treaty is followed with a considerable drop in degree, with the USA treaty with Mexico, comprising 0.0046 degrees of political aspects. The third highest treaty of the USA is their treaty with Chile 0.0041, another drop follows the Chilean treaty. The order is as followed; Panama, then Colombia, followed by Peru and the lowest the Central American treaty, corresponding respectively to: 0.0024, 0.0021, 0.0019 and finally 0.0013.

Thus, *Graph (3)* illustrated that there are amongst the treaties per country some differences regarding their degree of political aspects. As political aspects are conceptualized as key terms, the following section will focus on elaborating on these key terms, as well as incorporating trade, to provide for a more robust result.

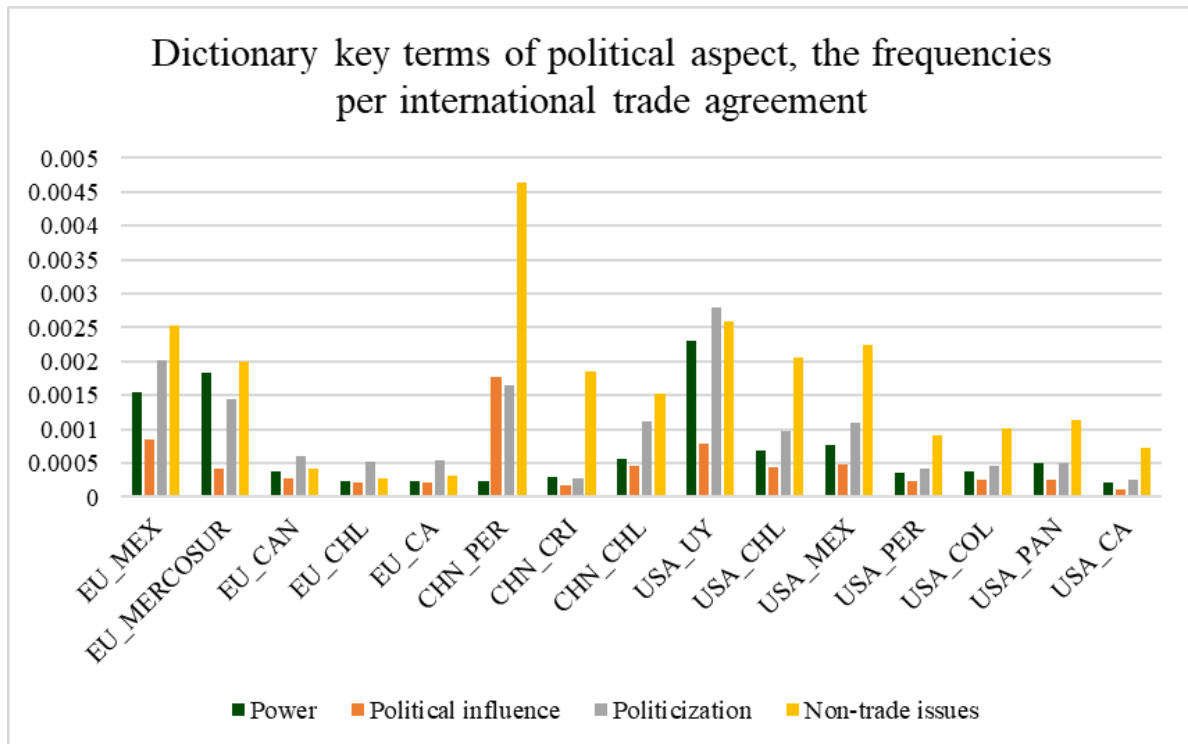


### 4.2.2. Key Terms and Trade

As *Graph (3)* represented in the last section, even the lowest degree of the political aspect of Chinese treaties is still higher than the last four of USA treaties and the last three of EU treaties. In lieu of these results, as well as the results illustrated in the boxplots of *Figure (4)*, a slight deviation between the key terms' representation within the trade agreements exists. For this reason, within this section, the results focus on the key terms of political aspects as well as illustrating the trade and political aspects, as well as trade versus the key terms of political aspects.

Building further upon the aforementioned findings, the following graph will interpret the key terms of the political aspect, illustrating the key terms per treaty. *Graph (4)* below illustrates these key terms per treaty.

*Graph 4: Key Terms of Political Aspect*

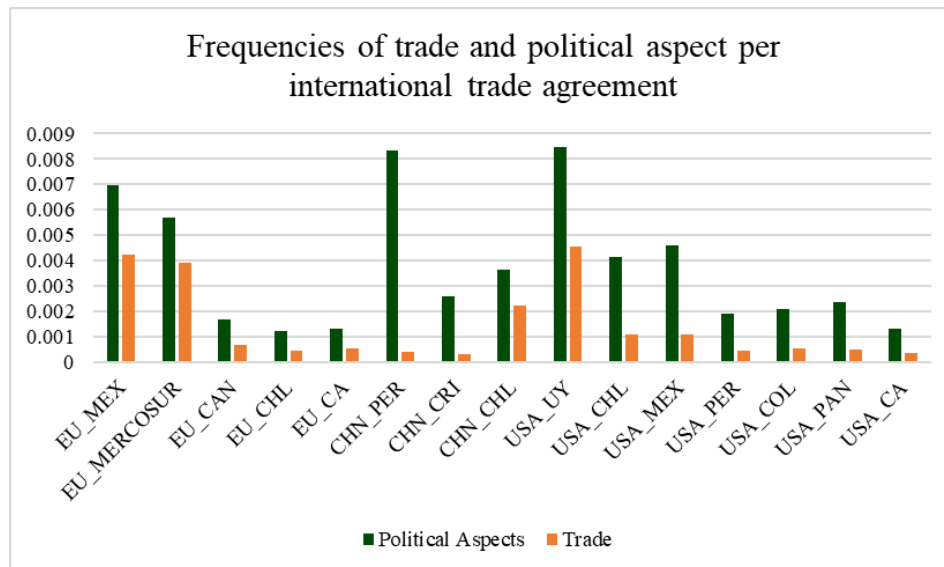


This graph is in line with the presented boxplots; indeed, non-trade issues is the highest political aspect key term within each treaty, except for the treaties of the EU with CAN, Chile and CA. The one that stands out most is the non-trade issues of the Chinese trade agreement with Peru, this degree is 0.0046. The lowest amount of non-trade issues is 0.0003 within the EU agreement with Chile. The agreements of the USA incorporate non-trade issues most as well, except for the USA agreement with Uruguay, which only slightly, incorporates more terms regarding politicization than non-trade issues. Generally, terms relating to the non-trade issues are

primarily found within the trade agreements overall. To be able to posit these findings into more perspective, and for robust reasons, the following graph incorporates trade as well, this key term is not part of the researched political aspect, however, this term is useful to incorporate in order to reflect upon the presented findings.

The term trade, as is defined within the *Theory* chapter, and detailed within *Appendix 2*, the next two graphs are illustrated, in order to provide a more robust result. This result will be more robust, as it is useful to see how other terms are used within the international trade agreements as well, due to the nature of further explaining the descriptive statistics within this thesis. For this, reason, within *Graph (5)*, the frequencies of trade as well as of political aspects, is illustrated, in order to show the contrasts within these two.

