The role of trade partners' cohesiveness in the conclusion of interregional agreements with the European Union

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The role of trade partners' cohesiveness in the conclusion of interregional agreements with the European Union

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“Parsimony is bought at expense of nuance”

Gøsta Esping-Andersen

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Abstract

The European Union (EU) has become in recent years one of the most active global players in liberalizing barriers to trade. Since the creation of the World Trade Organization and besides its participation in multilateral negotiations, the Union has launched several negotiations with different countries and regions with the aim of establishing preferential trade relationships with them. In the case of region-to-region negotiations, some of them have successfully concluded with agreement whereas others have not.

Interactions among world regions have constituted the natural object of study of interregionalist literature. Dominated primarily by qualitative research, the field has so far enhanced its theoretical development mostly with single in-depth case-based studies of regional interactions. One of the exceptions due to its encompassing approach to analyze the EU region-to-region trade outcomes is the theoretical framework developed by Aggarwal and Fogarty. In their edited volume, the authors identify the factors to take into account to determine the existence of cohesiveness in the EU's regional counterpart and apply them qualitatively to several cases.

This thesis brings quantitative analysis to the study of interregionalism and, taking Aggarwal and Fogarty's framework as the departure point, suggests a method to measure and analyze the impact of the EU's partner cohesiveness on interregional trade negotiations outcomes. Cohesiveness is understood as a mechanism formed by different factors that helps the regional partner to diminish the number of veto players and allows the

grouping to work together effectively as a unit. The research operationalizes quantitatively the factors and dimensions that compound the cohesiveness of the counterpart identified by Aggarwal and Fogarty and measures the average effect of the independent variable on the conclusion of interregional negotiations with the EU. The study hypothesizes, therefore, that cohesiveness has a positive effect on the likelihood that negotiations conclude with agreement with the EU.

This thesis supports Aggarwal and Fogarty's claim that cohesiveness of the EU's regional counterpart is an independent variable of EU trade conclusion. Therefore, it cannot be discarded as a factor that determines the probability of agreement. Results show that the most important factors helping cohesiveness to explain the likelihood of concluding an agreement with the EU are the power considerations within the counterpart region and the degree of authority pooled by the member states to regional institutions. As regards to power considerations, negotiations are more likely to conclude where the EU negotiates with a counterpart formed by large hegemons and small open economies. In the case of institutional authority, probabilities of conclusion are higher in regions whose members have engaged in a deep transfer of competences to the regional level.

The research makes three further contributions. First, the analysis through quantitative tools suggests some modifications to the dimensions proposed by Aggarwal and Fogarty. By assessing the correlations of the dimensions identified by the authors, the research tests their empirical meaning and proposes accordingly new groups of factors that conform cohesiveness. Second, the quantitative operationalization of the variables brings new empirical data to the study or interregionalism. And third, the findings suggest some insights for the EU trade policymaker, such as taking into consideration the distribution of power in the counterpart when selecting and negotiating with regional partners.

Resum

La Unió Europea ha esdevingut en els darrers anys un dels actors globals més actius a l'hora de liberalitzar barreres comercials. Des de la creació de l'Organització Mundial del Comerç i com a complement a la seva participació en negociacions multilaterals, la Unió ha mantingut negociacions amb diversos països i regions amb l'objectiu d'establir-hi relacions comercials preferents. En el cas de les negociacions interregionals, algunes d'elles han conclòs amb acord mentre que d'altres han finalitzat sense.

Les interaccions entre regions han constituït l'objecte natural d'estudi de la literatura en interregionalisme. Dominada principalment per tècniques de recerca qualitativa, aquest camp de recerca ha expandit principalment el seu desenvolupament teòric mitjançant estudis de cas en profunditat de les interaccions entre regions. En aquest sentit, una de les excepcions en la literatura ha estat el marc teòric desenvolupat per Aggarwal i Fogarty, pensat per analitzar d'una forma àmplia a través de diversos casos el resultat de les negociacions interregionals de comerç de la Unió Europea. En el seu volum editat, els autors identifiquen els factors a tenir en consideració per determinar l'existència de cohesió regional en el soci de la Unió i els apliquen de forma qualitativa a diversos casos d'estudi.

Aquesta tesi contribueix amb eines d'anàlisi quantitativa a l'estudi de l'interregionalisme i, utilitzant el marc d'Aggarwal i Fogarty com a punt de partida, suggereix un mètode per mesurar i analitzar l'impacte de la cohesió del soci comercial de la Unió Europea en el resultat de les

negociacions interregionals. Com a cohesió s'entén el mecanisme format per diversos factors que ajuda al soci regional a disminuir el número de d'actors amb capacitat de veto (*veto players*) i permet al grup treballar amb efectivitat i unit. La recerca operacionalitza quantitativament els factors i dimensions identificats per Aggarwal i Fogarty que composen la cohesió del soci comercial regional i mesura l'efecte mig de la variable independent en la conclusió d'acords comercials amb la Unió Europea. L'estudi hipotetitza, per tant, que la cohesió té un efecte positiu en la probabilitat d'arribar a un acord comercial amb la Unió Europea.

La tesi dona suport a l'afirmació d'Aggarwal i Fogarty que la cohesió del soci comercial de la Unió és una variable independent de la conclusió de les negociacions. La cohesió, per tant, no pot ser descartada com a factor que determina la probabilitat d'acord. Dins de cohesió, els resultats mostren que els factors més importants que expliquen aquesta relació són les consideracions de poder dins de la regió i el grau d'autoritat dipositada pels estats membres a les institucions regionals. Sobre les consideracions de poder, és més probable que les negociacions concloguin satisfactòriament quan la Unió Europea negocia amb socis comercials formats per hegemons i petites economies obertes. En el cas de l'autoritat institucional, les probabilitats d'acord són més altes en regions en què els seus membres han desenvolupat una important transferència de competències al nivell regional.

Aquesta recerca fa tres contribucions acadèmiques addicionals. Primer, l'anàlisi mitjançant eines quantitatives permet suggerir algunes modificacions a les dimensions proposades per Aggarwal i Fogarty. A través de les correlacions de les dimensions identificades pels autors, la tesi proposa noves agrupacions de factors basades en el seu significat empíric. Segon, la operacionalització quantitativa de les variables permet aportar nou material empíric a l'estudi de l'interregionalisme. I tercer, els resultats obtinguts permeten proposar algunes indicacions per al decisor públic sobre la política comercial de la Unió Europea, com per exemple tenir en

compte la distribució de poder dins del soci regional a l'hora de seleccionar amb qui estableix negociacions comercials.

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Abbreviations

ACP	African, Caribbean and Pacific
ASEAN	Association of South East Asian Nations
BATNA	Best Alternative To Negotiated Agreement
CA	Central America
CAN	Comunidad Andina de Naciones (Andean Community of Nations)
CARICOM	Comunidad del Caribe (Caribbean Community)
CARIFORUM	Caribbean Forum
CCI	Cohesiveness Composite Index
CCP	Common Commercial Policy
EAC	East African Community
EDF	European Development Fund
EBA	Everything But Arms
ECOWAS	Economic Community of West African States
EFTA	European Free Trade Association
ENP	European Neighbourhood Policy
EPA	Economic Partnership Agreement

EU	European Union
ESA	Eastern and Southern Africa
ESS	European Security Strategy
FDI	Foreign Direct Investment
FH	Freedom House
FS	Fuzzy-Set
FTA	Free Trade Agreement
GATT	General Agreement on Tariffs and Trade
GCC	Gulf Cooperation Council
GSP	Generalized System of Preferences
IMF	International Monetary Fund
IPR	Intellectual Property Rights
MAS	Market Access Strategy
MIA	Measure of International Authority
MERCOSUR	Mercado Común del Sur (Common Market of the South)
MFN	Most-Favored Nation
OECD	Organization for Economic Cooperation and Development
PCA	Principal Component Analysis
PTA	Preferential Trade Agreement
QCA	Qualitative Comparative Analysis
SAA	Stabilisation and Association Agreement

SADC	Southern African Development Cooperation
SICA	Sistema de la Integración Centroamericana
TEU	Treaty on European Union
TFEU	Treaty on the Functioning of the European Union
TRIPS	Trade-Related Aspects of Intellectual Property Rights
TTIP	Transatlantic Trade and Investment Partnership
US	United States
WTO	World Trade Organization

Introduction[1]

Trade relations are nowadays at the epicenter of international politics. While some parts of the world struggle with protectionist backlashes and multilateral negotiations have yet to close the Doha Development Round, the European Union (EU) continues to be one of the most active actors in furthering trade liberalization. Bilateral negotiations of the Transatlantic Trade and Investment Partnership (TTIP) with the United States (US) have been frozen since late 2016, but in the meantime the Union has been undertaking several trade talks with different states and regions. Trade negotiations with Australia have been launched recently; talks with Japan, Singapore and Canada were concluded in the last years and are still on-going with other countries such as India. Likewise, the EU has had strong activity with other regions, for example pursuing several attempts to conclude a trade agreement with the Common Market of the South (MERCOSUR) and negotiating trade deals with other counterparts such as in the African, Caribbean and Pacific (ACP) group. There have been, in general, different EU trade negotiations with other partners with very diverse stories of successes and failures.

Especially since the 1990s, along with the development of the EU's capacities, academic literature has become increasingly interested in explaining the causes of these different stories through the analysis of the EU's external action performance. A first stream of scholars targeted the

[1] This doctoral thesis falls within the EU-NormCon research project (Normative contestation in Europe: Implications for the EU in a changing global order) funded by the National R+D Plan of the Spanish Ministry of Economy and Competiveness (CSO2016-79205-P).

EU's internal capacities and argued that, in fact, the European aptitude to speak with a single voice in the world constituted the main factor that could explain the ability to produce successful outcomes in the world (Meunier 2000; 2005; Meunier and Nicolaïdis 1999; 2006a). These approaches became contested by other views, claiming that in order to understand the EU's external performance it was also necessary to look at external factors (Barbé *et al.* 2016; da Conceição-Heldt 2014; Gehring *et al.* 2013; Jørgensen *et al.* 2011; Niemann and Bretherton 2013). They evidenced the importance of taking into account the international context in world politics when explaining the performance of the EU.

Indeed, European trade policymakers have also highlighted the importance of the external focus. In different trade communiqués issued by the European Commission, they emphasize the need to look at the counterparts by using different criteria to prioritize the partners with whom to launch trade negotiations (European Commission 2006; 2010; 2015). The exercise of looking at the counterpart, however, has been an underexplored approach in the academic literature (Söderbaum 2016: 175). Most of the research has explained EU's performance by analyzing its domestic features and systemic external considerations, but it has barely placed emphasis on the players at other side of the negotiation table. In other words, little efforts have been concentrated on whether the characteristics of the EU's partner and its number of players are important to reach agreements.

This thesis aims therefore to help filling this gap and looks at the EU's performance from the perspective of the trade partners. More specifically it looks at whether cohesiveness in regional counterparts is an important factor to be taken into account to increase the EU likelihood of reaching trade agreements. Recent celebrated books frequently highlight the present and future importance of regions and their interactions in the global economy (Baldwin 2016: 132; Frieden *et al.* 2012; Rodrik 2017: 210). Trade agreements constitute a pivotal point of these interactions, as they have

become a crucial instrument to remove obstacles within and between regions in the world. The evolution of its content has left the trade component as a negligible part of the deals, nowadays including issues far beyond trade such as Intellectual Property Rights (IPR), public procurement, investment and other regulatory aspects. The constant transformation of international trade agreements suggests that they are and will be meaningful in reducing further world barriers (Rodrik 2018).

Recent EU region-to-region trade negotiations include cases of conclusion with agreement and conclusion with no agreement and constitute hence a fair body of empirical substance for our study. The thesis hypothesizes that regional cohesiveness is an independent variable of EU trade agreement and that it has positive relation with it. Regional cohesiveness is a concept that has been used in interregionalism literature that this thesis understands as the forces that contribute to unite a group and work together effectively. In order to disentangle the notion of regional cohesiveness, we categorize its different forces or dimensions through Aggarwal and Fogarty's work on EU interregional trade policies, which provides a framework to examine the characteristics of the counterpart (Aggarwal and Fogarty 2004).

To test the hypothesis, we bring quantitative methods to the confines of interregionalism literature with the aim to employ them as a complement of the qualitative analyses conducted in the field so far. We measure regional cohesiveness by constructing a composite index formed by the different dimensions of the concept identified by Aggarwal and Fogarty. Using their framework, we interpret cohesiveness is compounded by the dimensions of preferences, institutions, power considerations, coherence, and the EU treatment of the partner. The final value of the index is compounded by the mean of the different dimensions, each receiving the same weight, and each dimension is formed by at least one indicator that captures its meaning. The use of quantitative indicators permits to draw correlation tables and to assess potential collinearities among them. The

use of a composite index that aggregates the different indicators permits to test the hypothesis by calculating the mean difference of regional cohesiveness between the regions that signed an agreement with the EU and the regions that did not.

The EU interregional trade negotiations selected comprise the cases undertaken since the establishment of the World Trade Organization (WTO) in 1995. Interregional relationships are understood "in the narrow sense" following Hänggi's (2006: 41) categorization. Since the EU is studied as a regional organization in interregionalism studies, we use his typification and accept as interregionalism both the relations between the EU and another regional organization and the relations between the EU and a regional group. Thus, we admit a general definition of the regional counterpart referring to a socially constructed space located between the global and the national level, formed by more than two countries, that makes references to territorial location and to geographical or normative contiguity, and which has often, but not always, shared institutions (Börzel and Risse 2016). In the period analyzed, we have found 14 cases. The positive cases of agreement include the negotiations between the EU and the Caribbean Forum (CARIFORUM), Central America, the Southern African Development Cooperation (SADC) group and four members of the Eastern and Southern Africa (ESA) group. The negative cases include two negotiations between the EU and MERCOSUR, and one with the Association of South East Asian Nations (ASEAN), the Gulf Cooperation Council (GCC), Andean Community of Nations (CAN), West Africa group, East African Community (EAC) group, the full ESA group, Central Africa group and Pacific group.

By conducting this analysis, the thesis establishes four objectives. Theoretically, it aims to fill the existing gap in the International Relations (IR) and interregionalism literature on the EU's performance from the perspective of the characteristics of its counterpart. It examines whether regional cohesiveness may be an important factor to unify the counterpart

group, namely to reduce the number of veto players and consequently to lead effectively to the signature of EU trade agreements. We build on the framework used in Aggarwal and Fogarty's work on trade relations, one of the few attempts to date to study the internal factors of the EU's counterpart in region-to-region interactions. By so doing, we aim to contribute to the development of their framework and add value to the dimensions of cohesiveness identified by the authors.

This leads to the second objective. We propose a different method from those commonly utilized in the study of interregional relationships. Most of research in interregionalism studies is based on qualitative analyses and a single case or few case studies. Aggarwal and Fogarty's framework is not an exception. Our approach, and the methodological added value of the thesis, consists in bringing tools from quantitative analysis to the field. We plan to formulate new quantitative methodology that permits measuring regional cohesiveness and its relationship with EU interregional outcomes. Exploring it from this different angle allows to pay attention to other elements in comparison to the qualitative approach. For example, we introduce the possibility to evaluate the average effects of one variable over another, to control confounding effects of other factors, and to assess correlations among variables and their possible collinearities.

Thirdly, this thesis aims to contribute empirically to the development of the subject, capturing the reality of the EU's regional counterparts in a different manner. By so doing, this research fills the need claimed by different scholars of the discipline for further tools and empirical evidence (Baert *et al.* 2014; Rüland 2014). Little empirical data have been gathered to date about the EU's partners, as scholarship has practically ignored actor-centered non-EU perspectives (Rüland 2014; Söderbaum 2016). Our approach obtains data from well-known international organizations and research centers databases and constructs a system of indicators that allows converting the data in different measurements of regional cohesiveness. These new magnitudes help to offer new variables to the

interregionalism literature, as it identifies the most important factors of the partner's cohesiveness that contribute to the signature of an agreement with the EU.

The proposed new approach to look at the partners brings forward the fourth objective, which is to contribute to the European policy-making. So far, in the last trade strategies the EU has stated that it selects its partners through a combination of economic and political criteria (European Commission 2006; 2010; 2015). In the case of interregional deals, the EU has used existing groupings to establish trade negotiating processes, although in some occasions its selection has discriminated among members of the same organization (e.g. some ASEAN members were excluded from the EU-ASEAN negotiations). The study helps to assess critically the relevance in practice of the criteria mentioned by the EU when selecting its partners and, importantly, to identify alternative and more relevant factors that should be taken into account for the selection of the partners.

The thesis is divided in seven chapters. Chapter 1 sets the scene of the thesis and reviews the role of the EU in the world of trade. As an actor and a power in trade, it has the capacity to negotiate trade agreements with third parties and mobilize its resources and instruments to pursue its goals. In the last years it has negotiated different individual and regional trade agreements with different outcomes. Chapter 2 examines in the IR literature the factors that explain the likelihood to obtain different outcomes, namely why trade agreements may conclude or not. Its main theoretical streams agree that an increasing number of players complicate the reach of an agreement in the negotiations. An analysis of interregionalism literature in Chapter 3 suggests that the number of veto players in interregional agreements may diminish with an increase of cohesiveness in the regions. We hypothesize that regional cohesiveness may be a factor that fosters the reduction in the number of veto players and hence facilitates the signature of EU interregional trade agreements.

The next two chapters develop the methodology and the operationalization of the variables of the thesis. Chapter 4 unfolds the quantitative method employed to test the hypothesis. It proposes to test the mean difference between agreement and non-agreement regions to assess whether EU's regional partners' cohesiveness is an independent variable of EU trade agreement conclusion. We discuss the operationalization of the dependent variable, the case selection, and the construction of a composite index to measure the independent variable, regional cohesiveness. Chapter 5 establishes the way to measure the different dimensions of cohesiveness through a set of different indicators. It offers the operationalization of the different variables of the index based on Aggarwal and Fogarty's framework and further IR literature.

The last two chapters of the thesis bring the results to the fore. Chapter 6 shows and describes the data following the methodological guidelines of the previous chapters. It presents the results through different tables for all the variables that have an effect to regional cohesiveness. It finds positive relation between the levels of cohesiveness in the counterpart region and the likelihood of signing a trade agreement with the EU. Different empirical and sensitivity assessments help to test the robustness of the results. And Chapter 7 offers an interpretation of the results. We argue that the results validate Aggarwal and Fogarty's argument that the characteristics of the regional counterpart should be included in the function of interregional outcomes. We also claim that the results offer different suggestions from a quantitative viewpoint improve their proposed framework. The insights of the seven chapters are summed up in the Conclusion.

Chapter 1. The EU in the world of trade

1.1. Introduction

In recent years, the EU has been self-characterized as "a formidable *force for good* in the world" (Solana 2008: 11). Since the beginning of the century and until the last 2016 European Global Security Strategy, the EU has seen its role as a leader capable of influencing the others and ambitioning to spread its good will in the world. Already in the Laeken Declaration, the heads of state of its members underlined that the EU was "a power seeking to set globalisation within a moral framework", with a "leading role to play in a new world order" and the capacity "to play a stabilising role worldwide and to point the way ahead for many countries and peoples" (European Council 2001: 20). The European Security Strategy (ESS) of 2003 and the ESS report of 2008 similarly stressed such self-image, presenting the EU as a global leader and seeking "the development of a stronger international society, well-functioning international institutions and a rule-based international order" (European Union 2003: 9). These objectives ought to be pursued through instruments such as its trade and development policies and through channels such as multilateral cooperation in international organizations –'effective multilateralism'– or bilateral partnerships with key actors (European Union 2003; Solana 2008).

In the academic literature, this self-perception is welcomed by some scholars and downplayed or denied by others. Specifically in trade policy,

subject of this doctoral thesis, researchers' attention has been devoted to the ability of the EU to conduct the international relations of European countries and the intentions it pursues through it. With the establishment of a customs union in the late 1960s, the EU member states transferred a certain grade of authority in trade to the European level. The very existence of a common tariff applied along the EU's external borders obliged the member states to act as a block in the multilateral negotiations of the General Agreement on Tariffs and Trade (GATT) (Meunier 2000: 103). Since then, the academic debate in trade policy has been focused on two main streams: on the ability of the EU to act in the world, and hence to create its own personality out of the member states' interests; and on the essence of this new personality, namely its distinctiveness from other global actors in terms of the principles and objectives it pursues in the world.

This chapter scrutinizes both debates in the first section, examining the EU as a trade actor and a trade power. It concludes that, at least in the world of trade, literature largely agrees that the EU has actorness: it possesses ability to act and it is recognized by others. Much controversy exists on the kind of power that the EU is. Whereas some envisage the EU as a *force for good*, others present a least idealistic view. Both agree, however, that the EU appears to be some kind of power, having therefore some capacity not only to act, but also to have influence on others. The second part of the chapter explores one of the most frequent ways to exert its actorness and power: the negotiation of trade agreements. The EU pursues different objectives through trade agreements, mixing commercial, development, and regional integration goals. This combination is especially sound in the case of interregional trade negotiations, where the EU has achieved some cases of agreement and some cases of non-agreement.

1.2. What the EU is

The EU's essence fascinates scholars and observers. Its particularities have attracted scholarship across the globe enthusiastic for its uniqueness as an object of study (Hix and Hoyland 2011; Sbragia 1992; Wallace 1982). It is neither a state nor an international organization and possesses a peculiar institutional structure that diverges from the typical characteristic of sovereignty used to conceive nation states as the main actors in the international relations. Partly due to the need to identify the character of the EU, scholars have debated on new categories to typify its actorship and the influence that it exerts in the world.

Traditionally, however, the EU's role in world politics has been neglected. Realist theory, considering that international actors should possess sovereignty and military capabilities, has conferred to states the primary leading role in world politics. In consequence, this stream of the literature has deemed the EU a mere international organization, which lacks of the use of force (or the threat to use it) necessary to wield influence in the world even in areas out of the security domain (Bull 1982; Hoffmann 2000; Waltz 2000). Thus, realist and intergovernmentalist scholars have typically framed the EU as nothing but an instrument of collective hegemony based on the geopolitical and security interests of the most powerful member states, the truly sovereign and unitary actors in world politics (Gilpin 2001: 18; Grieco 1990: 21; Hyde-Price 2006).

This view of excluding the EU from the club of international actors has become, however, more tamed over time, particularly in the field of trade policy (Bull 1982: 164; Gordon 1997: 75–76). Along with the successive transfer of competences to the EU supranational level, Barbé argues (2014: 25), realist claims have become more difficult to sustain in some domains and their narrative has been gradually narrowed down to the defense and security field. Even traditional state-centric approaches have acknowledged that in trade policy the EU has a capacity to act and influence akin to any

other unitary actor (Aggarwal and Fogarty 2004: 230; Zimmermann 2007: 817). The characteristics in trade policy-making, dominated by the executive, enable the Union to act as an strategic actor, pursuing its core preferences independent from the member states, and thus constituting a kind of "distinct entity from the sum of particular interests" (Kirshner 1999: 72).

From this perspective, the field of trade policy has been considered the EU *raison d'être* (Meunier and Nicolaïdis 2011: 276), the area where it has become an uncontested actor with capacity to influence in the international system. As a trade actor, as we review in the next subsection, the EU negotiates as one, it has the capacity to sign agreements, and it is recognized as an actor in the WTO. As a trade power, literature agrees that the EU has the capacity to exert influence in the world, especially due to its market. The controversy, in this case, emerges on the question about the kind of power the EU has become in the world. Some visions conceive the EU as a purely self-interested actor whereas others claim that the EU is driven by its norms.

1.2.1. EU actorness in trade

The concept of actorness has become essential to overcome the drawback to reduce the ability to act in the world to the possession of sovereignty and military capabilities exclusive of the nation states. The fact of being other entities in world politics with a less stable structure over time or a more relevant role in some issue areas and less in others should not deprive them from the possibility of being actors as well. Consequently, IR scholarship has sought in actorness an alternative operational instrument to conceptualize an actor's capacity to act globally (Bretherton and Vogler 2006; Ginsberg 2001; Jupille and Caporaso 1998: 213; Smith 2008). The EU, for instance, has become an 'evolving entity', displaying across time different capacities depending on the area and the moment of its

integration (Ginsberg 2001; Jupille and Caporaso 1998: 214; see also Verdun 2011: 266). Thus, during its historical evolution the EU has been compounded by complex "multiple realities" (Zielonka 1998: 10), with different degrees of integration evolving across sectors and levels of government, which has been translated to different capacities depending on the issue area (Barbé 2014: 23–24; Hettne 2014: 60). In that respect, actorness has become a suitable concept to analyze the capacity to act of the EU, for example being higher in areas dominated by the community method of decision-making, where decisions do not require unanimity among the member states, and yielding lower degrees in areas under mechanisms that privilege the intergovernmentalist method (Herrberg 1997: 45–46).

Instead of the necessity of sovereign and military capabilities to define an actor in world politics, most of the literature has gone beyond the statehood logic and shown little controversy that the EU has become an actor in the trade domain. They privilege the importance of other elements that combine the existence of internal instruments and a favorable external context: what Bretherton and Vogler (2006: 57) label as mediation between *action* and *opportunity*. Their notion of actorness conceives it as "opportunity, which denotes the external context; presence, which captures the ability of the EU, by virtue of its existence, to exert influence beyond its borders; and capability, which signifies the ability to exploit opportunity and capitalize on presence" (Bretherton and Vogler 2006: 2).

Similarly, Jupille and Caporaso (1998) have developed a celebrated conceptualization of actorness that has become a useful analytical instrument to measure the EU and other entities' ability to act in the world (Gehring *et al.* 2013; Hulse 2014; Meunier and Nicolaïdis 2011; Woolcock 2010). They highlight that actorness is compounded by three internal dimensions –authority, autonomy, and cohesion– and the external dimension of recognition. The three internal aspects are closely interlinked among them. Autonomy is described as a clear differentiation between the

EU and its member states, facilitated by its juridical-institutional basis in terms of decision-making mechanisms and competences (authority) and the capacity to reach agreements and formulate consistent policies, by which is necessary that its member states share preferences and values (cohesion). Hill argues that autonomy requires "an executive capable of taking clear decisions on high policy matters, and of commanding the resources and instruments to back them up [...] and also to have a sophisticated bureaucracy at their disposal" (1993: 316). Sjöstedt (1977, cited in Bretherton and Vogler 2006) further considers that an actor should have the capacity to make its own laws and decisions and possess legal personality, a set of diplomatic agents and the capability to conduct negotiations with third parties. To sum up, the internal requisites of an actor encircle a variety of characteristics that encompass instruments and resources at its disposal, common objectives, joint competences, legal personality and decision-making mechanisms.

Arguably, the EU fulfils these internal criteria in the trade domain. Firstly, it is able to mobilize instruments and resources in order to pursue its objectives in external action. The capacity to enter into international agreements and the provision of financial assistance to third countries or regional blocs are two of its most powerful instruments (Smith 2008: 55). The EU has the capacity to sign trade agreements, cooperation and development cooperation agreements and association agreements, as well as to establish special preferences through the Generalized System of Preferences (GSP) scheme. The main instrument of financial and economic assistance to developing countries is the European Development Fund (EDF), designed to facilitate aid for development cooperation[2]. Other instruments contribute to the elaboration of trade and development policies, such as the Development Cooperation Instrument, the defensive trade instruments or even political dialogue with countries and regions. For the period 2014-2020, the EU has a budget of 1.08€ billion, of which the

[2] In contrast to other instruments related to trade that the EU uses, the EDF is funded out of the Union general budget and through member states contributions.

6.12 percent (66€ billion) is assigned to external action according to its Multiannual Financial Framework.

Among others, the instruments and budget described enable the EU to pursue its foreign policy principles and objectives settled on the articles 3 and 21 the Treaty on European Union (TEU) (Smith 2011: 174). The article 3 sets the general goals of the Union whereas the external action goals are specified in the article 21 of the TEU including "seek to develop relations and build partnerships with third countries, and international, regional or global organizations", "foster the sustainable economic, social and environmental development of developing countries" and "encourage the integration of all countries into the world economy, including through the progressive abolition of restrictions on international trade" (European Union 2007: 17–18). More specifically in the area of trade, the article 206 of the Treaty on the Functioning of the European Union (TFEU) establishes the Common Commercial Policy (CCP) goals: "the Union shall contribute, in the common interest, to the harmonious development of world trade, the progressive abolition of restrictions on international trade and on foreign direct investment, and the lowering of customs and other barriers" (European Union 2007: 133).

The capacity to sign agreements to abolish trade restrictions is one of the most important and significant manifestations of the EU as a global actor (Dür and Zimmermann 2007). Since its very beginning, along with the creation of the customs union and the CCP, the Union was endowed with the competence to apply trade instruments uniformly in all the European territory, to act as a single actor in international trade policy, and to sign agreements with third countries (Meunier and Nicolaïdis 2011: 276). The supranationalization of trade policy implied, in consequence, that the EU could it formally speak 'with one voice' either in bilateral, regional or multilateral trade negotiations (Meunier and Nicolaïdis 2011: 277).

Such exclusive competences to elaborate, negotiate, and enforce all aspects of trade relations with the rest of the world were not, however, clarified

until the 1990s (Meunier and Nicolaïdis 1999). The international trade agenda was growing towards other issues beyond trade in goods, namely services or investment. In addition, the prospects of the future Eastern Enlargement anticipated a growing number of veto players in the EU's policy-making, which would complicate the capacity to promote its offensive interests in the international negotiations, such as the expansion of trade in services (Meunier 2005). For this reason, more competences were communitarized to the EU level. The treaty reforms of Amsterdam 1997 and Nice 2002 expanded the exclusive competences to services and also to other excluded sectors in the case that the Council agreed unanimously. Since the Lisbon Treaty, almost all trade aspects are decided by a qualified majority in the Council including tariffs, services, commercial aspects of industrial and IPR and Foreign Direct Investment (FDI) (European Union 2007: 134–139).

Decision-making procedures in the Lisbon Treaty for international negotiations are specified in the article 218 of TFEU whereas the article 207 contains special indications for commercial agreements. The European Commission has the monopoly of legislative initiative and recommends the Council of the EU to open negotiations with a third party. The Council authorizes the negotiations, adopts the negotiating directives and appoints a special committee (known as the Trade Policy Committee or Article 133 Committee) that supports and advices the Commission during the negotiations. The Commission negotiates all external trade agreements and reports both the Council and the European Parliament. Once the negotiation concludes, the Commission proposes the signature of the agreement to the Council that decides by qualified majority. Only in some cases, set out in the article 207, the Council acts unanimously. After the signature, the agreement needs also the ratification by a majority of the European Parliament[3].

[3] It is worth to point out the European Court of Justice ruling in 2017 that trade agreements, as mixed deals, had some aspects –mainly as regards to investment and dispute settlement– which

While internally, therefore, the EU fulfils the attributes of an actor in the area of trade, the external dimension accomplishes them as well. The external actorness refers to the range "delimited from others and from its environment" (Sjöstedt 1997, cited in Bretherton and Vogler 2006). The need of external recognition can be understood two-fold: *de jure* concerning the "juridical recognition and politic and institutional requisites for belonging to an organization" (Barbé 2014: 25) and *de facto* referred to the "acceptance of an interaction with the entity by others" (Jupille and Caporaso 1998). Regarding the former, the EU has been a WTO member since January 1995 and the European Commission speaks for all its member states at almost all WTO meetings. Formally, thus, it has enjoyed full recognition as a trade actor in the framework of the WTO (Garcia-Duran and Millet 2014: 208; Meunier and Nicolaïdis 2006a). As regards to its *de facto* recognition, the EU also socially interacts with others. The European Commission has been accepted by other GATT and WTO partners as one of them (Meunier and Nicolaïdis 2011: 278). Nowadays it has established relations with more than the 150 WTO members and since the origins of GATT it has played a pivotal role in multilateral trade negotiations (Meunier 2005; Smith 2001; Woolcock 1993; Young 2007). Bilaterally, the EU conducts political and economic relations with virtually every country in the world (Smith 2008: 24). It has initiated a large amount of Preferential Trade Agreements (PTAs) with different countries: "there is a huge demand for agreements with the EU, the largest trading bloc in the world" (Smith 2008: 53).

In sum, the EU is an actor in international trade politics due to both its internal capacities and its external recognition. Its internal attributes enable the EU with ability to act in the world: it possesses decision-making mechanisms and competences to formulate consistent policies, it has shared preferences and values shared by its members, and it possesses the legal capacity to sign different type of agreements with other countries and

fell within the domain of shared competences. This implied that the EU-Singapore Free Trade Agreement (FTA) would need to secure approval from national parliaments (Morgan 2017).

regions. Externally, the EU is recognized by the others as an actor through its formal membership in the international institutions and through interactions with other partners.

1.2.2. EU power in trade

The EU's internal capabilities, as well as other features such as the dimensions of the internal market, endows the EU with a kind of 'presence' that permits to exert influence beyond its borders (Bretherton and Vogler 2006). Broad consonance exists in the academic literature that the EU has become a power *in* trade with the capacity to influence on others. Due to its size and its norms, it influences the world. Disparities, however, arise when conceptualizing which kind of influence or power exercises *through* trade (Meunier and Nicolaïdis 2006a: 910). A substantive body of literature supports the EU self-image that has been propagated by the institutions in Brussels. This standpoint considers Europe as a *force for good*, distinctive from the other powers and driven by its norms and values (Laïdi 2008; Manners 2002; 2006; Rosecrance 1998). Other authors object this positive vision and argue that in many occasions the EU is guided through pure materialist interests (Farrell 2005; Garcia 2013; Hyde-Price 2006; Zimmermann 2007). Overall, most of the discussion on the EU's influence in the world is rather focused on what Bretherton and Vogler (2006: 53) summarize as the its 'hybrid identity': some posit that *through* trade the EU is thought as a relatively inclusive value-based community whereas others envision its rather negative and exclusive image of the EU.

One of the first approaches on the EU as a power *in* trade was in 1973. François Duchêne highlighted its *sui generis* characteristics and used the term 'civilian power' to portray the strength of the EU despite the absence of military capabilities. Duchêne envisaged a world with increasing interdependence in which military power was relatively less important than economic power giving "much more scope to the civilian forms of influence

and action" (Duchêne 1973: 19). European military weakness, in consequence, could be compensated by other alternative tools of influence to achieve its goals. Duchêne also discerned the EU from other superpowers due to its "inner characteristics" (Duchêne 1973: 19). He believed that *through* various instruments such as its market and its size the EU pursued civilian ends and "a built-in sense of collective action" (Duchêne 1973: 20).

Following Duchêne's line in the debate on the EU's 'hybrid identity', and perhaps becoming the main supporter of the *force for good* that it exerts *through* trade, Ian Manners has labelled the EU as a 'normative power'. However, he moved away from an analysis based on state-like features, namely material capabilities such as economic or military power. For Manners the most important aspect that explains the international role of the EU is its internal development i.e. the ideational impact of its identity, ideas and norms (Manners 2002: 239). In his view, the EU's power *in* trade is not caused by its means and capabilities, but "because of its particular historical evolution, its hybrid polity, and its constitutional configuration, the EU has a normatively different basis for its relations with the world" (Manners 2002: 252). These constitutional norms –i.e. what the EU is– determine its international identity and they predispose the EU to act normatively in the world through other means such as persuasion. Such distinctive nature contrasts with typical Westphalian conventions of other international entities, which confers the EU the ability to change what is normal in international politics (Manners 2002: 252).

Various authors have shown a similar normative standpoint. Rosecrance (1998: 15) pointed out the EU's normative rather than empirical content to set the debate on ideational rather than material capabilities. Likewise, Laïdi (2008: 179) emphasizes a positive image of the EU in the world by describing its ability to employ *norms over force* remarking a clear preference for multilateral norms and institutions. Aggestam (2008) has described the EU as an ethical power. Often, in order to characterize its

type of power other authors have contrasted it from the one exerted by the US. In this line, the EU has been described as a non-threatening "magnetic force" (Rosecrance 1998: 18), a "power anchor" (Meunier and Nicolaïdis 2011: 276) or a "viable alternative" (Aggarwal and Fogarty 2004: 1) for those countries who disagree with the US foreign policy. In like manner, Zielonka contrasted the EU to other 'empires' such as the US or Russia due to its distinctive post-Westphalian polity: "because of its peculiar governance system, fuzzy borders and predominantly civilian policy means, the EU practices its policies differently" (Zielonka 2011: 299).

In a similar fashion, the influential notion of the EU beyond its borders has become specially studied in the context of its neighborhood due to its capacity to expand its rules in other countries. From this perspective, not only would the Union have the capacity to create a system of governance among its member states, but it would importantly offer abroad a kind of 'external governance', viewed as a response to complex interdependence with neighboring countries (Lavenex 2004; Lavenex and Schimmelfennig 2009). As a result, both its markets and its norms exert an influence abroad. This view has been frequently used in the framework of its far-reaching association with the Southern and Eastern neighbors (Barbé *et al.* 2009; Barbé 2010), some of them with special emphasis on trade (Dimitrova and Dragneva 2009). Others have analyzed the EU external governance with other actors far beyond the neighborhood (see Schimmelfennig 2012).

The most straightforward view that the EU is a power *in* trade due to its large and institutionalized market and *through* trade due to its ability to export standards and ultimately norms and ideas has been asserted by Chad Damro (2012). He claims that it is not necessary to conceive the EU as a different or even unique actor in world politics to understand it as a power. The fundamental characteristics of the EU's identity are "a comparatively large regulated market with institutional features and interest group contestation" (Damro 2012: 697). Therefore, the EU can and

does use the material power of its market and the non-material power of its regulations to externalize internal policies. On the one hand, the size of its market, simply due to its material existence, constitutes the most salient aspect of the EU's presence in the international system that affects incentives and others' perceptions over possible outcomes. On the other hand, the EU can exert a more nuanced and rather non-material external influence through its regulatory norms and interest group representation. Damro's view is especially important in the world of trade because international commercial relations are shaped by reciprocity, and thus making more relevant the relative power that the EU has as an international actor (Woolcock 2012: 19). Therefore, in contrast to the notion of normative power, Damro stresses that *through* trade the EU may use not only persuasive means but also coercive means to influence world politics.

Observers mentioned so far, to a greater or a lesser extent, are nearly aligned with the conception used in the EU communications to describe the European foreign policy: the use of civilian and non-military instruments spread through economic power; its ideational nature and the power of norms spread through persuasion; or the power of market size spread intentionally and unintentionally through trade instruments. Oppositely, another range of literature has diluted the positive image of the EU's international role, upholding that *through* trade the EU pursues mainly its self-interest (D'Erman 2018; Hyde-Price 2006; Zimmermann 2007). Structural realism, for instance, equates the EU to a paradigmatic self-interested actor (or a group of states that act as a unit) whose preferences are driven by 'positional competition' (Zimmermann 2007: 817). Thus, the Union's preference formation has a systemic explanation rather than domestic. The EU in international trade negotiations is "motivated by geoeconomic and mercantilist considerations of maximizing wealth relative to other powers and by the pursuit of political goals other than economic interests in the framework of a broader geopolitical agenda" (Zimmermann 2007: 813). Trade policy would be a strategic device to increase its

international power in relation to other states (Aggarwal and Fogarty 2004: 12). For example, in the case of the competitive liberalization entailed by the EU and the US after the creation of the WTO, Sbraglia argues that their trade policies were shaped by structural and geoeconomic competition. Each actor has strategically used agreements in the bilateral, regional and multilateral levels to protect or advance in their respective economic interests (Sbragia 2010: 368).

Finally, in a critical vein, other authors have shown skepticism on the normative or civilian dimension of the EU's power. From this viewpoint, the narrative and the perceptions one has about the EU would highly bias the assertions on the influence it exerts *through* trade. For instance, Kagan (2003: 37) argues that EU's normative commitments in international politics are nothing benevolent and solely mirror its military and political weaknesses. Youngs (2004) shows that EU's normative policies in human rights stands on strategic calculations. Sjursen (2006b) finds the positive visions on EU's performance as normatively biased and argues that they are suspiciously closer to the official EU's own description of its international role. "Often, it seems to rest simply on the rather vague notion that the EU is 'doing good' in the international system" (Sjursen 2006b: 171). She also criticizes the assumption that the European foreign policy, by its presumed normative nature, has some kind of impact or effectiveness. But the truth is that what the EU does in the world does not necessarily have to be perceived as legitimate and accepted by others. For this reason, Sjursen urges to find criteria to assess the legitimacy of EU norms against other actors' perceptions (Sjursen 2006a: 248). In this line, some authors have contested the claim that the EU is a *force for good*, arguing that the EU rather projects an 'EUtopia' (Nicolaïdis and Howse 2002) or that it can be perceived as a 'neocolonial power' by its counterparts (Barbé *et al.* 2017; Nicolaïdis *et al.* 2015). In this regard, Acharya (2004: 244) has also criticized the fact that the EU often presents its values not as European but as universal values.

In sum, the EU is seen as a conflicted trade power (Meunier and Nicolaïdis 2006b). As a power *in* trade, literature agrees that the EU exerts influence by means of its market size and its norms and regulations. As a power *through* trade, it is less clear the type of influence that it causes. Some argue that the EU is essentially a normative power, influencing the world in a benevolent fashion because what it is. Others argue that the EU is nothing but a self-interested power, camouflaged in some occasions under a layer of good intentions.

1.3. EU trade agreements

One of the instruments that EU has employed as a trade actor to pursue its objectives and exert influence in the world has been the capacity to negotiate and sign international trade agreements with different partners within the WTO framework. Through trade agreements, the EU has pursued several objectives in the world, such as commercial openness, development, and regional integration (Heydon and Woolcock 2014; Woolcock 2007; 2014a; 2014b). Among them, perhaps the primary goal linked to trade deals has become market opening. Already in the Treaty of Rome, the member states entrenched trade liberalization as one of its core foundational principles of the European Communities, aiming "to contribute, in the common interest, to the harmonious development of world trade, the progressive abolition of restrictions on international trade and the lowering of customs barriers" (European Communities 1957). The objective of trade liberalization has been pursued by the EU through both multilateral agreements and PTAs. The latter have been both sought via bilateral and regional deals (Elsig 2007; European Commission 1996; Lamy 2002).

1.3.1. Multilateral agreements

The EU has become an actor playing a central role in the promotion of multilateral trade liberalization in the successive rounds of the GATT (Meunier 2005; Smith 2001; Woolcock 1993; 2014b). Through eight rounds under the GATT umbrella, countries used a multilateral framework to reduce tariff barriers and to establish the principles and norms that had to regulate the international trade in goods. However, after several successful liberalization rounds, multilateral negotiations turned more complicated due to mainly two factors: the increasing number of players –the GATT membership expanded from 23 to 123 countries– and increasing number of issues in the agenda –more issues were included in the negotiations beyond trade in goods–. Since mid of 1970s, non-tariff barriers, services and IPR were also discussed on the fora (Garcia-Duran and Millet 2014; Meunier and Nicolaïdis 2011).

The GATT was absorbed in 1995 by the WTO, which aimed among other purposes to overcome the difficulties to reach multilateral agreements. The EU saw the establishment of the new multilateral framework as an opportunity to give a new boost to multilateralism. In this regard, the EU Commissioner Pascal Lamy launched the strategy of 'managing globalization' (Lamy 1999), consisting of refraining from opening bilateral trade relations and concentrating its compromise with an international order based on 'effective multilateralism' (European Union 2003: 9). The intention of Pascal Lamy's bet for multilateralism were two-fold: to avoid the negative effects of trade diversion and to pursue an international system more subjected to rules (Lamy 2002; see also Abdelal and Meunier 2010; Bhagwati 1993; 2008). But the divisions at the multilateral level between developed and developing countries, already apparent during the last round of the GATT in Uruguay, became insurmountable. The two main negotiating blocks aimed to liberalize the issues where they enjoyed comparative advantage: developing countries, led by emerging economies such as India and Brazil, aimed to reduce tariffs in agriculture, whereas the

EU and other developed countries insisted on reducing non-tariff barriers and expanding trade liberalization to services and IPR (Meunier and Nicolaïdis 2011).

Some consider the multilateral talks collapsed in the Cancun 2003 meeting and have achieved little further progress since then (Narlikar and Wilkinson 2004; Woolcock 2014b). The WTO Ministerial Conference covered a very broad work program, about 20 areas of trade including among others agriculture, services and Trade-Related Aspects of Intellectual Property Rights (TRIPS) (Goldstein 1998; see also WTO 2016b). A group of developing countries led by Brazil, India and to some extent China, blocked the negotiations due to its differences over agricultural reform, particularly over the issue of cotton, with the EU and the United States (Meunier and Nicolaïdis 2011: 289). The EU could not reach a successful conclusion of the talks, neither could it include other commercial aspects on the multilateral trade agenda such the Singapore issues: government procurement, trade facilitation, investment, and competition policy (Woolcock 2014b).

Multilateral negotiation rounds, therefore, ceased from being the primary instrument covering international trade liberalization. In consequence, bilateral talks gained interest for many trade actors at the turn of the century. In 1995 there were only around 30 PTAs registered in the WTO, most of them signed by the European Communities with its neighborhood that corresponded to its successive enlargements and treaties with European Free Trade Area (EFTA) countries and overseas territories. When multilateral talks commenced to progress slowly, the world experienced a burst of PTAs. Championed by the US as well as countries such as Singapore or Mexico (WTO 2016a), the number of bilateral agreements in 2010 raised to 290 PTAs in force, 207 covering trade in goods and 83 in services.

1.3.2. Preferential trade agreements

Apart from reaching agreements at the multilateral institutions, the EU has also pursued other types of trade agreements, conducted bilaterally with an individual actor or a group of actors. These agreements, negotiated with different actors and with different purposes, have led to multiple classifications (European Commission 2016; Grilli 1993: 150–151; Hix and Hoyland 2011; Horn *et al.* 2010; Whalley 1998; Woolcock 2007; 2014a). Some observers place the distinction among agreements on their content and create categories based on the provisions of the PTAs, whether they deal with issues lying under the current mandate of the WTO or they go beyond the mandate and include provisions such as commitment on labor standards (Horn *et al.* 2010). In its webpage, the European Commission has used a more geographical-oriented classification, labelling a first type of agreements as 'Europe' which embraces Andorra, Iceland, Kosovo or Turkey. The second label is for the (Southern) 'Mediterranean' countries and the last label is for 'Other countries' that comprise all the countries and regions not included in the first categories (European Commission 2016). Similar to these classifications, Aggarwal and Fogarty (2004: 2–3) distinguished among the number of countries, the scope of issue coverage and the geographic dispersion of participating countries.

Others have employed the degree of access to the EU single market granted by the agreements as the main reference to distinguish among different types of agreement. Grilli (1993: 189; see also Ravenhill 2004: 123) refers it as "pyramid of privileges", in which the different access to the single market reflects "the political priorities of the EU" (Hix and Hoyland 2011: 309). Hix and Høyland (2011) label as the most privileged the countries of the EFTA and the Stabilization and Association Agreements (SAA) with the Balkan states, followed by the agreements signed under the European Neighborhood Policy (ENP). The GSP and the Economic Partnership Agreements (EPAs) are ranked next, whilst other Association Agreements (AAs) and Free Trade Agreements (FTAs) are at the bottom of the list.

In recent papers, Stephen Woolcock has presented several PTA classifications differentiating among the motivations that the EU pursues in trade. These taxonomies can be grouped into four different categories: security, commercial, development and regional integration goals (Heydon and Woolcock 2014: 16; Woolcock 2007: 3–4; Woolcock 2014a: 37). They are not mutually exclusive, as PTAs may follow different purposes, but of course, these purposes can have different intensities. For example, the security agenda is stronger in trade partnerships pursued with neighboring countries, highly influenced by foreign policy motives. Commercial goals refer to the pursue of the EU economic interests by forging strategic links, gaining market access, neutralizing trade diversion and enforcing international trade rules with other countries or regions. Development motivated goals are those agreements primarily negotiated with ACP countries[4]. The last category refers to the goal of promoting the European model of regional integration in other parts of the world.

For the purpose of this thesis, and with the aim to clarify the distinct types of PTAs that the EU has attempted with its counterparts, we use the distinctions made by Woolcock concerning the different objectives of the EU adding a geographical scope. We overview, first, the agreements signed by the EU in its proximities, driven primarily by practical and security concerns. Second, we examine the agreements signed with partners geographically distant. Regarding the latter, we distinguish between two axes. One axis differentiates primary commercial aims and primary development aims. The second axis separates agreements negotiated with one country and agreements negotiated with a regional group.

In the closest geographical scope, the EU has negotiated trade agreements with its neighbors, either under the framework of the common market, the Enlargement or the ENP. The three frameworks are dominated by practical –in terms of political and economic governance– and security concerns. On the one hand, the EU has agreements with countries 'almost' integrated in

[4] The ACP group was constituted in 1975 and formed by the former colonies of EU countries.

the EU system. Turkey, Andorra, San Marino, and Monaco are in the European customs union. The Vatican could also be included in this category as it enjoys free duties with the EU. In a similar way, the EFTA countries –Norway, Iceland, Switzerland and Liechtenstein– represent another layer in the level of integration with the EU system. Except Switzerland, the other three members of the EFTA form jointly with the EU the European Economic Area (EEA). The EEA provides for the free movement of persons, goods, services and capital to the integrating countries.

Beyond this first layer, there exists a second geographical layer formed by the countries included within the ENP framework. The SAA includes countries recognized as candidates or potential candidates for membership: Albania, Bosnia and Herzegovina, The former Yugoslav Republic of Macedonia[5], Montenegro, and Serbia. Croatia, a former SAA country, joined the EU in 2013. Beyond these countries, and still within the ENP framework, the EU has conducted agreements with its Eastern and Southern neighborhood, in which predominate foreign policy and broadly defined security goals (Woolcock 2014b: 718). The large motivating factor of all these agreements is the desire to create political stability and economic development in the EU's surroundings. Thus, trade policy intends to be an instrument that provides the economic basis for political stability in the area (Woolcock 2014b: 719). For this reason, apart from trade issues, the treaties also include migration, state building, energy, and other security considerations. They are conducted bilaterally, and some agreements include not only trade on goods in the negotiations but also trade in services, investment or public procurement.

Beyond the neighborhood, the EU conducts both with individual countries and with regions agreements driven by commercial, development, and regional integration goals (Woolcock 2007; 2014a). The individual commercially motivated agreements have become more common after the

[5] The country is in process of being renamed 'Republic of North Macedonia' after a referendum.

turn of the century within the framework of the renewed EU trade strategies. In 2003 the European Commission recommended a "revised strategy to achieve EU objectives and refreshed and updated the negotiating position in several areas" (European Commission 2003). The new trade strategy was launched in 2006 under the title of 'Global Europe: competing in the world' by Lamy's successor in front of DG Trade Peter Mandelson. The communication entailed a dramatic change in the EU trade strategy as it started a large amount of bilateral talks with the intention to establish preferential agreements with key partners (Woolcock 2012). The Commission aimed at negotiating trade liberalization and "tackling issues which are not ready for multilateral discussion" with countries with strong market potential and high level of protection against EU exports (European Commission 2006). Global Europe would be followed by two other similar and complementary strategies: 'Trade Growth and World Affairs' in 2010 and 'Trade for All' in 2015. This bilateral approach has led to different cases of agreement such as with Mexico (2000), Chile (2003), South Africa (2004) and South Korea (2011), Canada (2017) and Japan (2018).

Beyond the neighborhood, the EU has also pursued through trade agreements other objectives with other countries such as developmental goals. In this case, however, these goals were not initially sought in form of bilateral trade agreements, in which concessions are made more or less symmetrically by the parties involved, but rather through unilateral reductions of trade barriers to access the EU market with the aim to support developing countries. Within this framework, the Union offered preferential market access on the basis of the level of development of the counterpart without receiving reciprocal concessions. The program has generated three different schemes: the GSP, the GSP+ and the Everything But Arms (EBA) scheme. Low income countries[6] can benefit from tariff

[6] Low income countries eligible for the EU GSP scheme are based on a World Bank's classification which distinguishes countries by level of income: high income, upper-middle income, lower-

reductions with the GSP program. They can also benefit from further reductions under the GSP+ scheme if they ratify and implement international conventions relating to human and labor rights, environment and good governance. The least developed countries adhere to the EBA scheme, which grants duty-free quota-free access to all products, except for arms and ammunitions.

So far, we have mentioned trade relationships in which the EU deals with other countries individually. Apart from that, the Union has also used its capabilities in trade to negotiate agreements with countries constituted in a regional group. EU's efforts to encourage regional integration date back from the end of 1960s and its willingness has been constantly expressed by leading EU politicians (Hardacre and Smith 2014; Smith 2008: 76; Söderbaum and Van Langenhove 2005). In a first moment, the support for integration in other regions was closely linked to development policy. The first regional program was in the Second Yaoundé Convention, where the EU adopted a system of regional aid incentives in which the signatory ACP countries had to form regional groupings in order to benefit from Community aid, preferential duty-areas on imports, and special financial preferences (Carbone 2011: 326; European Commission 1995). The European regional policy was broadened in 1974 when the Development Council declared that the Community would respond favorably to development aid requests from countries setting up regional integration and cooperation initiatives (European Commission 1995: 7).

In recent years, however, the distinction between trade and development goals in the European policies has become more blurred (Carbone and Orbie 2014; Siles-Brügge 2014; Woolcock 2014a; Young and Peterson 2013). The first changes in the case of regional policies became apparent at the end of the 1980s, when the EU established the first contacts outside the ACP framework with other regional groups, namely the Andean

middle income and low income. The thresholds of income in these classifications are updated every year.

Community or Central America. The EU was involved in regional initiatives such as the San José process aimed to resolve conflicts in Central America and the informal meetings with the Rio Group or ASEAN. The EU's promotion of regionalism beyond ACP countries became more institutionalized during the 1990s with the adoption of the 'European Community support for regional economic integration efforts among developing countries' (European Commission 1995). The document constituted a milestone in the establishment of formal policy towards regional groupings as it set the basic guidelines to deal with them. One year later, the Commission issued the first Market Access Strategy (MAS), linking for the first time trade relations with regional groupings out of the development scheme (European Commission 1996: 4).

In parallel, the recently created WTO refused to renew the waiver that allowed the EU to grant non-reciprocal preferences towards regional groups within the ACP framework. This preferential scheme violated the WTO Most-Favored Nation (MFN) principle and needed to be readapted to make it consistent with the new trade regime. As a result, both parties signed in 2000 the Cotonou agreement, which provided the EU with more flexibility to negotiate with ACP regions and made compatible its development goals and "trade liberalization à la WTO" (Sbragia 2010). Subsequently, most of region-to-region relationships have moved towards a new conditionality for ACP countries, enabling the EU to offer "access to its market as a bargaining chip in order to obtain changes in the domestic arena of its trading partners" as well as a "tamer, more managed competition from many developing economies" (Meunier 2007: 915). The new EU trade policy towards developing countries has been increasingly criticized for prioritizing too much reciprocity and too little development (Woolcock 2007: 3).

As a consequence of having a more reciprocal relationship with the ACP countries, the EU interregional market-access agreements and the EU regional development agreements have become more similar in the last

years. They are both negotiated flexibly on a case-by-case basis to tailor the EU and its partners' preferences (Woolcock 2007; 2014a). Development-based agreements sustain many similarities to those emerging from the MAS strategy and the Global Europe Strategy, the last launched in 2006 with the aim of liberalizing trade with "countries and regions able to sustain competition" (European Commission 2006: 11). The document mentioned regions such as ASEAN, the Andean Community, Central America, the GCC and MERCOSUR. Negotiations were successfully concluded in the case of Central America, being the treaty signed in 2012. As regards to the ACP group, the EU has so far concluded the region-to-region agreements with CARIFORUM, SADC, and with a part of the ESA region. With the rest of regional groupings, negotiations are stalled or have been turned to bilateral agreements with some of the members of the regional group.

1.4. Conclusion

This chapter has set the starting point of the thesis, presenting its main assumptions through an overview of the EU trade policy. The EU is an actor fully recognized by others in the world of trade. It possesses internal capabilities, with a decision-making structure and the ability to mobilize resources to pursue its goals in the global arena. Moreover, the EU is also a kind of power, able to influence others in order to pursue its goals. These goals, albeit multiple and somewhat contradictive, span from pure self-interested commercial goals to more normative goals, linked to development and regional integration.

As a result of having actorness and power in the world of trade, the EU employs its trade policy armory as an instrument to pursue the mentioned goals. Among them, the EU holds the ability to sign trade agreements, either from a bilateral, regional and multilateral basis. In recent years, the EU has attempted to conclude several interregional agreements, which

combine different objectives, from commercial to regional or developmental goals. All regional negotiations appear to be negotiated flexibly, on a case-by-case basis. Among the set of region-to-region trade negotiations that the EU has launched since the establishment of the WTO, some of them have been concluded with an agreement whereas others have not.

Chapter 2. Literature on trade agreements

2.1. Introduction

The reason why international trade agreements are reached may obey to very different motives. The quest for identifying the causes of broadly defined international cooperation –in which the conclusion of trade agreements could be included as one of its subcategories– has remained one of the major concerns of IR since the origins of the discipline. Since the first great debate among realists and idealists, scholarship has been puzzled by the primary drivers of cooperation and conflict in world politics. This chapter summarizes the existing literature on trade cooperation. It argues that, broadly, agreements between two counterparts depend on three different components: the internal characteristics of one party, the internal characteristics of the other, and a systemic component. In general, literature agrees that an elevate number of veto players –defined as individual or collective actors whose agreement is required in order to change policies (Tsebelis 2002: 12; see also Lijphart 1984; 2012; Scharpf 1988)– dampens the agreements. In consequence, as interregional trade agreements need the consent of a large number of players, the likelihood of reaching an agreement is lower than with individual states.

The chapter is organized along two axes based on the main assumptions that different schools of thought take in the IR discipline when explaining international trade cooperation. The typology follows different literature

reviews (Fearon 1998b; Hasenclever *et al.* 1997; Ikenberry *et al.* 1988; Lake and Powell 1999; Wendt 1999). The first axis distinguishes among the driving forces that gear world politics: power, interests and ideas; framed on realism, liberalism and constructivism. Regarding the first two schools of thought, they envisage power and economic interests as the essential drivers of international relations and use a rationalist approach to explain how the world functions. Both contend that actors base their actions on cost-benefit calculations. However, those who rely on power as the main driving force in the world root their judgement on political calculations whilst economic interest-based rationalists believe that international relations gear around rational economic calculations (Lake and Powell 1999: 8, 16). Finally, constructivist stances underline that world politics are not necessarily explained by any economic or political rationality of the actors, but on their ideas and values on which they ground their behavior. They emphasize the way actors process and interpret information produces observable behaviors that may diverge from those predicted by rational theories (Hasenclever *et al.* 1997: 3–4).

The second axis accounts for the level of analysis that better explains international politics. We distinguish among two levels, systemic and domestic (Fearon 1998b: 291; Lake and Powell 1999; Wendt 1999: 23). Some authors have used other levels of analysis, such as the celebrated Waltz's classification in which he distinguished among three 'images' to explain conflict in the international system: the individual, the state, and the international system itself (Waltz 1959)[7]. Since Waltz, other attempts to classify the levels of analysis have tended to group the causes of cooperation and conflict in two dimensions (Carlsnaes 1992; Wendt 1999). This chapter builds on this double distinction between structure and

[7] Kenneth Waltz argued that the main explanations of world politics, and particularly the causes of war, could be grouped in three levels of analysis or 'images': the first image distinguishes those who contend that the main explanatory factor of conflict is the human nature; the second group those who believe that it is the configuration of the state; and the third level those who argue that the causes of war are better explained by the structure of the international system.

agency. The first group highlights the importance of structural factors to explain world politics. In other words, structuralists contend that the behavior of a unit in the system is not explained by its attributes, but by the position that it occupies in the system. The second group argues the opposite: to explain a phenomenon, one must look inside the unit, namely its domestic factors.

By combining these two axes, this chapter reviews the conditions for trade agreements through three sections: rationalist structural, rationalist domestic and non-rationalist. This examination shows that the number of veto players is important for all theoretical approaches of the IR literature. The greater the number of veto players involved in the negotiations, the more difficult it is to reach a satisfactory outcome. By so doing this chapter establishes the puzzle to be analyzed in the further pages of the thesis since the EU has succeeded in furthering trade liberalization in different interregional negotiations, composed also by several number of actors which can veto the agreement.

2.2. Rationalist structural

Neorealist and neoliberal institutionalist schools of thought consider that the behavior of the main actors in international relations can be explained by structural factors and in a rational manner. Both assume that states are "self-interested, goal-seeking actors whose behavior can be accounted for in terms of the maximization of individual utility" (Hasenclever *et al.* 1997: 23). States have transitive preferences and consistently make choices given those preferences (Conybeare 2004: 291). But as structural theories, they neglect the importance of domestic factors in shaping these preferences. There could be some different societal preferences across states, but they argue that the international environment –the structure– is so powerful that it forces all states, no matter their internal differences, to pursue identical strategies of maximizing their utility (Frieden 1999: 50). Thus, all

states are driven by the same rationale of maximizing gains and the variation across their behavior does not have to be found domestically but through a closer examination of the shape of the international system. In this aspect, the behavioral differences across states are determined by the position that each one occupies in the international structure.

Rational systemic theories, then, argue that when states decide to enter in a trade relationship, they calculate the gains of taking this action and decide to cooperate or not. It is in this point, the way how gains are calculated, where neoliberal institutionalism and neorealism differ in what has been called the 'relative gains debate' (Fearon 1998a; Powell 1991). The former literature stresses that states do not seek to maximize the relative gains when they undertake an action, but the absolute gains. In that sense, neoliberal institutionalists claim that the international system is formed by a net of economic interests and through cooperation states can enter in a positive-sum game, in which normally they can mutually benefit from the welfare-enhancing gains of cooperation. In their view, states privilege economic over political goals because domestic competition among societal actors and elites is driven by economic interests rather than geopolitical concerns, and therefore states also privilege abroad economic rather than political goals (Rosecrance 1986). This makes cooperation more likely compared to realists' judgements. If cooperation does not occur, they argue, is due to collective action problems between parties i.e. states are not able to coordinate themselves to achieve mutual gains (Pahre 1999; see also Olson 1971). As economy theory predicts, individuals or states may reach in some cases Pareto inefficient distributional outcomes by pursuing their own self-interests and hence they require coordination mechanisms – i.e. the right institutions– to overcome these market failures (Bagwell and Staiger 2002; Keohane 1984).

On the other hand, neorealists believe that states anxiously fear about their relative gains as they privilege political over economic goals. Their ultimate concern is therefore to maximize their political power and security, two

scarcely distributed resources along the international system – which in nature makes the quest for political authority more subject to distributional outcomes, as gains in actors' security can fundamentally be obtained at expense of others (Krasner 1991: 362). Thus, in trade negotiations, states subjugate economic welfare aims to the utility calculations of power politics, namely how a deal increases their military capabilities and shapes the distribution of coercive power in the system. Economic gains from trade remain still important, but basically due to their security externalities, as efficiency gains releases economic resources that can easily be transformed into power capabilities (Gilpin 2001; Gowa 1989; 1994; Gowa and Mansfield 1993: 408; Kirshner 1999). In consequence, trade liberalization would be, in any case, more likely among members of the same alliance (Gowa 1994). Yet, it could be the case that mutually profitable trade agreements may be refused by an actor that fears that others would gain relatively more (Grieco 1990; see also Grieco 1988; Grieco and Ikenberry 2003).

Regardless of the main differences between neoliberal institutionalists and neorealists, both reach similar conclusions on the effect that different forms of the international structure have on the degree of trade liberalization. Many have argued, for instance, that a hegemonic structure –a system with a remarkably powerful country in relation to others– leads to an open international economy. Although much controversy exists among scholars about the theoretical and empirical validity of the theory (Keohane 1984; Lake 1993; Lake 2008; McKeown 1991), the fundamental debate resides on whether a single hegemon is a necessary condition for openness (Kindleberger 1973) or whether a group of states with a high concentration of power can also lead to a structure that seeks for openness in the system (Snidal 1985; see also Keohane 1984; Krasner 1983; see for the EU case Grieco 1988; Hyde-Price 2006). Back to the 'relative gains debate', having a stable international economic structure, opened to trade, is for neoliberal institutionalists a public good and produces positive externalities. All the actors benefit from it, but its maintenance bears also

some costs. The existence of free riders that rationally avoid the burden of contributing to the public good costs creates collective action problems, thwarting international cooperation (Kindleberger 1973). Only a hegemon, some argue, or a group of powerful states, others argue, can overcome collective action problems and maintain an international economic structure that facilitates free trade and openness.

Neorealism reaches a similar conclusion but, in contrast to neoliberal institutionalists, it contends that free trade is not a public good –as gains produced in trade agreements are relative– and hence is not necessarily the preferred optimal policy for all states. In consequence, collective action problems do not constitute the primary obstacle for openness. The key variable to neorealists is the global distribution of power and states willingness to promote economic openness depends on the relative position occupied in the system. On the top of the structure, an hegemon would grasp that international openness enhances its relative political power, defined by the opportunity costs of closure. Thus, it will employ coercive power to tailor at its own will the conflicting trade policy preferences of other states (Gilpin 1975; Krasner 1976; see also Brawley 1993; Lake 1993).

A hegemonic structure of a single effective veto player, however, is not the only scenario that would foster trade agreements according to rational structuralists. Different authors have claimed that in some cases an important number of players would also bring an opened economic structure. Krasner (1976) argued that small economies will have strongest preferences towards free trade, as under an opened economic structure their general welfare would improve proportionately much more in comparison to other economies. Snidal (1991) suggested that the importance of relative gains in cooperation decreases with a large number of countries within a system. Mansfield (2004) has gone further and suggested a mix between hegemonic and small-state structures, arguing that openness and the concentration of power in the international system takes a U-shaped relationship. He claims that in a situation of many states,

market power is dispersed in the international system and no one has the ability to modify its tariffs to improve their terms of trade. Therefore, no one can use its market power for individual gains, so incentives to raise tariffs would be low. As concentration of power increases, the market power of some states rises as well as their incentives to impose an optimal tariff. In consequence, relatively large economies would be tempted to manipulate the terms of trade for their own benefit. However, if a state or a group of states accumulate substantial market power, it can forgo the use of optimal tariffs so as to "maintain its monopoly power in the international system, to foster economic dependence on the part of smaller trade partners, and to induce political concessions from them" (Mansfield 2004: 157; see also Lake 1993; 2008). Small economies and hegemons, therefore, would be more prone to cooperation than middle economies in a particular system.

In sum, rational structuralist theories conclude that trade agreements conclusion is influenced chiefly by the international structure. Although neorealism and neoliberal institutionalism differ in key assumptions on the composition of the system and the goals that international actors pursue, they reach similar conclusions. Trade liberalization is more likely when a single player dominates the international relations. In such hegemonic structure, the dominant actor has the interest and the ability to create an opened trading system. As long as the number of players increases, the probability of trade openness across the system decreases. This literature only contemplates the exception of a system formed by very small states. In this situation, as their policies cannot affect the world prices to modify favorably the terms of trade, they also may feel compelled to pursue trade openness.

2.3. Rationalist domestic

Another branch of literature argues that the fundamental factor that explains why trade agreements are concluded needs to be found in the domestic arena. This stream believes that "cooperation among nations is less plagued by fears of other countries' relative gains or likelihood of cheating than it is by the domestic distributional consequences of cooperative endeavors" (Milner 1997: 234). In this case, proponents believe that the main causes of international agreements are not due to a particular shape of the international system. They contend that almost all systemic configurations would lead to cooperation among states, and hence what deprives them from cooperating needs to be found domestically. This focus has dominated the study of international cooperation since the 1990s and encompasses a set of theories that emphasize in different weights the importance of domestic preferences, state institutions and international bargaining in order to explain international outcomes (da Conceição-Heldt 2011; Lake 2006; see also Ikenberry *et al.* 1988; Lake and Powell 1999; Putnam 1988). In this view, trade preferences are formed within the state and derived from interests based on industrial sectors or factorial inputs; in turn, state institutions aggregate these different interests and form the bargaining position of the state at the international level; and finally, the characteristics of international bargaining determine the final outcome.

2.3.1. Preferences

Domestic advocates define preferences as the way actors rank the possible outcomes of an interaction (Frieden 1999: 42). In contrast to structuralists, which assume identical states preferences (or strategies) based on power or wealth-maximizing goals, domestic rationalists believe that preferences vary across states: their different internal characteristics explains how they rank their preferences and, in turn, the differences on their behavior. By looking at how political, economic and societal internal factors constrain

states policies, one must be able to deduce and predict their actions. The starting point builds upon the idea that trade policies have distributive consequences within the state and create domestic winners and losers (Evans *et al.* 1993; Gourevitch 1986; Grossman and Helpman 2002; Hiscox 2002; Milner 1997; Moravcsik 1998; Rogowski 1989). Groups benefited from a policy are expected to lobby in favor whereas groups that lose from it are expected to lobby against. In consequence, the role of the government would be to act as a 'cash register' (Krasner 1984: 227). As public officials will care about the effects of trade agreements in their constituencies, they will adopt the policies that have more financial and electoral support (Grossman and Helpman 1994; 2002).

From this perspective, domestic groups preferences are grounded on economic theory by deducing that trade policies affect similarly actors sharing similar characteristics. A first group of scholars stress that the main separation between winners and losers of trade policy crosses sectoral groups (Frieden 1988; 1991; Gourevitch 1986; Midford 1993). These scholars use Ricardo-Viner economic model and deduce that similar sectors, including both business and labor groups, share identical interests and they react to trade policies in the basis of the sector comparative advantage vis-à-vis the rest of the world. In contrast, others use Heckscher-Ohlin model assuming perfect mobility across factors of production and deducing that the dividing line over trade policy preferences does not cross sectors, but factors: land, labor, and capital. Therefore, trade liberalization benefits the owner of the most abundant factor vis-à-vis the rest of the world. In consequence, groups who employ intensively resource-abundant factors of production tend to lobby in favor trade liberalization whereas groups who employ intensively resource-scarce factors of production tend to lobby against (Mundell 1957; Rogowski 1989; Stolper and Samuelson 1941).

2.3.2. Institutions

Other scholars favoring the domestic approach to explain trade policy outcomes focus more on the effects of institutions in aggregating societal preferences than in the preferences as such (da Conceição-Heldt and Meunier 2014; Mansfield *et al.* 2007; Meunier 1998; Meunier and Nicolaïdis 2006b; Milner 1997; Milner and Rosendorff 1996). Institutions are established rules and procedures that determine the political game by aggregating conflicting societal interests and define how the domestic competition over policy is conducted (Lake 2006)[8]. In other words, they "provide arenas and power resources to different actors and their rules (institutional arrangements), establish the way in which those actors can participate and consequently shape the decision-making process" (da Conceição-Heldt 2011: 23). One stream of the literature on institutions tends to distinguish among regime types, generally arguing that regional integration and trade liberalization correlates positively with institutions in democratic countries compared to autocratic ones (Brawley 1993; Mansfield *et al.* 2002; Mansfield and Milner 2012; Milner and Kubota 2005). International agreements, therefore, will be more likely among democratic polities.

Within regimes, little research has been conducted in democratizing or autocratic states (Lake 2006). Most efforts have been placed on democratic regimes, particularly in the effects that domestic democratic institutions have on trade policies (da Conceição-Heldt and Meunier 2014; Meunier 1998; Milner 1997; Milner and Kubota 2005). In particular, scholars studying democratic regimes have focused primarily on the number of veto players within the political system, the power sharing mechanisms between the executive and the legislature, and the link between the parties and the

[8] Institutions can also be seen as congealed preferences (Riker 1980) or humanly devised constraints that structure political, economic, and social interaction. They consist of both informal constraints (sanctions, taboos, customs, traditions, and codes of conduct), and formal rules (constitutions, laws, property rights) (North 1991).

interest groups (da Conceição-Heldt 2011: 3; Putnam 1988; Rogowski 1999). On the number of veto players, the argument is quite intuitive: the probability of forming an international trade agreement increases as the number of players able and willing to block the decision decreases (Mansfield *et al.* 2007; 2008; see also Faust 2006: 159; Mansfield and Milner 2012; Tsebelis 2002). The implications of this logic have been followed by several studies. For example, O'Reilly (2005) found that the decrease of tariffs and non-tariff barriers was smaller in polities with large number of veto players. Sebenius (1983) also found that the number of parties in a negotiation increases the cost and time to reach an agreement. Similarly, analyzing the size of domestic constituencies, Rogowski's (1987) showed that single electoral districts predispose policy toward general welfare while small constituencies increase the number of veto points and incline policy toward more protectionist groups.

On the effect that power sharing mechanisms between the executive and the legislature have on trade policy, it is generally argued that the more concentrated is the power in the executive hands, the more likely that the country opts for trade liberalization. The logic underlying this argument follows the principal-agent literature, claiming that trade policy delegation to the hands of an executive causes 'bureaucratic drift'. A principal, in our case the legislature in the parliamentary systems, frequently chooses to delegate its powers to an agent, the executive, in order to reduce transaction costs of decision-making (Majone 2001). When delegation occurs, the agent is often able to use its policy discretion to move the final outcomes of a policy closer to its ideal position (Hix and Hoyland 2011). Usually, rooted in economic theory, it is thought that the ideal position of the agent –the executive– will be more pro-trade openness because liberalization policies enhance the general welfare of the country whereas protectionist policies benefit only some special interests. Therefore, parties in the legislature tend to face more pressures from special interest groups, whereas an executive with delegated powers is more isolated from protectionist pressures (Meunier 2005).

The principal-agent logic has been analyzed by several studies, distinguishing among different types of delegation: agenda-setting; negotiating mandate; legislature oversight mechanisms; and ratification or veto power mechanisms (da Conceição-Heldt 2011; see also Dür and Elsig 2011; Franchino 2004). For example, in the case of legislative ratification, Haggard and Kaufman (1995) associated trade liberalization with executive dominance, arguing that executives find more obstacles to liberalize tariffs through international agreements when they require ratification by the legislature to sign the deal. In sum, a country is more likely to opt for trade liberalization if institutional mechanisms are delegated to the agent.

Finally, the literature on the study of democratic institutions argues that a polity is likely to opt for trade openness when pro-liberalization interest groups have strong links with the party in government (da Conceição-Heldt 2014). For example, left-wing parties tend to take the positions of labor union demands whereas center-right parties attend more closely to the preferences of the business sector. In some cases, the link among them is so strong that parties have been created by special interests, such as the case of labor unions created by left-wing parties in many European countries. In other cases, the strong links come from the contributions that special interests make in order to tilt politicians' choice towards its preferred trade policies (Alesina 1987; Grossman and Helpman 2002). This view emerges from the political economy and claims that politicians are not benevolent agents that seek to maximize the aggregate welfare of the country as if they were a 'cash register', but they are selfish agents interested in maximizing their own welfare. Thus, political parties absorb policy preferences from special interests concerned on the distributive effects of trade policy.

2.3.3. International bargaining

The domestic rational approach does not obviate, despite its internal approximation, the international level. Trade cooperation is explained by

some authors by looking at the negotiators bargaining strategies at the international level (Clark *et al.* 2000; da Conceição-Heldt 2006; da Conceição-Heldt 2011; Fearon 1998a; Odell 2000; 2009). In an initial framework, Robert Putnam's 'two-level game' (1988; see also da Conceição-Heldt and Mello 2017; Milner 1997) inspired this literature to show how the national and the international level interact simultaneously. Putnam (1988: 437) defined as a 'win-set' the range of all possible agreements in a certain level and argued that international cooperation is possible when both win-sets, at the international and the domestic level, overlap: "at the national level, domestic groups pursue their interests by pressuring the government to adopt favorable policies, and politicians seek power by constructing coalitions among those groups. At the international level, national governments seek to maximize their own ability to satisfy domestic pressures, while minimizing the adverse consequences of foreign developments" (Putnam 1988: 434). Therefore, the preferences of an actor and its institutional settings produce a particular win-set that should overlap with the international win-set in order to have an agreement. This framework can be adapted to a 'three-level game' to analyze regional institutions (Collinson 1999; Fenhoff-Larsen 2007). In this case, the regional organization negotiates with another partner at the international level; at the same time, member states negotiate among them in a second level; and in turn, domestic groups compete to shape the policies of their constituency in the third level. Such framework has been used frequently to analyze the articulation of EU trade policy in the second-level, namely how the members states negotiate in the Council (da Conceição-Heldt 2011; da Conceição-Heldt 2014; Meunier 1998; Meunier 2000).

By looking at the win-set faced by international actors, this literature looks at how the bargaining characteristics of the negotiation affect the likelihood of cooperation. Putnam underlines two main factors that affect the size of the win-set and the probabilities of agreement. The first factor, known as issue linkage, refers to the existence of side payments in the negotiation. An agreement is more likely to be concluded if two or more issues are being

discussed simultaneously, as it widens the room of maneuver that both parties have (Allee and Elsig 2017: 544; Poast 2013). Issue linkage is useful to convince an actor and alter its utility calculations to unblock the negotiations. In the case of EU-MERCOSUR negotiations, Doctor (2007: 302; see also Roloff 2006) argues that Latin American states used trade aspects as a bargaining chip of other political issues in order to reward certain economic sectors and "to make an agreement more politically 'saleable'". Grieco (1990: 234) further backs that certain functions of international institutions constitute formalized side payments that help strong powers to persuade weaker powers. In that respect, the inclusion of TRIPS in the multilateral negotiations may be understood as an example of side payment that geared towards reaching an accord in the Uruguay Round (WTO 2007).

The existence of side payments has become a frequent mechanism in the European integration process, as large part of EU intergovernmentalist literature has underlined. For example, the Common Agricultural Policy became the side payment to persuade French farmers in exchange for German access to French industrial markets, the creation of the European Regional Development Fund permitted the entry of the United Kingdom to the EU, the cohesion funds were the bargaining chip used to persuade the Southern European countries to accept the single market, and the creation of the Euro became the price Germany paid to France for accepting the German reunification (Hix and Hoyland 2011).

Apart from the positive effect side payments have in generating a larger win-set, Putnam also stressed the importance that the cost of 'no-agreement' had in enhancing the likelihood of agreement. The different available alternatives that parties face condition the incentives they have to reach an agreement in international negotiations. If not reaching a trade deal supposes few adverse consequences, the negotiating party would have little incentives to accept the deal. This idea is expressed in the concept of the Best Alternative To Negotiated Agreement (BATNA) in the negotiation

literature and similarly articulated through the notion of opportunity cost in economics. The BATNA examines the second-best alternative that parties have in case that the agreement cannot be reached (Lax and Sebenius 1999). A negotiating partner with a good second-best alternative is less likely to be tempted by incentives offered by the counterpart and will adopt a tough bargaining strategy in the negotiations, complicated the chances to reach an agreement.