*Graph 5: Trade and Political Aspect*

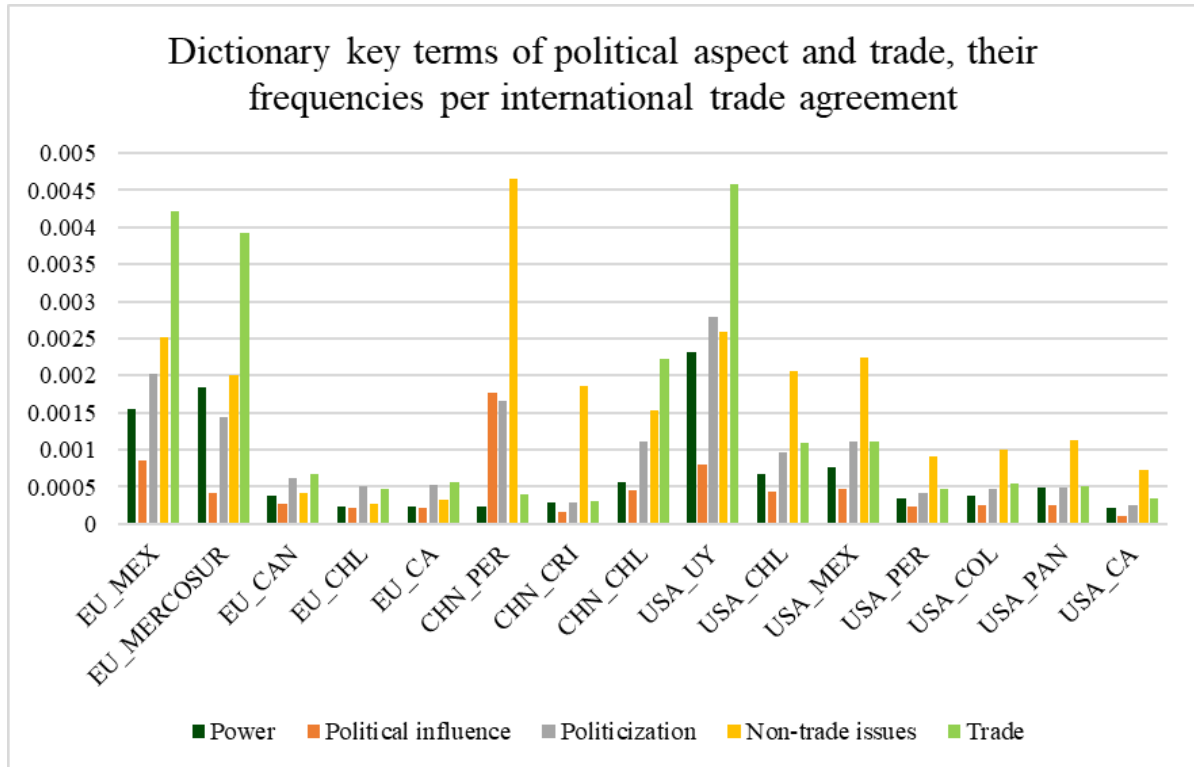


It is clear from this graph, that political aspects are mentioned more often within each trade agreement than the terms related to trade. Especially the Chinese trade agreements have proportionally a higher degree of political aspects than trade terms within their treaties. This outcome is in line with the aforementioned findings as well. The EU, on the other hand, incorporates several terms relating to trade, as illustrated regarding political aspects, as showcased in all the EU treaties, because the orange line (trade) is always somewhat lower than the dark green (political aspect) line, yet still, political aspect remains higher. Continuing, for China, these results are different, their degree of political aspects is way higher than trade within their treaties. From this graph, it is visible that the USA is in-between the EU and China, as their degree of political aspect and trade is highly different for some treaties, such as with Uruguay and Mexico, whereas others, is less different yet still different. The boxplot of trade in *Appendix 9*, illustrates that there are indeed three outliers, these are the USA-Uruguay,

China-Peru and EU-Mexico trade agreements, respectively with the highest versus lowest outlier, this boxplot tells us as well that trade is highly skewed to the right. In general, the main output from *Graph (5)* is that all these agreements tell us is that there is more talked about political aspects than trade, within each trade agreement.

In view of the aforementioned findings, *Graph (6)* illustrates the key terms of political aspect as well as the term trade. This graph will be able to posit even more detailed findings.

*Graph 6: Trade and Key Terms of Political Aspect*



This *Graph (6)* immediately tells us that the EU and the USA incorporate more terms regarding trade within their treaties than China does. In one case, the non-trade issues within the Chinese agreement with Peru are almost as high as the trade issues in the USA agreement with Uruguay. In the case of the EU agreements, almost all treaties obtain the most words relating to trade, than any other political aspect key term. In most of the treaties, the least used terms are terms relating to political influence, followed by power and politicization, then non-trade issues and finally trade. However, when the political aspects are combined, as illustrated in *Graph (5)*, political aspects is mentioned more often than trade, within each treaty of each case.

This section illustrated that the degree of political aspects might vary between each trade agreement, including which term of political aspect is most prominent within each trade agreement, however, political aspects is more prominent than trade in each of the international trade agreements. The next section will elaborate on what these results might be implicating.

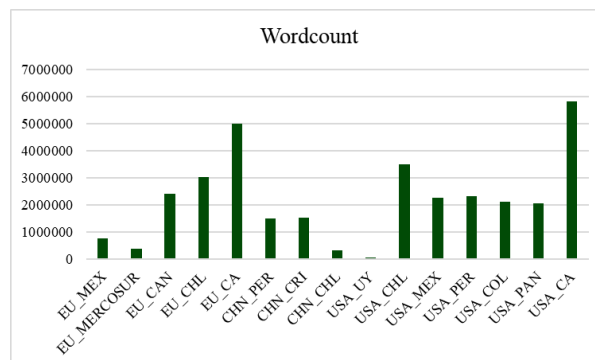
### 4.2.3. Pearson's R and Word count

Within this section, a Pearson's R test is applied in accord to the previous findings, and further analysis regarding the word count is done as well.

Continuing with the presented results in the previous section, a Pearson's R test is applied to the relative frequencies of the political aspect, its key terms, trade as well as the word count. This test is applied within this research as the test will provide insights into how and when a certain word is mentioned within the treaties if this is at all correlated to the mentioning of other words within the treaties. These results are posted in *Appendix 10*, illustrating when the coefficient is 1, the relationship is perfect, whereas when the coefficient is 0, there is no relationship. Therefore, when the coefficient is 0.5 or higher, there is a strong correlation, whereas when the coefficient is between 0.3 and 0.5, there is a moderate correlation, and when the coefficient is 0.3 or below then there is a marginal correlation. In accord with *Appendix 10*, most terms are highly correlated with each other. For example, when politicization within a treaty is mentioned the likelihood that power is mentioned within that treaty is 0.84. When non-trade issues are mentioned, the likelihood that power is mentioned is 0.368, which is moderately correlated. In this order we continue with the likelihood of mentioning, starting with the high correlation. Thus, values above 0.5 are highly correlated. Therefore, given the values of table, the following variables are highly correlated. Values -0.5 and below are highly inversely correlated. Politicization and political influence are highly correlated, non-trade issues and political influence are highly correlated, and so is non-trade issues with politicization, see the *Appendix* for more details.