The idea of how alternatives to agreement affect international negotiations has been analyzed from very different perspectives in the IR literature. Krasner (1976) argued that the opportunity costs of closure –i.e. the effects of a sudden rise of tariffs, namely an international tariff war– are lower for a large state, as it already has a large market and it will be less affected by closing borders. Oppositely, the smaller the state and the more interdependent it is vis-à-vis the rest of the world, the lowest its BATNA. As the second-best alternative will imply larger costs associated with the effects of closing borders and restructuring its economy, it is likely that the partner will adopt a soft bargaining strategy to reach an agreement (da Conceição-Heldt 2014: 983; da Conceição-Heldt and Meunier 2014; Keohane and Nye 2012).

The BATNA concept also holds close relationship with time constraints in terms that actors may be affected differently by the lapse of time. The pressure of time has "an impact on the extent to which actors impose demands and make concessions at the international level" (da Conceição-Heldt 2011: 3; see also Pruitt and Latané Drews 1969). Operating close to a deadline worsens an actors' BATNA, as it removes the option of delaying a decision. Time lapse implies increasing the costs of negotiations, as more resources are spent without reaping the benefits of agreement (Fearon 1998a), and also implies a kind of 'negotiation fatigue', as actors may see negotiations are not progressing as it was expected, leading to an increase of the likelihood of breaking off negotiations (da Conceição-Heldt 2011).

To sum up, trade agreement conclusion depends upon having compatible win-sets. The more players involved in the negotiations, the more difficult is to achieve a win-set at the regional board shared by all the actors due to their diverging preferences. The agreement accepted at the international level by the negotiating counterpart must be also accepted by the relevant agents in the domestic constituency. In this respect, the regional institutional design helps to avoid a narrow win-set, since it reduces the number of players. The alternative choices of the actors also shape actors' win-sets and influence the likelihood to reach agreements at the international level.

2.4. Non-rationalists

Non-rationalist literature refers to the group of authors that stress that outcomes in IR cannot be explained and understood without considering the importance of actors' ideas and values. These scholars highlight that rationalist view explains a particular logic of the world, based on the consequences of an actors' behavior. The utility maximization logic, in which interest-based subjects employ permanently the same cost-benefit function when taking decisions, fails to consider the role of norms, ideas, values and knowledge in determining the identity of actors. And what determines the behavior of international actors is the identity, the appropriateness of their values and norms, what determines the behavior of international actors (March and Olsen 2009). Therefore, non-rationalist stances believe that in order to explain and understand the world one cannot assume as rationalists do that actors' economic and political preferences are essentially static and institutions are fundamentally immobile. By contrast, they argue that norms and beliefs change more often due to circumstances related to the process of interaction: the way actors interact and interpret information shapes their behavior and produces different outcomes from those predicted by rational theories. An

analytical consequence of such rationale is that, as agents are in constant interaction with their environment, agency and structure cannot be separated. For this reason, this subsection is not structured on grounds of structural and domestic perspectives, though some nuances are mentioned.

The core of non-rational theories emanates from the constructivist literature, which contends that the existence of inter-subjective beliefs and shared norms affected by culture and socialization processes dominate international relations. Actors are driven by norm-based decisions, which are influenced by symbolic or historically determined circumstances (Hasenclever *et al.* 1997). Trade agreements and international cooperation are possible not because specific calculations in a particular point in time of rational utility-maximiser actors. On the contrary, they emerge through a historical process of mutually constitutive interaction between actors and their environment (Ruggie 1998; Wendt 1999). Both, agents and structure, are in constant interaction and influence each other over time in a self-reinforcing cycle: the structure shapes actors' perceptions that affect their preferences and consequently their behavior; in turn, the collective behavior of agents influences back on the system.

The emphasis on the process of interaction is one of the main differences between constructivists and liberal scholars. Liberals argue that states, as well as individuals, are rational and have transitive and rather fixed preferences. A change in preferences tends to be instrumental, due to responses to exogenous constraints that alter states calculations. By contrast, constructivists have a less static view of the world. They contend that preferences are in constant evolution, taking form of historically contingent norms and beliefs that change as a result of social interaction and adaptation to the institutional and normative environment (Risse *et al.* 1999). The historical process of learning shapes how governments interpret their environment and render certain actions more or less appropriate (Dupont *et al.* 2006; Haas 1990; March and Olsen 2009). The socialization process, therefore, changes governments' perceptions of desirable or non-

desirable policies and the prominence of new norms has critical effects on decision-makers (Finnemore and Sikkink 1998; Hill 2003; Risse *et al.* 1999). How these guiding norms are generated and how they influence policies has concentrated most of constructivist efforts. They primarily analyze the paramount role of elites, moral entrepreneurs, and epistemic communities in the process of value formation (Finnemore 1996; Finnemore and Sikkink 1998).

Regarding the constructivist approach to institutions, it also differs when comparing to liberals. Whilst liberals rely more on the design of formal institutions to explain international cooperation, to constructivists international and regional institutions "are not just designed as instruments to efficiently solve collective action problems but shaped by the standards of legitimacy and appropriateness of the international community they represent" (Schimmelfennig 2016: 187). In their view, therefore, informal institutions can be as powerful as formal institutions. One example is the procedures based on consensus-building, deep-rooted in historical and cultural beliefs on national sovereignty, that constrain states patterns of behavior and can accurately explain the outcomes of certain institutional processes without the need of being formally codified (Hartmann 2016; Higgott 2014; Katzenstein 2005). States are more likely to cooperate when they share certain norms and values among them, especially in the presence of strong transnational communities across national boundaries. For example, constructivists claim that elites in different democratic countries are more likely to share power internationally because they are more familiar with domestic power-sharing (Acharya and Johnson 2007: 262). Their compatibility of beliefs, values, and norms fosters the existence of trade and integration agreements.

Precisely, the type of regime is one of the main variables jointly with political ideology that emerges from the interplay among formal and informal institutions that constructivists use to explain regional

cooperation (Schimmelfennig 2016). On the regime type, commitment to liberal democracy has facilitated the expansion of regional organizations and trade cooperation in Western Europe after the end of the Cold War (Schimmelfennig 2003). On political ideology, Judith Goldstein (1998) found that societies may appreciate trade liberalization due to several beliefs not strictly related to trade, such as the promotion of peace, welfare or economic stability and growth. These norms, diffused through some international organizations such as the WTO or the International Monetary Fund (IMF), "are a hybrid, coupling trade openness with domestic stability – the liberalization of trade among nations was never a goal in itself but rather a means to domestic economic growth" (Goldstein 1998: 146–147). By contrast, Hooghe and Marks (2005; 2008) show that countries with norms and ideas related to independence and exclusive national identities have become more reluctant to cooperation and regional integration. Gstöhl (2002) has studied that liberal democracies show less participation in regional organizations when they are rooted in beliefs of identity exclusion.

Non-rationalist stances, in sum, uphold that trade agreement conclusion depend upon compatible ideas and beliefs among different actors in a negotiation. The conclusion becomes more difficult as the number of actors in the negotiation increases, as the probability of all having shared ideas and beliefs decreases.

2.5. Conclusion

A review of the main factors that IR identifies to explain the conclusion of trade agreements indicates that, in general, the number of players is an important variable to take into account when analyzing international negotiations. In this chapter, we have divided the literature between structural and domestic, on the one hand, and between rationalist and non-rationalist views, on the other hand, to explain trade cooperation. Rational

systemic theories believe that international cooperation depends on the structural shape of the international system and the position that each state occupies in it. However, whereas the neorealist strand claims that cooperation is seldom possible because power considerations drive states calculations on signing international agreements, neoliberal institutionalists hold a more positive view and consider that the systemic shape distributes the payoffs among actors and their willingness to solve collaboration problems. Other rationalists believe that domestic factors predominate in front of systemic considerations in explaining international trade cooperation. In their view, the gear of trade cooperation is found in a mixture between societal group preferences towards free trade and the role that institutions play in aggregating them. Finally, constructivists elude the rationalist cost-benefit analysis and focus on the role of ideas in explaining world politics. Their emphasis is placed on the effects of interaction among units and how their system of beliefs and values change over time.

Despite their different approaches to trade agreement, all these perspectives have something in common: they consider that the probability of forming an international trade agreement increases as the number of players able and willing to block the decision decreases. Interregional relationships are characterized by multiple actors, which complicate the chances agreement among them. Yet, concluding the negotiations with agreement is still possible. In the next chapter, we argue that regional cohesiveness may contribute to reach interregional trade agreements. Cohesiveness within a region may make players unable or unwilling to block the decision of signing the agreement.

Chapter 3. Interregionalism literature

3.1. Introduction

Interregionalism is a relatively recent phenomenon. First interregional interactions date back to the 1960s with the EU's treatment of its ex-colonies grouped together in several regional groupings (Smith 2008: 70). However, it wasn't until the 1990s when regionalism entered a remarkable period of growth and with it, the number of institutionalized relations between regions (Hänggi 2006: 31). In some cases, contacts among these entities led to negotiations on trade liberalization agreements, particularly among the EU and other regional groups and organizations. Scholars quickly grasped their importance and placed interest in the phenomenon. Some of them framed interregional trade talks as the second-best alternative to multilateralism (Aggarwal and Fogarty 2004: 1; Faust 2006: 158); others conceived it as a potential mechanism to structure the world order (Hettne 2014: 56). Either way, interregionalism has become a promising opportunity for global cooperation in the trade domain.

This young and auspicious branch of the IR literature has remained, however, severely affected by its analytical constraints, leading to an underdevelopment of the field (Hänggi 2006: 10; see also Baert *et al.* 2014). One of the core hurdles of studying regions is that they are dynamic structures: their characteristics, composition and perceptions are constantly in evolution. Regions, in contrast to states, have a less clear

structure and their delimitation and measurement becomes a hard endeavor for the researcher. The development of the area posits also empirical challenges as there are available limited cases of regions and interactions among them across space and time. In consequence, most scholars have somewhat avoided the delimitation of regional areas, moving away from actor-centric stances and adopting a systemic-centered perspective focused on the impact of interregionalism on regionalism instead of targeting the impact of the regional actor in the system (Rüland 2006b). Within this 'outward-in' perspective, a branch of researchers linked to international political economy has targeted the impact of globalization to interregionalism and regionalism formation (Doctor 2007; 2015; Roloff 2006). Another branch close to constructivist stances has examined the impact of region-to-region interaction processes on interregionalism itself and on regionalism (see for recent papers Hulse 2014; 2018; Mattheis and Wunderlich 2017; Wunderlich 2012).

In consequence, the study of interregionalism from an actor-centered perspective is almost missing (Rüland 2014: 18). It is true that there is extensive inside-out literature on the EU, exploring how its domestic characteristics have contributed to its external relations in general, but there has not been the same effort for the EU regional counterparts. A relatively recent exception has become Aggarwal and Fogarty's study of EU's trade negotiations, which examines how cohesiveness of counterpart regions contributes to interregionalism. The authors devise a complex multilevel game model and look at interregional trade relations from three different standpoints: EU internal characteristics, systemic characteristics, and the characteristics of the EU's counterpart. According to their framework, the attributes of the counterpart such as regional power, institutional relations and domestic preferences have to be considered when looking at interregional arrangements (Aggarwal and Fogarty 2004: 226).

This chapter explores the literature on interregionalism and develops the concept of regional cohesiveness from an actor-centered perspective. Regional cohesiveness is understood as the forces that contribute to unite the members of a group and to work together effectively. Grounded on the following review of the interregionalism literature, we hypothesize that such forces may be a relevant mechanism to reduce the number of veto players in a region. In consequence, in the event of a high number of veto players in EU international negotiations, the counterpart's regional cohesiveness may be the key to reach agreements in interregional cases.

The first section of the chapter discusses ontological aspects of region and its word derivations: regionalism, regionalization, and interregionalism. It reviews how recent literature has conceptualized them. For the purpose of this thesis, we consider interregionalism as the relationship between two regional organizations or between a regional organization and a regional group (Hänggi 2006). For region, in consonance to the previous definition, we accept different degrees of institutionalization, understanding it as a socially constructed space located between the global and the state level which contains more than two states (Börzel and Risse 2016). The second part of the chapter grounds the theoretical framework of this thesis and reviews the conceptualization of cohesiveness in the literature.

3.2. Region, regionalism, interregionalism

Interregionalism has experienced many important hurdles in its evolution as a branch of IR. Analyzing regions entails substantial ontological difficulties compared to the analysis of the long-lasting structure of states, more homogeneous in nature, compounded by sovereign authority, decision-making powers and foreign policy instruments. In comparison to the analysis of interactions among states, research on region-to-region relations requires a dynamic understanding of the subject, since "regions are always in the making, constructed, deconstructed and reconstructed

through social practice and discourse" (Payne 2004: 20). Their volatile nature makes difficult to establish across space and time horizontal and vertical comparisons. Horizontally, regions constitute a moving target not only due to frequent changes in their geographical range, but also because "according to the criteria adopted and the time period analyzed, they include or exclude different actors and processes" (Ribeiro-Hoffmann 2016: 601; see also Hänggi *et al.* 2006: 4). Vertically, regions are subject to constant changes in their actorship and capacities compared to states (Hettne 2014: 57). In sum, political fluctuations in some member states and institutional changes affect their characteristics as a regional polity.

In consequence, the socially and politically constructed character of regions makes their theorizing challenging. A systematic study of interregional relations requires precision and a careful definition of the constitutive components of the term. In other words, research on interregionalism entails a cautious examination of the concept without its prefix to define regionalism, and in turn it requires a previous removal of its suffix to define region. And yet, defining region is already a considerably hard endeavor since no objective criteria exists. Their nature is volatile, contingent, and open to interpretation (Hemmer and Katzenstein 2002: 575). We use a recent, very broad, accepted definition provided by Börzel and Risse (2016: 20), who define region as a socially constructed space located between the global and the national level, usually formed by more than two countries, that make references to territorial location and to geographical or normative contiguity, and which have often, but not always, shared institutions. This definition implies that regions are nothing but unspecific phenomena: they vary greatly in their institutional formalization, respond to very diverse geographical scope –continental, sub-continental or transcontinental–, possess different degrees of interdependence among its members, and are characterized by strong or weak identity (Ribeiro-Hoffmann 2016: 601; see also Hettne 2014). Some basic criteria exist, nevertheless, that allows us to identify and measure them: they are socially constructed, located between the global and the national level, formed by

more than two countries, and may possess different levels of institutionalization.

As social constructs, therefore, and due to its varying degree of institutionalization and number of countries, regions are often conceived as a process: an actor "in the making" (Hettne 2014: 57). Essentially, regions are placed in the intersection between two simultaneous processes known as regionalization and regionalism. Regionalization, on the one hand, is conceived as more or less spontaneous bottom-up process of region-formation that takes place out of the political will (Gilson 2002; Hettne 2014). State and non-state actors, especially business firms, lead this process by intensifying their interactions and transactions in a certain geographical space, causing mutual costs to adjacent states, societies and economies. The cost of interaction generated by increased interdependencies produce political and economic externalities in the area that might be tackled or not by governments (Hänggi *et al.* 2006; Keohane and Nye 1977). On the other hand, regionalism is understood as a consciously political top-down process of region-building. Nations states develop policies and institutions to manage regionalization as well as a broad array of economic and security challenges originating from outside of the region (Hänggi *et al.* 2006: 4; Hettne 2014: 58). As regionalization may be tackled politically, and regionalism may increase interdependencies among territories, both processes, to some extent, reinforce each other.

The degree of regionalism, in terms of regional institutionalization process, is a key factor to understand how interregionalism is studied. Regional institutions devised by a group states may take different ranges of intensity, from informal inter-state cooperation to the formation of supranational institutions. Scholarship in the area, however, instead of using different gradations to picture these different set of regionalism-building processes, has distinguished between two ideal types: regional organizations and regional groups. Regional organizations usually show high level of institutionalization, positive integration and homogeneity in membership.

These type of organizations receive the name of old regionalism according to Hänggi *et al.* (2006: 8), as they possess a particular thick institutional architecture and were predominantly build up before the 1990s. In the area of interregional trade relationships, regional projects with high degree of regional institutionalization are linked to customs unions or well-integrated free trade areas (Aggarwal and Fogarty 2004). On the other side of the spectra, regional groups are commonly thin regional bodies characterized by intergovernmental decision-making mechanisms, lean institutionalization and flexible formal structures (Hänggi *et al.* 2006: 8). They are considered to emerge temporally from the 1990s onwards and their flexibility and low level of formality encompass groups that might have been formed only for the purpose of engaging in a specific interregional relationship (Hänggi *et al.* 2006: 39). In the case of trade, the economic relationship among its members is considered to be lower than a customs union (Aggarwal and Fogarty 2004).

Based on the degree of institutionalization, the categorical distinction between regional organizations and regional groups has formed the basis for the study of region-to-region relations and has constituted the backbone of the debate about what has to be considered an interregional relationship[9]. From this perspective, some consider that interregionalism should encompass all types of regionalism and would be defined as a "situation or a process whereby two (or more) specified regions interact as regions, in other words, region-to-region interaction" (Baert *et al.* 2014: 4; Doidge 2014: 38; Faust 2006: 155; Hänggi *et al.* 2006: 3). Thus, the term would generically cover all range of formats created among broadly defined regions for interaction, regardless of being between regional organizations, between regional groups or between regional organizations and regional

[9] Other classifications, apart from the institutionalization of the regions, have also been used. Hänggi (2006: 33) suggests that interregional relations can be classified according to different criteria: geographical situation, structure, function, issue areas covered, intensity of interaction, degree of institutionalization, performance, relevance for global governance. Aggarwal and Fogarty (2004) purpose three dimensions of analysis: the strength of the regime, its nature and the EU commercial treatment of the counterpart.

groups. The case would also apply to trade relationships, where interregionalism would occur in "formalized intergovernmental relations with respect to commercial relationships across distinct regions" (Aggarwal and Fogarty 2004: 1).

Other categorizations, however, narrow down interregionalism uniquely to the relations between formalized regional organizations. This relationship has received different terms: 'old interregionalism' or group-to-group relations (Hänggi 2006: 42); 'bi-regionalism' or 'bilateral interregionalism' (Rüland 2006a: 298); and in the trade domain has received the name of 'pure interregionalism', defined as "the formal formation of ties between two distinct free trade areas or customs union" (Aggarwal and Fogarty 2004: 1). Relations between regional organizations are typically more formalized than other region-to-region relations. Often they are established by constituent treaties and a permanent seat (Ribeiro-Hoffmann 2016: 601). Little controversy exists that these relations between two regional organizations can be typified as a form of interregionalism.

Other types of relationship, however, present more disagreement in the literature as regards to the extent whether they can be framed as interregional interactions. One case refers the relationships between formalized regional organizations and less formalized regional groups. For example, Holland (2006: 254) critically frames the relations between the EU and the former colonies of its member states constituted in the ACP group as 'imagined interregionalism'. He argues that cannot be considered interregional since the ACP group does not express a collective identity as a cohesive group in any other circumstance than vis-à-vis the EU. Other authors, however, have analyzed these interactions as interregional relations, framing them in different manners and for different purposes. For instance, Hänggi (2006: 32–33) terms it as 'new interregionalism' and frames it in a particular moment in time due to specific causal factors. He argues that this type of relationship has its origins during the 1990s and can be explained through a system-centered perspective rather than from

an actor-centered approach[10]. On the trade domain, Aggarwal and Fogarty (2004: 5) make a similar distinction, placing in this category the relationships between regions with more formal institutionalized trade rules and others with more flexible ones. Specifically, they refer it as 'hybrid interregionalism': customs unions negotiate with groups of countries from another region which do not constitute a customs union or a free trade area.

The cases including the EU and another regional grouping falls within these two aforementioned categories, since a regional organization has held interactions with either other regional organizations or regional groups. These relationships are considered as interregional relationships for the core literature on interregionalism (Aggarwal and Fogarty 2004; Baert et al. 2014; Hänggi *et al.* 2006). A recent classification on EU interregional relations includes in this bracket the negotiations with EPA countries (CARIFORUM, Pacific, SADC, EAC, West Africa, Central Africa and ESA) plus the negotiations with ASEAN, GCC, CAN, MERCOSUR and Central America (Ribeiro-Hoffmann 2016: 613). Other authors include additional, less formal EU relations, such as those with the Rio Group and the South Asian Association for Regional Cooperation (Hänggi 2006: 35; Hardacre and Smith 2014: 95; López Vidal and Soriano 2014: 271), the Barcelona process, the Asia-Europe Meeting and the TTIP (Santander 2014: 391–398). However, in these last cases either the European countries do not negotiate as the EU or the counterpart do not negotiate as a regional grouping.

Beyond the different set of relationships among regional organizations and regional groups, there exist other types of relationships identified as 'borderline cases', which most scholars consider should not be treated as a form of interregionalism (Hänggi 2006: 42; Ribeiro-Hoffmann 2016;

[10] Nevertheless, Hänggi argues that the analysis of interregionalism should avoid equating old and new forms of interregionalism with a specific single type of interregional relationship (Hänggi 2006: 56).

Rüland 2006a). This category embraces less formalized relations among different regions, which may also include non-state actors, and encompass several types of interactions: the relationships between two regional groups; 'quasi-interregionals', defined as relations between a regional organization and a third individual country; 'transregionalism', which refers to the relations "which links countries across two regions where neither of the two negotiates as a grouping" (Aggarwal and Fogarty 2004: 5; Rüland 2006a: see also 298); and 'megaregionals', which can either define the relations between a group of states from more than two regions (Hänggi 2006: 40–41) or "deep integration partnerships between countries or regions with a major share of world trade and FDI, and in which two or more of the parties are in a paramount driver position or serve as hubs, in global value chains" (World Economic Forum 2014: 13).

In sum, literature has identified different types of regions and forms of interregionalism. Commonly, they are classified according to the level of institutionalization, differentiating among more formal regional organizations and less formal regional groups. As a regional organization, the EU has conducted interregional interactions with other regional organizations and also with regional groups. Apart from differentiating among its degree of institutionalization, however, the regional counterparts of the EU may possess, as 'actors in the making', a wide diversity of internal characteristics that vary significantly across cases. Some features have been already abovementioned, such as the intensities of their regional political project or the degree of interdependence between the members of the region compared to the rest of the world.

3.3. Cohesiveness

When the EU negotiates with a group of states, either forming a regional organization or a regional group, the internal factors of the counterpart may help explain the conclusion of the interregional agreement. This

section builds on inside-out theories of interregionalism and especially on the concept of regional cohesiveness, assuming that the internal factors of the region affect cohesiveness. We aim to explore these factors, although we do not reject the possibility that external factors could have also an impact on interregionalism.

The term cohesiveness has not been widely explored in the field of IR and only some references have been made to date (da Conceição-Heldt and Meunier 2014; Delreux 2014; Hettne and Ponjaert 2014; Hurrell 1995a; Meunier 1998; Moschella and Quaglia 2016). Cohesiveness has its origins in psychology, defined as "the resultant forces which are acting on the members to stay in a group" (Festinger 1950: 274). The Cambridge Dictionary defines it as a quality of cohesion, the situation when the members of a group or society are united and working together effectively (Cambridge University Press 2008). Since, as we review next, there exist different characterizations of cohesiveness in the field of IR, we use a definition that englobes them, understanding cohesiveness as the resultant forces that contribute to unite a group and work together effectively.

IR, regionalism and interregionalism literature have paid little attention to the identification of these *resultant forces* but most efforts have been limited primarily to institutional factors and, to a lesser extent, to preferences and values (see for example Barbé 2012). For example, in the EU case, the 'single voice' framework (Meunier 1998) has been employed in European studies to explain the effects that cohesiveness, and specifically the institutional forces that lead states to speak as one, have in the EU external effectiveness. In a similar fashion, the degree of institutional formalization has been a common denominator in the literature on interregionalism, as we recall from the discussion in the previous section between regional organizations and regional groups, distinguished primarily by their level of formalization. Another force, linked to the bottom-up process of regionalization, has been identified through the concept of *regionness*, referring to the intensification of the relations in the

political, economic and security field (Hettne 2014; Hettne and Söderbaum 2000; for earlier approaches see Nye 1968; 1971).

Apart from the literature of single voice and *regionness*, interregionalism scholarship has attempted to identify other internal forces that contribute to regional cohesiveness, but they have done so in a less systematic and analytical manner. Those other forces are part of broad classifications, spanning a wide range of factors that draw from different theories, from power realist theories to ideational constructivist views. For example, in an early attempt, Hurrell (1995a; 1995b; see also Cantori and Spiegel 1970) proposed four different dimensions of cohesiveness based on social, economic, political, and organizational factors[11]. More recently, Jacobs (2001 cited in Roloff 2006: 21–22) identified eight general forces in a region where arguably six may help explaining how they may act more unitarily: distribution of power in the regional systems which are part of an interregional system; domestic politics in the nation states which are part of a regional system; divergence in interests and positions between regions and nations; differences in perceptions among relevant actors; distribution of gains of cooperation; distribution of power in the international system; distribution of power in the interregional system; and institutionalization. Hänggi (2006: 33) points out structure, functions, and geography. In a later classification, Ribeiro Hoffmann (2016: 601) mentions, interdependence, geography, and identity apart from institutional factors.

There have been, therefore, some efforts in the literature to study regional cohesiveness and its resultant forces but only few have employed it in a

[11] In social cohesiveness, he includes ethnicity, race, language, religion, culture, history, and consciousness of a common heritage; in economic cohesiveness, trade patterns and economic complementarity; in political cohesiveness, regime type and ideology; and in organizational cohesiveness, the existence of formal regional institutions. For this classification, Farrell references the works of Russett 'International Regimes and the Study of Regions' (1969), Cantori and Spiegel 'The International Politics of Regions: A Comparative Approach (1970), Thompson 'The Regional Subsystem: A Conceptual Explication and a Propositional Inventory' (1973), and Väyrynen 'Regional Conflict Formations: An Intractable Problem of International Relations' (1984).

more systematic way. Single voice and *regionness* offer tested approaches to cohesiveness but they do not offer a comprehensive approach to the study of less integrated regional groups. Their reliance on the EU case may limit their usefulness to capture cohesiveness in other regions. By contrast, a systematic and encompassing approach to these forces is somewhat gathered in Aggarwal and Fogarty's framework (2004), used to describe the role of inside-out and outside-in forces in interregional trade regimes. In the following lines, after reviewing the literature on the single voice and *regionness* concepts, we explain why the Aggarwal and Fogarty framework provides a broader and richer understanding of regional cohesiveness. By so doing we justify why we have grounded the analytical framework of this thesis on it.

3.3.1. EU cohesiveness: Single voice and *regionness*

The single voice has become one of the most prominent concepts used to explain the internal cohesiveness of a polity, employed particularly in the case of the EU (da Conceição-Heldt and Meunier 2014: 961; Meunier 1998: 7; Meunier and Nicolaïdis 1999: 480). Coined by Sophie Meunier (1998; 2000; 2005), the notion of single voice aims to elucidate how the process to coordinate effectively external policy determines the EU external performance. It departs from the assumption that the EU would be more or less able to have influence in the world inasmuch as it fulfils the attributes of actorness (i.e., it possesses ability to act and it is recognized by others). The single voice concept, concreted as how "decision-making rules produce a single message" (da Conceição-Heldt and Meunier 2014: 963), places its interest in the institutional process that may indicate a characteristic of actorness –internal output– rather than other characteristics attributable to the units –inputs– that compound the actor. In other words, single voice focuses on a particular internal aspect –i.e. the institutional mechanisms in terms of decision-making rules and grade of delegation to a negotiating

authority– that aggregates member states' preferences and contributes to satisfy the requisites of actorness.

The authors recognize, nevertheless, that cohesiveness is a much broader concept compared to the single voice and may capture other dimensions apart from the internal aspects linked to actorness: "there could be cohesiveness in the absence of authority, autonomy or recognition, but in these cases it would be member states acting as a coalition and not the EU being an international actor" (da Conceição-Heldt and Meunier 2014: 963). They present two complementary definitions of cohesiveness: the "degree to which the group comes up with a single message and manages to present that message with a single voice, without members of the group breaking away and undermining the collective message" (da Conceição-Heldt and Meunier 2014: 964); and the "ability to formulate internally and represent externally a consistent position with a single voice, *even if this is not the preferred position of all the member states*"[12] (da Conceição-Heldt and Meunier 2014: 966). Thus, there may be cohesiveness when the group is able to come up with a single message, which may be produced or not by decision-making rules. Put it differently, the single voice is a necessary condition for actorness –i.e. having authority and autonomy– but not sufficient for having cohesiveness. There are other factors that explain cohesiveness since the single message can be obtained through other mechanisms, namely that different actors share the same preferred position or act as a coalition.

In an alternative approach given to the single voice framework, Barbé (2012: 16) adds other forces on the institutional factors. Her study of the single voice includes a political pillar, formed by rational preferences of the member states and their normative values. We agree that narrowing the cohesiveness concept to the institutional capacities would be useful in the case of the EU due to its *sui generis* institutional apparatus. Yet, applying the same tools to other regions would complicate the analysis as most of

[12] Italics added.

them are dominated by intergovernmental procedures and characterized by little, if any, delegation of powers to the regional level and to a single negotiator in international negotiations. In consequence, the EU's regional counterparts would presumably show little variance in their formal mechanisms to aggregate preferences. To look at their levels of cohesiveness, therefore, institutions should just be considered as a factor among other forces that bring the group united and contribute to work together effectively.

Other inside-out approaches in interregionalism studies have highlighted alternative factors beyond institutions, focusing on the single message. From the prism of regionalization, they place interest on the inputs within a region and how regional dynamics create a distinctive space (Hettne 2014; Hettne and Söderbaum 2000; Hurrell 1995b). To them, regional agency is compounded by three different factors: an institutional dimension –*actorness*[13]–, an external dimension related to its size and influence in the world –*presence*–, and the *regionness* dimension. The notion of *regionness* attempts to explain how a regionalization process shapes the identity and cohesiveness of a region. "When different processes of regionalization – in various fields of action and at various levels – intensify and converge within the same geographical area, then cohesiveness and thereby the distinctiveness of the region in the making increases" (Hettne and Ponjaert 2014: 119; see also Baert *et al.* 2014: 8; Hettne 2014: 57–58). Thus, this approach to regional cohesiveness is positively related to a bottom-up intensification and convergence of different processes of regionalization in a specific geographical area. By homogenizing certain characteristics of the regional members, these processes ease their ability to produce a single message.

[13] Despite Hettne and Söderbaum consider actorness as a pure institutional dimension, the study of actorness in other regions has gone beyond the institutional single voice perspective. In general, studies that analyze regions from the prism of actorness include an element of external recognition. They have found, for example, certain actorness qualities in the case of SADC, ECOWAS, ASEAN, and MERCOSUR (Doidge 2004; 2014; Hulse 2014; Hulse 2018; Rüland 2014: 17; Wunderlich 2012).

The homogenization resulting from an increasing degree of *regionness* takes place in three different areas: political, economic and security (Hettne 2014: 60). Political homogenization, or regime convergence, entails the reduction of differences within a particular political space. It may imply harmonization and coordination from above, linked also to the process of regionalism and the homogenization of essential features of the political system, such as the adoption of the *acquis communautaire* as a precondition for joining the EU. Economic homogenization is associated with uniform national adaptations to globalization. It refers to homogeneous economic policies such as similar forms of state interventionism or the intensification of an internal market project consistent with the neo-liberal paradigm. Finally, homogenization in the security field is associated to the existence of a security community (Deutsch 1957). The predominance of security imperatives has frequently subjugated political and economic relations in Europe and in other parts of the world (Gowa 1994). Thus, a higher degree of cohesiveness would be associated with homogeneous political systems, similar economic policies, and relaxed security relations among members in a region[14].

In sum, both single voice and *regionness* constitute two of the most common frameworks used the illustrate the internal cohesiveness of the EU. Whilst single voice is more focused on regionalism, namely the ability of regional institutions to represent externally a single message through mechanisms of delegation and transfer of competences, *regionness* rather emphasizes the ability to produce such single message through the convergence of different regionalization processes. They look at regional

[14] Apart from the three different areas, Hettne and Söderbaum (2000) distinguish five different degrees of *regionness*: regional social space; regional social system; regional international society; regional community; and regional institutionalized polity (see also Hettne 2014, 2003, 1993). They range from a mere geographical contiguity among territories to the existence of a sense of community and shared institutions. However, Hettne (2014) warns that this model is derived from the European experience and must be adapted to be relevant to other regions. This classification, therefore, should be arranged to include other regionalization process around the globe.

cohesiveness from different perspectives and at the same time indicate that we need a broader picture to capture the whole meaning of the concept.

3.3.2. Cohesiveness in the counterpart

Aggarwal and Fogarty, in the book *EU Trade Strategies between Regionalism and Globalism,* use a broad framework to refer to the cohesiveness of the EU's counterpart through which they attempt to capture the different dimensions of the concept. Their book analyses EU interregionalism arguing that, discounting the effects of the bargaining process, the formation of EU trade interregional outcomes is "a function of some constellation of received EU preferences and counterpart characteristics" (Aggarwal and Fogarty 2004: 17). The authors develop a multi-level framework, in which they describe theoretically the main factors contributing to the formation of EU preferences and the relevant internal characteristics of the regional counterpart that affect interregional outcomes.

While other frameworks have been developed to systematize the EU's counterpart's cohesiveness (for a review, see Hettne 2005; Hurrell 1995a), we choose the one proposed by Aggarwal and Fogarty for at least four reasons. The first reason is because is a relatively recent framework. Although it dates from 2004, there is almost no further literature looking at interregionalism from inside the counterpart (Rüland 2014: 18). Thus, there has been little theoretical and empirical advancement on the interregionalism literature from an internal perspective. Secondly, their approach is consistent with the scope of the thesis: they look at the relations between the EU and other regions in the trade domain. Thirdly, their goal is, as we intend, not merely to describe relevant forces within a region, but to identify those that contribute to specific interregional outcomes as well. This fact is important to underline, as other existing frameworks concentrate their analyses in either the region or the

interregional relations, but not in both at the same time. Fourthly, Aggarwal and Fogarty's work offers an enriched plurality of lenses as it captures different perspectives in the IR discipline ranging from power realism, interest driven liberalism and ideational constructivism (see Hasenclever *et al.* 1997; Ikenberry *et al.* 1988; Lake and Powell 1999; Wendt 1999). By so doing, the framework identifies different forces that contribute to interregional outcomes. For example, they do not only mention institutional factors, as single voice proponents do, but they also include other factors contributing to regional counterpart members remaining united and working together effectively. They use factors such as preferences, identity or the distribution of power within the region. In addition, a strong point of the framework is that it considers the internal aspects of the regional counterpart from a relational perspective: the characteristics of the region may affect how the EU sees and threats the partner and, in turn, condition the cohesiveness of the regional actor.

Aggarwal and Fogarty group the counterpart characteristics in four principal forces that contribute to regional cohesiveness: preferences and institutions, power, coherence, and the EU treatment of the counterpart. The first dimension of their framework includes the individual and collective preferences of the countries in the counterpart and the regional institutions. However, the authors acknowledge that counterpart regions do not enjoy the level of institutionalization of the EU. Hence, they do not expect to find specifically aggregated region-wide collective motivations in the analysis of other regional organizations or regional groups. In other words, the researcher would hardly find truly regional preferences, but only state-level preferences aggregated through certain frail institutional mechanisms[15]. Therefore, they suggest, it would be more relevant to place

[15] This is one of the reasons why in our study, in contrast to Aggarwal and Fogarty, we separate preferences and institutions into different dimensions (see Chapter 5). We also separate institutions from preferences to avoid the double-counting of institutions that would happen if we were to strictly follow Aggarwal and Fogarty's framework. These authors include institutions in the first dimension, preferences and institutions, and in the third dimension, coherence. While

separate focuses on member states preferences and on the way regional institutions shape these preferences.

The second dimension the authors identify refers to the power configurations both within the counterpart region and between the EU and the counterpart. This implies considering the economic power configurations within the counterpart region and the power imbalances between the EU and the partner. The authors consider that the willingness of the members towards negotiations is affected by the asymmetries within the counterpart as well as by the asymmetries between the counterpart and the EU.

Thirdly, the counterpart coherence dimension refers to the political, economic and cultural unity of the members of the region as opposed to the countries outside of it. It is defined as the "degree to which the counterpart region manifests a clear and coherent zone of political-economic activity and the institutional underpinnings to represent that zone vis-a-vis the rest of the world" (Aggarwal and Fogarty 2004: 17). The coherence of the counterpart is defined as a function of four elements: whether its limits are politically self-defined by the states members of the regional group or conversely by the EU; the portion of economic exchange within the region vis-à-vis the rest of the world; the match between the regional regime and the broadest possible definition of what constitutes the "potential" region in cultural and geographical terms; and the degree of institutionalization of the regime.

The fourth and last category of the Aggarwal and Fogarty framework also focuses on the internal aspects of the counterpart but takes into account the relational aspects with the EU. The dimension is described as the EU commercial treatment of the counterpart "in terms of its relative uniformity of treatment across countries in the counterpart and its inclination to deal

this clustering may work for qualitative analysis, a quantitative approach needs to avoid collinearities and simplify the number of variables.

with these countries as a single group or plurally" (Aggarwal and Fogarty 2004: 22). The authors assume that "different countries present the EU with different levels of political and economic challenges and opportunities, and the EU's commercial treatment of these different countries will reflect this balance of opportunities and threats" (Aggarwal and Fogarty 2004: 22). In this respect, the EU may find relevant differences for its commercial interest among the constituent members of a region. Countries may have different economic sizes or different trade relationships and political affinities with the EU. In consequence, these differences may affect the willingness of the Union to negotiate with the counterpart members as a group or by separate, affecting in turn the incentives that each country in the counterpart has in the negotiation. Therefore, the different incentives that the constituent members of the counterpart region face when negotiating with the EU may lead to conflicting patterns of behavior in the negotiation.

3.4. Conclusion

Interregionalism shows several controversial debates that oblige scholars to take several stances when they approach the field. We have reviewed the difficulties to define regions and, in consequence, to define further concepts associated such as regionalism and interregionalism. A minimal conceptualization of region would include that it is formed by more than two states and that regionalism, the politics of regional formation, would accept varying degrees of institutional formalization. This opens the door to interpreting different forms of interregionalism, from its purest sense, accepting only interactions between two regional organizations, to much more encompassing approaches that include diverse types of regions. From an EU perspective, we can consider as a form of interregionalism its relationship with other groups of states, formed with more or less formality as an institutionalized regional grouping.

The difficulties to establish concrete concepts and measurements and the few available cases of interregional interactions have constrained the evolution of this branch of IR. Recent research typically employs case studies and is dominated by outside-in perspectives, aiming to understand how globalization and the interactions among regions affect regionalism. By contrast, inside-out approaches have been mostly ignored except for the case of the EU. Whereas EU internal characteristics have been frequently analyzed to explain its external performance, little emphasis has been placed on studying the EU's ability to create successful interregional outcomes from the viewpoint of the counterpart. An exception is Aggarwal and Fogarty's framework, which probably constitutes the most comprehensive attempt to systematize how internal forces of the EU's counterpart region unite its members and contribute to work together effectively i.e. the impact that the regional cohesiveness of the counterpart has on the negotiations with the EU. The authors base their approach on four different dimensions showing a wide and comprehensive theoretical plurality. Among others, this is one of the reasons we use this framework in the thesis.

By so doing, this research aims to help filling the gap regarding inside-in studies in interregionalism literature and contribute to the improvement the knowledge on the causes of EU interregional trade agreements from the view of the partners. So far, cohesiveness has only been analyzed using qualitative methods, as Aggarwal and Fogarty do in their edited volume. We propose to look at it from a quantitative perspective to offer a new perspective to the development of the field. We hypothesize that regional cohesiveness is an independent variable of EU trade agreement and that it has positive relation with it. To test it, we operationalize different indicators using Aggarwal and Fogarty's theoretical framework and calculate the mean difference of the proposed independent variable over the two dichotomous categories of the dependent variable: regions that have achieved a trade agreement with the EU and regions that have not. The hypothesis would be rejected in the case of zero or negative relation.

Chapter 4. Methodology

4.1. Introduction

This chapter is at the intersection of the doctoral thesis. So far, our argument has been developed theoretically in three main parts. The first chapter has reviewed the general framework of the thesis, setting the scene within the world of trade and EU trade policy domains. We have seen that during the last decades the EU has negotiated several trade agreements with different regions and only some of them finished with agreement. Chapter 2 investigates the main factors of international cooperation, namely why agreements conclude or not. The conclusion of trade agreements can be explained by multiple factors though essentially a two-side negotiation depends on three: the domestic characteristics of one actor, the domestic characteristics of the other actor, and systemic international aspects. On the domestic characteristics, the number of veto players constitutes an important factor that severely constrains the likelihood of international cooperation. Finally, a review of interregionalism literature on Chapter 3 shows that the number of veto players in EU interregional agreements may be reduced through regional cohesiveness in the counterpart. On grounds of these conclusions, we take for granted that the likelihood of agreement between a region and the EU is determined by several factors, including among them systemic international aspects, EU domestic characteristics and the domestic characteristics of the counterpart, and focus our attention on the role (if any) played by the regional cohesiveness of the partner.

The most ambitious analysis of EU interregional trade outcomes from the viewpoint of the counterpart has been developed so far from a qualitative perspective by Aggarwal and Fogarty. This research uses their framework from a quantitative viewpoint and test the suitability of regional cohesiveness as independent variable of EU interregional agreement. In order to test the hypothesis, this chapter hinges towards the analytical part of the thesis. It proposes a method to establish a concrete measurement of both the dependent (EU interregional trade agreement) and the proposed independent variable (the counterpart regional cohesiveness) and to evaluate the relationship between them. Quantitative approaches can add value to research by determining collinearities among variables and drawing alternative assessments to qualitative approaches, namely by obtaining the average effect of one factor on another (Goertz and Mahoney 2012: 43). This thesis, therefore, complements the qualitative literature conducted so far in interregionalism studies through the use of quantitative methods. Analytical plurality may contribute to enhance a field of study dominated by qualitative studies.

The first section of the chapter deals with the advantages and weaknesses of using quantitative methods. Most of the scholarship on interregionalism has refrained from the use of quantitative analysis due to the limited number of region-to-region cases available, the ontology problem that entails analyzing regions, and the limited time frame of interregional relations (Rüland 2014). The first part of the section reviews how quantitative research can complement qualitative research by theorizing from a different viewpoint, using alternative tools of analysis and acquiring in our particular case different understandings of the relevance of the internal characteristics of the regions in fostering interregionalism. The second part deals with the drawbacks of conducting quantitative research, especially as regards to the small N problem. Small samples limit the use of statistical analysis since the main assumptions of probabilistic theory cannot be fulfilled. However, in our study, the selected cases are the total available in the population, not a sample. This means that, despite having a

reduced N, it does not impede to draw inferences internally valid. We attempt, nevertheless, to enlarge N as analysts recommend in order to produce more refined inferences. Likewise, we propose adding confounding variables to offset limitations of having small N.

The second section deals with the dependent variable, EU interregional trade agreement negotiations. Since reaching an international agreement involves moving throughout different stages, this section defines what we understand by interregional agreement, that is, in which cases we can consider the EU has reached a trade deal with the regional counterpart and in which cases it has not. We take a broad definition of region and consider agreement the moment of the signature, which yields to a dichotomous variable compounded by four cases of agreement and ten cases of no agreement. In total we find a population of 14 cases.

Finally, the last section explains how the relationship between the dependent variable and the proposed independent variable, regional cohesiveness, is going to be evaluated. We propose to construct a composite index to measure regional cohesiveness and to calculate the mean difference of the independent variable for each of the two different possible values of the dependent variable. We set, in this section, the procedures to build the index. A composite index guarantees that the independent variable gathers the complexity of the concept and allows for a large degree of variation. We ground theoretically the aggregation and weighting methods used for its construction and suggest an alternative statistical weighting through multivariate analysis.

4.2. Why a quantitative method

Most of the research on interregionalism has employed qualitative methods. As we largely reviewed in Chapter 3, the limited number of cases available, the ontological difficulties on the conceptualization of regions,

and the relatively recent existence of the phenomena of interregionalism have all contributed to the avoidance of quantitative methods. Studies have provided essentially historical and empirical evidence of particular cases (Dür and Zimmermann 2007: 775–776; Ribeiro-Hoffmann 2016: 600, 603; Rüland 2014: 30). The development of comparative cases has also become a hard endeavor due to the political, economic and socio-cultural diversity among regions (Aggarwal and Fogarty 2004: 209). Several scholars consider that all these constrains have complicated the emergence of theory-guided studies, leading to the theoretical and conceptual underdevelopment of the subject (Aggarwal and Fogarty 2004; Baert *et al.* 2014: 1–3; Hänggi *et al.* 2006; Ribeiro-Hoffmann 2016; Robles 2008). In sum, "very few studies have robust theoretically oriented analytical frameworks or apply methods in a systematic manner. The conceptual complexity and methodological constraints, including the availability of reliable sources, have hindered the establishment of a good informational point of departure to the analysis of interregionalism and the flourishing of comparative studies" (Ribeiro-Hoffmann 2016: 603).

There is, however, some good news. The mushrooming of several region-to-region relationships in recent years has increased the available "finite empirical substance" (Rüland 2014: 15–16) and recent publications on regionalism and interregionalism studies have also furthered their theoretical development (Baert *et al.* 2014; Börzel and Risse 2016; Mattheis and Wunderlich 2017; Söderbaum 2016). Both empirical and theoretical advancements give space to further improvements through quantitative research, which can be used to complement existing interregionalist qualitative literature. Quantitative and qualitative research may be conceived as different cultures, which contribute with different approaches and tools to the theoretical development of science (Goertz and Mahoney 2012). Our objective is to contribute from a quantitative approach to interregionalism theorizing. Thus, we add on the study of the interregional relationships by operationalizing quantitatively Aggarwal and Fogarty's framework, developed initially by the authors for qualitative analysis.

4.2.1. Complementing qualitative research

There are several forms to which quantitative-oriented research may complement existing qualitative research. The primary one comes with the objective of the study itself, namely the final goal to be attained through scientific research. Usually, each method provides different answers to different sets of questions. On the one hand, qualitative research tends to look at an event occurred in the real world and inquiries about 'how many' variables may explain it. The reasoning tends to go from the dependent to the independent variables. Researchers attempt to establish causal models that identify the conditions that explain the 'causes-of-effects' of the dependent variable (Goertz and Mahoney 2012: 41). Implicitly or explicitly, they use the language of logic and the ideas of necessity and sufficiency to make inferences about reality. On the other hand, quantitative methods have other research objectives. Their main interest is knowing the 'effects-of-causes', namely the net effect of the relationship among variables, often through the logic of probability by statistical tests (Goertz and Mahoney 2012: 41). Quantitative inferences are focused on the variation over an outcome, asking 'how much' is the average effect of particular variables of interest within a population. The reasoning tends to depart from the independent variable and move towards the dependent variable.

This first distinction between the goals of each method aims to pursue has, importantly, a direct impact on the aspects of reality that researchers find relevant for analysis. As they look at different substances, they defend different versions on how necessary is to look deeply into cases. This distinction is often misunderstood or neglected by qualitative researchers, but well-acknowledged by literature on methodology. In this regard, qualitative analysis is identified with 'case-oriented approach' or 'thick analysis', against the 'variable-oriented approach' or 'thin analysis' of quantitative research (Collier et al. 2010: 181; Ragin 2013: 53). Qualitative methods require thick analysis, a deep look into the cases, since the inferences drawn from their analyses apply simultaneously to each

individual case within a group of cases. The purpose of their study demands to acquire specific knowledge of the circumstances, a less necessary requisite in quantitative methods as their inferences are not concentrated on the cases, but on the effects. They aim to find a general explanation of the net effect of one variable over another and this average effect, in consequence, may apply or not to particular cases (Goertz and Mahoney 2012: 46–47).

Instead of concentrating on a deep analysis of cases, quantitative researchers 'thin analysis' concentrates efforts on the measurement of variables. They focus on operationalization, hence establishing a set of indicators which simplifies significantly conceptual entities. In quantitative methods, operationalization relies on indicators that normally vary in grade, which suits them better to deal with nuanced differences of sophisticated concepts. By contrast, qualitative frameworks rely primarily on ideal types, which commonly attribute membership or non-membership to the variables to establish their conditions of necessity and sufficiency[16]. As Goertz and Mahoney pose it, "quantitative analysis feels most certain with values near the mean, whereas qualitative feel most certain with extreme, virtually ideal-type values" (Goertz and Mahoney 2012: 128). Quantitative efforts, therefore, focus on the procedures to describe how the variables vary whereas qualitative studies place their efforts on attributing memberships to variables, concentrating more deeply in the study of cases in order to assign accurately the corresponding values.

The choice of quantitative research can, therefore, add value to interregionalism theorizing by offering a different viewpoint compared to qualitative research. It may illuminate different aspects of the relationship among variables carrying alternative tools of analysis. Firstly, it brings a different understanding of the relevance of the internal characteristics of regions in fostering interregionalism by focusing on the average effect

[16] In some occasions qualitative analysis may include partial degrees of membership, as is the case of techniques such as Fuzzy-Set (FS).

between the explanatory and the explained variable. By so doing, it helps to recognize whether a phenomenon is more likely to occur given certain values of the explanatory variable. Secondly, it allows to refine more acutely sophisticated concepts, placing attention on how different variables contribute to the meaning of a concept through correlation tables. Quantitative methods identify collinearities among indicators through numerical assessments and evaluate their relative relevance in explaining the phenomenon.

In sum, quantitative research permits the introduction of mathematical tools associated with statistics and probability theory. Instead of focusing on the presence or absence of certain conditions over a particular outcome, it focuses on likelihoods or probabilities that the targeted phenomenon may occur. Since the study of interregionalism has been conducted primarily through qualitative methods, looking at it from a different perspective may bring added value to the subject. Quantitative research identifies, for example, associations of indicators that illustrate that they are measuring the same phenomena. This type of research, however, needs to deal with two main problems: the number of cases available and, derived from it, the use of controls to eliminate confounding variables.

4.2.2. Dealing with small N

Despite being a potential complement to existing qualitative literature on interregionalism, scholars of this branch of IR have refrained to date from employing quantitative analysis. The reason is primarily due to the fact that the use of this methodology is habitually reserved for studies managing large numbers of observations[17]. Quantitative scholars rely commonly on statistical theory and the laws of probability in a broad population of representative cases to draw generalizations about global affairs (Sprinz

[17] Actually, as we will see in the next section, the number of 14 cases available for our study falls around the cutting point between small and large N studies (Collier *et al.* 2010: 178).

and Wolinsky-Nahmias 2004). A large number of cases helps reducing the standard error produced by the variance of the analyzed data and, on the basis of common scientific standards, conclude on the probabilities that the differences among observed results may not be zero. A limited number of cases creates high standard errors in the inferences and impedes to meet the assumptions based on the laws of probability. In consequence, researchers cannot assure that the observed differences are not caused by chance[18].

The inability to draw valid statistical inferences about the world with limited N, however, does not imply renouncing to quantitative methods or, more specifically, statistical tools. Alternative procedures can be used to deal with the small N problem[19]. The first one, chosen for this study, uses Braumoeller and Sartori (2004: 131) approach to quantitative studies in IR. They argue that the arbitrarity of choosing a particular level of statistical significance should not overshadow the *substantive significance* of the

[18] Small N problem in the case of quantitative methods is thought in terms of degrees of freedom problem (Campbell 1975).

[19] We have considered also the use of qualitative or mixed methods that can allow for medium or large N. However, they mostly follow the set logic and would prevent from reaching conclusions based on correlations. Some qualitative multi-case comparison methods, such as typological theory and Quantitative Comparative Analysis (QCA), can handle a considerably large amount of cases, although they are thought to operate with dichotomized variables (Bennett and Elman 2008: 503). Typological theorizing combines cross-case comparisons with within-case analysis to develop theories about different configurations of variables using categorical measures and the outcomes to which they lead. These typologies, or configurations of variables, are combined into a composite index using different compressing techniques (Elman 2005). QCA also shares with typological theorizing the requirement that all the variables drawn from cases can be dichotomized. In contrast, this method uses Boolean-algebraic tools from the realm of formal logic to reduce populations of cases in truth tables to logical statements of necessity and sufficiency consistent with these cases (Ragin 1987). In more advanced versions of QCA, the process of assigning values categorical values to variables are systematized through statistical tests (Seawright 2005). Alternatively, FS analysis allows for certain gradation of the variables, but it indicates that both variables –the dependent and the independent– ought to have gradation. FS analysis helps solving the binary problem and allows for some gradation in the variables. It combines case-oriented and variable-oriented approach features. However, it does not explain how to deal with our specific design, compounded by a ratio independent variable and a categorical dependent variable (Ragin 1987; Ragin 2008).

results i.e. the magnitude of the relationship between changes in X and changes in Y. Orthodox adherence to statistical significance underscores other meaningful scientific conclusions, induces low replicability of many studies and minimizes the importance of many noteworthy null results (Chabé-Ferret 2018).

To take distance from orthodoxy, some streams of science advocate placing more emphasis on the results –the correlation or the substantive significance– than on the statistical validity –the statistical significance–. For example, Mansfield and Pevehouse highlight that is frequent that quantitative studies in IR impinge basic statistical assumptions (Mansfield and Pevehouse 2008: 482)[20]. In fact, several political science and IR studies have been conducted despite having small N (see Collier *et al.* 2010: 178–179)[21]. This is because, especially in disciplines associated to social sciences, the need or not to fulfill the criteria of statistical significance is controversial[22]. Recent methodological debates separate scientists who uphold to tighten significance levels from others who argue that they should be removed (Amrhein and Greenland 2018; Chawla 2017; Colquhoun 2016).

The importance of the substantive significance is central in social sciences when statistical significance or other options are not available. In fact, research often deals with all the cases found in the population and, as they use all the available number of cases, the internal validity of the inferences drawn from these studies emerges from its representability. These studies do not deal with a sample –i.e. a random selection within a population–,

[20] There are difficulties to fulfill the conditions required to statistical analysis such as random sampling, non-relation among independent variables, or treatment of confounding variables.

[21] Collier *et al.* (2010: 178–179) provide a wide list of examples in which statistical methods are used in studies with small N. For example, see a study on democracies (Treier and Jackman 2008).

[22] It is important to notice that the limits to reject the null hypothesis are commonly set at the 0.05 level of significance following the Fisher's tests. This significance test rests on a widely accepted convention, a popular standard in statistics but that has no actual basis in nature (Goertz and Mahoney 2012: 32; Oreskes 2015).

but with an entire population, which is the maximum number of cases that can be selected for analyzing particular phenomena. The use of inferential statistics would help to increase the external validity of the results and to show that, in the event of an unlimited number of cases, the probability that the results obtained from the imaginary selected sample are caused by chance is not zero. As our study includes all the cases available, and we set as an objective to establish substantive significance of the relationship between variables, quantitative results are useful to enhance our knowledge on regional cohesiveness in the case of interregional trade agreements.

The second alternative to deal with the small N problem is the one proposed by one of the most popular manuals for social quantitative inquiry (King *et al.* 1994). King, Keohane and Verba suggest different procedures to expand the number of observable units that, we advance here, we have attempted unsuccessfully. While these procedures have not permitted to enlarge our N, we have been able to use them as tests to enhance the validity of our results. The authors suggest two main techniques to expand the number of cases: to record additional dependent variables or to observe more units (King *et al.* 1994: 218). The first option, finding further dependent variables caused by the independent variable, faces the constraints of scope of this thesis. It would imply changing entirely the topic, focused on the EU and trade policy. For example, we could remove the EU from the focus and analyze other trade deals without having the Union as a center of reference. Alternatively, we could remove trade policy from the equation and shift towards a broader and more encompassing analysis including all the agreements reached by the EU with other regions, being on trade or on any other issue[23]. The thesis is benchmarked within EU international politics in a particular regime, and

[23] We could release the limit of only EU agreements or the limit of only trade agreements. Releasing the former implies expanding to agreements of regions with other actors apart from the EU. The second implies to move beyond trade policy, and include political, security, or other international agreements. We have discarded both options, as it would move far beyond the objectives of the general project with which this thesis is inscribed.

hence we have discarded widening the scope to keep the initial focus of this thesis. Nevertheless, we can use King *et al.* suggestion and record additional dependent variables in order to enhance the external validity of our results (see section 4.4.2 for more details)[24].

The second technique King *et al.* suggest for expanding N requires collecting more units on the same dependent variable by disaggregating to shorter time periods or to smaller geographic areas. Yet, adding longitudinal data does not help to address the main purpose of the thesis, which is to assess whether the EU concludes agreements with regions that possess high levels of cohesiveness. The measurement demands to record data at a specific point of time, the end of the negotiations, marked temporarily by the definition of the dependent variable. Thus, longitudinal analysis would not help to expand the number of cases. Neither would it help to disaggregate regions and shifting the level of analysis to smaller geographic areas. Using as unit the state, for example, would increase the number of cases but it would not introduce more variation on the explained variable. Each country negotiation with the EU is linked to the collective regional outcomes, so disaggregating regions leaves the variation of the dependent variable unchanged.

The impossibility of enlarging N does not compromise the internal validity of the study, as the observed results are inferred for and by a certain number of cases, which are the total population. But for quantitative analyses, our population of cases would probably impede to draw statistical inferences generalizable to an eventual wider population. This compromises the external validity of the study and limits the conclusions that can be drawn from it. A frequent option used by quantitative researchers to compensate statistical limitations and enhance the robustness of the conclusions is to use several uncertainty and sensitivity

[24] For example, the independent variable regional cohesiveness could be tested against the conclusion of other agreements beyond trade with the EU, the conclusion of agreements with other partners, multilateral attachment of regions, or the number of treaties signed, or similar voting patterns in the UN.

tests. We have followed these procedures, that can be summarized in three parts: linking better theory to statistical models, conducting sensitivity analyses, and improving measurement techniques (OECD 2008; Saisana *et al.* 2005). Regarding the first two aspects, the procedures are covered in section 4.4.2. whereas the last one is dealt with in Chapter 5 and expanded in the annexes. In short, the robustness is tested by assessing the mean difference of our results both through theoretical and statistical pondering, by testing the effect of several confounding variables on the dependent variable[25], by introducing different measurements of the independent variable, and by applying the effects of the independent variable to alternative explained variables to test the external validity of the results.

In sum, small N problem can be offset in different ways. Firstly, instead of relying on statistical significance, we concentrate our quantitative analysis on the substantive significance of the results. Secondly, we propose several robustness tests to enhance the validity and reliability of the conclusions.

4.3. The dependent variable

The dependent variable of the thesis is EU interregional trade negotiations. Recalling chapters 1 and 2, since its inception the EU has started several interregional trade negotiations that have finished with different outcomes. In some occasions the EU has reached an agreement with the counterpart, in other occasions it has not. This section focuses on the conceptualization of EU interregional trade negotiations and the measurement of the cases of agreement and no agreement. Thus, the section deals also on the case selection. The first part of the section proposes and justifies the definition of the dependent variable, as well as the two different categorical values that it may take: agreement and no agreement. The second part is oriented

[25] Large samples also provide to the researcher enough room of maneuver to control the average effects of possible rival explanatory variables. We test confounding variables that at least have one case on each side of the dichotomous dependent variable.

towards the selection of cases. We find a total number of 14 cases available in the population, four of them that relate to negotiations that concluded with interregional agreement, whereas ten cases finished without it.

4.3.1. EU interregional trade negotiation definition

When the EU negotiates interregional trade agreements, it engages with a process of negotiating a deal with a trade component with another region. In the definition of the dependent variable, we follow Aggarwal and Fogarty's methodology, understanding as interregional trade negotiations any trade relationship between the EU and either a regional organization or a regional group (see the discussion in Chapter 3). The authors differentiate between 'pure interregionalism' and 'hybrid interregionalism', being the former the relationships between two regional organizations and the latter the relations between a regional organization and a regional group. Taking a broad approach helps to better complement their analysis on interregionalism, but using a quantitative method, and it also allows us to have a larger N than employing a single category. The selected EU trade negotiations, therefore, can be held with a group of countries that are not necessarily constituted as a formal regional organization. The choice is also compatible with one of the latest definitions of region, as Börzel and Risse state that holding strong formalized shared institutions is not a prerequisite for being a region. Likewise, we follow their definition limiting regions to more than two countries with geographical or normative contiguity (Börzel and Risse 2016: 20).

Once set the type of interregional relationships and regions subject to analysis in this thesis, we must define the different values of the dependent variable, namely when it can be considered that negotiations conclude with agreement and conclude without agreement. In this process, it is important to take into consideration that reaching an agreement involves different stages that often lead to confusion and misunderstanding among scholars

and policy-makers. We have perceived this confusion during our research: ending, finalization, conclusion, initialization, signature and entry to force are different situations located at the end of the negotiation process that are recurrently ill-defined and mixed up. Official sources, often EU bodies, frequently present contradicting data on the exact date that each stage concludes. Thus, we aim here to clarify the different phases of the negotiation process and, by doing so, to justify our decision to consider that an agreement –i.e. a positive case– is reached only in the situation when the treaty has been signed.

The signature constitutes the second stage in the ending of a negotiation process, located after the initialization phase and before its entry to force. Overall, the general sum of stages is often defined in terms of conclusion, finalization, or ending, but they do not have concrete meaning. Conclusion is frequently used before the initialization, which means that both parties have reached an agreement and they start the mentioned three ending stages. The first of them, initialization, merely demonstrates that the text is authentic and definitive, ready for signature, but "does not itself impose any obligations on the parties" (Bartels 2008: 4). Therefore, an initialed treaty implies that the international agreement has been adopted or celebrated but it does not imply, either in positive or in negative sense, that both parts have consented the agreement. By contrast, in the second phase, the signature, "a country enters into an obligation not to defeat its object and purpose prior to its entry into force" (Bartels 2008: 4). Since the signature constitutes the most relevant and enforceable moment of the process of finalization, and we consider only regions that have at least three countries (Börzel and Risse 2016), data on positive cases is collected on the year of signature of an interregional agreement between the EU and at least three countries forming a regional group or a regional organization[26].

[26] A paramount example can be found in the EU-EAC group negotiations. Negotiations with the four members of EAC concluded the 14th October 2014 and the treaty was initialled two days

On the negative cases, when the negotiating counterparts cannot achieve the signature of the agreement, we need to point out some empirical clarifications. A non-agreement means that the interregional negotiation process is interrupted, suspended or cancelled. In other words, negotiations suffer a sudden stop and parties have no prospects of retaking conversations in the near future. Some of these sudden stops are easier to identify. For instance, EU-MERCOSUR negotiations were cancelled twice: talks stopped in 2004 and were not resumed until 2010, which implies that the counterparts started a second negotiation process. Again, in 2012 the talks were suspended. In 2014 negotiations were resumed once more and are still on-going. Other negative cases encompass the suspension of regional negotiations and the opening of bilateral talks individually with the members of the region.

In other situations, however, the suspension of region-to-region negotiations is less straight-forward. In EPA agreements, for instance, treaties may be signed bilaterally with an individual country or part of the regional group while overall negotiations with the other members of the EPA group continue in a regional basis. The agreement has not been signed by all its members –it might be signed by one, two, three or more members, but not with the entire regional grouping–. In these cases, EPA negotiations are technically on-going with the rest of countries of the regional group that have not signed the agreement since the possibility to suspend temporarily the talks is not foreseen[27]. Such cases are tagged as agreement or no agreement for the purposes of the thesis depending on the number of member countries having signed the agreement. If the deal includes at least three members of the region, we consider it a positive case

later. The treaty was supposed to be signed in July 2016, but Tanzania and Uganda delayed the signature, presumably due to the Brexit crisis (Changole and Malingha Doya 2016).

[27] In non-EPA agreements the negotiations could be stopped regionally and retaken individually with some countries of the region. This would be a case of no agreement, as regional negotiations did not conclude. However, in EPA agreements the EU may sign interim agreements with individual countries although regional negotiations would remain technically opened. Hence this situation should be considered also a case of no agreement.

of agreement for the member states that have signed[28], and a case of no agreement for the rest of the region member states.

4.3.2. Selecting and classifying the cases

On the basis of our definition of region (Börzel and Risse 2016), our definition of interregionalism (Aggarwal and Fogarty 2004), and the specification of positive and negative cases of agreement, the selection includes 14 cases of EU interregional trade negotiating processes since 1995, summarized in Table 1. The case selection ensures variation in the dependent variable, without selecting on its values, and by so doing maximizes variation in the key explanatory variable regional cohesiveness (King *et al.* 1994)[29]. First column shows the regions, separated between agreement regions on the top and non-agreement regions in the bottom. Other columns in the table provide information on the timing of the negotiations: when the negotiations were launched, when they finished, and their length *T* in months[30]. *VP* accounts for the number of veto players

[28] In short, an interregional EPA is considered a non-agreement case for all the members of the group when it has been signed by one or two members of the region and not with the others. When it has been signed with at least three countries, it is a case of agreement for the countries that have signed the agreement. At the same time, it is a case of no agreement for all the regional grouping, including the data of the countries that have signed the agreement.

[29] We have not based the selection on the values of the dependent variable because it is controversial for conducting quantitative analysis. While some argue that a selection theoretically grounded, based on the dependent variable's values, including intentionally important or typical cases and the more paradoxical or contrary ones is preferable (Ragin and Rihoux 2004: 20), others warn that such selection would lead to serious inference bias and severely reduce the causal inference of conclusions (King *et al.* 1994: 130). The variable-oriented goals of our research question lead us to follow the second approach, allowing for an enhanced N and for following a very different path from qualitative method. However, we think our selection does not contradict essentially the basic purposes of the first approach: "sufficient homogeneity of the universe of cases (comparable) and maximum heterogeneity (variation) within this universe" (Ragin and Rihoux 2004: 23). Cases are comparable, as all share the characteristics of trade negotiations between the EU and at least a regional group formed by three members[29]. And heterogeneity of the explanatory variable is often maximized by keeping all the cases available in the population.

[30] We have consulted several sources to establish when the negotiations were launched and when they finished. The main sources used are DG Trade documents, but the specific calendar has been

in the region, namely the states members of the regional grouping that took part in the negotiation process.

Table 1: Case selection

Agreement	*Start*	*Finish*	*T*	*VP*	*Causes of no agreement*
CARIFORUM	Apr 04	Oct 08	54	14	
Central America	Jun 07	Jun 12	60	6	
ESA interim	Feb 04	Aug 09	66	4	
SADC	Jul 04	Apr 17	153	6	
No agreement					
ASEAN	May 07	Mar 09	22	7	Turned to bilateral
CAN	Jun 07	May 08	11	4	Turned to bilateral
Central Africa	Oct 03	Sep 09	71	8	Interim with Cameroon
EAC	Feb 04	Sep 16	151	5	Interim with Kenya and Rwanda
ESA full	Feb 04	Aug 09	66	11	Interim with four members
GCC	Jun 99	Dec 08	102	6	Suspended
MERCOSUR$_1$	Apr 00	Oct 04	55	4	Suspended
MERCOSUR$_2$	May10	Mar 12	22	4	Suspended
Pacific	Sep 04	Jul 09	58	15	Interim with PNG and Fiji
West Africa	Oct 03	Nov 08	61	16	Interim with Côte d'Ivoire

Start: Month that the negotiations were officially launched; Finish: Month that the negotiations were signed or cancelled. T: Time negotiations lasted, in months; VP: Veto players, number of states in the region. | Source: Own elaboration.

The positive four cases, hereinafter termed as agreement cases or agreement regions, are the agreements signed with CARIFORUM, Central America, SADC group, and an interim agreement with four members of the ESA group. The treaty with CARIFORUM states was signed by the EU and the 15 members of the region in 2008. Haiti signed the interregional agreement in the same year, but months later. The EU-Central America treaty was signed in 2012 by the six Central American states. In 2016, the agreement with the SADC EPA group was signed with its six members. The

contrasted using other official material, news, and academic articles. As discussed above, even official documents consulted present several contradictions on the dates. They also confound frequently stages of the negotiation process, such as conclusion, initialization, or signature.

only tottery case is EU-ESA group negotiations. In 2009 the treaty was signed by four of the 11 members. We consider the signature with the four members as a case of agreement, whilst the overall negotiations with the 11 members of the ESA group as a non-agreement case as the EU is still negotiating with the other seven members.

The second part of the table includes the ten negative cases, hereinafter termed as no-agreement cases or non-agreement regions, accompanied in the last column with the causes of failure of the negotiations. Interregional negotiations with ASEAN were suspended in 2009 and resumed bilaterally with some of its members. In 2008, the same occurred with the Andean Community group. In the same year, negotiations with the GCC were suspended and the EU and Cameroon signed in 2008 an interim agreement in the Central Africa region. Negotiations are still ongoing with the rest. EU-EAC negotiations were concluded in 2016, but only signed with Kenya and Rwanda. In the EU-MERCOSUR negotiations, we have identified two cases of no-agreement as negotiations stalled twice, in 2004 and 2012. With the Pacific group, the EU signed an interim agreement in 2009 with Papua New Guinea and later on in the same year with Fiji, whilst the agreement is ongoing with the rest of 12 members. In the case of West Africa, the EU and Côte d'Ivoire signed the agreement in 2008.

Cases are limited to the time period after 1995, including only the negotiations within the WTO framework. This choice helps to control the effects of a confounding variable, the changes in the institutional international environment, and hence isolates the effects of the key explanatory variable (King *et al.* 1994: 137). As reviewed in Chapter 2, the rules of the game in which international actors operate may influence cooperation outcomes. International agreements signed experienced an important boost after the establishment of the new institutional environment provided by the WTO (WTO Secretariat 2018). In the GATT period, less than five bilateral agreements were concluded on average yearly. In the WTO period, and especially after 2002, agreement signature

including both goods and services range between 15 and 30 every year. This seems to indicate that, indeed, changes in the international environment may be a confounding effect of trade agreement. Other confounding effects are tackled in section 4.4.2 in the tests of robustness.

4.4. The independent variable

According to our hypothesis, the likelihood of being in the first or the second group of cases in Table 1 –i.e. to sign or not an interregional trade agreement with the EU– has to take into consideration the regional cohesiveness of the counterpart. This section focuses on the independent variable of the thesis, regional cohesiveness, and the challenging endeavor of finding a concrete measure of it. We have already seen in Chapter 3 that cohesiveness is a complex concept, subject to different interpretations and shaped by multiple forces. The operationalization of the variable involves finding a way to aggregate its multidimensionality into a single variable. We propose to construct a composite index of regional cohesiveness capable of capturing the different dimensions of the concept. For this purpose, we set here the guidelines to establish the procedures for the construction of an aggregated measure of the independent variable considering the different factors that have influence on it. Accordingly, this section considers the independent variable as dependent variable.

Composite indexes are defined as mathematical combinations or aggregations of a set of indicators that have no common meaningful unit of measurement and there is no obvious way of weighting them (OECD 2008; Saisana and Tarantola 2002). They are widely used in the context of policy analysis, but also, explicitly or many times implicitly, in social sciences (e.g. Human Development Index, Gross Domestic Product, Polity IV Dataset, etc.). Although its utilization is controversial (for a discussion of pros and cons see Saisana *et al.* 2005: 307–308), they are generally employed for the purpose of measuring multidimensional concepts that cannot be captured

in a single indicator. To capture the different dimensions, they are often based on an underlying theoretical model that defines the concept intended to measure.

For example, composite indexes have constituted a common tool to measure regional integration, a concept somewhat close to cohesiveness (for a review see De Lombaerde *et al.* 2008; De Lombaerde and Saucedo Acosta 2017)[31]. In the case of EU bodies, the European Commission monitored the regional integration process in the ACP countries in the frame of the Cotonou Agreement through a system of several indicators (European Commission 2002b; European Commission 2002a) and the European Central Bank developed a comparative measure between the EU and MERCOSUR (Dorrucci *et al.* 2002). Other institutions outside the EU have also developed their own indexes (see for example African Union 2016; COMESA 2002; UNECA 2002; World Bank 2015). The concept of regional integration, however, cannot be used for our analytical purposes due to some fundamental reasons. First, most of the indicators of regional integrations do not intend to establish regional comparisons, but policy-evaluation or integration process in a single region[32]. In second place, they usually put little emphasis on the political side. Power, security, or identities are generally excluded from the measurement. And third, measurements are placed on a micro level analysis i.e. technical or economic aspects such as the degree of policy implementation, technical harmonization, synchronization of the business cycles, exchange rate variability, infrastructures, labor markets, and transport. Therefore, they focus on policy outputs of regional integration, namely the consequences

[31] De Lombaerde *et al.* (2008) conduct an extensive review of most of the techniques used to measure regional integration and, analyzing the strengths and weaknesses of each system, develop their own composite index. Their study shows that most of the indexes have been created by a wide range of international organizations.

[32] Many indicators are oriented towards policy-evaluation (COMESA 2002; Dennis and Yusof 2003; European Commission 2002b; European Commission 2002a), focused on the negotiation process (for instance, the impact assessments usually conducted by the EU when negotiating with other countries or regions) or target only one specific region (Dorrucci *et al.* 2002).

that integration has on regional policies, rather than in policy inputs (De Lombaerde and Van Langenhove 2006).

Our index uses some inspiration from these measurements. However, the theoretical conceptualization of regional cohesiveness we focus on is based on policy inputs, namely the preconditions or causes that affect regional patterns, which demands to use measures closer to concepts of IR theory. Aggarwal and Fogarty's framework, the model on which the composite index is based, uses IR and interregionalism literature. It targets different features of the region, such as structural characteristics, institutional parameters, identity issues or political links among members. For the construction of the index and the operationalization of the variables, we use the quality procedures detailed in OECD Handbook on Constructing Composite Indicators (OECD 2008). The ones related to the selection and measurement of the variables –use of theoretical framework, quality of the elementary data, and imputation of missing data– are addressed in Chapter 5. In the following lines, we deal with those related to the construction of the index: weighting, aggregation, normalization, and robustness tests.

4.4.1. Designing a composite index

When constructing a composite index, the main methodological challenge emerges on how to convert and combine different variables that have different values to a single index that transforms them into a final score. The researcher needs to take three basic decisions: the weight that each variable has in the composite index, the procedure used to aggregate the variables, and the way they are scaled in order to be comparable among them. In other words, how much each variable count on the overall index –weighting–, whether variables have to be summed, multiplied, or aggregated among them through any other procedure –aggregating–, and which criteria is used to transform different parameters to comparable measures –normalizing–. As manuals on composite indexes acknowledge,

these three procedures always imply a certain degree of arbitrariness (Babbie 2013; OECD 2008).

Regarding the first step, namely the way how the variables are weighted among them, methodological manuals acknowledge the complexity of attributing different weights to variables and tend to give the simple initial rule to give the same value to each item unless there is clear evidence of the opposite (Babbie 2013: 25–26, 199–201; King *et al.* 1994). However, they also recommend going beyond this simple weighting whenever possible and construct the composite index using two main techniques: through theoretical and empirical weighting. On the one hand, a solid theoretical framework and expert opinion can provide clear evidence of the weighting of the variables; one the other hand, statistical criteria can also generate another foundation to attribute weights (De Lombaerde and Van Langenhove 2006; OECD 2008)[33]. For the theoretical weighting we use Aggarwal and Fogarty's framework as our main indicator of the validity of our conclusions, although we also complement it with statistical weighting as a secondary complement. These procedures allow to reduce arbitrariness and increase the robustness of the model (OECD 2008: 22).

Regarding the theoretical weights, Aggarwal and Fogarty's description of the different dimensions of regional cohesiveness provides the indications to assign consistently the different weights of the index. Each dimension of the theoretical framework receives the same weight, following the indications of the manuals. At the same time, variables within each dimension receive the same weight among them, meaning that three variables in the same dimension would receive one third each and two variables would receive one half each. In cases of uncertainty in the authors' descriptions, we complement the weighting with own interpretations based on general IR theory.

[33] De Lombaerde and Van Lagenhove (2006) mention three criteria to weight variables: practical considerations, expert opinion, or statistical criteria. In our study we have, however, no particular practical considerations, referred to lack of data availability, lack of knowledge or lack of valid criteria.

Statistical weighting serves as a parallel procedure to complement the theoretical weighting and further reduces the uncertainty of the methodological choices i.e. the mean difference between agreement and non-agreement cases should hold using both theoretical and statistical weighting. In this case, the pondering of the variables follows an empirical basis through the use of Principal Components Analysis (PCA), a method recommended on the OECD Handbook on Constructing Composite Indicators (OECD 2008). PCA looks at the statistical contribution of the variables and aggregates empirically similar variables, transforming a set of correlated variables into a new set of uncorrelated variables. It explores the underlying structure of the data, identifies statistically similar variables and balances the different dimensions of the phenomenon employing empirical criteria. In consequence, two highly correlated variables will be grouped in the same principal component, as PCA infers they capture similar dimensions of the data. Low correlation between them, by contrast, would show the variables depict different dimensions of the concept. The procedure uses a covariance matrix or its standardized form, the correlation matrix[34].

PCA is especially useful to identify the correlation among the variables of the index and identify associations among variables. We would expect some degree of alignment between theoretical and empirical aggregation i.e. variables within theoretical dimensions should be empirically highly positively correlated, whereas variables between dimensions should also hold positive correlation, but lesser correlated among them. Assessing the empirical meaning of the data can help, therefore, to develop in a more consistent manner the theoretical framework.

Regarding the aggregation procedures, we find no major reason to reject the most used method recommended by the methodology manuals. They

[34] The underlying idea is that much of the data variation can be accounted for by a small number of variables that are uncorrelated. Principal components are, therefore, uncorrelated variables that measure different dimensions in the data.

suggest the simplest method, linear aggregation, which means to sum the values (Goertz and Mahoney 2012: 29; OECD 2008). Other alternative aggregation procedures are arithmetic or geometric aggregation, which imply to multiply or square the variables. They are intended to be used in more sophisticated mathematical operations.

Finally, the construction of the index must also consider that variables are normally constituted by different parameters. This means, for example, that values in a variable may range among several millions of units and values in another variable may range between zero and one. Consequently, aggregation would overrepresent the values of the former variable in the final index[35]. Normalization facilitates the drawback of comparability among different variables by transforming them into the same scale. Thus, the procedure converts different variables to measurements of similar scale that permits a fair aggregation and weighting of these different parameters of the same concept into the single final index. Among the normalization techniques, Min-Max, Ranking, or Z-Scores are the most commonly used (OECD 2008). All of them produce different, although very similar, final values of the composite index. For its visual simplicity, we use Min-Max, although results are also calculated with the other two normalization methods to increase the robustness of the model (see Annex 2).