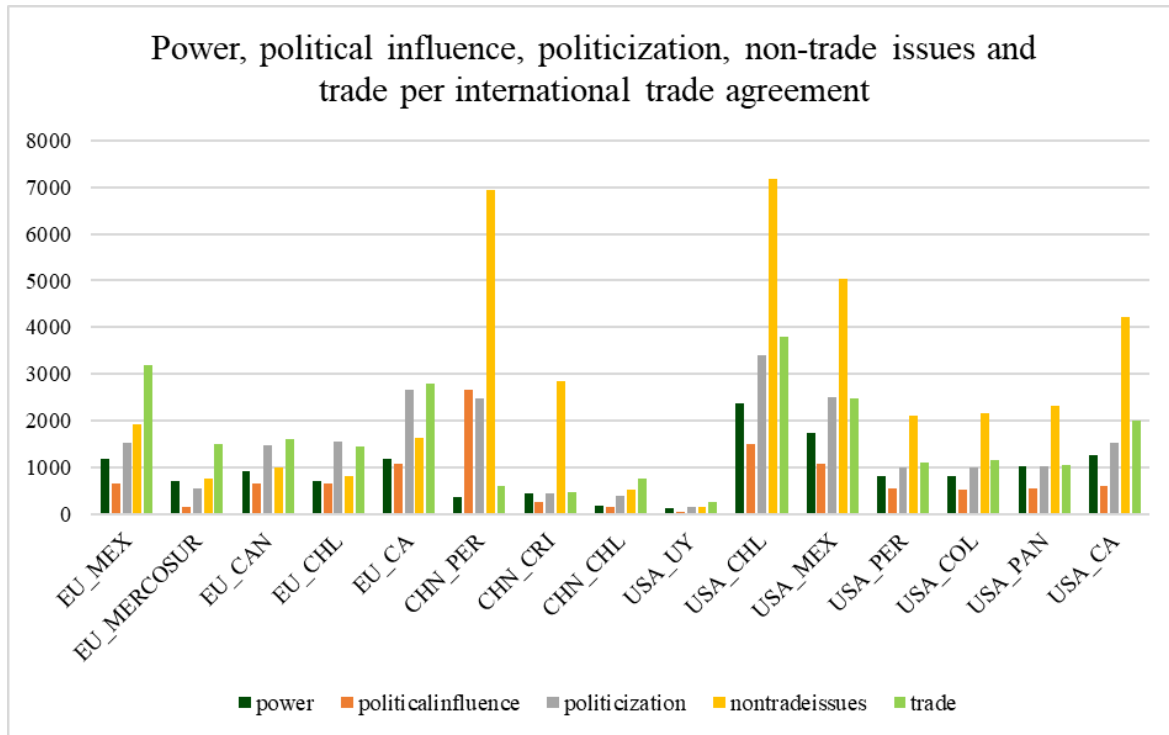
What is curious about Pearson's R findings is that the word count is negatively correlated moderately and highly with the key terms as well as with political aspects. Illustrating that whenever the word count increases, the likelihood that political aspect and its key terms, as well as trade is mentioned, decreases. This finding is odd and seems to be out of place, regarding these relative frequencies. For this reason, a further investigation regarding the word count within the treaties should be established. Therefore, *Graph (7)* focuses on illustrating the number of words per treaty.

Graph 7: Word Counts



This graph illustrates that there are quite some differences regarding the number of words used per treaty. It seems that both the treaty of the EU with Central America as well as the USA with Central America, have the highest number of words. Whereas, USA treaty with Uruguay has the lowest number of words. Continuing with the results, the next *Graph* (8) will illustrate the key terms as well as trade per treaty, without the relative frequencies.

*Graph 8: Key Terms and Trade in Numbers*



This graph immediately illustrates that proportionally speaking, most of the treaties have the same outputs as when their word counts were taken into account regarding computing the relative frequencies. There is one outlier, which is Uruguay-USA, within *Graph* (6), this finding is amongst the highest, whereas in *Graph* (8), this finding is the lowest. However, this treaty has the lowest amount of word counts within their treaty as well, in accord with *Graph* (7).

When viewing the Pearson’s R test of the key terms of the political aspect, political aspect and trade, see *Appendix 11* for details, it is evident that all terms are even stronger correlated than within the relative frequencies of Pearson’s R test. Furthermore, the correlation regarding the word count with the terms is positive and is even highly correlated regarding power and politicization. Implying, that whenever the word count increases, the amount of using words relating to power, goes up with 0.549, whereas when the word count increases, the likelihood that words are used relating to politicization is 0.573. The other findings are moderately correlated, solely word count and political influence are marginally correlated.

In this section, further analysis regarding the outputs of the relative frequencies as described, within the next section the focus shifts to implications of what these results might have, and what they could mean, including some details of several international trade agreements.

### *4.3. International Trade Agreement Involvement*

On the basis of the mixed method nature of this thesis, this section will elaborate qualitatively on the results as presented in the previous section. At first, several details about the trade agreements are provided, after which the section proceeds with implications regarding the results as presented in the previous section.

#### *4.3.1. Agreements*

This section focuses on some more details regarding several of the analysed treaties, starting with facts about the Chinese agreements, followed by the EU, then the USA and bilateral as well as multilateral trade agreements.

The Chinese-Peru treaty is the first time that China signed a comprehensive FTA with a Latin American country. Furthermore, according to a Chinese business centre, since 2012, Peru's biggest trader is China ("China's Free Trade Agreements," 2021). Continuing with the China-Costa Rica FTA, which was signed only three years after China and Costa Rica established a diplomatic relationship, in 2007, whereas the treaty was signed in 2010. Nonetheless, today, in accord with the Chinese government, Costa Rica is the 2<sup>nd</sup> largest trading partner of China of Central America today, and vice versa (Ministry of Commerce, 2021b). Remarkably, regarding the services of trade, China will open seven service sectors to Costa Rica, whereas Costa Rica will open forty-five sectors to China. The China-Chile agreement will reduce the duty costs to 0% over a ten-year period for 97% per cent of both their products. This ambitious FTA contains eleven different items, as grasped from the official governmental Chinese website, regarding this treaty (Ministry of Commerce, 2021a).

The EU-Mercosur agreement remains under negotiation to this day, yet, the agreement in principle was signed on the 28<sup>th</sup> of June 2019 and agreements were made on the basis of the written treaty text. However, the treaty is not in force yet, as the treaty has not been finalized due to lack of signatures, therefore the variable [year\_entryforce] is *NA* as coded in *Figure (2)*. Generally, this trade agreement is one of the most ambitious trade agreements the EU will have with another regional customs union in terms of scope and it took twenty-five years to negotiate

this agreement. The EU agreement with Chile comprised, due to the association agreement, in 2019, a total of 12% of all Chile's trade (European Commission, 2021b).

Continuing, some small facts regarding the USA treaties. At first, the USA-Chile FTA eliminates tariffs and reduces barriers. Second, the USA-Panama Trade Promotion Agreement, encompassing a comprehensive FTA, eliminating tariffs and barriers, posted by the official USA website (Office of the United States Trade Representative, 2021c). Furthermore, the agreement of Central America with the USA is named the Dominican Republic-Central America FTA, or CAFTA-DR, and is the first FTA of the USA with smaller developing countries, including the countries of Honduras, Guatemala, Nicaragua, Costa Rica, El Salvador and the Dominican Republic. Being the 18<sup>th</sup> largest USA trading partner, the treaty was signed in 2004 and entered into force in 2006, the official document is posted on the official USA website (Office of the United States Trade Representative, 2021a). At last, the treaty of the USA with Mexico and Canada, shortly called the UMSCA, replacing the North American Free Trade Agreement of 1994.