The Min-Max method establishes a range of values from 0 to 1 in each variable, in which the minimum value is zero and the maximum is one. The rest of the values are distributed proportionally to the minimum and the maximum point by subtracting the minimum value and dividing it by the range of the values. Therefore, the variable has at least one value of zero and one value of one, and the rest of the values are distributed in relation to

[35] For example, we may weight equally the percentage of intra-regional trade that a country has vis-à-vis the trade with rest of the world –ranging usually from 10 to 25 percent of the total trade–, and the human development index of a country –measured from 0 to 1 and ranging usually from 0.5 to 1–. Unless we do not establish similar measurements for each variable, aggregating without normalizing would imply to give at least 10 times more weight to the level of trade than human development. In other words, one variable would be overrepresented vis-à-vis the other.

these minimum and maximum. This method is recommended when the variables do not have extreme cases, which is generally the case of our variables, and helps widening the range of indicators lying in a small interval[36].

4.4.2. Robustness and sensitivity

Composite indexes are useful tools to measure sophisticated or controversial concepts, as they may aggregate different dimensions of the targeted concept to obtain a single value. Their elaborated construction is, however, crowded by different procedures and choices which have led to noticeable skepticism by statisticians and economists, accusing many existing indexes of having lack of transparency in methodological procedures and data collection (for a discussion see Saisana *et al.* 2005; Saisana and Tarantola 2002; Sharpe 2004)[37]. This is why in the process of data treatment during the construction of composite indexes most of the manuals recommend to conduct uncertainty and sensitivity analyses to determine how the different judgments undertaken in the construction of the index may affect the results (Babbie 2013; OECD 2008). These procedures are addressed in this subsection, which also serves as a recap of

[36] While we have followed the Min-Max method to normalize all variables included in the composite index, one of them entails some extra methodological refinery. As we have defined it, *EU Interest* variable measures how the EU ranks and prioritizes its trade partners. One of the measurements used is economic size, which has extreme values and concentrates most of the world economies in a very small range. It also entails a problem when we have to aggregate the economic and political considerations, as ranges differ widely among them. To solve it, economic size and political considerations are normalized by separate following the Ranking method which provides relative instead of absolute values. This method is not affected by extreme cases and follows a ranking, from 0 to 1, based on the relative position of each case in the ranking.For example, in a sample of N=10 cases, the highest value would be normalized as 1, the second as 90, the third as 80, and so forth. After having normalized by ranking, country by country, then data is aggregated at the regional level and normalized through Min-Max.

[37] It is also true that statistical studies have also their weaknesses, as significant studies tell little about the validity of their model: variables employed may present strong bias in data collection as well as case-based studies often present biases in case selection.

the different tests of robustness proposed already in previous pages of this chapter.

The robustness of the results is tested through four different procedures: we ensure data quality and transparency of the variables, we test the uncertainty emerged during the elaboration of the index, we introduce several control variables on the variation of the effects of the independent variable over the dependent one, and we use other alternative dependent variables to enhance the external validity of the results. Regarding the first test, all steps regarding data quality and transparency of the variables are tackled in Chapter 5, which provides a full description of elementary data selected for measuring regional cohesiveness and its theoretical soundness (Mansfield and Pevehouse 2008: 482). Annex 1 provides the account for the imputation of missing data.

On the second test, the OECD Handbook (OECD 2008; Saisana *et al.* 2005) suggests addressing all the potential sources of uncertainty undertaken during the construction of the index: including and excluding different individual indicators, testing theoretical and statistical models, and using alternative normalization, weighting, and aggregation methods. Accordingly, we assess whether the mean difference between agreement and non-agreement regions holds with other alternative operationalization choices of the variable cohesiveness: we exclude and include different indicators, we recalculate the values of individual variables without pondering by the GDP of the countries[38], we test three different normalization methods[39], and we use theoretical and empirical weighting. On the theoretical weighting, we use equal scores on each of Aggarwal and Fogarty's dimensions. On empirical weighting, we give equal scores on PCA factors (see Annex 4 for a full description of PCA procedures). Ideally, we

[38] The normal operationalization has pondered the weight of the countries in a region. We use an alternative calculation, which gives every country the same weight without taking into account relative size in the regional group.

[39] Data is normalized using the Min-Max method. We also test different normalization methods instead of Min-Max, recalculating the results through the methods of Z-Scores and Scaling.

should test all the possible combinations of uncertainty to undertake proper high-quality tests. For example, one could assign three different weights to the eleven variables we use for measuring cohesiveness, three different normalization procedures, and three different interpretations of each variable. This would lead to test 297 combinations[40]. However, to simplify the procedures, on the exclusion of variables, we have only removed the extreme variables – those that yield the highest and the lowest mean difference. This reduces the combinations to 24, more feasible for the means of our study (see Annex 5).

The test of controls aims to enhance the robustness of the model controlling by several confounding variables which permits isolating the effect of the explanatory variable on the explained variable (King *et al.* 1994). The potential confounding variables emerge from the theoretical reviews of the first three chapters of the thesis[41]. Table 2 displays again the agreement and non-agreement cases but includes different features of the negotiation process that may affect the result of the negotiations. The first columns show the start, end, and time lapse *T* of the negotiations normalized through the Min-Max method. We also show the normalized number of veto players *VP* in each region. The normalization produces ratio scale variables that can be tested against regional cohesiveness through correlation coefficients. We expect low or no correlation between time variables and the degree of regional cohesiveness. We expect also the degree of cohesiveness to be weakly correlated with the number of veto

[40] 297 would become the total number of combinations obtained calculating three different weights, three different normalization methods, three different interpretations, and eleven different variables (3x3x3x11=297). To simplify it, we use three different normalization methods (Min-Max, Z-Scores, Scale), two different ways of pondering data (with and without GDP), excluding alternatively the two variables with most extreme scores ($Power_r$ and $BATNA_r$) and applying theoretical statistical weighting (2x3x2x2=24).

[41] In a wide analysis with large N, one could statistically control the effects of these potential alternative variables and isolate the effects of the key explanatory variable (King *et al.* 1994: 137). Due to the limited number of cases, we can also test limited confounding variables. We apply controls sound with theoretical expectations discussed in the previous chapters that also have at least one case available in each of the values of the dependent variable.

players in the region, meaning that cohesiveness could not be explained by the time lapse of the negotiations or the moment of the start of end of the process.

Table 2: Confounding variables

Agreement	*Start*	*Finish*	*T*	*VP*	*EPA*	*WTO*	*08/09*	*C*
CARIFORUM	.44	.32	.30	.83	√		√	√
Central America	.73	.61	.35	.17		√		√
ESA interim	.43	.39	.39	0	√	√	√	
SADC	.47	1	1	.17	√	√		
No agreement								
ASEAN	.72	.35	.08	.25		√	√	√
CAN	.73	.29	0	0		√	√	√
Central Africa	.40	.39	.42	.33	√		√	
EAC	.43	.95	.99	.08	√	√		
ESA full	.34	.39	.39	.58	√		√	
GCC	0	.33	.64	.17		√	√	
MERCOSUR$_1$	.08	0	.31	0		√		
MERCOSUR$_2$	1	.59	.08	0		√		√
Pacific	.48	.38	.33	.92	√		√	
West Africa	.40	.33	.35	1	√		√	

From column two to column five results are normalized using Min-Max, being 0 the earliest date and 1 the most recent date in which the negotiations were launched (*Start*), were finished (*Finish*), and lasted (*T*). In column five *VP*, 0 is the minimum number of veto players, 1 is the maximum. In the last columns, EPA: Regional EPA group or pure regionalism as conceptualized by Aggarwal and Fogarty; WTO: All countries are members of the WTO; 08/09: agreements finished during the period 2008-2009; C: Comprehensive trade agreement. | Source: Own elaboration.

The other confounding variables are categorical, and thus they can be easily tested against the dependent variable. *EPA* marks the regions included in the EPA group; *WTO* whether all the members of the regional group are WTO members; 08/09 the agreements concluded in the 2008-2009 period; *C* establishes the type of agreement, whether it is comprehensive or not. We expect that non-EPA groups would have a higher degree of cohesiveness than EPA groups; non-EPA concluding groups would exhibit

higher cohesiveness than non-EPA non-concluding groups; EPA concluding groups would exhibit higher cohesiveness than EPA non-concluding groups[42]; we also expect that regions containing all WTO members would show higher cohesiveness than regions containing at least one non-WTO member. To test time-lapse as confounding variable, we split the end of negotiations in two meaningful periods. The period 2008-2009 was marked by time lapse constraints for the regional counterparts due to the existence of a deadline for EPA agreements. Time constraints might have affected the negotiations differently than negotiations concluded in other years. We assume all negotiations ended out of this period were not constrained by any deadline. We expect cohesiveness in concluding groups to be higher compared to non-concluding groups for negotiations finished within the 2008-2009 period; we also expect cohesiveness in concluding groups to be higher compared to non-concluding groups for negotiations finished outside the 2008-2009 period. We also expect higher cohesiveness in regions that succeeded negotiating a comprehensive trade agreement compared to those who failed. We expect high cohesiveness in regions that succeeded negotiating a non-comprehensive trade agreement compared to those who failed[43].

The last test assesses the external validity of the index by applying the replicability of the independent variable effects to alternative dependent variables. King *et al.* (1994) suggest this procedure as one of the solutions when having small N: expanding the dependent variable by widening the

[42] The difference between non-EPA and EPA matches with Aggarwal and Fogarty's distinction between pure and hybrid interregionalism. In order to not duplicate controls, we have used only one of them.

[43] We consider comprehensive agreements those which go beyond trade in goods. Theoretically, we expect difference in the cohesiveness levels within types of treaty, but we do not test between types of treaty. Literature is unclear on whether it is easy to negotiate a comprehensive or a non-comprehensive treaty. Comprehensive treaties include more issues at stake, which presumably involve a higher number of domestic actors, curbing the likelihood of agreement. However, they also allow side-payments between parties, which favors agreements. For this reason, contrasting with other confounding variables, we have not developed expectations between types of agreement.

implications of the independent variable to other areas that can arguably be affected by it. Based on of the databases used to measure the variables of the index, we also use the WTO database to test the expectation that regions with higher degree of cohesiveness would have signed more agreements with other actors apart from the EU compared to the regions with lower degree of cohesiveness.

4.5. Conclusion

The novelty of the approach we take on interregional studies has brought the necessity to set the methodology of the thesis in this chapter. It has discussed and offered the main guidelines to operationalize the dependent and the independent variables and suggested a way to assess connection among them. We use quantitative methods with the aim to complement advancements undertaken by the qualitative approach in interregionalism studies. Quantitative analysis helps to draw inferences on the basis of the average effects of one variable over another. It is based on likelihoods, rather than the set of conditions of an event to occur. Its logic and methodological approach facilitate to observe how different variables are correlated among them, establishing fine conclusions on how indicators of the same phenomenon are related among them.

As quantitative methods are concerned on the effects-of-causes, their use requires to put especial emphasis on the operationalization of the variables. Most of this chapter has been devoted to establishing the procedures for the measurement of the dependent and the independent variables of the research. Departing from a binary operationalization of the dependent variable, we have selected 14 cases, the maximum available within the population. On the independent variable, the multidimensionality of the cohesiveness concept suggests the construction of a composite index to measure it. The index helps to deal with its complexity and allows producing fine gradations of the variable to help inferring whether

cohesiveness effects on average to EU trade agreement conclusion. In this chapter we have set the main methodological guidelines for aggregating, weighting, and normalizing the variables. In the next chapter we describe and operationalize them from a theoretical viewpoint. The proposed statistical analyses and robustness tests would help enhance the validity of the study.

Chapter 5. Cohesiveness variables

5.1. Introduction

The main goal in this chapter is to establish a way to measure the proposed independent variable of the thesis, regional cohesiveness. We base our theoretical framework of regional cohesiveness in Aggarwal and Fogarty's book (2004) and structure this chapter accordingly in the four main dimensions they propose: regional preferences and institutions; power considerations in the region; regional coherence; and the EU treatment of the counterpart. In their book, the authors suggest the operationalization of some theoretical dimensions although in some others the measurement is less concrete, since their framework obeys to qualitative purpose and does not aim to be operationalized for quantitative analysis. In consequence, they provide only some general indications for the measurement that need to be transformed and developed for quantitative purposes. Therefore, this chapter aims to suggest quantitative measurements for all the dimensions and variables. The goal is to remain as close as possible to Aggarwal and Fogarty's work although, in some cases, the procedure may force to make compromises between the theoretical soundness of each dimension, the feasibility to quantify the variables and the quality of the data available. In every case, we discuss during the operationalization of each variable the balance between the theoretical framework, other previous studies of IR and literature on interregionalism, and the data available.

Each section of the chapter defines and operationalizes one dimension of Aggarwal and Fogarty's framework. When their framework or further theoretical review suggests it, we divide the dimensions into other dimensions or subdimensions. For example, we divide the dimension regional preferences between preferences and institutions, as this division is more suitable for quantitative purposes. In the operationalization procedure, we place special emphasis on the accuracy, reliability and accessibility of the data as manuals edited by international organizations suggest (Eurostat 2017, IMF 2001, OECD 2008). The imputation of missing data is included in Annex 1. The variables and dimensions are summarized at the end of this chapter, including a table which presents them together with the main data used for their operationalization.

5.2. Regional preferences

The first dimension, regional preferences, is defined widely in Aggarwal and Fogarty's book. They consider three elements: region-wide preferences, individual member state preferences, and how regional institutional structures shape these preferences (Aggarwal and Fogarty 2004: 16). We exclude the first category, region-wide preferences, for three reasons. First, existing regional preferences are already caused by the other two elements: individual member state preferences and regional institutions. Region-wide preferences is a difficult concept to assess, as the authors correctly point out, "given the generally low level of institutionalized cooperation within counterpart regions" (Aggarwal and Fogarty 2004: 210). Thus, regional preferences could be more accurately obtained by examining the other two factors. Second, obtaining a value for a particular preference at the regional level would reveal solely a specific position, for example, towards free trade but it would tell little about regional cohesiveness. In order to measure cohesiveness, we should go beyond the regional level and examine the difference among preferences at the state level, inquiring how they are

'made up' and presented unitarily abroad. And the third reason is that an operational mixture of institutions and preferences could be more suitable from a qualitative viewpoint, but it would be more difficult to aggregate using a quantitative perspective. In consequence, this section focuses on two of the three elements proposed by Aggarwal and Fogarty: member states' preferences and region-wide institutions. From now on we will consider each of these elements as separate dimensions: preferences and institutions.

5.2.1. Preferences

The measurement of preferences at the national level presents some methodological difficulties as there is no obvious way to infer them (Frieden 1999). Aggarwal and Fogarty (2004: 7–10) opt for a rational societal approach: they look at the national societal groups' willingness to establish commercial agreements and the role of national institutions on channeling their preferences. Their method, obtaining states' preferences by deduction, is a challenging approach for being conducted through quantitative analysis. Deducing each state's preferences would imply to look at the political and economic structures of each state, use economic and political theory to assume the preferences of societal groups, assess the influence of each special group to different political parties, and measure how institutions aggregate these preferences to conform the position of the state in trade policy. This procedure should be done in the nearly one hundred states subject to our analysis.

If we attempt to assess preferences by observation –inducing widely shared norms and beliefs about appropriate national goals through statements and speeches of political elites and policymakers–, the process would entail even more methodological problems. On the one hand, observing these 'revealed preferences' in each of the member states subject to analysis would be time challenging. On the other hand, we run the risk of knowing

little about preferences as a dimension of regional cohesiveness, given that one may not obtain the states' real preferences but their strategy in a concrete situation. In other words, preferences observed in a specific context may be a mere strategy to pursue one's means in that particular environment and the endeavor to dissociate preferences and strategies would lead to the process of opening a never-ending collection of "boxes within boxes" (Frieden 1999: 46; see also Lake and Powell 1999). We might not be looking at how different actors similarly rank their preferences, which could aggregately indicate regional cohesiveness, but at how they strategically behave in a specific situation.

Given these hurdles of inferring preferences through societal deduction and inductive observation, we opt for using a broader deduction method by bringing Hettne and Söderbaum's (2000) *regionness* framework to our analysis. *Regionness* is useful in our case because it originates in regionalization literature and attempts to evaluate regional cohesiveness through three different domains (Baert *et al.* 2014; Doidge 2014; Hettne 2014; Hettne and Ponjaert 2014; Higgott 2014: 102). Hettne and Söderbaum contend that *regionness* is associated with the convergence of political, economic and security processes of regionalization in the same geographical area, leading to the homogenization of certain characteristics of the 'region in the making'. Since states become more homogeneous, their identity formation and in turn their cohesiveness increase[44].

The next paragraphs explain how we use Hettne and Söderbaum's framework of political, economic and security homogenization in order to operationalize the assessment of regional preferences. We complement

[44] The authors classify *regionness* in five distinct levels, grading from less to more intensity: social space; regional social system; regional international society; regional community; and regional institutionalized polity (Hettne and Söderbaum 2000). For our methodological purposes, however, this categorization is not very useful since most of the regions subject to our analysis would fit in the fourth category, regional community, giving little or no space for variation in the sample. As Hettne admits (Hettne 2014: 58), the concept requires some modifications to be relevant for other regions.

their conceptualization through IR literature in order to adapt the *regionness* benchmark to quantitative analysis. The adaptation is therefore inspired in other studies and helps to quantify cohesiveness in terms of preference homogeneity.

Political homogeneity

Political homogenization is defined by Hettne and Söderbaum as the reduction of political differences within a particular space, implying harmonization and coordination of policies from above. The process entails a regime convergence, associated with "the homogenization of essential features of the political system" (Hettne 2014: 61). The definition of *essential features* of the political system is tackled in their work, briefly, for the case of the EU. Such homogenization, Hettne argues, is connected with the adoption of the *acquis communautaire* as a precondition for joining the EU. Hettne (2014: 61–62) explains three processes of political homogenization in Europe: the disappearance of military dictatorships in the South, the self-assertion of the European Atlantic partnership in the West, and the fall of communism regimes in the East. Political homogenization is favored therefore by the existence of similar political systems in a region. It cannot, however, imply "cultural standardisation in accordance with one specific ethnic model, but rather compatibility between differences within a pluralist culture" (Hettne and Söderbaum 2000: 25).

Thus, we consider that similarities among the type of regimes responds to political homogeneity in a region, which in turn returns high levels of regional cohesiveness. This is suggested in the *regionness* concept and supported by other literature which argue that regionalism is more likely to emerge in the event of similar political institutions among states within a region (Hurrell 1995b: 68–71; Kim *et al.* 2016). Similarly, Moravcsik (1998) argues that steps towards EU integration in the 1980s and 1990s occurred as a result of the convergence of member-state preferences.

To measure political homogeneity, we construct the indicator $Political_r$. We take inspiration from Mansfield *et al.* (2002) study of democratic cooperation and the variables they construct using the updated Polity IV dataset. They use a normalized index based on the regime type of countries, from democracy to autocracy. On grounds of this index we calculate dyads. Dyadic research design is typical in quantitative studies of democracy (Mansfield and Pevehouse 2008: 489). Dyads are also applied in other dimensions of the index. We assume that dyads between similar political regimes show political homogeneity, and in turn more cohesiveness, than dyads between diverging regimes.

$$Political_r = 1 - \sqrt{\frac{\sum_n (Pol_i - Pol_j)^2 * \frac{GDP_i + GDP_j}{n-1}}{GDP_r}}$$

Our indicator aggregates the standard deviation of regime type differences across dyads in the region r with n number of states. Dyads are formed by countries Pol_i and Pol_j, which each range from 1 for the most democratic states to 0 for the most autocratic ones. Consequently, it results that $Political_r$ is close to 1 when dyads in the region have similar regime types, and close to 0 when they have different regime types. The results are weighted by the size of each country GDP_i and GDP_j relative to the size of the region GDP_r. World Bank data is used for calculating GDP[45].

[45] For our calculations of each country size, we use the nominal Purchasing Power Parity (PPP) based GDP in year *t* from the World Bank. Data in current prices helps to control for inflation, whilst data in PPP provides more stability to the indicator. For our study, the ideal data would have been a market-based GDP, for instance, in *t*, *t+1*, *t-1*. The market-based GDP captures better the international prices, which arguably can be a more reliant indicator of the power and influence of the state: tradeable resources of influence would be purchased at international prices, whilst PPP would indicate little. However, capturing the GDP marked-based data in a single year in time entails also the reliability problem of emphasizing the booms and busts of the economy (Lederman and Maloney 2003). A solution to minimize its volatility would be to stabilize the indicator accounting for years *t*, *t+1* and *t-1*, but this exercise is easier when there is no missing data. As the GDPs of some countries would be difficult to stabilize because of the missing data problem, we have considered an optimal solution to keep the GDP PPP-based instead of the GDP

Economic homogeneity

The second area identified by Hettne and Söderbaum leading to similar preferences, economic homogenization, is associated with uniform national adaptations to globalization (Hettne 2014: 62). According to them, economic regionalization leads states to pursue homogeneous economic policies, from state interventionism to import-substitution industrialization or neoliberal policies. Following these views, we argue that the existence of an economic instrument that regulates the relationship among governments in the same region constitutes a decent indicator of their economic homogenization. Shared economic agreements, such as being in a free trade area, tighten the rules and limit policy options of states (Rodrik 2017), which have to cooperate actively and adjust and coordinate their economic and trade policies (Fishlow and Haggard 1992; Kim *et al.* 2016; Mansfield and Milner 1999: 591). Consequently, we assume that the thicker the economic agreement between two states in a region, the more homogeneous their economic preferences and policies and, in turn, we expect that it would impact positively regional cohesiveness.

$$Economic_r = \frac{\sum_n Econ_{ij} * \frac{GDP_i + GDP_j}{n-1}}{GDP_r}$$

As economic instruments among countries within the same region may diverge, we also use dyads $Econ_{ij}$ formed by countries i and j in the region r in time t to assess our indicator of economic homogeneity $Economic_r$. We adapt Béla Balassa's (1961; 1994: 126) stages of economic integration to the data available in the WTO database 'Regional Trade Agreements Information System (RTA-IS)' (WTO 2016a). We give 0.2 score if two countries share a Partial Scope Agreement[46], and an additional 0.2 score if the agreement is reported as FTA. Another 0.2 are given when the

market-based. This decision minimizes the missing data of the sample and thus improves the reliability of the calculations.

[46] The WTO considers as Partial Scope Agreement when the trade agreement between the counterparts only covers certain products.

agreement takes the form of Customs Union. When it also includes trade in services, another 0.2 is given. Finally, forming a currency union is also considered as a further form of integration, used frequently in various gravity models of trade (Arribas *et al.* 2011; Chaney 2018; Henderson and Millimet 2008). Countries sharing the same currency are more compelled to coordinate their economic policies, and thus may have similar economic preferences. Countries forming monetary union are thus given an additional 0.2. Consequently, it results that $Economic_r$ is close to 1 when dyads in the region have more economic homogeneity, impacting positively on cohesiveness, and close to 0 when they have less. Data is assessed from different sources (Encyclopaedia Britannica 2009; 2011; Reuven 2006; The Economist 2013). The number of countries in the region is represented by n and their impact over the result is weighted by their relative size GDP_i and GDP_j within the total region GDP_r. GDP data is taken from the World Bank.

Security homogeneity

Hettne and Söderbaum associate homogenization in the security field to the existence of a relaxed security environment among the member states. They argue that security imperatives dominate often over political and economic relations and thus, relaxed security relations would create positive spillovers in other fields and influence positively on the internal cohesiveness of regions. The connection between the security field and trade has been well studied by Johanne Gowa (1994; see also Gowa and Mansfield 1993), who argues that countries linked through some long-term security relationship tend to establish closer links in other areas. She analyzes the case of trade agreements and argues that countries are concerned by security externalities of trade, so they prefer to establish trade relationships with allies than with enemies. A state trading with a potential enemy can undermine its own security, as it can use efficiency gains of trade to increase its military power. Thus, economic relationships will be more likely with allies, so as to avoid negative security externalities.

As security externalities are difficult to observe and measure, Gowa (1994) suggests to assess the differences among foreign policy preferences through looking at their political-military relations. Countries without any military conflict among them and sharing a military alliance can be considered allies, hence being prone to calculate positively the security externalities spread to other areas. In consequence, we can expect that the existence of military cooperation and the absence of military hostilities among states creates a positive economic and political environment in a region, and thus, encourages regional cohesiveness.

$$Security_r = \frac{\sum_n \frac{Ally_{ij} + Dispute_{ij}}{2} * \frac{GDP_i + GDP_j}{n-1}}{GDP_r}$$

The indicator $Security_r$ is based on the procedure used by Mansfield *et al.* (2007) to assess the security preferences among different states. Military hostilities and the absence of political-military cooperation signals large differences in security preferences between countries and may discourage economic cooperation and thus regional cohesiveness. Taking data from Correlates of War Project (COW), we code $Dispute_{ij}$ 0 if countries i and j in region r formed by n number of countries in time t are involved in a Militarized Interstate Dispute (MID), 1 otherwise. $Ally_{ij}$ equals 1 if countries i and j are members of a military alliance, 0 otherwise. The former variable is measured using the MID (v4.1) database (Faten *et al.* 2004), whereas data for *Ally* is taken from the COW War Data (v.3.1) database (Sarkees and Wayman 2010). Both indicators are aggregated with the same weight.

In contrast to Mansfield *et al.* operationalization, we introduce a time lapse to account for more variation. A dyad obtains a full score when they have shared a political-military alliance and have not being engaged in a military interstate dispute in the last 30 years. This measure is taken from Tavares and Schulz's (2006) non-static notion of peace, operationalized better as a continuum between cooperation and conflict. The score approaches 0 if at least one of both events has occurred closer to the year of agreement or no

agreement. It approaches 1 when they have occurred far from it. Results are weighted by each country relative size. We take each country GDP_i, GDP_j and the total GDP_r of the region using World Bank data.

5.2.2. Regional institutions

The role that regional institutions play in shaping regional cohesiveness has been already discussed in Chapter 3, when we have reviewed works in the EU and comparative regionalism literature analyzing the 'output' dimension of cohesiveness. These studies have broadly studied the effects that institutions have in shaping states behavior. In the EU case, da Conceiçao-Heldt and Meunier (2014; see also Meunier 2000; Meunier and Nicolaïdis 2011) argue that the presence of strong institutional settings in form of centralized decision-making structures and delegation of powers to the negotiator –i.e. having a single voice– contributes to regional cohesiveness. Both mechanisms, strong institutional settings and delegation of powers, are summarized in the literature of actorness as authority and autonomy: the internal prerequisites an entity must satisfy to become an international actor (da Conceição-Heldt and Meunier 2014; see also Bretherton and Vogler 2006; Jupille and Caporaso 1998). The more authority transferred to the regional level and the more autonomy delegated from the member states, the more able the regional entity is to speak with a single voice.

Authority, often referred as pooling, denotes the transfer of decision-making authority to the regional level so that member states collectively participate but do not individually control, often through a process of qualified majority rule (Hooghe and Marks 2015; Lake 2007: 220; Lenz and Marks 2016). The other prerequisite of internal actorness, the degree of delegation or autonomy, implies "a conditional grant of authority from a principal to an agent that empowers the latter to act on behalf of the former" (Hawkins *et al.* 2006: 7). In this situation, it is not the unity in the

position defended internationally that contributes to cohesiveness, but having a 'single mouth' i.e. the unity of the messenger or the number of actors in the region taking the negotiating floor (Delreux 2014: 1020–1021). To illustrate it as an example, the authority of the EU trade policy was transferred to the EU level during the first years of the European Communities. The internal bureaucracies of the member states lost the authority control over this policy. However, the regional level could be tied to the member states decisions, having almost no autonomy to take independent decisions from the member states. Autonomy refers to the extent to which the EU level can create autonomous policies.

When the regional level enjoys high degree of authority and autonomy, the members of a region can easily formulate consistent positions internally and present them with a single voice. We expect that the internal cohesiveness of the region increases when authority is delegated to the regional level, namely that decisions on trade negotiations are taken by qualified majority rule. We also expect that internal cohesiveness increases when a single negotiator conducts the trade negotiations on behalf of the member states.

Data for regional institutions is taken from the Measure of International Authority (MIA) database (Hooghe *et al.* 2017; see also Lenz *et al.* 2014; Marks *et al.* 2014). For each regional institution, the MIA dataset creates two indicators: delegation and pooling. For coherence of our theoretical framework, we code $Authority_r$ for the pooling indicator and $Autonomy_r$ for the delegation indicator[47]. As they approach 1, the regional level enjoys a higher degree of authority and autonomy, and thus more cohesiveness is

[47] For a clarification in the distinction between autonomy and authority, the former has to be understood in a principal-agent perspective: "a conditional grant of authority from a principal to an agent that empowers the latter to act on behalf of the former" (Hawkins *et al.* 2006: 7); the later in the notion of a transfer of competences to the regional level: "Sovereignty is pooled, in the sense that, in many areas, states' legal authority over internal and external affairs is transferred to the Community as a whole, authorizing action through procedures not involving state vetoes" (Keohane 2002: 748).

exhibited in the region. By contrast, a variable close to 0 indicates a low transfer of authority and autonomy from the member states to the regional level, and thus a small degree of regional cohesiveness. Data in the MIA dataset is until 2010, so we take the value of 2010 for interregional agreements finalized after 2010.

$$Institutions_r = \frac{Authority_r + Autonomy_r}{2}$$

Two important considerations must be made in relation to this indicator. First, the MIA index reflects the levels of authority and autonomy in several international institutions. It measures different institutional settings of specific regional organizations such as the proceedings in the election of the regional assembly, the status of the general secretariat, or bindingness of the dispute settlement mechanisms. However, when the EU negotiates with a group of states, they may or may not use all these regional arrangements, and thus, be constrained by them. In consequence, the variable would suffer a loss of validity being thought from a liberal institutionalist perspective, as it may not fully capture the proceedings developed in the negotiation. We believe, however, that validity of the indicator is hold if it is understood in a constructivist sense. From this perspective, it reflects the level of understanding reached by the members of the region. A regional organization with strong shared decision-making mechanisms may reflect deeper understandings and shared practices among its members learned over time in a process of mutual cooperation. The value of the MIA index is here conceived as indicating the 'institutional flair' of the region. Thus, we assume that it would be easier to reach an agreement with regions that have developed deep institutional mechanisms than with those that have not, regardless of the special arrangements that may be used in the negotiations[48].

[48] The match between the negotiating region and the institutional region counted in the MIA database is clear in all cases except in the Central Africa group. As there are two regional

Another limitation of the indicator is that some states included in the negotiation may have not participated in this institutional learning process, and therefore, this exclusion could also rest validity to our assumptions[49]. This is why this institutional variable has to be observed in conjunction with the political coherence variable, described below (see page 124). In this variable, Aggarwal and Fogarty distinguish between the regional groupings that have been self-defined and those that have not. We offer a more nuanced non-categorical operationalization of the variable, to a certain extent, to compensate for the mentioned limitation of this indicator. As a result, a mismatch between the regional organization and the trade negotiating group is penalized in the political coherence variable.

To sum up this section, we divide regional preferences as a dimension of regional cohesiveness in two parts: member states preferences and regional institutions. For preferences, we take the concept of *regionness* and assess the homogeneity of political, economic, and security preferences among member states in the same regions through dyadic relationships. Higher degree of cohesiveness is achieved with more preference homogeneity. In short, we assess the regime type for political preferences, the economic agreement among states for economic preferences, and the presence of political-military alliances and absence of military disputes for the case of security preferences. In the case of regional institutions, we consider that the level of delegated autonomy and authority transferred to the regional level by its member states affects positively regional cohesiveness.

institutions of reference, CEMAC and ECCAS, the value used in our analysis is obtained by calculating the mean of the value assigned to each institution in the MIA database.

[49] Most of the EPA negotiations have this problem. For example, CARIFORUM is formed by most of the Comunidad del Caribe (CARICOM) states, which does not include the Dominican Republic (see footnote 56 for a deeper explanation).

5.3. Intra-regional distribution of power

In contrast to the sharp relationship that literature establishes between homogeneity of member states preferences and supranational regional institutions, on the one hand, and regional cohesiveness, on the other, more controversy exists regarding how the distribution of power affects the ability to act as unit among the players in a system (see also Chapter 2). The debate is also present in Aggarwal and Fogarty's framework, since they do not provide concrete tools on how power distribution has to be measured. They simply indicate that "(economic) power considerations within the counterpart affect the willingness of all members of the region to engage in interregional ties within the EU" (Aggarwal and Fogarty 2004: 16). In other words, the shape of the regional structure in the counterpart may decisively mold the strategies of their members towards agreement. However, the effects that power has in uniting the group and presenting externally a single position are not further developed in the book.

Among structural rationalists, many support the view that the likelihood of having unified positions within a system is more likely with a hegemonic force as it would impose its own preferences to the rest of countries (Gowa 1994; Kindleberger 1973; Krasner 1976; 1983; Snidal 1985). Neorealist and neoliberal institutionalist authors argue that a hegemon or a *k-group* of powerful states is more able, through providing collective goods or through the use of coercion, to ensure that all the units of the system share its own preferences in trade policy. Accordingly, high concentration of power would provide cohesiveness to the system.

Cohesiveness, however, may also be produced with other structural forms as, some argue, the ability of states to cooperate depends on its size (Krasner 1976; Snidal 1991). Accordingly, systemic forces compel not only hegemons, but also small economies in the system, especially those opened to trade. Mansfield claimed that the concentration of power and the level of cooperation among units form a U-shaped relationship, in which the

hegemon and the small economies in the system would be incentivized to pursue or to maintain openness (Mansfield 1994: 23; see also Mansfield 2004; McKeown 1991). Small economies have limited land endowments, lack certain natural resources and thus are more compelled to open their economies to acquire other type of goods. Small internal markets deprive governments from using inward-oriented policies to develop infant industries and achieve economic growth through import substitution industrialization strategies[50]. Thus, cohesiveness is more likely in regions formed by small developed states[51]. In contrast, the willingness for an integrated economy would be lower between both extremes of the 'U' among medium economies.

We assume that systems formed by large hegemons and large numbers of small open economies would have higher degree of cohesiveness. Aggarwal and Fogarty's power considerations take a U-shaped form. However, the measurement of the concentration and dispersion of capabilities entails some difficulties. We cannot use Mansfield's (1992; 1994) formula to measure the level of concentration of power, as it would help to measure how asymmetrically power is distributed among member states but it would imply that using the reversed equation to count how symmetrically power is distributed for small economies would annulate the effects of the former. Thus, we need to establish a system to count the number of large and small powers. To determine the hegemon, we select the relative size of the largest state in the system, a typical measure used in the hegemonic stability and leadership literature (Pahre 1999: 4; see also Kindleberger

[50] Other scholars on interregionalism literature also support this view. Roloff (2006: 28) claims that power equally distributed makes agreements among the units more likely, as perceived relative gains from cooperation will be symmetrical. Weiland (2006: 188–189) argues that power asymmetries and heterogeneity between members in a region complicate regionalization.

[51] According to Krasner (1976), the level of development affects small economies. A developed small economy is more affected by the costs of closure, since it is more reliant on trading with other partners to acquire certain types of goods. By contrast, small underdeveloped economies behave akin to medium economies, since they are less compelled to trade and less affected by the costs of closure. Introducing the issue of openness in the measurements helps also to distinguish the strategic behavior between developed and non-developed small economies.

1973; Krasner 1976; Mansfield 2004; Mansfield *et al.* 2007; Mansfield and Pevehouse 2008). Using the GDP satisfies both neorealist and neoliberal institutionalist approaches, since they assume that economic power can easily be transformed into military capabilities.

Measuring the number of small open economies is even more problematic. Although there is no accepted definition for small economy (WTO 2017), some associate them with a certain degree of openness to trade, since it also may hold a certain correlation with size (FAO 2017). The degree of trade openness measures the weight of the imports and exports of a country over its GDP. A country is considered an opened economy when the sum of the value of its imports and exports exceeds its GDP. We take World Bank data of trade openness and consider that exceeding the value of 100 as a necessary condition for the measurement. On the issue of 'smallness', Becker warns that "in practice, any threshold used has an arbitrary element and larger states that lie outside this definition will share some of the characteristics or vulnerabilities of smaller countries" (Becker 2012: 4). Common measures used as thresholds are population, size of land, and income as indicators (FAO 2017; World Bank 2007)[52]. To set the limits of smallness, we rely on the case selection in reports for the OECD, the World Bank, and the WTO (Findlay and Wellisz 1993; Worrell 1993; WTO 2002)[53]. According to this, we select the following thresholds: countries with less than 200.000 square kilometer for land size, countries with less than 0.25 percent of the world GDP as national income, and countries with less than 10 million inhabitants for population.

$$Power_r = \sum_n Hegemon_i + Small_i$$

[52] Assessments drawn by important institutions such as the World Bank and expert knowledge are used often as cutoff points for coding data (Goertz and Mahoney 2012: 157).

[53] They have considered different economies in their studies or reports, but both have similar features. For instance, Findlay and Wellisz (1993) take Singapore, Jamaica, and Mauritius; Worrell (1993) the Dominican Republic and Guyana, whilst Belize, Bolivia, Guatemala and Honduras are self-considered small economies in a WTO report (2002). On population, we take the upper limit of 10 million used by the Nobel Prize-winning economist Simon Kuznets (1960).

In sum, $Power_i$ measures the percentage of countries in terms of size in region r that can be considered either the hegemon or a small open economy. It approaches 1 when the system has more cohesiveness, as includes larger hegemons and more small open economies; it approaches 0 when it does not. $Hegemon_i$ accounts for the relative size of the state of the largest GDP_i over the GDP_r in the region r. $Small_i$ includes size of the small economies that fulfil conditions of high trade openness, small geographic size, low population and low relative aggregate income. All measures are taken from the World Bank. We use population data, land area in squared kilometers for the country's size, and total trade as percentage of GDP.

5.4. Coherence of the region

The counterpart coherence is defined as "the degree to which the counterpart manifests a clear and coherent zone of politic-economic activity and the institutional underpinnings to represent that zone vis-à-vis the rest of the world" (Aggarwal and Fogarty 2004: 17). Aggarwal and Fogarty develop their view of coherence from identity-building studies and identify four different dimensions: the extent to which the region is politically self-defined by its members, the economic interdependence of the intra-regional trade vis-à-vis the rest of the world, "the extent to which existing political-economic manifestations of the regions reflect current understandings of the 'potential' region" (Aggarwal and Fogarty 2004: 210), and the degree of institutionalization of any existing regional regime. Our analysis excludes the last category, since institutionalization of the region is already treated in a previous subsection (see 5.2.2)[54].

Regarding the three remaining aspects of coherence, one may find some connection between this subsection and the previous subsection of

[54] As it has been argued in regard to the separation between preferences and institutions, grouping institutions with the other coherence variable may have analytical sense from a qualitative perspective, but it can be treated separately from a quantitative viewpoint.

preferences (see 5.2.1). There, we similarly analyze political, economic and, in that case, security aspects of preferences. But as it is shown next, the variables included here measure different aspects compared to those in preferences. When looking at political, economic and security preferences, we measure how homogeneous are states among them through dyadic relationships. By contrast, in this section, coherence does not look at specifically at dyads, but rather at the relationship between the region and its member states. The region, therefore, is placed in the center of the analysis. In sum, we look at three different relationships: to what extent the state has contributed to the definition of the region, which relative amount of trade has the state with the region, and how states contribute to the cultural coherence of the region.

5.4.1. Political coherence

Aggarwal and Fogarty (2004: 233) define and operationalize the political aspect of the coherence dimension in a straightforward manner. The authors suggest a binary category: the region scores 1 if it has been defined by its members and scores 0 otherwise. They expect that regions self-defined by its member states would have a higher degree of cohesiveness than those defined by a foreign power such as the EU. We believe that this separation may be misleading. First, it will conduce to a mere separation between EPAs and non-EPAs regions (we already use a control variable for this). Second, it does not account the possibility that, despite not being specifically created by its members, a regional group could develop across time its own processes of understanding, adopting solid dynamics and common features. Europeanization literature well accounts these patterns (Börzel and Risse 2003). And third, the definition of a region may change across time as they are 'subjects in the making'. Even regional organizations may experience definitional changes difficult to impute to a specific actor or group of actors. Therefore, taking into account the

mentioned considerations, we operationalize political coherence in relatively different manner than the original framework.

$$Membership_r = \frac{\sum_n GDP_i * Member_i}{GDP_r}$$

Instead of using a binary variable as Aggarwal and Fogarty do, we assess the membership of each negotiating country in the closest regional organization of reference. We expect that countries sharing over time common regional institutions develop higher degrees of cohesiveness. Thus, the variable $Membership_r$ reflects this learning processes and illustrates the length by with countries have had the opportunity to develop common dynamics within a regional organization. The indicator aggregates $Member_i$, coded in the following way: a negotiating country *i* belonging in a regional setting *r* is given an initial value of 0.5, that approaches to 1 if it has become a member of the organization during the last 20 years[55]. This allows to account more variation in the variable. Suspended members are given a 0. Unclear memberships are given a value of 0.5[56]. The results are weighted by the relative size GDP_i of the countries within the region GDP_r, using World Bank data.

[55] Many regional processes started during the 1990s, hence a 20 years period allows to grade these differences in membership between founders and new members.

[56] For example, in the case of CARIFORUM, the Dominican Republic is not formally in the CARICOM, the closest regional institution to CARIFORUM. However, the Dominican Republic uses the negotiating infrastructure of the CARICOM for trade negotiations, the Secretariat's Office of Trade Negotiations -formerly the Caribbean Regional Negotiating Machinery (CRNM)-, which negotiates on behalf of the 15 CARIFORUM States, including the Dominican Republic, at the WTO and the EPAs (Greenidge 2008: 3). The Republic of Congo and Sao Tome and Principe are given a 0.5 because they are represented in ECCAS, but not in CEMAC. American Samoa is not in the Pacific Islands Forum, but it uses the organizations' Office of the Chief Trade Adviser (OCTA) for the negotiation. Fiji was suspended from the Pacific Islands Forum in 2009. Guinea was suspended from ECOWAS in 2008. American Samoa is not a member of the Pacific Islands Forum but participated in the negotiations. Mauritania is not a member of ECOWAS but participated in the negotiations.

5.4.2. Economic coherence

On the economic aspect of coherence, Aggarwal and Fogarty measure the intraregional economic integration as the percentage of intra-regional trade vis-à-vis the trade with the rest of the world. This variable follows the logic of regionalization, in which increasing interdependencies in a region among private actors create bottom-up pressures in form of political and economic externalities that might be tackled or not by governments (Gilson 2002; 2004; Hänggi 2006: 4). Such pressures can either serve to create or strengthen the regional bloc (Ribeiro-Hoffmann 2016). We follow Aggarwal and Fogarty's operationalization and expect that higher intra-regional trade vis-à-vis the rest of the world leads to more pressures emerging from the regionalization process and contributes in turn to a higher degree of regional cohesiveness.

$$Trade_r = \frac{\sum_n \left(\frac{ExportsR_i}{ExportsT_i} + \frac{ImportsR_i}{ImportsT_i}\right) * GDP_i}{GDP_r}$$

$Trade_r$ measures the volume of trade in goods and services among regional members compared to the volume of trade they hold with the rest of the world. It approaches 1 when the countries in the region *r* trade more among themselves compared to the rest of the world; it approaches 0 when they trade more with the rest of the world than among themselves. $ExportsR_i$ and $ImportsR_i$ indicate the exports and imports of the country i with their regional partners whereas $ExportsT_i$ and $ImportsT_i$ specify its total exports and imports. Trade data, obtained from the Observatory of Economic Complexity (OEC) database (Simoes and Hidalgo 2011), is weighted by the GDP_i of the country over the GDP_r of the region.

5.4.3. Cultural coherence

For the indicator of cultural coherence, Aggarwal and Fogarty attempt to measure the coherence of the region both in geographic and in cultural

terms. Specifically, this variable refers to the percentage of the 'potential region' represented in any existing bloc. In other words, in a region with high cohesiveness the 'potential region' –the ideal of what it would be a complete region– should be geographically or culturally consistent with the existing regional regime. As an example, if there is an ideal of the geographic or cultural limits of the Caribbean region, we should be able to assess how much of the existing bloc of CARIFORUM represents the full ideal of the Caribbean region expecting that the limits of the grouping would match with the limits of the ideal. The authors recognize that, even for the case of the EU, this measure is very complicated to assess objectively. The ideal limits of Europe, for instance, would change depending on whether we include several island territories conventionally allocated to the mainland (Schimmelfennig 2016: 225).

We avoid measuring the geographic dimension for practical and theoretical reasons. In practice, establishing clear imaginary limits of a region presents its difficulties. Back to the Caribbean example, it would be complicated to assess what the Caribbean is and whether to include or not countries such as Mexico or the US (or whether to include all its territory or only a part of it)[57]. On the theoretical side, the main theories linking geography with regionalization and trade intensity consider operational variables such as the existence of common currencies, common land borders or common colonial legacies (Arribas *et al.* 2011; Becker 2012; Dohse and Gold 2013; Head and Mayer 2013). We have already tackled the existence of common currencies in the economic preferences variable. Contiguous land borders yield operational problems to use it in island regions. We take, however, common colonial legacies as instrumental variable for cultural coherence (see next paragraphs).

[57] A discarded possibility was to measure the geographic limits according to the description in the foundational charter of each region, but almost no region has in its treaties a clear geographic definition of its limits.

We focus, therefore, this variable on culture instead of geography. The basis for its operationalization takes inspiration from the cultural fractionalization index developed by Alesina *et al.* (2003). They associate cultural diversity with ethnic, linguistic, and religious heterogeneity within countries. We expect that culturally homogeneous regions –thus revealing little ethnic, linguistic, and religious diversity– will be associated with high cohesiveness[58]. As a proxy of culture, religion posits little problems for operationalization: empirically, plenty of sources have registers of religious diversity; and theoretically, it is widely seen as one of the most important proxies of culture (Castells 1997; Huntington 1993; Yashar 2005).

As regards to the linguistic and ethnic fractionalization, we group both variables in a single one for two reasons also for operational reasons. Firstly, empirical studies on cultural diversity have identified several drawbacks with the measurement of ethnic fractionalization (for a discussion see Alesina *et al.* 2003; see also Alesina and La Ferrara 2005; Dohse and Gold 2013; Fearon 2003). The most important problem is the difficulty to find homogeneous and valid cross-country categories on ethnicity. As data is generally taken from the census, each country may employ different classifications to refer to the same ethnic group. Often, these data rely largely in linguistic distinctions or in other aspects of ethnicity such as racial origin or skin color. The second consideration to be taken into account is that language and ethnic fractionalization show a strong correlation –coefficient of correlation near 70 percent– and they are commonly lumped together as part of an ethnolinguistic fractionalization variable (Alesina *et al.* 2003). In consequence, we focus on language and omit measuring ethnicity to assess the level of ethnolinguistic heterogeneity between countries.

[58] Literature has associated often cultural homogeneity with factors close to cohesiveness, such as high government budget, political stability, less risk of conflict, institutional quality and economic growth (Alesina *et al.* 1999; Alesina *et al.* 2003; La Porta *et al.* 1998).

Language may indicate not only ethnicity, but also the existence of common history, similar cultural heritage, and common legal systems (Glaeser and Shleifer 2001)[59]. It posits, however, some empirical limitations similar to those commented previously on ethnicity since similar or almost identical languages may be categorized differently across countries. For this reason, inspired on Fearon's (2003; see also Posner 2004) study on the 'political relevance' of languages, we select for our empirical analysis exclusively each country's official languages. We assume that this may be related with the cultural heritage of the country, indicating that countries sharing the same official language experience stronger degrees of cohesiveness than those that do not[60].

$$Cultural_r = \frac{\sum_t \left(\frac{Rel_r}{GDP_r}\right)^2 + \frac{\sum_n Lang_{ij} * \frac{GDP_i + GDP_j}{n-1}}{GDP_r}}{2}$$

Overall, the variable $Cultural_r$ shows the level of cultural coherence in the region r. It approaches 1 with high cultural homogeneity, it approaches to 0 with low levels. Data from religion and language are aggregated equally. We expect that more regional homogeneity in religious and linguistic features leads to more regional cohesiveness. As regards to religion, the first part of the equation presents the reversed fractionalization index[61] to obtain the dispersion in religion. Rel_r offers the weight in GDP of each religion, differentiating among Christian, Muslim, Hindhu, Buddist,

[59] Glaeser and Shleifer suggest that two countries having been under the same colonial rule may share more features apart from a common language, as they may share also common customs and institutions such as the same legal system. Then, one might find that English colonies tend to function under the common-law system whilst French colonies may have acquired influence from the civil-law system. The existence of common culture, institutions, and understandings, then, may be considerably associated with language (Easterly and Levine 1997; La Porta *et al.* 1998).

[60] Even in multicultural societies, their official language may indicate the language of the political elites, meaning that dyads sharing the same language would mean that elites may share similar cultures, despite representing very heterogeneous countries.

[61] The inversed fractionalization index measures the probability that two randomly drawn individuals from the population belong to the same group. Its theoretical maximum is reached when all the population belong to the same religious group. It reaches its theoretical minimum when each person belongs to a different group.

Jewish, Folk religion, Non-religious, and Others[62]. Data is pondered by the total GDP_r[63] of the region r. The index approaches to theoretical 1 as the region shows religious homogeneity; it approaches 0 when it does not. In the case of language, we consider any official language in each country. It scores 1 if the dyad $Lang_{ij}$ shares at least one official language, 0 if does not. Results are also pondered by the GDP_{ij} of the dyad in the region of n countries. In both cases we collect the data from Encyclopaedia Britannica (2009; 2011)[64].

5.5. EU treatment of the counterpart

So far, this chapter has described and operationalized what Aggarwal and Fogarty consider in their book as characteristics of the counterpart, namely the internal attributes of the counterpart that affect its level of cohesiveness and facilitate an agreement with the EU. In addition to these dimensions, the authors mention the existence of another dimension that can be indirectly considered as counterpart characteristics, effecting regional cohesiveness and, in turn, the likelihood of agreement. It is presented as the EU treatment of the counterpart: the manner how the EU treats the individual members of the regional partner can have positive or negative influence on regional cohesiveness (Aggarwal and Fogarty 2004: 22). Other

[62] We assume that a monolithic region dominated by a single religion will show a higher degree of cohesiveness compared with a region composed by different religions.

[63] In coherence with the other indicators, the share of each country's religion is pondered by GDP (not by population) before aggregating it at the regional level. The difference between doing it by population or by GDP is minimal (coefficient of correlation of 98), but taking GDP gives more coherence across our measurements as all are pondered by the economic size of each country.

[64] In the case of religion, data gathers official government reports especially national censuses. For cases from 2004 to 2009, the 2009 edition data has been prioritized. For cases from 2010 onwards it has been used the edition of 2011. In the case of religion, Encyclopedia Britannica do not include data from the Cook Islands and Niue. Both cases have been omitted from the calculations. In the case of language, all data is obtained from Encyclopedia Britannica 2011. As a second alternative source, we use the CIA World Factbook for the cases of Eritrea, Malawi, the Cook Islands, Micronesia, Niue, Nauru, and Tuvalu.

authors support the view that internal characteristics must be analyzed taking into account the relational aspect: for instance, Holland points out that cohesiveness of ACP regional groups is affected negatively by the EU's different treatment of the countries (Holland 2006: 259–260).

The EU position towards the regional counterpart obeys two main factors according to Aggarwal and Fogarty: how it uniformly treats specific countries in the regional partner; and the type of agreement that the EU negotiates with the counterpart, whether interregional, subdivided interregional or bilateral. The first factor posits little problems for the operationalization, since one can empirically assess how the EU commercially treats the counterpart members during the negotiations. The second factor, however, would need reformulation. This is because the type of agreement that the EU negotiates with the counterpart is a factor akin to our dependent variable; hence, including this factor as an independent variable may easily incur in a tautology. The assessment of the willingness of the EU to negotiate regionally or bilaterally should be made ex-ante.

To operationalize the first factor, we need to assess how uniformly the EU treats the members of the regional counterpart. During interregional negotiations, each individual member may enjoy of specific EU commercial treatment differentiated from the rest of the regional countries: either they may benefit from the MFN treatment –the EU provides a basic commercial treatment granted by the WTO– or they may enjoy some kind of specific commercial preference, namely GSP, GSP+ or EBA schemes. These three instruments constitute special advantages in terms of tariff reductions that firms in the third country enjoy from exporting to the EU market.

Literature contends that other alternatives available in a negotiation shape the Best Alternative To Negotiated Agreement (BATNA) that actors have. A party with high BATNA would be less willing to make concessions in a new agreement as it already benefits from an advantageous alternative. On the contrary, an actor having low BATNA would be more interested in reaching an agreement at any cost (Lax and Sebenius 1999; Putnam 1988: 442). The

incentives the counterpart members have to accept a regional agreement will be affected by the alternative instrument they enjoy. In consequence, we expect that uniformity in the alternative EU's commercial instrument would affect positively the degree of cohesiveness of the overall region.

The variable $BATNA_r$ indicates the variation in alternative instruments that regional counterpart countries enjoy from the EU. It approaches to 1 if all the n member states in the region r enjoy the same alternative instrument; it approaches 0 if they enjoy different treatments. Here we return to the dyad analysis performed in the assessment of preferences. $Instr_{ij}$ calculates the difference among different instruments of countries i and j. The distance among treatments is estimated from the different degree of access that each instrument grants to the EU market within the General Scheme of Preferences (GSP) framework[65]. In accordance, the MFN treatment (not enjoying any preferential agreement) receives a zero score. GSP receives a 0.5 score, as it only implies a reduction in tariff duties. GSP+ receives a 0.66 score. And EBA receives a 1 score. The only case out of this framework is South Africa, which already enjoyed an FTA with the EU. As the agreement eliminated the 90 percent of tariffs among regions, this case receives 0.9 score. Results are also pondered by the economic size of countries GDP_i and GDP_j over the region GDP_r. Data has been taken from WTO Database on Preferential Trade Arrangements as well as different EU trade communications[66].

$$BATNA_r = \frac{\sum_n Instr_{ij} * \frac{GDP_i * GDP_j}{n-1}}{GDP_r}$$

[65] GSP, GSP+ and EBA grant trade preferences to developing countries under three different regimes: GSP reduces EU import duties for about 66% of all product tariff lines; GSP+ grants full removal of tariffs on over 66% of EU tariff lines; and EBA grants full duty free and quota free access to the EU Single Market for all products.

[66] Council Regulation (EC) No 980/2005 for the period 2006-2008, Council Regulation (EC) No 732/2008 for the period 2009-2013 and the Regulation (EU) No 978/2012 of the European Parliament and of the Council for the period 2014-2023. The period considered from receiving the score is from the publication of the Council/EP Regulation to the publication of the next Regulation.

The second factor, as pointed out above, requires further considerations. We cannot establish distinctions among the type of agreement that the EU uses with the counterpart –interregional or bilateral– as independent variable, since it is already part of our dependent variable. However, one can consider for the operationalization the EU's "inclination to deal with these countries as a single group or plurally" (Aggarwal and Fogarty 2004: 22). According to Aggarwal and Fogarty, this inclination is a result of a calculated balance of opportunities and threats, which may give "the EU a strong incentive to negotiate separate terms with the countries" (Aggarwal and Fogarty 2004: 22). We assume that the EU inclination to pursue an agreement with an individual country instead of the overall region posits a threat for the cohesiveness of the counterpart. For example, an individual country may be compelled to block a regional agreement if it considers that the EU has political and economic appealing in reaching a bilateral agreement with it. A bilateral agreement may increase opportunities for the country, presumably raising exports and improving its terms of trade vis-à-vis the other members of the region.

The EU inclination towards a single country or a group of country, namely how it balances its opportunities and threats, is well reflected in the Global Europe communication (European Commission 2006). The European trade strategy indicates the main guidelines that the European Commission follows when selecting its trade partners[67]. These criteria have been present in the successive trade strategies that followed Global Europe (European Commission 2010; 2015). We operationalize them in a single indicator that measures how the way the EU ranks its potential partners in terms of

[67] In short, the EU decides to open negotiations with a third party on the basis of economic criteria, political considerations and partners' readiness. The economic criteria consist in assessing the market potential of the partner, which includes its economic size and growth forecasts, its level of protectionism against EU exports and other economic considerations. Political considerations refer to the human rights record and the level of political understanding with the partner whilst readiness could be considered as the level of ambition of the partner in removing obstacles to trade.

regional cohesiveness[68]. We expect that high variations on how the EU ranks both economically and politically the countries in the regional counterpart affect negatively the regional cohesiveness.

The $EUInterest_r$ indicator calculates the variation of the EU interest among the member states in the region. The closer the indicator approaches to 1, the lesser variation among EU's interest in the region and the higher the degree of cohesiveness. The close it moves to 0 the lesser the cohesiveness of the region. We use the criteria of Global Europe, which states that the EU selects its trade partners based on economic criteria[69], political considerations and the partners' readiness. For economic criteria, the indicator $EcoEU_i$ indicates how the EU ranks economically the country *i* on the basis of its size and growth. Countries with high values are those to whom the EU is more interested economically. The indicator is based on the guidelines given in the Global Europe statistical annex (European Commission 2006: 14)[70]. We operationalize it in a ranking from 1 to 0

[68] Although Global Europe mentions three criteria, we use a single variable. This is because when the EU decides whether to start negotiations with a country or region, it takes a single decision. For example, a country with very good economic but poor political records will presumably not be considered for being a trade partner. Thus, it would not be appropriate to construct three separated indicators, one for economic criteria, one for political considerations, and the last for partners' readiness. Separately they have little meaning and only grouped together one can assess whether a partner can be considered to start negotiations or not. A certain presence of both three indicators is required so as to qualify for the EU criteria.

[69] For economic interest, 'Table 1: Market potential and key economic indicators of main EU trade partners' in the statistical annex of Global Europe (2006: 14) operationalizes economic interest as the multiplication of each country 2005 GDP data and its annual average growth rate for the period 2005-2025. The table ranks the first 15 countries of highest interest. The aim of this study was to reproduce the same data, but the GDP 2005 data from the WTO does not coincide exactly with the numbers of the table, and the growth forecasts 2005-2025 taken from Global Insights could not be obtained either. The author communicated with EU trade officials and with the company IHS Markit (formerly Global Insights), but none of the sources could find the original data. As original data has not been found, the alternative has been using the same calculations of Global Europe, but with substitutive data from IMF.

[70] In the statistical table of Global Europe, 'market potential 2005-25' is measured by multiplying the GDP in 2005 and annual average growth rates 2005-25. Data from GDP 2005 has been taken from the IMF, which also calculates forecasts of economic growth. They have been taken from the International Monetary Fund's World Economic Outlook (WEO) Database in the forecast of the

instead of raw data. This facilitates weighting economic and political interests when constructing the equation $EUInterest_r$. $EcoEU_r$ with an upper bar calculates the mean of the region r formed by n countries.

$$EUInterest_r = 1 - \sqrt{\frac{\sum_n \left((2 * EcoEU_i + PolEU_i) - \left(2 * \overline{EcoEU}_r + \overline{PolEU}_r\right)\right)^2}{n-1}}$$

For political considerations and partners' readiness, we use the Polity IV database. Most literature identifies democracy as a fair indicator for capturing issues identified in Global Europe such as human rights record, adherence to key multilateral instruments and trade cooperation (Allee and Elsig 2017; Mansfield *et al.* 2002; Mansfield *et al.* 2007). $PolEU_i$ indicates from 1 to 0 how the EU ranks politically the country i. Again, the countries with the highest scores in the democracy dataset are codified 1, those with the lowest are codified 0. $PolEU_r$ with upper bar shows the mean of the region. Sources of the rest of data are the same used in economic criteria[71]. The overall Global Europe indicator is calculated by aggregating both variables. The economic interest rank is given more weight (two thirds) than the political rank (one third) as revealed from interviews with EU officials (interview 1). We take *EcoEU* data in 2005, as it is the year where Global Europe gathers economic data, but we use *PolEU* data in the conclusion of the negotiations as political considerations are unclear and constantly changing over time (interview 2).

5.6. Conclusion

Based on an adaptation of the framework developed by Aggarwal and Fogarty (2004), this chapter has suggested a way to assess quantitatively

2013-2017 (April 2017 edition). The annual growth has been calculated by obtaining the annual average growth of the period 2005-2017. The results are ranked, being 100 the country with the highest economic interest, and 0 the country with the least economic interest.

[71] As GDP is also used for calculating $EcoEU_i$, we do not weight the equation $EUInterest_r$ by GDP as we have done in previous indicators.

regional cohesiveness through the different variables that have an effect on it. Regional cohesiveness is structured in the main dimensions identified by the authors. One group measures the homogeneity in political, economic, and security preferences within states in the regional counterpart. The second group of variables looks at the regional institutional settings, measuring its autonomy and authority levels. Another dimension measures the regional power distribution. The fourth group aims to measure regional coherence, targeting the countries membership to the regional grouping, the degree of intra-regional trade, and the cultural proximity of the members. The last dimension measures how the EU treats the members of the counterpart by operationalizing the alternative instruments it offers and its interest on the regional members. For each indicator, all the data is coded from 0 to 1, implying 1 more presence of cohesiveness and 0 lesser presence. In the next page, Table 3 summarizes the structure of the cohesiveness index, the coding of each variable, the expectations on each indicator, and the data used.

We expect that regional cohesiveness is higher when each of the variables approaches to 1. More homogeneity of political, economic and security preferences among states in a region would lead to a higher degree of regional cohesiveness. More institutional autonomy and authority leads to higher scores of cohesiveness. In terms of power, a system formed primarily by large hegemons and small open economies would have a higher degree of cohesiveness. Higher coherence of the counterpart, in political, economic, and cultural terms, would also lead to higher cohesiveness. Finally, the way the EU treats the counterpart, a similar treatment and a similar interest in the members of the region, would lead to a higher degree of cohesiveness. We also expect that variables within the same dimension will be positively correlated among them. Variables between dimensions are expected to be correlated, but weakly compared to variables within dimensions.

Table 3. Summary of indicators

	Code	*Indicator*	*Expect cohesiveness if …*	*Data source*
Preferences	*Political*	Political homogeneity	Similar political systems	Polity IV
	Economic	Economic homogeneity	Higher stage of economic integration	WTO RTA-IS database
	Security	Security community	Less political-military conflict	COW and MID database
Institutions	*Authority*	Powers allocated at the regional level	More authority transferred at the regional level	MIA database
	Autonomy	Regional single voice	More autonomy delegated to an agent	MIA database
Power	*Power*	Size of hegemon and small open economies	Larger size of hegemon and small open economies in the regional system	World Bank
Coherence	*Membership*	Political self-definition of the region	Member states in the group have defined the idea of the region	Own elaboration
	Trade	Intra-regional trade and regionalization	High proportion of intra-regional trade vis-à-vis the rest of the world	OEC database
	Cultural	Religion and linguistic homogeneity	More cultural homogeneity in religion and linguistic terms	Encyclopaedia Britannica
EU treatment	*BATNA*	Different EU treatment of the counterpart	More similarity among countries' alternative trade instruments	WTO database
	EUInterest	Different EU interest in individual members	More similar EU economic and political interest towards the region	IMF and Polity IV

Source: Own elaboration.

Chapter 6. Results

6.1. Introduction

Taking the methodological guidelines and case selection described in Chapter 4 and the proposed operationalization of the independent variable regional cohesiveness in Chapter 5, this chapter unfolds and describes the data. The first part of the chapter summarizes the results and presents tables and descriptions for all the variables that have an effect on regional cohesiveness. The second part aggregates the results of the indicators in the composite index of regional cohesiveness following the guidelines set in previous chapters. The index follows theoretical weighting based on Aggarwal and Fogarty's work and is complemented with empirical weighting following PCA. The chapter closes with several sensitivity tests to assess the robustness of the results.

Results show positive relation between the levels of cohesiveness in the counterpart region and the likelihood of signing a trade agreement with the EU. Therefore, the hypothesis that regional cohesiveness is an independent variable of EU trade agreement cannot be discarded. The dimensions of cohesiveness that seem to have more impact on the dependent variable are the power and the institutional dimensions. In particular, as regards to the institutional dimension of cohesiveness, the effect is strong within the regions with a high degree of authority delegated to the supranational level. The power dimension has also a strong effect, as we show, especially due to the presence of small open economies in the regional system. Even with

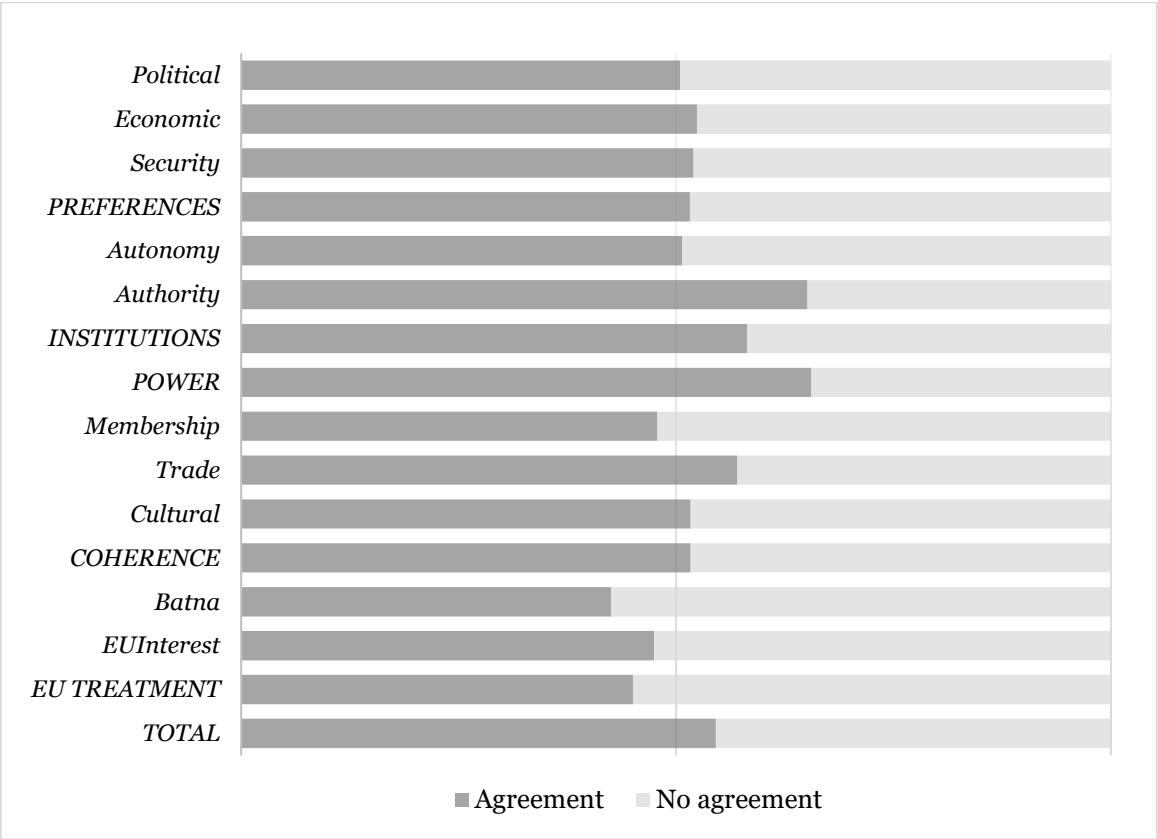
small number of cases, mean difference between agreement and non-agreement cases for $Power_r$ and $Authority_r$ variables display statistical significance at the 0.05 level. PCA confirms the empirical robustness of the index, as average differences in cohesiveness levels between agreement and non-agreement cases still hold when pondering variables through statistical analysis. Different internal and external sensitivity tests also confirm the robustness of the results.

6.2. Variables and dimensions of cohesiveness

Following the operationalization proposed in the previous chapter, this section shows the results of the variables and dimensions affecting regional cohesiveness. Each subsection includes a table that groups and averages the regions that have reached an interregional agreement with the EU and those that have not. This helps to assess the mean difference of the level of cohesiveness, for each variable and dimension, between agreement and non-agreement regions. The following Figure 1 summarizes the results. It illustrates the mean difference of the level of cohesiveness between the regions that have signed an agreement with the EU and those who have not. Bars larger than the middle point of the table indicate that cohesiveness is higher in agreement regions. Dimensions are expressed in capital letters.

Power and the institutional variable of *Authority* portrait strong influence in the degree of cohesiveness in the regions that signed an agreement with the EU compared to those who did not. The variable *Trade*, reflecting intra-regional trade patterns, included in the coherence dimension, also has relatively positive relationship with the agreement regions' cohesiveness. In the case of the other variables the average difference is very low. The two variables of the *EU treatment* dimension and the *Membership* variable are negatively associated with the degree of cohesiveness of the regions that signed an agreement.

Figure 1. Mean difference in cohesiveness variables



Source: Own elaboration

Results are described in more depth in the next pages. Subsections are grouped following the basis of the theoretical framework used throughout the thesis. For the description of the data, results near 0.5 are considered medium, results above 0.7 are considered high, results below 0.3 are considered low. Individual results are aggregated by simple mean at the dimension level. In order to provide a better description of the results and according to the discussion held in section 5.2, preferences and institutions dimensions have been separated in two sections. Due to the small number of cases, in the descriptions we consider that no difference between averages exists when the removal of an extreme case neutralizes the average difference.

6.2.1. Preferences

In the preferences dimension, cohesiveness is compounded by the political, economic, and security indicators. High scores mean more homogeneous preferences among regional members. The three indicators are aggregated in the last column in Table 4, illustrating that the levels of cohesiveness in terms of preferences are slightly superior in agreement regions compared to non-agreement regions. Central America and MERCOSUR 2 appear to be the regions with higher preference cohesiveness, scoring high results in the three indicators, whilst ASEAN and ESA full, both in the non-agreement group, are the regions holding less preference homogeneity.

Table 4. Regional preferences

	$Political_r$	$Economic_r$	$Security_r$	$Preferences_r$
CARIFORUM	.870	.111	.932	*.638*
Central America	1	1	.926	*.975*
ESA interim	.242	.123	.260	*.208*
SADC	.068	.651	.503	*.407*
Agreement	**.545**	**.471**	**.655**	***.557***
ASEAN	0	.051	0	*.017*
CAN	.889	.504	.936	*.776*
Central Africa	.259	.152	.484	*.298*
EAC	.212	.969	.407	*.529*
ESA full	.118	0	.184	*.101*
GCC	.920	.504	.866	*.763*
MERCOSUR 1	.985	.504	.962	*.817*
MERCOSUR 2	.985	.969	1	*.985*
Pacific	.511	.128	.331	*.323*
West Africa	.473	.502	.879	*.618*
Non-agreement	**.540**	**.428**	**.605**	***.523***
Diff	**.010**	**.043**	**.050**	**.034**

Source: Own elaboration

Narrowing down the analysis to the indicators that conform the dimension of preferences, we appreciate slight differences in favor of agreement regions in the indicators of $Economic_r$ and $Security_r$ preferences. The strongest effect is located in the field of security: regions that have signed agreement with the EU exhibit less inter-state disputes and more friendly military relationships than regions that have not. Central America, CARIFORUM, MERCOSUR, the Andean Community, West Africa, and GCC have enjoyed in recent years a more relaxed security environment, whereas the ESA group or ASEAN have become relatively lesser stable regions. In economic homogeneity terms, regions that have signed agreement with the EU share more binding economic instruments –e.g. monetary union binds together economic policies compared to having only preferential agreements– than regions that have not. Central American countries enjoy a customs union in services and two of its members, Panama and El Salvador, share a common currency. In recent years, MERCOSUR has taken steps towards economic integration. EAC group led by Kenya has become one of the most integrated areas in the world. By contrast, other regions have less binding economic instruments that constrain their economic policies, such as Central Africa, ESA, the Pacific or ASEAN.

In the case of $Political_r$ preferences, we find almost no variation between agreement and non-agreement regions. Sharing similar political regime types in a region, either being a group of democracies or a group of non-democracies, is not a characteristic that distinguishes agreement and non-agreement regions. For example, in the positive cases of agreement, Central America and CARIFORUM had very similar regime types. In contrast, SADC group and ESA interim group share democratic and non-democratic regimes within their region. A wide variety of cases also exists in the negative cases of agreement: MERCOSUR and GCC have similar scores because the states in their region have similar regime types –though in the first case are democracies and in the second case non-democracies–,

whereas Central Africa, EAC or ESA full have states with different political regimes.

6.2.2. Institutions

The dimension $Institutions_r$ in the last column of Table 5 aggregates the variables of $Autonomy_r$ and $Authority_r$. Compared to the previous dimension analyzed, the institutional dimension of cohesiveness presents more variation between agreement and non-agreement regions. The first important observation witnessed is that all the positive cases of agreement show at least medium values of institutional cohesiveness, both in autonomy and authority levels. The ESA group has the strongest aggregate score in the dimension, whereas two negative cases of agreement, GCC and ASEAN, have the lowest scores.

The second important observation in the table concerns the differences in the levels of authority and autonomy in agreement and non-agreement regions. Results show that almost all the substantive difference in the institutional dimension between the positive and the negative cases is accounted by the levels of authority, not by the levels of autonomy. The average effect in the degree of authority between agreement and non-agreement regions is positive and statistically significant[72]. This is, interregional trade agreements with the EU are more likely to occur in regions that have developed more consistently practices of legal authority transfers to the regional level. By contrast, differences between agreement and non-agreement regions are almost non-existent in regions that have

[72] The mean difference between agreement and non-agreement cases for the variable $Authority_r$ is higher than two times the standard error of the difference of means. Statistically, if our population were a sample of cases, we could infer therefore that there would be a probability lesser than five percent that the observed results would be zero. Significance holds with Z-Scores and Scale normalization. Results still hold when removing alternatively the extreme cases, either the ESA group or the GCC group.

developed more consistently practices of delegating autonomy to an agent at the regional level.

Table 5. Institutions

	$Autonomy_r$	$Authority_r$	$Institutions_r$
CARIFORUM	0.388	0.746	*0.567*
Central America	0.472	0.462	*0.467*
ESA interim	0.691	1	*0.845*
SADC	0.484	0.622	*0.553*
Agreement	**0.509**	**0.707**	***0.608***
ASEAN	0.207	0.080	*0.144*
CAN	0.644	0.522	*0.583*
Central Africa	0.254	0.483	*0.364*
EAC	0.974	0.378	*0.676*
ESA full	0.691	1	*0.845*
GCC	0	0	*0*
MERCOSUR 1	0.443	0.171	*0.307*
MERCOSUR 2	0.455	0.171	*0.313*
Pacific	0.289	0.682	*0.485*
West Africa	1	0.308	*0.654*
Non-agreement	**0.495**	**0.379**	***0.437***
Diff	**0.014**	**0.328**	**0.171**

Source: Own elaboration

We observe that regions that have reached an agreement with the EU account for medium to high levels of authority, having the cases of CARIFORUM and ESA interim especially high values. We also perceive there exists a weak relationship between the levels of authority and autonomy. For example, MERCOSUR accounts for high levels of delegated autonomy, although little authority has been pooled to the supranational level. ASEAN, GCC, EAC or West Africa had also transferred small amounts of authority to the regional level at the end of the negotiations with the EU.

6.2.3. Power

The dimension of power consists in a single indicator displaying the relative weight of the hegemon and the small open economies in the region. Table 6 illustrates large differences in terms of power between regions that have reached an interregional trade agreement with the EU and those who have not. Column $Hegemon_r$ shows in percentages the relative size of the largest country in the region. $Small_r$ presents also in percentages the relative size of the small economies. And $Power_r$ displays the normalized sum of both measurements using the Min-Max method. The net effect of power cohesiveness in the likelihood to sign a trade agreement with the EU is substantive, positive and statistically significant[73]. In other words, power characteristics of the region that lead to high cohesiveness, marked by the relative size of the hegemon and the small open economies in the system, seem to have a strong effect in reaching an interregional trade deal with EU. We have tested the uncertainty of the indicator by selecting different thresholds in the selection of the small economies without having any substantive or significant variation in the average results[74].

Interestingly, we can further infer that the contribution to the average effect is due to the presence of small-sized countries in the system. Whereas no major differences exist between positive and negative cases of regions as regards to the size of the hegemon, the major effect in

[73] The mean difference between agreement and non-agreement cases for the variable $Power_r$ is higher than two times the standard error of the difference of means. Statistically, if our population were a sample of cases, we could infer therefore that there would be a probability lesser than five percent that the observed results would be zero. It also holds without pondering results by GDP.

[74] We have introduced two different thresholds for small economies in the $Power_r$ variable. The difference of means increases in one case and holds in the other. Variation and statistical significance increase when requisites for small economies are softened by 10 percent (110 trade openness, 0.3 percent of world GDP, 11 million population and 220.000 size), as it would include in the selection five countries of the agreement regions and five of the non-agreement regions. Hardening the requisites by 10 percent (90 trade openness, 0.2 percent of world GDP, 11 million population, and 180.000 size) produces smaller negative variation in the mean difference, as it excludes only one country, Guyana, and diminishes the $Power_r$ ratio from the CARIFORUM region. Results would also be significant.

cohesiveness levels in regions with agreement is due to the relative weight of small open economies in the system. Except in the case the SADC group, which has the largest hegemon in the population of cases and one small economy that accounts for a meaningless size of the total GDP, the relative weight of small economies in the other three regions that have reached an agreement with the EU is considerable. Saying it differently, no agreement regions are chiefly formed by medium-sized and small-closed economies whereas large hegemons and small open economies are predominant in agreement regional systems.

Table 6. Power

	Hegemon$_r$ (%)	***Small$_r$ (%)***	***Power$_r$***
CARIFORUM	.46	.42	*1*
Central America	.30	.37	*0.594*
ESA interim	.43	.31	*0.708*
SADC	.86	.01	*0.967*
Agreement	**.51**	**.28**	***0.817***
ASEAN	.43	.01	*0.116*
CAN	.51	.00	*0.271*
Central Africa	.27	.18	*0.152*
EAC	.37	.00	*0*
ESA full	.40	.06	*0.178*
GCC	.53	.02	*0.343*
MERCOSUR 1	.78	.00	*0.787*
MERCOSUR 2	.77	.00	*0.766*
Pacific	.55	.33	*0.983*
West Africa	.73	.01	*0.696*
Non-agreement	**.53**	**.06**	***0.429***
Diff	**-.02**	**.22**	**0.388**

Source: Own elaboration

Small-island regions –CARIFORUM and Pacific– show the highest degree of power cohesiveness. Almost all of their regional members apart from the

hegemon are small-sized economies highly opened to trade. SADC and MERCOSUR, by contrast, also display high levels of cohesiveness but due to the existence of a large hegemon, sizing more than 75 percent of the total GDP of the region. But whereas the rest of the MERCOSUR system is formed by middle-sized economies, SADC is formed by small open economies, some of them highly opened to South African exports. Most of the non-agreement regions show an important presence of medium economies. For instance, in the West Africa group Nigeria accounts almost three quarters of the regional GDP but the system is crowded by many middle economies with low levels of intra-regional trade. CAN, ASEAN, Central Africa, EAC, GCC, and the ESA full region are configured by similar systemic structures formed by medium economies. The lowest level of power cohesiveness is shown in the EAC region, with a small-sized hegemon and medium economies in the system.