In line with *Graph* (6), there are several treaties with a high degree of political aspects, relating to a certain case – being: USA, EU or China – whereas within the same case, some of the treaties have a lower degree of political aspects within their treaty. Continuing with *Graph* (7), the most remarkable outcome of this graph is that, the treaties which are multilateral versus bilateral treaties, have a much higher number of words. A potential explanation for this result could be that a multilateral trade deal requires more structural language in order to establish a similar nature of the document, in order to understand the nature of the treaties. For this reason, the political aspect per trade deal is less representative of smaller countries within a multilateral deal – due to the fact that there is a higher word count and thus the relative frequencies are lower regarding political aspects – versus a bilateral deal where it is illustrated that often the word count is less than within the multilateral treaties: EU-Central America and USA-Central America.

As a further understanding of the treaties is established, the next section focuses on the implications of the treaties per case; EU, USA and China. As well as any other implications regarding the descriptive statistics.

### *4.3.2. Implications*

As mentioned at the beginning of this sub-section, the implications of the descriptive results, as presented in *Section 4.2.* are discussed. Building upon these findings, this section focuses

on explaining several results and indicating any implications regarding these results, regarding the median and mean as indicated in *Graph* (1) and (2), as well as *Graph* (6). The section proceeds with further associations regarding the results as well as neo-colonialism linkages.

Both the median and mean illustrated that the EU contains the lowest degree of political aspects within its treaties, followed by the USA, and China contains the highest degree of political aspects within their treaties. Even though China is a, somewhat, newcomer to the field of international trade agreements, as they have been a member of the WTO only since 2001, has resulted in a “trade titan” today (Nicita & Razo, 2021). China today is a ‘key player’ of the global economy, illustrated once more by the global pandemic of the coronavirus, especially regarding distributing facemasks. Due to the ‘late opening’ of China regarding the WTO and international trade, most of their trade agreements are signed, somewhat later than the USA and the EU. Nonetheless, some scholars suspect China of the so-called ‘debt-trap diplomacy’, which indicates that “China deliberately seeks to entrap countries in a web of debt to secure some kind of strategic advantage” (Brautigam, 2020, p. 2). Even to such an extent that, politicians in the USA labelled China as the “new imperial power” (Brautigam, 2020, p. 3). This concern was underpinned with the coming of the Belt and Road Initiative, initiated by China in 2013, outsourcing this project as a “global infrastructure building strategy” (Brautigam, 2020, p. 5), yet claims are made that this BRI project focuses on something else than the global infrastructure. Herein, China displays the character of a nation focussing on a neo-mercantilist geo-economic approach towards international trade. This economic power incorporates; producer dominance, industry targeting, market shares expanding, restrictions on imports and sustained surplus (Wigell, 2016, p. 143). Therefore, even though China is a so-called ‘new-comer’ to the international trading stage, their efforts regarding pursuing neo-colonialist features within their pursuance for trade could be illustrated in their political aspects, as their degree of political aspect is higher than the USA and the EU.

According to historic events, the USA is the ‘hegemon’ in Latin American countries, solely due to the reason of colonialism (Weyland, 2018, p. 135), in other words, the USA used to be the ‘parent-state’ of many Latin American countries, prior to the independence wave of the 1980s. Nonetheless, trade agreements with the USA and LATAM are continued to be signed. Regarding the USA dominance on the international scale, or in other words, in the United Nations, the USA had dominance until the late 1960s (Uzoigwe, 2019, p. 7). Post-1960s, developing countries were allowed the power to define the agenda of the United Nations, the agenda-setting power is highly influential within the proceedings of the United Nations as well as other forms of legislation (Andres & Griffin, 2006, p. 106; Uzoigwe, 2019, p. 7). However,



today the USA focuses more on the WTO when it comes to ‘asserting’ its dominance, for example, (Uzoigwe, 2019, p. 15), look at the recent blockades of former President Trump, regarding vetoing accepting judges for the WTO settlement dispute system (Johnson, 2019). In other words, state sovereignty internally as well as regional hegemony, has been of vital essence within the USA, continuing their neo-colonist approach toward LATAM, regarding trade. As this ongoing approach has been the case for a long period of time, it seems reasonable why the USA is the second-highest regarding its degree of political aspects within their treaties.

The EU is a power through and for trade, as this regional organizations’ beginning started with the European Coal and Steel Community, resulting in the union it is today (Meunier & Nicolaïdis, 2006, p. 907). In accord with Wigell (2015), the EU is labelled as a geo-economic hegemony within its neighbourhood, as the EU requires its economic power to maintain “regional leadership” (p. 144). As the EU is a power through trade, it seems logical that political aspects are part of the trade agreements, yet not too much, hence the reason the degree of political aspect is the lowest within the EU agreements when comparing to the USA and China. Continuing on this issue is the fact that often regional power focuses on economic objectives in order to project their influence or other political aspects within their economic strategies, like signing trade deals (Wigell, 2015, p. 137). Nonetheless, the degree of the political aspects within the EU is the lowest, this could be an indication of the fact that the EU focuses more on trade terms in its trade deals, which actually occurs as indicated by *Graph (5)*.

Often, trade agreements, are indicated to “correct international policy externalities” (Limão & Maggi, 2015, p. 1). Within the western hemisphere, a change of trade policies occurred at the end of the 1900s, mainly due to the independence wave of prior colonized countries by the West, due to which regionalism was renewed within the USA, outputted in their trade agreements, for example, with NAFTA (Weintraub, 1991, p. 2). In other words, it could be said that via trade, neo-colonialism created a new way inward. As technically, when talking about neo-colonialism, a state is independent, yet they are ‘dependent’ on, so-called “parent-states” (Figler, 2016, p. 1). This dependency occurred mainly due to the fact that decolonization took place, however, the newly found sovereign nation-states, this immediate change to self-governance did not go fruitfully and was simply constructed via neo-colonialism, solely due to the reason that nation-states are not “born overnight” (Figler, 2016, p. 1). In this regard, economic neo-colonialism is a fundamental part of neo-colonialism (Uzoigwe, 2019, p. 79), especially since economic dominance is necessary in order for the ‘parent-state’ to assert its dominance over the other state (Figler, 2016, p. 4). Relating to regional powers, is geo-economics, which focuses on global strategy, imperialism diplomacy

and balance of power (Uzoigwe, 2019, p. 70), fuelled by the liberal ideology (Koshy, 1999, p. 26). It follows that geo-economics, in other words, “geostrategic use of economic power” is important for regional powers (Wigell, 2016, p. 135, 137). As economic capabilities, underpin the economic power of a regional power, such as China, the EU and the USA (Wigell, 2016, p. 136).

This section focussed on analysing the implications of the treaties per case, the next section will elaborate on the pitfalls of this thesis in order to provide a complete and full overview of this thesis.