6.2.4. Coherence

Table 7 shows the normalized coefficients for the variables $Membership_r$, $Trade_r$, and $Cultural_r$ and their aggregated mean in $Coherence_r$, which conforms to one of the dimensions of cohesiveness described in Aggarwal and Fogarty analytical framework. The three indicators seem to follow different patterns, as we will discuss later in the empirical analysis of the variables through PCA (see page 157). $Coherence_r$ shows overall little positive difference in the levels of cohesiveness in regions that have reached an agreement with the EU compare to those who have not. Results indicate that the Andean Community is the most coherent bloc although lacking geographical proximity among its members, reflected in low levels of intra-regional trade. Central America also possesses high levels of coherence cohesiveness, although its re-foundation in the 1990s penalizes the region in the $Membership_r$ indicator. On the bottom side, Central Africa, and Pacific Islands account for the lowest degree of cohesiveness.

As regards to the first indicator of the dimension, results show that *Membership*$_r$ is more present in non-agreement regions compared to agreement regions. This contradicts our expectations that agreement regions would have member states who would have participated during more years in the regional group definition. The indicator scores low in EPA regions and regional organizations created during the 1990s. Long lasting regional groups, with stable memberships such as CAN, ASEAN, the West Africa group or the ESA group, score high levels of cohesiveness in this variable. Regions recently created or with significant variations in their membership receive a low score.

Table 7. Coherence

	***Membership*$_r$**	***Trade*$_r$**	***Cultural*$_r$**	***Coherence*$_r$**
CARIFORUM	.085	.356	.331	*.257*
Central America	.497	.727	.934	*.719*
ESA interim	.860	.022	.218	*.367*
SADC	.603	.616	.691	*.637*
Agreement	**.511**	**.430**	**.544**	***.495***
ASEAN	.926	1	0	*.642*
CAN	1	.206	1	*.735*
Central Africa	0	.057	.595	*.217*
EAC	.240	.488	.564	*.431*
ESA full	.980	.026	.399	*.468*
GCC	.832	.131	.848	*.604*
MERCOSUR 1	.050	.529	.365	*.315*
MERCOSUR 2	.497	.495	.354	*.449*
Pacific	.116	0	.711	*.276*
West Africa	.934	.307	.248	*.497*
Non-agreement	**.558**	**.324**	**.508**	***.463***
Diff	**-.046**	**.106**	**.035**	**.032**

Source: Own elaboration

In the variable $Trade_r$, we observe that the normalized mean is lower in comparison to the rest of the variables. Average scores in agreement and non-agreement regions are below other variables due to the existence of an extreme value, the case of ASEAN, which underrates the rest of the results[75]. Although the high extreme value is located in the negative cases of agreement, in general the positive cases of agreement seem to have on average higher levels of intra-regional trade. The ESA group states, the Pacific states, and Central African have low degree of regional cohesiveness in terms of intra-regional trade.

Finally, the variable $Cultural_r$ presents small although positive differences between agreement and non-agreement regions. Two regions formerly under the Spanish colonial domination, the Andean Community and Central America, are the most culturally coherent groups in linguistic and religious terms. The Arab GCC region also displays high rates of cultural cohesiveness. By contrast, ASEAN and most of the ACP regions show little cultural coherence among its member states.

6.2.5. EU treatment

Only the EU treatment dimension correlates negatively with the likelihood of cohesiveness being an independent variable of interregional agreement with the EU. We expected that regions whose member states enjoyed similar trade relations with the EU during the negotiations and whose member states characteristics were similar for the European interest would have higher degree of cohesiveness, and therefore more chances have the interregional agreement signed. Different alternatives within the regional counterpart members to the negotiated interregional trade agreement and different EU interest towards these countries would have altered in different directions the incentives faced by the members to sign the

[75] The effect of the extreme case in the average scores is, however, not substantial so we have not considered opting for a different aggregation method, such as Z-Scores, which would have led to a lower effect of the extreme cases in the normalization procedure.

agreement, complicating the agreement with the EU. Results, however, are contrary to our expectations.

Table 8. EU treatment

	$BATNA_r$	$EUInterest_r$	$EUTreatment_r$
CARIFORUM	.860	.677	*.768*
Central America	.857	.883	*.870*
ESA interim	.287	.797	*.542*
SADC	0	0	*0*
Concluding	**.501**	**.589**	***.545***
ASEAN	.776	.213	*.489*
CAN	1	.915	*.958*
Central Africa	.354	.721	*.537*
EAC	.408	.210	*.309*
ESA full	.641	.584	*.613*
GCC	1	1	*1*
MERCOSUR 1	1	.779	*.890*
MERCOSUR 2	.863	.779	*.821*
Pacific	.657	.918	*.788*
West Africa	.080	.405	*.242*
Non-agreement	**.677**	**.653**	***.665***
Diff	**-.176**	**-.063**	**-.120**

Source: Own elaboration

Table 8 shows that the level of cohesiveness in terms of receiving similar treatment from the EU is higher in non-agreement regions than in agreement regions. The dimension $EUTreatment_r$, displayed in the last column of the table aggregates the indicators $BATNA_r$ and $EUInterest_r$. Scores are higher in the non-agreement cases, such as in GCC and CAN regions, for example, whose members receive similar treatments from the EU. This implies that EU trade preferential schemes favor them equally (all CAN countries enjoyed GSP+ and all GCC countries GSP) and that the EU is equally interested in them, either in economic and political aspects.

However, interregional negotiations stalled with both regions. By contrast, SADC group includes very dissimilar economies that can be perceived and treated differently by its European counterpart. For example, South Africa had already an FTA with the EU and the other countries benefited from different preferential trade schemes: Lesotho and Mozambique enjoyed EBA treatment, Swaziland GSP treatment, and Botswana and Namibia MFN. On the incentives side, the EU could have a stronger interest in the South African market compared to its neighboring states. South Africa scores high in economic and political interest in contrast with the other members of the region: small markets with, in the case of Swaziland, autocratic regimes. However, despite the different incentives faced by the members of the SADC group, the agreement with the EU concluded satisfactorily.

As regards to the compounding variables of the dimension, differences between average effects are more negatively related in the $BATNA_r$ indicator compared to the $EUInterest_r$ indicator. In the former, agreement regions contain two low scores, SADC and ESA interim, whereas non-agreement regions include higher scores, as it is the case of MERCOSUR and ASEAN. Countries may be more equal in terms of the level of development in non-agreement regions, as they receive more similar trade schemes from the EU than in agreement regions. $EUInterest_r$ indicator targets how the EU interest in signing an interregional trade agreement is homogeneously spread along the different regional members. Similar economies with similar political systems would have higher scores. The asymmetries in the SADC group constitute an extreme case that highly penalizes the average of agreement regions. In contrast, higher scores are assigned to regions with similar states, such as the Pacific area, the Andean Community, MERCOSUR or Central America.

In the case of this dimension, it is worth to point out that results should not be overestimated. The SADC group constitutes and extreme case and when removing it from the sample differences are neutralized between

agreement and non-agreement regions in the case of the $Interest_r$ variable, and importantly reduced in the case of the $BATNA_r$ indicator.

6.3. The Cohesiveness Composite Index

To establish whether regional cohesiveness should be considered an independent variable of EU trade agreement we need to aggregate regional cohesiveness multidimensionality into a single variable (i.e. we need to weight its dimensions). The Cohesiveness Composite Index (CCI) weights the variables following Aggarwal and Fogarty's framework in order to give each dimension an appropriate theoretical size in the aggregate score. In addition, we also use PCA weighting to test the robustness of the indicator from an empirical viewpoint. Table 9 thus shows the level of cohesiveness for each regional counterpart using both the theoretical aggregation (*CCI-t*), which ponders the variables according to Aggarwal and Fogarty's framework, and the empirical aggregation (*CCI-e*), which ponders the weight of the variables according to the PCA method. The last column shows the difference in cohesiveness levels between the theoretical and the empirical indexes. Results both using *CCI-t* and *CCI-e* show higher average scores for agreement regions compared to non-agreement regions. This indicates that regional cohesiveness has a positive relation with EU trade conclusion.

In the theoretical aggregation, regions that signed an agreement with the EU score over 20 percent higher in the *CCI-t* index that those who have not[76]. Central America is the region with the highest cohesiveness among all the regions in our population of cases. MERCOSUR at the end of the second negotiation process occupies the second place as the region with the highest cohesiveness. The Andean Community and CARIFORUM portrait also high levels of cohesiveness. On the other side of the spectrum, ASEAN

[76] Adding 20 percent to 0.503 value (1.20*0,503) returns the 0.604 score.

is the region with the lowest degree of cohesiveness, followed by most of the African groupings: Central Africa, EAC, ESA full region, SADC, and ESA interim.

Table 9. Cohesiveness Composite Index (CCI)[77]

	CCI-t	***CCI-e***	***t-e***
CARIFORUM	.646	.438	*.208*
Central America	.725	.568	*.157*
ESA interim	.534	.310	*.224*
SADC	.513	.316	*.197*
Agreement	**.604**	**.408**	***.196***
ASEAN	.282	.244	*.038*
CAN	.665	.512	*.153*
Central Africa	.314	.248	*.066*
EAC	.389	.382	*.007*
ESA full	.441	.313	*.128*
GCC	.542	.374	*.168*
MERCOSUR 1	.623	.461	*.162*
MERCOSUR 2	.667	.477	*.190*
Pacific	.571	.317	*.254*
West Africa	.541	.362	*.179*
Non-agreement	**.503**	**.369**	***.092***
Diff	**.101**	**.039**	**.062**

Source: Own elaboration

The *CCI-e* column portraits the empirical weighting of the variables, illustrating similar results in the levels of cohesiveness between agreement and non-agreement regions. In general, we can observe that they score

[77] Theoretical weighting follows the equation $CCI\text{-}t = Preferences_r\ (0{,}07*Political_r + 0{,}07*Economic_r + 0{,}07*Security_r) + Institutions_r\ (0{,}10*Authority_r + 0{,}10*Autonomy_r) + 0{,}20*Power_r + Coherence_r\ (0{,}07*Membership_r + 0{,}07*Trade_r + 0{,}07*Cultural_r) + EUTreatment_r\ (0{,}10*Batna_r + 0{,}10*EUInterest_r)$. Empirical weighting follows the equation $CCI\text{-}e = Preferences_r\ (0{,}08*Political_r + 0{,}05*Economic_r + 0{,}08*Security_r) + Institutions_r\ (0{,}11*Authority_r + 0{,}09*Autonomy_r) + 0{,}16*Power_r + Coherence_r\ (0{,}10*\ Membership_r + 0{,}13*\ Trade_r + 0{,}05*\ Cultural_r) + EUTreatment_r\ (0{,}09*Batna_r + 0{,}05*EUInterest_r)$.

lower than in theoretical weighting since PCA clusters variables in simplified dimensions, losing part of the explained variance in the aggregate index. Despite these usual differences in volume, the *CCI-e* ranks the cohesiveness levels of the regions in almost an identical fashion to the *CCI-t* ranking. Central America is the region with the highest degree of cohesiveness, followed by the Andean Community, MERCOSUR, and CARIFORUM. On the bottom side, ASEAN, Central Africa, ESA interim, and ESA full are the regional groupings with the lowest degree of cohesiveness. Empirical weighting validates also the hypothesis that regional cohesiveness cannot be discarded as independent variable of EU interregional trade agreement.

Weighting empirically the variables of the index serves not only as a test of robustness, but also can become a useful tool to assess their empirical information from a perspective different to the one offered by the qualitative method. As shown in the next two tables, the use of quantitative tools –correlation tables and PCA– permits adding value to research by observing the empirical linkages among different variables of the composite index. The inferences that can be drawn from both tables are very similar, as they constitute two different ways to scrutinize the same data, but an assessment using both tables allows to obtain more nuanced observations. The following Table 10 shows the correlation among the variables of the composite index through a correlation matrix[78]. In blue italics we show scores with correlation above 0.4[79].

[78] Less than 0.4 value in the correlation matrix is considered no correlation, between 0.4 and 0.6 is considered low correlation, whereas strong correlation is considered for the coefficients superior to 0.6.

[79] Results in which removing extreme cases reduces significantly the correlation are removed from the assessments. We exclude from evaluation the relations in which removing the extreme case reduces the correlation to zero and removing other cases close to extremes do not contribute to increase the correlation. These are the relations between $EUInterest_r$ and $Security_r$, $Authority_r$ and $Economy_r$, $Trade_r$ and $EUInterest_r$, $Cultural_r$ and $EUInterest_r$. and $Autonomy_r$ and $Batna_r$. In the latter, an extreme case, West Africa, inflicts strong influence in the correlation coefficient. By removing West Africa from the equation, the correlation coefficient moves far below the 0.4 limit.

Table 10. Correlation matrix for CCI indicators

	POL	***ECO***	***SEC***	***ATH***	***ATM***	***POW***	***MEM***	***TRA***	***CUL***	***BAT***
POL	—									
ECO	*0.423*	—								
SEC	*0.891*	*0.550*	—							
ATH	-0.223	0.273	-0.001	—						
ATM	-0.337	*-0.424*	-0.349	0.326	—					
POW	0.336	0.031	0.369	-0.080	0.248	—				
MEM	-0.216	-0.089	-0.182	0.224	0.025	-0.294	—			
TRA	-0.003	*0.416*	0.046	-0.058	*-0.489*	-0.011	0.015	—		
CUL	*0.402*	*0.411*	0.382	-0.162	0.003	-0.037	-0.078	-0.225	—	
BAT	*0.704*	0.049	0.389	*-0.478*	-0.359	-0.113	-0.073	0.100	0.226	—
EUI	*0.713*	-0.070	*0.436*	-0.362	0.015	0.122	-0.111	*-0.519*	*0.400*	*0.639*

Names of the variables abbreviated: POL = Political; ECO = Economic; SEC = Security; ATH = Authority; ATM = Autonomy; POW = Power; MEM = Membership; TRA = Trade; CUL = Culture; BAT = BATNA; EUI = EU Interest. || Source: Own elaboration.

At a first glance, we can observe that the *Political* and *Security* variables of the dimension preferences are highly correlated. Both held also some weaker correlation with the *Economic* indicator, the other variable of the dimension. Likewise, they are to a certain extent correlated with the variables of the dimension EU treatment. Consequently, data seem to reveal that among these variables exists some kind of empirical proximity and may indicate they reflect the same phenomena. On the other hand, we also observe that the *Power* and *Membership* variables are not correlated with the rest. Such observations in the correlation matrix table can be complemented through the use of PCA, a statistical procedure that converts the eleven variables of cohesiveness to a set of uncorrelated variables[80]. In short, PCA clusters the variables in a set of factors that have similar

In the other cases, the correlation coefficient is largely neutralized by removing ASEAN from the equation.

[80] We have limited the number of components to a minimum of 0.1 eigenvalues, which yields eight factors. The eigenvalues are obtained by summing the squared value of each variable within a component. E.g. $Eigenvalue\ PCA1 = Political_1^2 + Economic_1^2 + Security_1^2 \ldots Variable_n^2$.

empirical information. These eight factors –called also components or clusters– are shown in Table 11.

Table 11. Principal Component Analysis[81]

	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*
Political	**0.966**	-0.022	0.114	-0.022	0.212	-0.070	0.034	-0.022
Economic	0.453	**0.671**	0.430	0.213	-0.187	0.006	0.040	0.252
Security	**0.837**	0.168	0.368	-0.018	0.193	-0.039	-0.157	-0.244
Authority	-0.385	0.215	**0.694**	0.319	0.248	-0.357	0.111	-0.020
Autonomy	-0.439	**-0.658**	0.422	0.004	0.015	0.058	0.414	-0.028
Power	0.257	-0.179	0.474	**-0.689**	0.236	0.356	0.002	0.080
Membership	-0.284	0.085	-0.123	**0.628**	**0.567**	0.421	-0.054	0.020
Trade	0.018	**0.854**	-0.230	-0.249	0.065	0.143	0.330	-0.020
Cultural	**0.534**	-0.142	0.229	0.452	**-0.538**	0.344	0.095	-0.104
BATNA	**0.735**	-0.094	-0.499	0.093	0.174	-0.143	0.344	-0.030
EU Interest	**0.713**	**-0.603**	-0.096	0.162	0.112	-0.095	-0.030	0.217
Eigenvalues	*3.66*	*2.12*	*1.60*	*1.32*	*0.89*	*0.61*	*0.45*	*0.19*
% of Variance	*34*	*20*	*15*	*12*	*8*	*6*	*4*	*2*
% Cumulative	*34*	*53*	*68*	*80*	*88*	*94*	*98*	*100*

Source: Own elaboration

The PCA table explains the variance of the observed data through a few linear combinations of the original data. Each column represents a principal component, better understood as a statistical dimension of the data. For example, the first principal component in the table captures a particular statistical dimension of the data, clustering variables with similar empirical information. The first principal component captures the maximum possible of the variance explained (in terms of eigenvalues) and minimizes the correlation with the other dimensions. Therefore, the set of variables most highly correlated with a principal component are the *Political*, *Security*, *Cultural*, *BATNA* and *EU Interest* variables. The second dimension captures the second principal component with the highest

[81] Extraction method: PCA. Loadings greater than 0.5 (absolute values) are highlighted, n=14.

variance within the set of indicators, which is positively correlated with *Economic* and *Trade* variables and negatively correlated with the *Autonomy* and *EU Interest* variables. The third dimension is correlated with *Authority* and the fourth negatively with *Power* and positively with *Membership*. The rest of the principal components, from the fifth onwards, capture little of the explained variance and therefore they have not been selected for the statistical weighting[82]. The first four factors preserve 80 percent of the cumulative variance of the original data

With the information obtained in Table 10 and Table 11, we can infer that the variables *Political*, *Security*, *BATNA*, *EU Interest*, and *Cultural*, form the same statistical dimension, meaning that all these variables would numerically explain similar phenomena. The variables within the EU treatment and preferences dimensions hold from medium to high correlation, matching with our expectations that in the same dimension indicators would have a certain degree of correlation. Within these two dimensions, the *Economic* indicator would be the variable that fulfills less this expectation, since it yields low correlation with the other indicators of preferences. Thus, PCA does not include it in the first empirical dimension. By contrast, empirical results suggest that the *Cultural* located in coherence dimension variable would fit more accurately in the dimension of preferences or in a dimension that includes political-related indicators.

The second component groups rather economic-related variables, as it embraces *Economic*, *Trade*, *Autonomy*, and to a certain extent *EU Interest*. This cluster, compared to the previous one, suggests a fine separation between regional economic and political processes. The homogeneity of economic preferences and the level of intra-regional trade represent the

[82] For the statistical weighting we have followed OECD (2008: 89) indications to choose the number of factors on the basis of three criteria: a) to have associated eigenvalues larger than one; b) contribute individually to the explanation of overall variance by more than 10 percent; and c) contribute cumulatively to the explanation of the overall variance by more than 60 percent. Thus, we use the first four factors as a basis for our analysis and also the weighting procedure (see Annex 4).

same statistical dimension of the data and this empirical dimension holds weak correlation with political indicators. Somewhat surprisingly, economic indicators correlate negatively with the institutional levels of *Autonomy*: regions more economically integrated show lower levels of delegation to supranational bodies. The other institutional variable, *Authority*, is not included in this second empirical dimension, as almost no relation exists with the economic variables. This suggests that regional institutional building is unlinked, and even may go in opposite direction, with the economic integration process. The variable *EU Interest* is negatively correlated with economic indicators. There might be, in this case, some endogeneity emerging from the operationalization of the variable that led to correlate positively with the political variables and negatively with the economic variables.

The third statistical dimension includes the *Authority* variable, almost uncorrelated or weakly correlated with the rest of the indicators. As we have discussed in the previous paragraph, we expected significant correlation between variables within the institutional dimension. However, *Authority* and *Autonomy* show a positive but weak correlation among them. Apart from the institutional variables, the two indicators that yield more correlation (though weak) with the third dimension are *Power*, which is positively correlated with them, and *BATNA*, negatively correlated. The link between these four variables could suggest –although we must take this assertion very cautiously– that regional authority pooling may have served to correct regional asymmetries, both in terms of power distribution and in terms of levels of development.

Finally, PCA groups in the fourth dimension the variables of *Power* and *Membership*. As we observe in the correlation matrix, they are weakly correlated among them. It is better, therefore, to considerate this component as a residual cluster. *Power* constitutes statistically a separate dimension, correlated only very weakly with *Political* and *Security* preferences. We would have expected more correlation between *Power* and

the other dimensions. Regarding to *Membership*, we also observe in the correlation matrix that the variable is not correlated with any other indicator. It might be useful to complement the institutional dimension, but their results do not seem to help explaining regional cohesiveness. *Membership* is nor correlated with the other variables of the coherence dimension. *Trade* is better fitted in an economic dimension and *Cultural* fits better in a political dimension.

6.4. Robustness tests

This section offers the results of applying different tests oriented to gauge the robustness of the CCI and improve their transparency. Some of the sources of uncertainty in the specific operationalization of individual indicators have been already addressed during the description of the variables[83]. Another robustness test has consisted in pondering through both theoretical and statistical criteria (*CCI-t* and *CCI-e* tables). The potential sources of uncertainty in the construction of the index, common to all the variables, are addressed here: measuring the most discretional choices in the operationalization of individual variables through different manners; introducing control variables to assess logically consistent outcomes of the independent variable; and testing the implications of the independent variable in other logically consistent dependent variables.

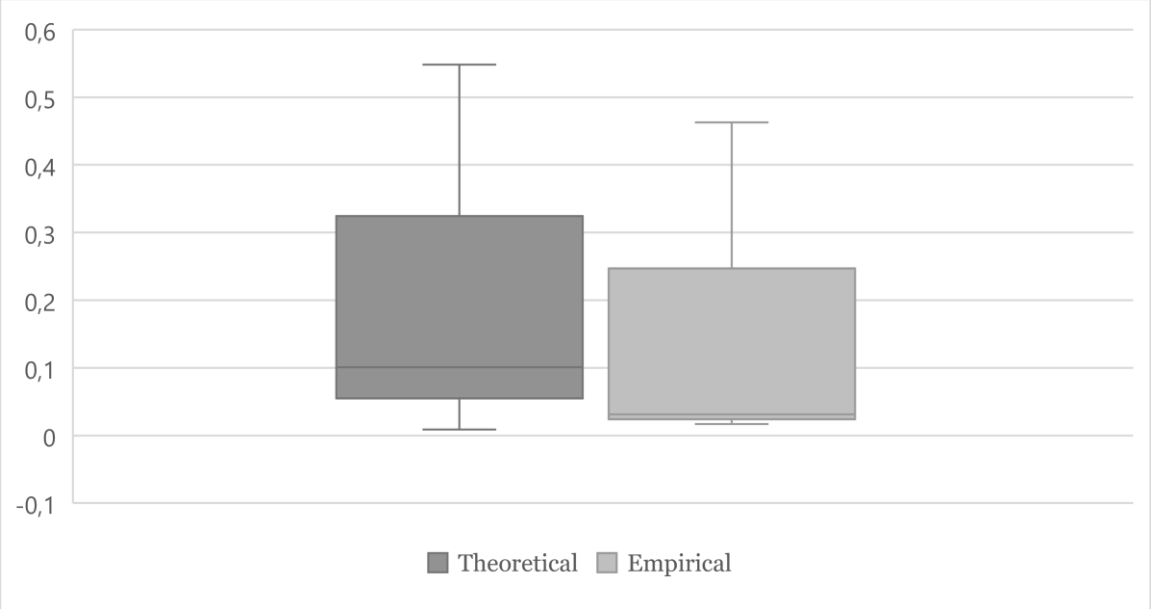
To assess the potential discretion in the major methodological choices undertaken in the construction of the CCI, we have tested the mean difference between agreement and non-agreement regions using different combinations of data[84], weighting, normalization, and including and

[83] We have tested different thresholds for the $Power_r$ variable (see subsection 6.2.3). We have also tested an alternative method for the $EUInterest_r$ indicator (see subsection 6.2.5). In the first case, the mean difference is maintained. In the second case, it is widened.

[84] In the original variables, we have pondered data by GDP. Here we test the data without pondering by GDP. Non-pondered data is assessed through calculating the standard deviation between countries in the same region without taking into account the GDP of each country.

excluding individual indicators. The results of the uncertainty test are depicted with a box plot in Figure 2, which portraits the variation of the mean differences for all the different combinations using theoretical and empirical weighting. On the left side, theoretical weighting returns a maximum mean difference between agreement and non-agreement regions of 0.548 and a minimum of 0.009. Empirical weighting returns a maximum mean difference of 0.374 and a minimum of 0.026. This implies that even using the less advantageous methodological procedures, the mean difference would still be positive[85].

Figure 2. Internal robustness



Source: Own elaboration

Institutional variables cannot be pondered by GDP. For example, the variable that has strongest results, $Power_r$, increases its statistical significance when it is operationalized without pondering by GDP, which means selecting the number of state units that fulfill the characteristics of being the largest power in the region and being a small open economy.

[85] To simplify the procedure, we tested the uncertainty in 24 different combinations instead of 216, since we only exclude the extreme variables of the index i.e. *Power* and *BATNA* are the variables that more positively and negatively affect the results. Therefore, we compare the mean difference excluding separately one indicator using two weightings, two pondering procedures, and using three normalization methods. In total, this returns 24 combinations. Since the selected combinations account for the less favorable cases that the mean different would be positive, we estimate that the observed mean difference between agreement and non-agreement regions would pass successfully the 216 combinations of the uncertainty test.

In another test, we have assessed the mean difference between agreement and non-agreement regions in the CCI through different confounding variables. This procedure controls the effects of the independent variable by evaluating logically consistent outcomes. All the results shown in Table 12 are coherent with the expectations[86]. Non-EPA regions show higher degree of cohesiveness than EPA regions; non-EPA regions that succeeded in the negotiations show higher degree of cohesiveness than Non-EPA regions that failed in the negotiations; EPA regions that succeeded in the negotiations show higher degree of cohesiveness than EPA regions that failed in the negotiations. Regions with all its members in the WTO show higher degree of cohesiveness than regions that have at least one member not in the WTO; regions with all its members in the WTO that had an agreement with the EU show higher cohesiveness than regions with all its members in the WTO that had not; regions with at least one members not in the WTO that had an agreement with the EU show higher cohesiveness than regions with at least one member not in the WTO that had not. Regions that agreed a comprehensive agreement with the EU show high levels of cohesiveness than regions that failed to negotiate a comprehensive agreement; regions that agreed a non-comprehensive agreement with the EU show high levels of cohesiveness than regions that failed to negotiate a non-comprehensive agreement. Regions that signed the trade agreement during the 2008-09 period show higher cohesiveness that those who did not during the same period; and regions that signed the trade agreement outside the 2008-09 period show higher cohesiveness that those who did not outside the same period[87].

[86] It is worth to mention that we have also tested the empirical puzzle of the thesis with the data collected. Indeed, no correlation exists between veto players and trade conclusion (-0.05). This is, the number of veto players has no effect on the likelihood that a region would conclude a trade agreement with the EU. There exists also no correlation between veto players and cohesiveness (-0.06). This is, the number of veto players has no effect on the degree of cohesiveness of the regions analyzed.

[87] These differences are also consistent when following the different methodological procedures discussed in the last sections. Although we only show the results normalizing by Min-Max and

Table 12. Control variables

Test	*AGR*	*NO*	*Diff*
Non-EPA vs. EPA countries	.584	.494	*.090*
Non-EPA agreement vs. Non-EPA no-agreement	.725	.463	*.262*
EPA agreement vs. EPA non-agreement	.564	.451	*.113*
All WTO members vs. Not all WTO members	.549	.503	*.046*
All WTO success vs. All WTO failure	.591	.528	*.063*
Not all WTO success vs. Not all WTO failure	.646	.467	*.179*
Comprehensive success vs. Comprehensive failure	.685	.538	*.148*
No comprehensive success vs. No comprehensive failure	.523	.489	*.035*
2008-2009 agreement vs. 2008-2009 no-agreement	.590	.479	*.111*
Non-2008-09 agreement vs. Non-2008-09 no-agreement	.619	.560	*.059*

Abbreviations of the table: AGR: Agreement regions; NO: No agreement regions || Source: Own elaboration

Finally, we explored an alternative implication of the independent variable drawing predictions on a logically consistent dependent variable. The test assesses the relationship between regional cohesiveness and international trade agreements, expecting that regions or groups with more cohesiveness would have signed more international trade agreements. For this examination, we have followed the WTO database, one of the main sources used in this study. The database has registered 17 trade agreements conducted by regional groupings that can be applied to our population of cases. Ten of them were signed by the two regions with the highest degree of cohesiveness, Central America and MERCOSUR, each accounting five international agreements signed[88]. In consequence, results are thus

pondering by GDP, we have also tested the Z-Scores and Scaling method of normalization, as well as not pondered the results by the GDP of the regional members.

[88] Data retrieved from WTO-RTA database on April 21st 2018: Central America: Central America (5): US (2006 FTAs), Dominican Republic (2012 FTAs), Mexico, EU (2013 FTAs), EFTA (2014 FTAs only Costa Rica and Panama), Chile (El Salvador 2002 Costa Rica 2004 Nicaragua 2013 Honduras 2011 FTAs); SADC-SACU (2): EFTA (2008 FTA), EU (2016 FTA), MERCOSUR (2017 PSA); ESA (1): EU (2012 FTA); MERCOSUR (5): Egypt (2017), India (2010 PSA), Chile (2017

consistent with the expectations since the regional groupings with higher degrees of cohesiveness have concluded more trade agreements (with both another regional grouping or an individual state) than regions with lower degrees of cohesiveness.

6.5. Conclusion

The analysis of the data shows a positive relation between the levels of regional cohesiveness in the counterpart and the likelihood of signing a trade agreement with the EU. Cohesiveness, therefore, cannot be discarded as a variable to explain agreements in EU interregional trade negotiations. As we have assessed in the last section of this chapter, the observation has passed several robustness tests. Results also indicate that power and institutions are the dimensions of regional cohesiveness more positively related to the dependent variable, whereas the dimension EU treatment is negatively correlated with it. Therefore, the main reason why agreement regions have more cohesiveness than no agreements regions is because they are regional groupings with (in average) higher relative size of hegemons and small economies, and regions with (in average) stronger processes of regional institutional formation, but not because there is more homogeneity in how the EU treats them. In other words, regions with certain power and institutional characteristics are more likely to sign a trade agreement with the EU. The regions with the highest degrees of cohesiveness are the Latin American regions –in order, Central America, MERCOSUR, the Andean Community, and CARIFORUM–, whereas ASEAN, ESA, and Central Africa portrait the lowest levels of cohesiveness.

To obtain these results, the independent variable has been assessed through several variables forming a composite index. The index has been

PSA), Mexico (2017 PSA), SACU (2017 PSA); ASEAN (4): Australia and NZ (2010 FTAS), Korea (2010 FTAs), India (2010 FTAs), China (2008 FTAs); GCC (1): Singapore (2015 FTAs).

constructed weighting the indicators theoretically and empirically. Both procedures show coherence between them, as they portrait similar cohesiveness for each of the regions studied in this thesis. However, the empirical test has also highlighted some drawbacks in our previous assumptions that emerged from the theoretical review of Aggarwal and Fogarty's framework and our operationalization for quantitative evaluation. For example, not all the variables are positively correlated among them, as we had expected. Nor are they highly correlated within dimensions. The case is particularly clear in the coherence dimension, in which its three compounding variables hold no correlation among them. Evidence also suggests that some indicators should be clustered in two new dimensions: a political and an economic dimension, indicating two empirically different phenomena. Institutions forms a different dimension, although there is lesser correlation than expected between its two conforming variables. Finally, results show that power constitutes a separate dimension from the others, as it is not correlated or weakly correlated with the rest of variables of the cohesiveness index.

Chapter 7. Interpretation of the results

7.1. Introduction

This chapter interprets the results shown in the previous pages using Aggarwal and Fogarty theoretical framework as benchmark. It first argues that the regional cohesiveness of the EU's partners needs to be taken into account to determine the probability of reaching a trade agreement with the EU. Particularly, the distribution of power, the regional institutional processes, and to a lesser extent, the level of intra-regional trade, are the most relevant elements to be considered in explaining the impact of cohesiveness in the signature of agreements. It also claims that the application of quantitative analysis to Aggarwal and Fogarty's framework allows to suggest some refinements to the identified dimensions of regional cohesiveness. A conceptualization of cohesiveness closer to our empirical tests would remove two of the four dimensions of Aggarwal and Fogarty's framework, namely the dimensions coherence and EU treatment. It would also consider replacing the dimension of preferences with two new dimensions, one including political factors and the other including economic elements.

7.2. The importance of counterpart's cohesiveness

Results support, from a quantitative perspective, Aggarwal and Fogarty's argument that the regional cohesiveness of the EU's partners is an important element that needs to be taken into account to determine the probability of reaching a trade agreement with the EU. While other factors may influence the signature of trade agreements, what this research shows is that we cannot reject the hypothesis that regional cohesiveness is an independent variable of EU trade agreement and has positive relation with it. We reach this conclusion by comparing the mean difference of the cohesiveness levels between the regions that signed a trade agreement with the EU and those who did not. Results indicate that on average regions that signed the agreement had higher levels of cohesiveness compared to the other group of cases. This finding validates Aggarwal and Fogarty assertion that the characteristics of the regional counterpart should be included in the function of interregional outcomes. In their edited volume, the authors test the statement through qualitative analysis and, in this thesis, we confirm it from a quantitative perspective. By using their theoretical framework and operationalizing the different dimensions and variables in a similar fashion, we conclude employing quantitative methods that regional cohesiveness cannot be rejected as explanatory variable in the function of EU trade agreement conclusion.

In addition to the importance of regional cohesiveness, its construction through different dimensions and indicators allows us to discern among the most important components in linking cohesiveness with the signature of interregional trade agreements with the EU. The strongest correlation among all the factors included in the index is exhibited by the power dimension. Results in Table 6 further indicate that it is not only the hegemon who has an important effect on the dependent variable, but also the complementary presence of small open economies in the regional system. This finding differs from hegemonic stability theories' argument

that a hegemon is necessary to promote cooperation in the system, since we witness little differences in the hegemon size between agreement and non-agreement regions. Results, however, fit with our expectations and the operationalization following the power U-shaped relationship suggested by Krasner and Mansfield. What seems to make the difference in increasing the chances to sign trade deals with the EU is the absence of medium-sized countries in the region. Due to their relative size, medium economies are less willing to pursue trade cooperation, being more affected for its negative externalities and hence following conflicting beggar-thy-neighbor strategies that lead to lesser degree of cohesiveness in a region. On the other hand, small open economies and hegemons are more likely to pursue strategies heading to cooperation. Small economies have little ability to improve their terms of trade through high barriers to pursue their national interest whereas hegemons are strategically interested in cooperation to maintain their monopolistic position in the system by fostering dependence from small partners.

The second factor that associates importantly regional cohesiveness and the likelihood to sign a trade agreement with the EU is the institutional dimension. Interestingly, all the variation on the dependent variable is concentrated in one of the indicators of the dimension, namely high levels of regional authority. Therefore, having transferred competences to the regional level seems to produce a strong effect to the conclusion of a trade agreement with the EU. No effect, however, exists as regards to the level of delegation of regional autonomy. Authority refers to the institutional thickness of the regional polity whereas autonomy obeys more to a principal-agent logic, which does not necessarily imply a transfer of competences to the regional level.

In order to interpret more accurately the institutional results, we have to highlight an important caveat. We have used as a proxy of institutions the MIA database, which measures the institutional integration in a regional organization which may or may not coincide with the regional grouping

with whom the EU negotiates the agreement. Thus, the mechanisms do not necessarily affect the ability of the grouping to formally speak with a single voice in the negotiations and therefore have to be comprehended as levels of understanding reached by members within a regional grouping. For this reason, in order to reduce the validity problems of the indicator, we considered the dimension from a constructivist perspective, indicating successful experiences of integration and regional understanding rather than a formal reflection of the institutional machinery of the region. In consequence, the results should be interpreted as follows: regions having experienced successful supranational processes in terms of transfer of competences are more likely to sign a trade agreement with the EU, an effect that does not hold for regions where integration has followed a principal-agent rationale.

Precisely because the validity problem mentioned above, we stated in previous chapters that the institutional dimension should be interpreted together with the variable *Membership*, which measures the discrepancy between the region negotiating with the EU and the closest regional organization within which we have captured the institutional dimension. However, bringing *Membership* to the interpretation of the institutional variables does not alter the previous analyses for two reasons: first, it has no correlation with the two institutional variables, meaning that the years of formal membership in a regional organization is not associated with the levels of institutionalization of the organism; and second, the mean difference of *Membership* between agreement and non-agreement regions is very weak, negatively correlated. These results indicate that this variable does not have a relevant impact on cohesiveness.

The single dimension that contributes to cohesiveness to impact negatively on the dependent variable is the EU treatment dimension. We expected theoretically that the likelihood of agreement would have been positively influenced by an EU homogeneous treatment of the regional counterpart: by offering similar alternative instruments to agreement that each of the

individual countries in the region would enjoy in the case negotiations failed; and by affecting strategically the behavior of a country on the basis of each country's own size characteristics and its relation to the other members of the region. However, both indicators are negatively correlated with the likelihood of reaching a trade agreement with the EU: when countries in a region enjoy similar alternative instruments to agreement and when the EU has similar interests among the regional members, the agreement is less likely.

The mismatch between expectations and results could be caused by a reliability problem instigated by the low number of cases. We do not think the problem is related with the validity of the indicators used in the operationalization, since the *BATNA* variable captures quite specifically the alternative to agreement that countries possess; and we have operationalized the *EU Interest* testing different procedures and weights to the economic and political criteria, with each yielding in each occasion negative correlation results. Instead, the results may be due to the presence of an extreme value that is not present in the other variables. Indeed, high values assigned to the SADC group in both variables may have biased the observations. Nevertheless, since the EU treatment dimension is empirically associated with other indicators that share a similar lack of importance to determine the difference in the degree of cohesiveness between agreement and non-agreement regions, we can infer that EU policies targeting political and economic criteria do not seem to have meaningful effect on the EU external performance.

Regarding the rest of variables and dimensions of cohesiveness, only the degree of intra-regional trade seems to also associate regional cohesiveness and the likelihood to sign a trade agreement with the EU. The *Trade* variable is positively correlated with agreement, suggesting that the EU is more likely to sign agreements with regions with deeper and differentiated economic interactions vis-à-vis the rest of the world. The other variables of the coherence dimension, *Culture* and *Membership*, have no effect or little

effect. Finally, the dimension of preferences is very weakly correlated with agreement, meaning that the EU may sign an agreement equally with regions formed by democracies or by non-democracies, by more or less economic integrated areas, and by more or less relaxed security environments.