#### *4.4. Discussion*

In this section of the analysis, the discussion regarding the results is presented. Within this discussion, the validity, as well as reliability of the thesis, is addressed, whilst potential errors within this thesis are addressed and discussed. Finally, possibilities for future research are outlined.

Essentially, reliability is concerned with the “issues of consistency of measures” (Bryman, 2012, p. 169), whereas validity focuses on the fact if “a measure of a concept really measures that concept” (Bryman, 2012, p. 170). As this thesis focuses on analysing political aspects, based on an original definition, the answers which will be given within this thesis are tentative answers regarding the hypotheses and research question, due to the fact that this is a first-timer.

A potential pitfall within my thesis could be the usage of the content analysis. As, the dictionary is coded by hand, in accord with the theory, to define and conceptualize political aspects. Continuing, the computational programme R studio is able to compute this dictionary as well as read all the primary data, meaning the treaties, and computing these into descriptive statistics. However, it could potentially be the case, that the machine, R, is not one-hundred per cent accurate. Nonetheless, the automated content analysis as well as using the programme R, are established methods and machines for scholarly research, hence the reason that this risk of a potential pitfall is minimized. Furthermore, content analysis is a “very transparent research method” (Bryman, 2012, p. 304).

As the content analysis, analyses documents, a pitfall could be precisely these used documents (Bryman, 2012, p. 306). This thesis has thoroughly thought through this potential issue, as the literature review within the *Theory* section has indicated, there is a gap of literature regarding political aspects in international trade agreements. Generally, there is quite some speculation that trade agreements do obtain political aspects, however, it is hardly empirically

researched upon how and if this is the case. Owing to the fact, that newsfeeds often implicate certain political aspect issues a trade deal might have, it seems logical that these implications of certain political aspect should be ample within the treaty of the trade agreement itself. To put it more simply, if political aspects are present within a certain trade deal, then it would seem reasonable that these aspects are already present within the treaties of those trade deals. Thus, the content analysis focuses on incorporating these treaties into detail, in order to illustrate if it is indeed the case that political aspects are present within the treaties of the trade deals.

Regarding the validity, the dictionary, as outlined in *Appendix 2*, incorporates certain elements of the trade part of the treaties as well. These terms regarding trade are implemented, in order to illustrate the differences between political aspects and trade items within each treaty. Above all, these items relating to trade are controlling the outputs, in a positive way in my thesis, as their added value will allow this thesis to add another layer of analysis and results. For this reason, the second part of the analysis, incorporates the key terms of political aspects as well as trade per international treaty, outlining trade itself, in *Appendix 9*, as well as providing two *Graphs* (5) and (6), to understand the implications of trade as well as political aspects within each trade agreement.

Continuing, a Pearson's R test was applied, in order to see if there might be a skewed result regarding the previous mentioned descriptive statistics, as presented in *Graph* (1) until (6). It seems that Pearson's R is negative for word count, as illustrated in *Appendix 10*. Evidently, the word count seems to be an error, in terms of the relative frequencies. Therefore, the word count is outputted in *Graph* (7) in order to illustrate the differences of word count per treaty, this seems to be quite evident. To add, the key terms, as well as trade, are computed in descriptive statistics, this 'raw data' is posted in *Graph* (8), illustrating that most findings remain similar to the relative frequencies' findings. As discussed in *Section 4.4*. as well, it could be that some of these results are somewhat different due to the fact that their word count is high or low, as a response to a multilateral or a bilateral trade deal. Furthermore, the Pearson's R test of the key terms, political aspect, trade and word count, when applying this test to the 'raw data', is positively correlated, as displayed in *Appendix 11*. In other words, upon realizing the negative correlation with the word count and relative frequencies, the data was reviewed in a non-frequency format, and alternative results were produced. Most of these maintained consistency, yet one changed a lot; USA-Uruguay. Thus, the consistency represents the strength of the used method and the consistency of these result is still probable.

Accordingly, the internal validity is low within this thesis, as the dictionary approach is based on the *Theory* section, and is tested as a first-timer via explanatory research. For this reason, the external validity is low, due to the fact that generalizing the results will be to some extent difficult to assess, as this thesis focuses on Latin American countries. Still, due to the applied methods, my thesis is able to answer tentatively towards the research question as well as hypotheses, with the help of the descriptive statistics and the implications. Therefore, it is to be believed that these answers are sufficient. In the next section options for future research are provided.

#### *4.4.1. Future Research*

This final sub-section, elaborates on the possibilities for future research, encompassing four major options regarding possible future research.

At first, regarding the posted possible issue in the previous section, relating to relative frequencies and the numbers of key terms. For a future study, it would be helpful to consider a hybrid of the ‘raw data’ as well as the data regarding the relative frequencies. Perhaps, a method that could evaluate the issue between the word count frequency and the raw values could be considered. Furthermore, as this thesis, applied the dictionary method towards political aspects, the defined dictionary method could potentially be further elaborated on within future research as well.

Another possible option for future research could be regarding the sample size. This thesis focussed on Latin American countries their trade agreements with the USA, EU and China. What a future study could do is to apply the created dictionary towards a greater sample size, incorporating not solely the Latin American countries, but the Asian countries as well. This intra-continent option could be helpful for further research. However, applying the dictionary to inter-continental research could be possible as well, perhaps to even combine the latter both in order to illustrate the potential differences or similarities of trade deals inter-continental versus intra-continental.

As follows, another option could be to analyse the GDP as well as GINI per capita per country participating within a certain international trade agreement. Implicating the time period before and after the implementation of the trade agreement. This in order to illustrate potential changes regarding the GDP or GINI, to illustrate if the political aspects as mentioned within the treaties, could influence the aforementioned.

In line with the aforementioned potential future research, a case study could elaborate on the certain implications of a trade agreement as well, researching the case prior to the implementation of the trade agreement as well post-implementation of the trade agreement. In other words, a future study could focus on more details per treaty, focussing on a deep analysis regarding the establishment of the treaty and the implementation process.

As this section focussed on providing future research options, to broaden the generalization of this study or to showcase where this dictionary approach could potentially be useful for as well, the next section will focus on summarizing this thesis as well as answering the asked research question.

## Chapter 5: Conclusion

Within this final chapter a summary of the thesis is provided for, as well as an interpretation of the results is given, the hypotheses are accepted or rejected and the research question is answered.

This thesis started with the example of the EU-Mercosur trade deal and why the treaty has not been ratified until this day. The main reason behind this was a political reason, to stop the deforestation of the Amazon, which is a high value of the EU. Thus, trade influences politics and politics affects trade. With this in mind, the thesis preceded with the theory, focussing on enhancing the theoretical background of the previously made claim. Globalism, multilateralism and regionalism are mentioned as increasers of transforming economic relationships on the global scale.

The classical theory of international trade is the oldest subfield within economics, old trade theories, such as the Ricardian model as well as the new trade theory are explained. Naturally, the GATT of 1948 is addressed and its successor the WTO. Regionalism and international trade agreements are defined. Followed by the main issue concerning this thesis, which are political aspects, including non-trade issues, power, politicization and political influence. As the EU became a power through trade, the EU is the prime example of regionalism and it seems logical that the EU pursues trade for certain political reasons. Via colonialism, the USA constituted its hegemonic power, especially in the Latin American hemisphere, however, when the independence wave hit in the 1980s, hegemony was lost, yet they pertain their power via trade deals with the hemisphere. China, part of the third regionalism wave, is focussing on achieving trade deals, via its BRI programme as well as prior to the, in 2013 initiated programme, with Latin American countries, however, debt-trap diplomacy can occur within these countries due to this. From the theory, three hypotheses are derived, *H1*: The European Union has the greatest degree of political aspects in Latin American countries; *H2*: The People's Republic of China has the lowest degree of political aspects in Latin American countries; *H3*: The United States of America has an intermediate degree of political aspects in Latin American countries.

The methodology in this thesis is content analysis, the cases are explained and the primary data of all fifteen international trade agreements are mentioned. Including the operationalization as well as the step-by-step approach, such as using relative frequencies in order to provide more suitable descriptive statistics, as the *n* is too small to conduct statistical analysis. A deepening analysis regarding the descriptive statistics indicates the involvements of the treaties. The analysis finds that the degree of political aspect is the highest within treaties

of China, followed by the USA and the lowest political aspects regarding treaties are incorporated within EU treaties. Further analysis indicates that this premise could potentially be built from the fact that Chinese trade focuses on neo-mercantilist perspectives, whereas the EU focuses on regional hegemony and the USA from its historic track precedes neo-colonialist features as well.

With these premises in mind, the following section will answer the research questions and reject or accept the hypotheses.

### *5.1. Solutions*

In accord to the results, as posted in *chapter 4*, it is clear that China has the highest degree of political aspects, followed by the USA, and finally, the EU has the lowest degree of political aspects, in accord to the key terms and words, as made by the dictionary method within this thesis, see *Appendix 2* for an overview of all these words and terms.

Regarding accept or reject the hypotheses, on the basis of the analysis, the following conclusions can be presented. *H1*: The European Union has the greatest degree of political aspects in Latin American countries, which is rejected. *H2*: The People's Republic of China has the lowest degree of political aspects in Latin American countries, which is rejected. *H3*: The United States of America has an intermediate degree of political aspects in Latin American countries, which is accepted. As represented within the *Analysis*, it seems that the first and second hypotheses are actually precisely the other way around.

Proceeding with answering the research question, prior to anything can be stated it has to be noted that this study is amongst the first to empirically research upon this question and that due to a low sample size, concrete and significant answers, unfortunately, cannot be given. However, as illustrated, this thesis does amplify the importance of descriptive statistics, and on the basis of these, several indications regarding answering the research question can be made.

Therefore, the short answer to the research question *Is there a different degree of the political aspects of international trade agreements of the United States of America, the European Union and China?* is yes. Building on this premise is that the different degree is as follows; highest political aspects is China, followed by the USA and concluded with the EU. Even though China is a newcomer on the international trade agreement field, their treaties have been assessed as having the highest degree of political aspects. Whereas the EU has the lowest degree of political aspects within their treaties, even though it is assumed that because the EU is a power through trade, that their political aspects is the highest, which happens to not be the

case precisely due to this argument. Furthermore, the USA, has an intermediate level of political aspects, respectively from the EU and China.

Further analysis indicates that China pursued mostly neo-colonialism features within their trade agreements, a similar answer approaches the USA, yet they focus on state sovereignty more as their neo-colonialist approach is built from a historical perspective. On the other hand, the EU's regional power focuses more on maintaining trade as it is than expanding its influence into other hemispheres. Perhaps, trade is indeed a new type of colonialism.



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## Appendices

### Appendix 1: Definition of Latin America

Defined as	Iberian America ( <i>Ibero-America</i> )	
<i>Central America</i>		Nr.
	Belize	1
	Costa Rica	2
	El Salvador	3
	Guatemala	4
	Honduras	5
	Mexico	6
	Nicaragua	7
	Panama	8
<i>South America</i>		
	Argentina	9
	Bolivia	10
	Brazil	12
	Chile	13
	Colombia	14
	Ecuador	15
	Falkland Islands (Islas Malvinas)	16
	French Guiana	17
	Guyana	18
	Paraguay	19
	Peru	20
	Suriname	22
	Uruguay	23
	Venezuela	24

### Appendix 2: Dictionary Political Aspect

Note: The key terms of *political aspects* are; political influence (PI), politicization (POL), non-trade issues (NTI) and power (P). For validity, trade (T) is added in the dictionary as well, and for simplicity, T is marked.

Token	Conjugation	Source	Key term
Access	Accessible, accessing, accession	Meunier & Nicolaïdis, 2006	NTI
Active	Action, actively	Lenz & Burilkov, 2017	POL
Affairs	Affair	Meunier & Nicolaïdis, 2006	PI
Aspect	Aspects	Lechner, 2016	NTI
Bargaining	Bargain	Meunier & Nicolaïdis, 2006	NTI
Behavior		Hafner-Burton, 2005	POL

Benefit	Benefits, beneficial	Lechner, 2016	P
Binding	Bind	Zürn, 2014	P
Blocs	bloc	Meunier & Nicolaïdis, 2006	PI
Changes	Change, changing	Meunier & Nicolaïdis, 2006	NTI
Characteristic	Characterize, characterizing	Lechner, 2016	PI
Civil	Civilian	Milewicz et al, 2016	POL
Clause	Clauses	Lechner, 2016	T
Coercive	Coercion	García, 2015	PI
Common	commonly	Zürn, 2014	P
Communication	Communicating	Zürn, 2014	POL
Concessions	Concession	Meunier & Nicolaïdis, 2006	P
Conditionally	Conditional	Lechner, 2016	P
Coordinate	Coordination, coordinating	Hafner-Burton, 2005	NTI
Corruption	Corrupt, Corrupting	Milewicz et al, 2016	P
Culture	Cultural	Roby, 2020	PI
Deals	Deal, dealing	Meunier & Nicolaïdis, 2006	NTI
Decision	Decide	Zürn, 2014	P
Delegated	Delegation, delegate	Meunier & Nicolaïdis, 2006	NTI
Democracy	Democratization	Milewicz et al, 2016	P
Design	designing	Lechner, 2016	T
Diplomacy	Diplomatic, diplomatically	Roby, 2020	PI
Direct		Tuman & Emmert, 2004	P
Discussion	Discuss, discussing	Zürn, 2014	POL
Dispute		Rodrik, 2018	NTI
distribution	distributional, distributions	Lechner, 2016	NTI
Domestic		Lechner, 2016	POL
	Dominate, dominated, dominating	Furtado, 1966	P
Domination			T
Economic	Economical, economics	Milewicz et al, 2016	T
Education	Educate, educating	Roby, 2020	PI
Enforce	Enforcing, enforcement	Hafner-Burton, 2005	NTI
Environment	Environmental	Milewicz et al, 2016	POL
External		Meunier & Nicolaïdis, 2006	PI
Factors	Factor	Meunier & Nicolaïdis, 2006	POL
Fear	Fears	Roby, 2020	PI
Firms	Firm	Tuman & Emmert, 2004	T
Foreign		Meunier & Nicolaïdis, 2006	POL
Geoeconomics		Roby, 2020	PI
Geopolitical	Geopolitics	Meunier & Nicolaïdis, 2006	POL
Global	globalism	Zürn, 2014	NTI
Good		Zürn, 2014	NTI
Governance	Governing	Meunier & Nicolaïdis, 2006	P
Harmonization	Harmonizing	Rodrik, 2018	PI
Health		Rodrik, 2018	POL
	Hegemonic, hegemon, hegemonical		
Hegemony		Meunier & Nicolaïdis, 2006	P
Human	Humans, humanizing	Hafner-Burton, 2005	PI
Incentive	Incentives	Hafner-Burton, 2005	P

Influenced	Influence	Meunier & Nicolaïdis, 2006	PI
Institutional	Institution, Institutions, Institute	Rodrik, 2000	PI
Integration	Integrate, integrated	García, 2015	NTI
Integrity	Integer	Lechner, 2016	PI
Intellectual		Rodrik, 2018	NTI
Interaction	Interact, interacting	Lenz & Burilkov, 2017	POL
Interest	interesting	Lechner, 2016	POL
internalize	Internalizing	Hafner-Burton, 2005	PI
International		Roby, 2020	NTI
Invest	Investing, investment	Brautigam, 2020	T
Justify	Justification	Rodrik, 2018	P
Labour		Milewicz et al, 2016	NTI
Legal	Legislation, Legalize	Lechner, 2016	T
Leverage	leveraging, leveraged, leverages	Meunier & Nicolaïdis, 2006	P
Liberalization	Liberal, liberalism	Maggi 2007	T
Loan	Loaning, lending, Lend, lenders	Roby, 2020	P
Lobbying	Lobby	Wilde, 2011	POL
Making	Make	Zürn, 2014	P
Mandate		Hafner-Burton, 2005	T
Market	markets	Meunier & Nicolaïdis, 2006	T
Multilateral	multilateralism	Sen, 2012	T
Negotiations	Negotiate	Meunier & Nicolaïdis, 2006	NTI
Norms	Norm	García, 2015	POL
Objective		Saner & Yiu, 2006	T
Organization	Organize, organizing	Lenz & Burilkov, 2017	P
Partners	Partner	Meunier & Nicolaïdis, 2006	T
Passive	passively	Lenz & Burilkov, 2017	NTI
Pattern	patterns	Roby, 2020	P
Persuasion	Persuade, persuaded	García, 2015	NTI
Physical		Lechner, 2016	NTI
Policy	policies	Saner & Yiu, 2006	NTI
Political	Politics, politician	Milewicz et al, 2016	NTI
Power		Zürn, 2014	P
Practices	Practice	Roby, 2020	P
Preferential	preference	Meunier & Nicolaïdis, 2006	T
Principles	Principle	Hafner-Burton, 2005	T
Promotion	Promote, promoting	García, 2015	POL
Property		Rodrik, 2018	PI
Protect	Protection, protecting	Hafner-Burton, 2005	NTI
Provisions	Provision	Lechner, 2016	T
Public	publicly	Zürn, 2014	POL
Reform	Reforming	Rodrik, 2000	PI
Regional	Region, regionalism	García, 2015	PI
Regulate	Regulation, Regulating	Hafner-Burton, 2005	NTI
Relational	Relation, relations	Baldwin, 2016	NTI
Representation	Represent, representing	Zürn, 2014	POL
Rights	Right	Milewicz et al, 2016	T
Rules	Rule	Meunier & Nicolaïdis, 2006	P

Safety		Meunier & Nicolaïdis, 2006	P
Sanction	Sanctions	Lechner, 2016	PI
Settlement		Rodrik, 2018	NTI
Social	socialism	Milewicz et al, 2016	NTI
Soft		Meunier & Nicolaïdis, 2006	PI
Sphere	atmosphere	Zürn, 2014	POL
Spillover	Spillovers	Sokolova, 2018	NTI
Standards	Standard	Milewicz et al, 2016	T
Strategy	Strategic	Roby, 2020	P
Structured	Structure, structural	Lenz & Burilkov, 2017	P
Systematically	Systemic, system	Zürn, 2014	PI
Terms	Term	Roby, 2020	P
Values	Value	García, 2015	POL
Violation	Violations, violating	Lechner, 2016	PI
Vision		Roby, 2020	POL
West	Western	Meunier & Nicolaïdis, 2006	POL

### Appendix 3: Country Codes

Country code*	Country name
ARG	Argentina
BRA	Brazil
CA**	Central America
CAN**	Andean Community
CHL	Chile
CHN	People's Republic of China
COL	Colombia
CRI	Costa Rica
ECU	Ecuador
EU**	European Union
GTM	Guatemala
HND	Honduras
Mercosur**	Southern Common Market
MEX	Mexico
NIC	Nicaragua
PAN	Panama
PER	Peru
PRY	Paraguay
SLV	El Saldvador
USA	United States of America
UY	Uruguay
**Abbreviation instead of Country code	

\*Source: Nations Online. (2021). Country Codes List - ISO ALPHA-2, ISO ALPHA-3 and Numerical Country Codes - Nations Online Project. Retrieved May 13, 2021, from Nationsonline.org website: [https://www.nationsonline.org/oneworld/country\\_code\\_list.htm#C](https://www.nationsonline.org/oneworld/country_code_list.htm#C)

### Appendix 4: Data R Output

Treaty_name	Year_entryforce	Year_signing	eu_treaty	usa_treaty	chn_treaty	power	power_freq	politicalinfluence	politicalinfluence_freq	politicization	politicization_freq	nontradeissues	nontradeissues_freq	political_aspect	political_aspect_freq	trade	trade_freq	wordcount
EU_MEX	2020	2018	1	0	0	1174	0.0015478	650	0.000856985	1533	0.002021166	1914	0.002523491	5271	0.006949489	3198	0.0042164	758473
EU_MERCOS	NA	2019	1	0	0	702	0.0018404	159	0.00041685	551	0.001444556	762	0.001997735	2174	0.005699574	1495	0.0039194	381432
EU_CAN	2013	2013	1	0	0	925	0.0003852	655	0.000272761	1465	0.000610068	987	0.000411015	4032	0.001679041	1610	0.0006705	2401370
EU_CHL	2003	2002	1	0	0	710	0.0002341	640	0.000210975	1561	0.000514582	811	0.000267345	3722	0.001226953	1437	0.0004737	3033530
EU_CA	2013	2012	1	0	0	1170	0.0002343	1083	0.000216863	2660	0.000532646	1620	0.000324393	6533	0.001308186	2796	0.0005599	4993938
CHN_PER	2010	2009	0	0	1	352	0.0002354	2649	0.001771657	2479	0.001657961	6951	0.004648845	12431	0.008313881	585	0.0003912	1495210
CHN_CRI	2011	2010	0	0	1	446	0.0002893	258	0.000167366	439	0.000284781	2853	0.001850755	3996	0.002592224	462	0.0002997	1541533
CHN_CHL	2006	2005	0	0	1	187	0.0005595	152	0.000454748	373	0.001115928	511	0.001528791	1223	0.003658927	743	0.0022229	334251
USA_UY	2008	2007	0	1	0	131	0.0023135	45	0.000794716	158	0.002790336	147	0.002596072	481	0.008494631	259	0.004574	56624
USA_CHL	2004	2003	0	1	0	2375	0.0006781	1509	0.00043082	3398	0.000970129	7186	0.002051604	14468	0.004130616	3807	0.0010869	3502626
USA_MEX	2020	2019	0	1	0	1727	0.000766	1072	0.000475488	2490	0.001104444	5042	0.002236388	10331	0.004582334	2484	0.0011018	2254528
USA_PER	2009	2007	0	1	0	812	0.0003489	547	0.000235038	989	0.000424958	2097	0.000901049	4445	0.001909949	1101	0.0004731	2327288
USA_COL	2013	2012	0	1	0	818	0.0003848	527	0.000247909	993	0.000467123	2146	0.001009512	4484	0.002109344	1150	0.000541	2125780
USA_PAN	2012	2007	0	1	0	1017	0.0004958	534	0.00026034	1008	0.000491429	2314	0.001128141	4873	0.002375727	1053	0.0005134	2051162
USA_CA	2006	2004	0	1	0	1246	0.0002136	604	0.000103548	1510	0.000258869	4213	0.000722263	7573	0.00129829	1993	0.0003417	5833057

### Appendix 5: Boxplot Frequencies

	power	power_freq	politicalinfluence	politicalinfluence_freq	politicization	politicization_freq	nontradeissues	nontradeissues_freq	trade	trade_freq
Min.	131	0.00021361	45	0.000103548	158	0.000258869	147	0.000267345	259	0.0002997
1st Qu.	574	0.00026237	392.5	0.000225951	770	0.000479276	899	0.000811656	898	0.0004734
Median	818	0.0003852	604	0.000272761	1465	0.000610068	2097	0.001528791	1437	0.0005599
Mean	919.4667	0.00070178	738.9333333	0.000461071	1440.46667	0.000979265	2636.933333	0.00161316	1611.533	0.0014257
3rd Qu.	1172	0.00072204	863.5	0.000465118	2020	0.001280242	3533	0.002143996	2238.5	0.0016623
Max.	2375	0.00231351	2649	0.001771657	3398	0.002790336	7186	0.004648845	3807	0.004574

### Appendix 6: Means R output

country	political_aspect_freq	power_freq	politicalinfluence_freq	politicization_freq	nontradeissues_freq	trade_freq
USA	0.00355727	0.00074296	0.00036398	0.000929613	0.001520718	0.00123312
EU	0.003372649	0.00084836	0.000394887	0.001024604	0.001104796	0.00196797
CHN	0.004855011	0.0003614	0.000797924	0.001019557	0.00267613	0.00097128

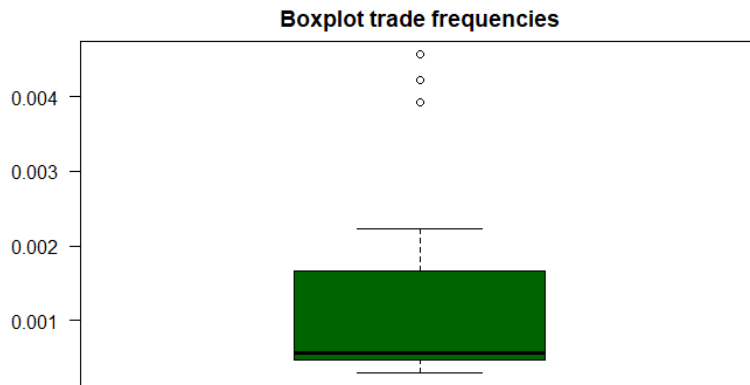
### Appendix 7: Medians R output

country	political_aspect_freq	power_freq	politicalinfluence_freq	politicization_freq	nontradeissues_freq	trade_freq
USA	0.002375727	0.00049582	0.00026034	0.000491429	0.001128141	0.000541
EU	0.001679041	0.0003852	0.000272761	0.000610068	0.000411015	0.00067
CHN	0.003710753	0.00028932	0.000454748	0.001115928	0.001850755	0.000391

### Appendix 8: Frequencies R Output

Treaty_name	Year_entryforce	Year_signing	political_aspect_freq	power_freq	politicalinfluence_freq	politicization_freq	nontradeissues_freq	trade_freq	wordcount
EU_MEX	2020	2018	0.006949489	0.00154785	0.000856985	0.002021166	0.002523491	0.0042164	758473
EU_MERCOSUR	NA	2019	0.005699574	0.00184043	0.00041685	0.001444556	0.001997735	0.0039194	381432
EU_CAN	2013	2013	0.001679041	0.0003852	0.000272761	0.000610068	0.000411015	0.00067	2401370
EU_CHL	2003	2002	0.001226953	0.00023405	0.000210975	0.000514582	0.000267345	0.000474	3033530
EU_CA	2013	2012	0.001308186	0.00023428	0.000216863	0.000532646	0.000324393	0.00056	4993938
CHN_PER	2010	2009	0.008313881	0.00023542	0.001771657	0.001657961	0.004648845	0.000391	1495210
CHN_CRI	2011	2010	0.002592224	0.00028932	0.000167366	0.000284781	0.001850755	0.0003	1541533
CHN_CHL	2006	2005	0.003658927	0.00055946	0.000454748	0.001115928	0.001528791	0.002223	334251
USA_UY	2008	2007	0.008494631	0.00231351	0.000794716	0.002790336	0.002596072	0.004574	56624
USA_CHL	2004	2003	0.004130616	0.00067806	0.00043082	0.000970129	0.002051604	0.001087	3502626
USA_MEX	2020	2019	0.004582334	0.00076601	0.000475488	0.001104444	0.002236388	0.001102	2254528
USA_PER	2009	2007	0.001909949	0.0003489	0.000235038	0.000424958	0.000901049	0.000473	2327288
USA_COL	2013	2012	0.002109344	0.0003848	0.000247909	0.000467123	0.001009512	0.000541	2125780
USA_PAN	2012	2007	0.002375727	0.00049582	0.00026034	0.000491429	0.001128141	0.000513	2051162
USA_CA	2006	2004	0.00129829	0.00021361	0.000103548	0.000258869	0.000722263	0.000342	5833057

### Appendix 9: Boxplot Trade Frequencies



### Appendix 10: Pearson's R Frequencies

	power_freq	politicalinfluence_freq	politicization_freq	nontradeissues_freq	political_aspect_freq	trade_freq	wordcount
power_freq	1						
politicalinfluence_freq	0.2540515	1					
politicization_freq	0.8400011	0.690427281	1				
nontradeissues_freq	0.3079203	0.903267689	0.687655016	1			
political_aspect_freq	0.7101361	0.841125466	0.932518208	0.897727248	1		
trade_freq	0.954958	0.284802444	0.844413771	0.350546636	0.69694008	1	
wordcount	-0.6221824	-0.429097466	-0.643341746	-0.520664786	-0.654197439	-0.650354	1

Note:  $\geq 0.5$  is strongly correlated,  $0.3 - 0.5$  is moderately correlated.

### Appendix 11: Pearson's R

	power	politicalinfluence	politicization	nontradeissues	political_aspect	trade	wordcount
power	1						
politicalinfluence	0.314678	1					
politicization	0.7592	0.801379069	1				
nontradeissues	0.568702	0.807212095	0.736328006	1			
political_aspect	0.702051	0.858356957	0.898954226	0.957048776	1		
trade	0.887423	0.27278352	0.738544649	0.367685464	0.560331902	1	
wordcount	0.549169	0.274623629	0.572962841	0.343024738	0.457053553	0.472907	1

Note:  $\geq 0.5$  is strongly correlated,  $0.3 - 0.5$  is moderately correlated.