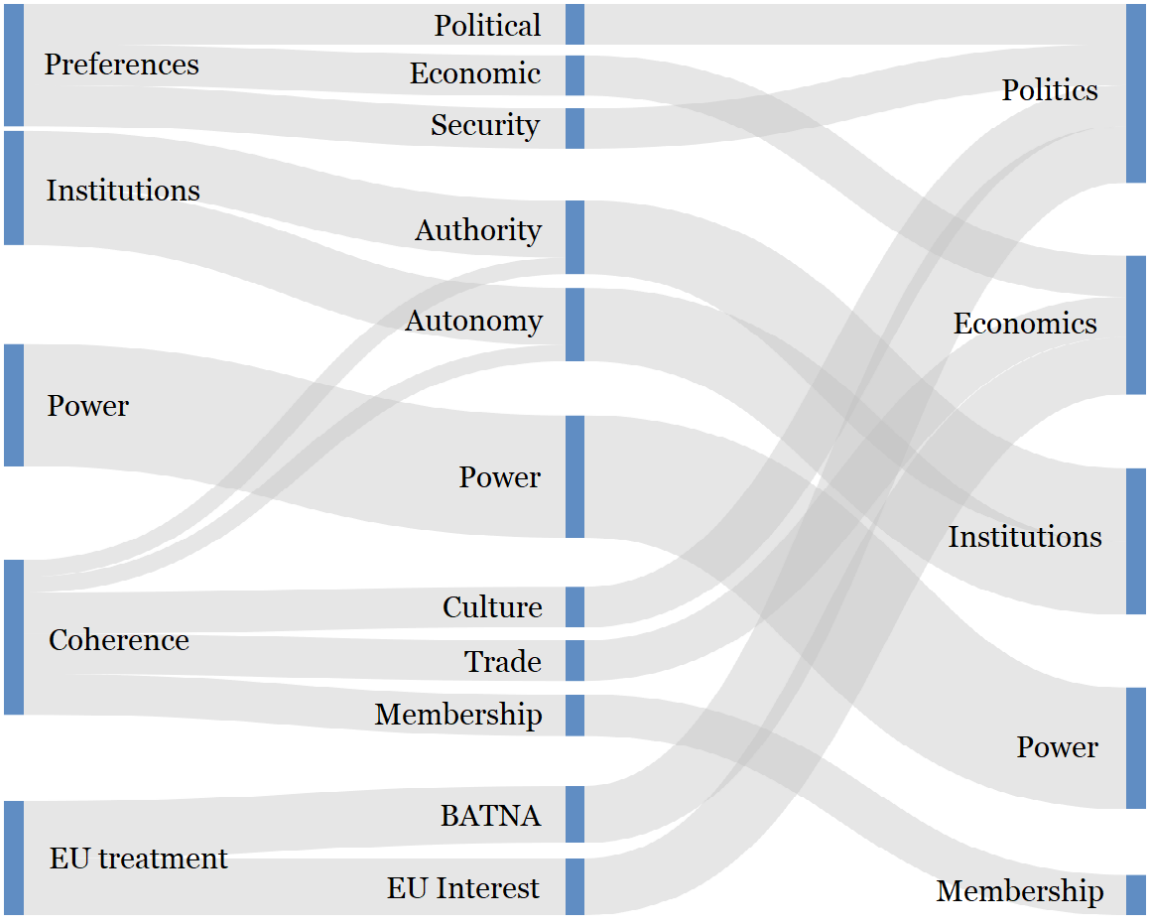
7.3. Improving the concept of cohesiveness

The use of quantitative methodology has served to examine the average effect of the independent variable to the dependent one, but also allows to analyze the relationship among the variables and dimensions that conform regional cohesiveness according to the conceptualization followed from Aggarwal and Fogarty's. This quantitative test yields some insights that may help improving the conceptualization of cohesiveness. We expected that, should Aggarwal and Fogarty's cohesiveness conceptualization had been accurate and our operationalization valid and reliable, all the analyzed dimensions would have positive relation among them. In addition, the correlation of the indicators within dimensions should have been higher than between dimensions. Since the results indicate that this is not always the case, we suggest some modifications to the initial theoretical framework as summarized in Figure 3.

To start with, our decision to separate preferences and institutions for quantitative operational purposes (Aggarwal and Fogarty put them together in a single dimension) seems to be validated by the results. The absence or weak correlation between preferences and institutions indicates that they may refer to different meanings of cohesiveness. This decision is also supported by PCA, since it allocates institutions and preferences in different factors. Somewhat surprisingly, there is one indicator of preferences (political homogeneity) negatively correlated with the two institutional variables. Although the correlation is not strong –and thus, this insight should be taken carefully due to having a very weak effect in a

limited number of cases–, results could indicate that regions with similar political systems possess thinner regional institutional bodies.

Figure 3. Old and new dimensions of cohesiveness



On the left, Aggarwal and Fogarty's conceptualization. On the center, our operationalization through eleven indicators. On the right, the new conceptual proposal || Source: Own elaboration

The operationalization of the preferences dimension has followed different steps from Aggarwal and Fogarty's initial insights. The authors propose a Putnamian approach by examining national institutional structures and domestic interest groups. For practical and validity reasons, we opted not to look inside the states and use a different proxy of preferences (Frieden 1999)[89]. Our measure calculates the political, economic, and security

[89] Most of the discussion has already been addressed in section 5.2 of this thesis. Aggarwal and Fogarty's operationalization would require having wide knowledge of the institutional systems of

preference homogeneity between states within a region following Hettne and Söderbaum's (2000) conceptualization of *regionness*, which looks at how regionalization processes homogenize political, economic and security aspects in a certain regional area. Hettne and Söderbaum's theorizing is validated by our empirical findings, as results show that the three regionalization processes are interrelated: homogeneity of preferences in terms of political regime, economic shared instruments, and security relations seem to go hand in hand. This link further follows Gowa's argument (1994) and general realist claims that stable security environments favor political linkages, which in turn has an effect on economic linkages among countries. In other words, they assert that politics and security issues are the key engine of international relations and stable politics helps creating economic stability.

Economic and political preferences, however, display strong correlations with other variables suggesting that they may constitute part of two separate clusters. The variable political preferences is strongly related with other politically related variables: security preferences, the cultural variable of coherence and the BATNA subdimension of EU treatment. Empirical findings show that these politically related variables can be grouped in a separate dimension, as they hold strong relationship among them. This is clearly visible in the correlation matrix, where political and security preferences seem to describe entirely the same empirical phenomenon. They are also somewhat correlated with other politically-related variables of the CCI: the homogeneity of EU interest in the region, the EU alternative trade scheme and cultural homogeneity. These indicators are empirically separated from economic indicators. Economic homogeneity, understood as higher states of economic integration, is grouped with higher levels of intra-regional trade. They are also associated positively with the level of EU

each country, the position of the political parties towards trade, and the influence of the relevant interest groups. This entails practical problems -gathering all data and building a measure on it- and also validity problems (Frieden 1999).

interest on the counterpart and negatively related with the degree of autonomy delegated at the regional level.

The empirical separation between political and economic variables suggests an important implication: both processes bear some relationship, but it is not strong and hence they do not necessarily go hand in hand in the process of region-building. In other words, the ideal type of politically homogeneous regions appears to obey to different processes than the ideal type of economically homogeneous regions. The political variables are somewhat correlated among them, as regions with similar political regimes tend to have softened security relations, show even similar cultural affinity, and seem to be treated equally by the EU due to the intrinsic characteristics of the counterpart. The economic variables are also correlated among them, since economic integration processes, in terms of high intra-regional trade patterns and shared economic instruments, show close empirical links. Observed results, therefore, would suggest, on the one hand, a dimension of cohesiveness established on security-political-cultural stances, and on the other hand, an economic process of convergence made up with at least shared economic instruments and intra-regional patterns of trade.

In the institutional dimension, the correlation between the variables of authority and autonomy is also positive but weakly associated. Surprisingly, PCA groups them in different clusters, suggesting that they could have different empirical meaning. Both variables are positively related but lesser than it was expected. Their low correlation implies that regions with high autonomy delegated at the supranational level may not necessarily have high levels of pooled authority and vice versa. Despite portraying some empirical separation, it would not make much sense from a theoretical viewpoint to separate both institutional variables in different dimensions, so we advocate to keep them together in the same dimension.

Interestingly, the autonomy variable is clustered in the PCA results with economic-related indicators. In other words, highly economically integrated regions also portrait low levels of delegation to supranational

institutions. This relation is somewhat puzzling, since most of interregionalism theory sustains that regions are found in the intersection of the two simultaneous processes of regionalization and regionalism (Baert *et al.* 2014). Regionalization, understood as a process of increasing interactions between members of a region, has in this thesis its operationalization primarily on the economic indicators: *Economic* and *Trade* –though there might be other indicators non-economic related such as Political and Security–. Regionalism, defined as a process of political regional-building, holds operational proximity with our institutional indicators: *Autonomy* and *Authority*. Therefore, one could expect that indicators of economic homogeneity would be specially associated to regional-building indicators such as the institutional factors. Results, however, do not allow to support the view that regionalism and regionalization are mutually self-reinforcing. On the contrary, they seem to evolve in different uncorrelated directions. Regionalization process does not necessarily take place where regionalism process leads to high regional institution-building. The trend is quite significative in the case of the *Autonomy* variable, correlated negatively with the three indicators of preferences and with the indicator of intra-regional trade. It seems, therefore, that delegation of autonomy occurs in heterogeneous areas that have poorly advanced in the stages of economic integration and have low levels of intra-regional trade.

More according to our expectations are the results on the *Power* variable, which represents the power considerations dimension and is weakly related with other dimensions of regional cohesiveness. This seems to confirm the expectation that power constitutes a separate dimension of cohesiveness. However, while we would have expected it to be positively correlated with all the indicators of the index, it is negatively correlated (although weakly) with the coherence indicators. For example, the relation between *Power* and *Membership* coherence is negative and weak. PCA has grouped both indicators in the fourth component, although if we look at the correlation matrix, their relationship is almost non-existent, and they only have been

grouped as a residual category. Results, at least, confirm that power should be treated separately from the other dimensions of cohesiveness.

Regarding the coherence indicators, results show that the dimension has not much empirical sense since its three compounding indicators yield little relation among them. Moreover, the first variable, *Membership*, is not correlated with any of the variables of the index. In other words, the degree to which members have belonged to the regional group is not related with higher homogeneity among members, higher degree of regional institutions or other factors. In the case of the *Trade* variable, by contrast, it can be observed that it holds a positive relation with the *Economic* indicator in the dimension of preferences, and the *Cultural* variable is correlated with the *Political* and *Security* indicators of the dimension preferences. Therefore, results suggest merging the indicators of coherence with other dimensions. Intra-regional trade should be grouped with economic preferences in the economic dimension, whereas cultural homogeneity should be included in a political dimension together with political and security homogeneity. *Membership* should be removed from the index or employed for analysis as a complement of the institutional indicators when the regional members subject to study do not match with the membership of the regional organizations used in the institutional dimension.

We also suggest the removal of the last category, the EU treatment of the counterpart. Its components are highly correlated with the indicators of the new political and economic dimensions. As PCA confirms, the *BATNA* variable is highly correlated with the first principal component –the political dimension– and the *EU Interest* variable is highly correlated with the first two principal components: it is positively correlated with the political factor and negatively correlated with the economic one. The latter indicates that the way the EU homogeneously prioritizes its partners is related with political homogeneity but not with economic homogeneity and high levels of interregional trade. Partly, it is obvious that a correlation exists with political heterogeneity as we have operationalized the variables

in these terms: more cohesiveness would exist as regime types are similar. Yet, the negative correlation that *EU Interest* has with the economic indicators is less obvious since countries with different market sizes would not necessarily imply to be more or less integrated economically. Although we might be cautious with this observation due to the presence of an extreme value that significantly alters the results, it might happen the paradox that by having similar interest in similar economies under the Global Europe approach –the economic size of the market is an important variable for the EU to select its partners–, the EU would be targeting with this policy poorly economically integrated regions. If the EU aims to conduct successful interregional trade negotiations, it would better to have a regional counterpart with diverse economies in terms of size that have strong economic links among them.

7.4. Conclusion

Empirical results suggest that regional cohesiveness of the EU's counterpart needs to be taken into account to determine the likelihood of reaching an interregional trade agreement. We have identified two central variables, power and institutions, that decisively contribute in explaining the impact of cohesiveness on the signature of agreements. The distribution of power in the region appears to be crucial, since observations indicate that the EU has signed agreements with regions formed chiefly by hegemons and small open economies. To a lesser extent, the level of intra-regional trade might foster the strategic behavior of this type of states to sign the agreement. The second important factor to be considered is the existence of high degrees of institutional authority pooled at the regional level. In other words, the EU is more likely to sign agreements with groups of states that have surrendered some competences to a regional authority.

The quantitative analysis employed to construct the independent variable regional cohesiveness has permitted to observe the empirical properties of

the variables used in the composite index. From these observations, we suggest some modifications in the Aggarwal and Fogarty's framework dimensions summarized in Figure 3 shown in the last section. Political indicators should be grouped in one variable, including regime types, security relations, and cultural links. The second variable would include economic indicators, namely shared trade instruments among the members and the level of intra-regional trade. Regional institutions would be the third dimension, and power the fourth. We suggest removing the degree of membership or use it as a fifth dimension as a complement in the case that states in the region analyzed do not match accurately with the regional organization of reference in the area. EU treatment indicators could be removed or merged in the Politics and Economics variables, as its meaning is already reflected in these dimensions.

Conclusion

More than ever, international trade is a controversial topic. Trade agreements increasingly represent much more than eliminating barriers, ranging from investment to regulatory issues, and their repercussion attracts political and academic debates in practically every country on earth. Global trends are placing regions at the center of economic activity and the interactions among them are becoming a lively issue in world politics. In the last years, the EU has become one of the most active players in furthering trade liberalization with different counterparts, either individual member states or regional groups. Studying the EU as a global actor, different academic approaches have attempted to explore the relevance that its internal and external circumstances have in explaining its external performance while neglecting the internal characteristics of its partner. This thesis has attempted to help fill this gap in the literature by looking at cohesiveness among members of EU's regional counterparts. It claims that the counterpart cannot be discarded as a factor to explain the EU interregional outcomes.

Our contribution has primarily consisted in bringing a different perspective to the study of interregionalism. This research adds value to one of the few existing theoretical frameworks developed for the study of the EU interregional trade relations. Aggarwal and Fogarty used different attributes of the EU's counterpart grouped in dimensions with the purpose to be evaluated and tested qualitatively. We have brought quantitative tools to the fore, shedding light to the field from a different angle. Employing a not widely spread methodology in interregionalism studies helps

illuminating different aspects of the EU's regional counterpart. We have constructed a set of indicators that have allowed to obtain new empirical evidence of the EU's regional partner. This operationalization of regional cohesiveness provides new data to the field and highlights the relevance of two main factors that have to be taken into account from an European viewpoint in explaining the likelihood of signing a trade agreement with the regional counterpart: regional power considerations and pooling of institutional authority.

In order to contribute theoretically to Aggarwal and Fogarty's framework and to generate empirically new quantitative evidence for the study of interregionalism, most of the space of this thesis has been devoted to the theoretical development and empirical measurement of the concept of regional cohesiveness. It is, as we have realized, a complex concept, subject to different interpretations, that needs to be captured in different dimensions. The fitting of such diverse understandings of cohesiveness in a single theoretical framework has permitted to obtain not only a single aggregated measure of the concept but also to assess empirically how these different interpretations relate among them. This is, we reckon, another main contribution of this doctoral thesis, since the choice of quantitative analysis has provided a set of tools such as correlation tables and PCA, not used to date in the interregionalism literature.

The manner how the different dimensions of cohesiveness have to be theoretically understood and empirically applied could be subject to a variety of readings, but these findings leave us with novel food for thought on the analysis of regions and their mutual interactions. Firstly, regional power considerations have become widely neglected in the regionalism and interregionalism literature. Our results, however, show that power relations may have a strong impact on states' strategic behavior and in turn, to the external performance of the region. In other words, the relative size of a country affects its trade strategy towards interregional deals in the form that small open economies and regional hegemons would be more prone to

foster cooperation. Secondly, interregionalism literature has theoretically considered that regionalization and regionalism dynamics constitute two mutual reinforcing processes: more interactions between members in a region would contribute to the region-building process and vice versa. Our results show that this is not necessarily true. Low correlation exists between these two phenomena in the analyzed regional groupings. Moreover, economic factors seem to be negatively correlated with the degrees of institutional delegation to the regional polity. And third, we also appreciate a separation between economic and political homogenization processes within a regional area. In other words, economic integration, in terms of sharing economic instruments and having high levels of intra-regional trade, and political integration, in terms of similar political systems and relaxed security relations, may constitute two separate dimensions. We find strong relationship among the economic factors and strong relationship among the political factors, but the correlation is low when we examine the boundaries in between. All these set of findings have served to offer a new approach to Aggarwal and Fogarty's dimensions of cohesiveness: we suggest keeping the institutional and power dimensions, to create an economic and a political variable from the variable preferences, and to remove from the original framework the dimensions of coherence and the EU treatment of the counterpart.

We acknowledge that our contribution to the Aggarwal and Fogarty's framework may be partially affected by our own understanding and operationalization of the dimensions and variables they suggest. During the research, this has often supposed a compromise between maintaining the validity of their conceptualization and finding reliable indicators. For practical reasons, we have simplified their conceptualization of regional preferences to a less societal-centered perspective, excluding domestic politics –though it would be very interesting to do so with proper time and resources– and using *regionness* as the operational instrument to obtain the diversity of preferences among states within a regional grouping. Likewise, for practical motives, we excluded the geographical ideal from the

operationalization of one of the variables of coherence and used solely cultural data, easier to obtain and transform to a measurable indicator. In some of the other dimensions, we had to employ IR literature to support the operationalization of the variables. This is the case, for example, of power considerations, which we have used a Krasner and Mansfield's U-shaped vision of states' behavior towards cooperation. In general, however, we think our refinements for suiting the framework to quantitative analysis do not frustrate the intention of capturing a valid notion of Aggarwal and Fogarty meanings.

Either way, bringing a quantitative perspective to the study of interregionalism has helped to shed more light to this branch of IR. The establishment of concrete measurements commonly used for the qualitative study of interregionalism and the employment of a large number of observations and quantitative tools such as correlation tables has helped to complement and expand the theoretical and empirical development of existing literature.

But of course, this attempt also comes with some drawbacks. Having small number of cases complicates the validity of findings, statisticians would argue. On the main hypothesis of the thesis, we have attempted to reduce the uncertainty of the measurements and enhance the internal validity of the results by testing the robustness of the index through several procedures. We also have tested the external validity of the cohesiveness index with another dependent variable to ensure a minimum of replicability. Reliability and validity problems in the research have obliged us to be extremely careful with our assertions drawn from the correlation tables and PCA, taking into account that the possibility of having extreme cases would alter our interpretations of the tables. We have not considered the option to expand N across time, as we were interested in the specific year of the conclusion of trade agreements. But capturing longitudinal data in different years could be a case for future research to improve the validity such assertions as regards to the relationships among variables.

The issue of including time comparisons has been somewhat intentionally avoided in this thesis. It was not initially in the purpose of our research, and moreover we have preferred not to enter in the issue of causality. The use of quantitative time data, however, could be a promising line for further investigation, since more research is needed on interregionalism, on regionalism, and specially on how they impact each other. A stream in the interregionalist literature argues that globalization has become the booster of both interregionalism and regionalism. Another group of scholars suggest that interregionalism reinforces regionalism through a process of interaction and socialization among regional groupings. Instead of placing the causality factors outside the region, this thesis takes an inside-out stance of interregionalism and, without the aim of entering deeper to the causality debate, suggests that we cannot discard that internal aspects might be relevant in explaining region-to-region outcomes. More light could be elucidated in this respect by looking at the evolution in time of different variables treated in this study. And this can be an appealing field for expanding quantitative research in the topic.

Of course, further steps cannot be taken easily without considering other constraints faced by interregionalism literature. Besides the small N problem –having a limited body of evidence on region-to-region interactions– it is also necessary to tackle in a way or another the ontology problem: regions are volatile subjects, not easy to delimit, and their study has led to different approaches creating multiple typologies of regions and interregionalisms. In this respect, we have taken a flexible analysis of interregionalism, moving away from its purest form of formalized relations between two regional organizations. Should the researcher aim to build on the interregionalism literature through quantitative tools, one must be aware of the difficulties to define the main pieces of the area of study and the inevitability to move away from typologies that narrow the scope and the number of cases.

The actor-centered perspective this thesis takes in the study of interregionalism brings also new insights to the general IR discipline, suggesting the concept of cohesiveness as an important element to reduce the number of veto players in international negotiations. Certain features inside the region compel the actors to work together effectively as a unit. The analysis shows that power and institutions represent two central ingredients of cohesiveness that may have strong explanatory power in the signature of agreements. In systems formed by groups of hegemons and small open economies, and in polities where actors have developed practices of understanding and transferred competences to the upper level, the likelihood of signing trade agreements is higher.

All these insights conform a suggestive food for thought for the EU policymaking. The selection of trade partners has followed so far economic criteria and political considerations, targeting market sizes, growth prospects and adherence to international rules. This selection process is based on the assumption that similar regions will be treated similarly and will respond similarly to EU's treatment. We found that, in practice, negotiating with similar states grouped together that receive similar incentives from the EU does not necessarily lead them to higher degrees of cohesiveness that make more likely the European prospects of reaching an agreement. Our results show that other regional dynamics should be taken into consideration.

We suggest, instead, that the EU should not overlook other aspects of the region such as its power considerations and the regional institutional arrangements, as well as the intra-regional patterns of trade. The findings of this thesis indicate that the EU should target regions formed by states strategically interested in trade openness in their regional area, namely large hegemons and small open economies. High patterns of intra-regional trade in the area seem to increase the power-effect on such behaviors, presumably due to the consequences that a trade agreement with the neighbor may have in the terms of trade. The findings also reveal the

importance to target groups of states that have been engaged in institutional practices of regional integration. Taking these factors into consideration would help to increase the likelihood of success in negotiations with united partners that work together effectively in the interregional relations.

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Annex 1. Imputation of missing data

For the missing GDP data, we have used cold deck imputation method (OECD 2008: 55) for the cases of Cook Islands, American Samoa, and Niue. The method suggests replacing the missing value with a value from an external source. For the Cook Islands, we used UN data from 2010. In the case of American Samoa, we used data from the World Bank (GDP without PPP) and 2009 data from the U.S. Department of Commerce (Bureau of Economic Analysis 2017). In the case of Niue, data is gathered from the Australian government (Department of Foreign Affairs and Trade 2017). These states, according to this new data, account only 4 percent of the regional GDP of the Pacific EPA group and we think small variations due to different data sources would not suppose a reliability problem.

Pol and *PolEU* variables use both data from the Polity IV database. For the missing data, we use a combination of the hot and the cold deck imputation method (OECD 2008: 55). The hot deck imputation fills the blanks with individual data drawn from similar units whereas the cold deck imputation replaces the missing values using values from alternative sources. Missing values of our data have been replaced from the similar cases in the Freedom House (FH) data base. The FH index uses a score from 0 to 100 but this rank was not available for data of 2010, when most of our case agreements were concluded. Therefore, the procedure has been the following: a) search for the 2017 FH score of the country whose data is missing, e.g. Antigua and Barbuda scores a 83; b) search for the freedom

rating of the country in the year of the conclusion of the agreement and compare it with the data of 2017: e.g. Antigua and Barbuda rates 2/7 in political rights and 2/7 in civil liberties, the same in 2009 and in 2017. c) search for a country scoring similar to Antigua and Barbuda during the same years in the FH database: e.g. Argentina or Ghana. d) Search for the score of these similar countries in the Polity IV database and apply the results, e.g. Argentina and Ghana both score 8 in Polity IV, thus Antigua and Barbuda in given an estimated 8 for our analysis. e) In case that a country has changed their freedom rating since the conclusion year, an estimation of the change is applied when comparing with the Polity IV database. These are the cases of Nauru, Tonga and Sao Tome and Principe. Finally, for the missing data that has not been found also in the FH database, it has been given a qualitative assessment for estimating the score based on similar cases. It is the case of the Cook Islands, Niue and American Samoa. Finally, Ivory Coast, Haiti, Burundi, Liberia and Congo have been marked as state in transition period. In this case, we have used cold deck imputation giving the closest data.

As regards to the variable *Small*, it uses data from the World Bank on land, population and trade openness. No missing data is accounted for the first two sources. In the case of trade openness, we have used the cold deck imputation method for missing data, replacing the missing value for the closest year in the same source. Botswana, Lesotho, Namibia, and Swaziland have received values *t-1*, whereas Ethiopia has been assigned *t+2* data. In the case of missing data, we have consulted other sources. Sao Tome and Principe exports and imports are taken from OEC and calculated with World Bank GDP data. Cook Islands, Micronesia, Marshall Islands, Nauru, Niue and Tuvalu data is gathered from UNCTAD in year 2010.

The missing trade data for *ExportsR*, *ImportsR*, *ExportsT* and *ImportsT* has been solved as follows. For Mozambique, Kenya, Burundi, and Uganda it has been used *t-1* from OEC database. In the cases of Lesotho and Swaziland, the OEC webpage redirects to South Africa, as they have their

markets highly reliant to South African trade. We have taken the data from the WTO International Trade and Market Access Data.

For Religion and Language data, missing data for the cases not found not found –Eritrea, Malawi, the Cook Islands, Micronesia, Niue, Nauru, and Tuvalu– has been collected in the CIA World Factbook.

Annex 2. Cohesiveness indicators

The following tables show different normalization and pondering methods used for the measurement of the variables. The column of totals aggregates them using the theoretical weighting. Regions are ordered according to their values. Table 13 shows the variables pondering the scores by GDP and normalized through the Min-Max method.

Table 13. Pondered variables with Min-Max

r	*POL*	*ECO*	*SEC*	*AUT*	*ATH*	*POW*	*MEM*	*TRA*	*CUL*	*BAT*	*EUI*	*TOT*
CA	1.00	1.00	0.93	0.47	0.46	0.59	0.50	0.73	0.93	0.86	0.88	*0.72*
MC2	0.99	0.97	1.00	0.45	0.17	0.77	0.50	0.50	0.35	0.86	0.78	*0.67*
CAN	0.89	0.50	0.94	0.64	0.52	0.27	1.00	0.21	1.00	1.00	0.92	*0.66*
CFM	0.87	0.11	0.93	0.39	0.75	1.00	0.09	0.36	0.33	0.86	0.68	*0.65*
MC1	0.98	0.50	0.96	0.44	0.17	0.79	0.05	0.53	0.36	1.00	0.78	*0.62*
PCF	0.51	0.13	0.33	0.29	0.68	0.98	0.12	0.00	0.71	0.66	0.92	*0.57*
GCC	0.92	0.50	0.87	0.00	0.00	0.34	0.83	0.13	0.85	1.00	1.00	*0.54*
WAF	0.47	0.50	0.88	1.00	0.31	0.70	0.93	0.31	0.25	0.08	0.41	*0.54*
ESi	0.24	0.12	0.26	0.69	1.00	0.71	0.86	0.02	0.22	0.29	0.80	*0.53*
SDC	0.07	0.65	0.50	0.48	0.62	0.97	0.60	0.62	0.69	0.00	0.00	*0.51*
ESf	0.12	0.00	0.18	0.69	1.00	0.18	0.98	0.03	0.40	0.64	0.58	*0.44*
EAC	0.21	0.97	0.41	0.97	0.38	0.00	0.24	0.49	0.56	0.41	0.21	*0.39*
CAF	0.26	0.15	0.48	0.24	0.48	0.15	0.00	0.06	0.59	0.35	0.72	*0.31*
ASN	0.00	0.05	0.00	0.21	0.08	0.12	0.93	1.00	0.00	0.77	0.21	*0.28*

Abbreviations of the table: CA = Central America; MC2 = MERCOSUR 2; CFM = CARIFORUM; MC1 = MERCOSUR 1; PCF = Pacific; WAF = Western Africa; ESi = ESA interim; SDC = SADC; ESf = ESA full; CAF = Central Africa; ASN = ASEAN. || Source: Own elaboration.

Table 14 shows the variables pondering the scores by GDP and normalized through the Z-Scores method.

Table 14. Pondered variables with Z-Scores

r	***POL***	***ECO***	***SEC***	***AUT***	***ATH***	***POW***	***MEM***	***TRA***	***CUL***	***BAT***	***EUI***	***TOT***
CA	1.19	1.56	0.89	-0.09	-0.04	0.15	-0.12	1.23	1.42	0.67	0.80	*0.74*
CAN	0.91	0.18	0.92	0.52	0.15	-0.76	1.19	-0.49	1.64	1.09	0.91	*0.69*
MC2	1.15	1.48	1.10	-0.16	-0.96	0.64	-0.12	0.46	-0.56	0.69	0.47	*0.29*
CFM	0.86	-0.92	0.91	-0.39	0.86	1.30	-1.20	0.00	-0.64	0.68	0.14	*0.25*
PCF	-0.07	-0.87	-0.84	-0.75	0.66	1.25	-1.12	-1.17	0.66	0.09	0.92	*0.16*
MC1	1.15	0.18	0.99	-0.20	-0.96	0.70	-1.29	0.58	-0.52	1.09	0.47	*0.15*
GCC	0.98	0.18	0.72	-1.77	-1.50	-0.56	0.75	-0.74	1.12	1.09	1.18	*0.10*
SDC	-1.21	0.59	-0.34	-0.05	0.47	1.21	0.15	0.86	0.59	-1.83	-2.05	*0.00*
WAF	-0.17	0.17	0.76	1.78	-0.52	0.44	1.02	-0.16	-0.92	-1.59	-0.74	*0.00*
ESi	-0.76	-0.89	-1.04	0.68	1.67	0.47	0.82	-1.09	-1.02	-0.99	0.53	*-0.05*
ESf	-1.08	-1.23	-1.26	0.68	1.67	-1.03	1.14	-1.08	-0.41	0.04	-0.16	*-0.23*
EAC	-0.84	1.48	-0.62	1.69	-0.30	-1.53	-0.79	0.44	0.16	-0.64	-1.37	*-0.37*
CAF	-0.72	-0.81	-0.39	-0.90	0.03	-1.10	-1.42	-0.98	0.26	-0.80	0.28	*-0.64*
ASN	-1.39	-1.09	-1.80	-1.04	-1.24	-1.20	0.99	2.13	-1.77	0.41	-1.36	*-1.09*

Abbreviations of the table: CA = Central America; MC2 = MERCOSUR 2; CFM = CARIFORUM; MC1 = MERCOSUR 1; PCF = Pacific; WAF = Western Africa; ESi = ESA interim; SDC = SADC; ESf = ESA full; CAF = Central Africa; ASN = ASEAN. || Source: Own elaboration.

Table 15 shows the variables pondering the scores by GDP and normalizing through the Scaling method.

Table 15. Pondered variables with Scaling

r	*POL*	*ECO*	*SEC*	*AUT*	*ATH*	*POW*	*MEM*	*TRA*	*CUL*	*BAT*	*EUI*	*TOT*
CAN	69	54	85	69	62	4	100	38	100	85	85	*72*
CA	100	100	69	54	46	46	38	92	92	62	77	*68*
MC2	92	85	100	46	15	69	38	69	4	77	54	*59*
GCC	77	62	54	0	0	38	62	4	85	85	100	*57*
PCF	54	4	23	23	77	92	23	0	77	46	92	*57*
CFM	62	15	77	4	85	100	15	54	23	69	38	*55*
SDC	8	77	46	62	69	85	54	85	69	0	0	*51*
MC1	85	69	92	38	15	77	8	77	38	85	54	*51*
WAF	46	46	62	100	4	54	85	46	15	8	23	*49*
ESi	4	23	15	77	92	62	69	8	8	15	69	*45*
EAC	23	85	4	92	38	0	4	62	54	4	8	*44*
ESf	15	0	8	77	92	23	92	15	46	38	4	*44*
CAF	38	38	38	15	54	15	0	23	62	23	46	*28*
ASN	0	8	0	8	8	8	77	100	0	54	15	*15*

Abbreviations of the table: CA = Central America; MC2 = MERCOSUR 2; CFM = CARIFORUM; MC1 = MERCOSUR 1; PCF = Pacific; WAF = Western Africa; ESi = ESA interim; SDC = SADC; ESf = ESA full; CAF = Central Africa; ASN = ASEAN. || Source: Own elaboration.

The variables in the next three tables have been obtained without pondering all the variables with the GDP. This means that each country in the region counts equally, regardless of its relative size. The column of totals aggregates them using the theoretical weighting. Regions are ranked in the totals column according to their values of cohesiveness. Table 16 shows the variables without pondering the scores by GDP and normalizing through the Min-Max method.

Table 16. Non-pondered variables with Min-Max

r	***POL***	***ECO***	***SEC***	***AUT***	***ATH***	***POW***	***MEM***	***TRA***	***CUL***	***BAT***	***EUI***	***TOT***
MC2	1.00	1.00	1.00	0.59	0.28	0.70	0.57	0.59	0.35	1.00	0.71	*0.70*
CA	0.94	0.90	0.91	0.57	0.53	0.35	0.45	0.73	0.93	1.00	0.85	*0.69*
CAN	0.87	0.52	0.77	0.74	0.58	0.23	1.00	0.27	1.00	1.00	0.95	*0.67*
MC1	0.98	0.52	0.93	0.47	0.12	0.70	0.34	0.77	0.37	1.00	0.71	*0.63*
PCF	0.59	0.16	0.35	0.41	0.69	0.87	0.20	0.01	0.71	0.61	0.91	*0.57*
CFM	0.84	0.18	0.88	0.31	0.78	0.51	0.37	0.18	0.34	0.83	0.68	*0.55*
GCC	0.93	0.04	0.78	0.22	0.13	0.38	0.53	0.05	0.86	1.00	1.00	*0.52*
WAF	0.49	0.52	0.85	0.74	0.37	0.52	0.87	0.32	0.24	0.00	0.40	*0.48*
ESi	0.00	0.13	0.28	0.75	1.00	0.47	0.71	0.00	0.23	0.24	0.73	*0.46*
SDC	0.11	0.68	0.27	0.00	0.67	1.00	0.27	0.18	0.70	0.21	0.00	*0.44*
ESf	0.06	0.00	0.22	0.75	1.00	0.08	0.71	0.01	0.41	0.57	0.62	*0.40*
EAC	0.17	0.52	0.07	1.00	0.46	0.00	0.00	0.45	0.57	0.30	0.44	*0.34*
CAF	0.32	0.15	0.30	0.43	0.55	0.03	0.11	0.04	0.59	0.23	0.79	*0.31*
ASN	0.07	0.05	0.00	0.38	0.00	0.01	0.94	1.00	0.00	0.73	0.29	*0.28*

Abbreviations of the table: CA = Central America; MC2 = MERCOSUR 2; CFM = CARIFORUM; MC1 = MERCOSUR 1; PCF = Pacific; WAF = Western Africa; ESi = ESA interim; SDC = SADC; ESf = ESA full; CAF = Central Africa; ASN = ASEAN. || Source: Own elaboration.

Table 17 shows the variables without pondering the scores by GDP and normalizing through the Min-Max method.

Table 17. Non-pondered variables with Z-Scores

r	*POL*	*ECO*	*SEC*	*AUT*	*ATH*	*POW*	*MEM*	*TRA*	*CUL*	*BAT*	*EUI*	*TOT*
CAN	0.86	0.41	0.64	0.81	0.23	-0.57	1.58	-0.17	1.63	1.03	1.08	*0.83*
CA	1.04	1.58	1.02	0.16	0.06	-0.20	-0.17	1.21	1.40	1.03	0.72	*0.72*
MC2	1.20	1.88	1.27	0.23	-0.75	0.87	0.21	0.80	-0.58	1.03	0.22	*0.47*
PCF	0.15	-0.68	-0.55	-0.43	0.58	1.39	-0.98	-0.97	0.64	-0.03	0.93	*0.22*
WAF	-0.10	0.42	0.86	0.83	-0.45	0.32	1.18	-0.02	-0.95	-1.71	-0.90	*0.21*
MC1	1.15	0.41	1.07	-0.23	-1.27	0.87	-0.54	1.33	-0.52	1.03	0.22	*0.13*
SDC	-1.06	0.91	-0.76	-2.01	0.51	1.79	-0.74	-0.46	0.62	-1.13	-2.33	*0.09*
CFM	0.80	-0.63	0.94	-0.82	0.86	0.28	-0.44	-0.45	-0.61	0.57	0.11	*-0.03*
ESi	-1.33	-0.77	-0.74	0.87	1.57	0.16	0.65	-1.00	-1.00	-1.04	0.28	*-0.06*
GCC	1.03	-1.06	0.66	-1.16	-1.23	-0.12	0.08	-0.86	1.15	1.03	1.27	*-0.08*
ESf	-1.17	-1.17	-0.90	0.87	1.57	-1.05	0.65	-0.96	-0.38	-0.16	-0.11	*-0.24*
EAC	-0.90	0.41	-1.31	1.82	-0.17	-1.29	-1.62	0.38	0.17	-0.89	-0.73	*-0.42*
CAF	-0.52	-0.71	-0.67	-0.36	0.12	-1.19	-1.26	-0.88	0.22	-1.08	0.51	*-0.70*
ASN	-1.15	-1.02	-1.52	-0.57	-1.65	-1.27	1.40	2.04	-1.78	0.30	-1.27	*-1.14*

Abbreviations of the table: CA = Central America; MC2 = MERCOSUR 2; CFM = CARIFORUM; MC1 = MERCOSUR 1; PCF = Pacific; WAF = Western Africa; ESi = ESA interim; SDC = SADC; ESf = ESA full; CAF = Central Africa; ASN = ASEAN. || Source: Own elaboration.

Table 18 shows the variables without pondering the scores by GDP and normalizing through the Scaling method.

Table 18. Variables non-pondered with Scaling

r	*POL*	*ECO*	*SEC*	*AUT*	*ATH*	*POW*	*MEM*	*TRA*	*CUL*	*BAT*	*EUI*	*TOT*
CA	85	92	85	54	46	38	46	85	92	69	77	*71*
CAN	69	54	54	69	62	4	100	54	100	77	92	*71*
MC2	100	100	100	62	23	77	62	77	4	77	46	*67*
PCF	54	38	46	31	77	54	92	15	8	69	46	*65*
WAF	46	77	69	77	4	69	85	62	15	0	15	*62*
SDC	23	85	23	0	69	100	23	38	69	8	0	*58*
MC1	92	54	92	46	8	77	4	92	38	77	46	*54*
GCC	77	8	62	8	15	46	54	4	85	77	100	*46*
CFM	62	46	77	15	85	62	38	46	23	62	38	*44*
ESf	8	0	15	85	92	23	77	15	46	38	4	*44*
ESi	0	23	4	85	92	54	69	0	8	23	62	*42*
EAC	4	69	8	100	38	0	0	69	54	4	23	*33*
CAF	38	4	38	38	54	15	8	23	62	15	69	*25*
ASN	15	15	0	23	0	8	92	100	0	54	8	*13*

Abbreviations of the table: CA = Central America; MC2 = MERCOSUR 2; CFM = CARIFORUM; MC1 = MERCOSUR 1; PCF = Pacific; WAF = Western Africa; ESi = ESA interim; SDC = SADC; ESf = ESA full; CAF = Central Africa; ASN = ASEAN. || Source: Own elaboration.

Annex 3. Variables of the indicators

Table 19 illustrates the first group of variables used for the construction of the CCI that use the state as unit of analysis.

Table 19. Variables with the state (i) as unit (1)

r	*Country*	*GDP*	*Pol*	*Trade*	*GDP/World*	*Pop (m)*
1	Antigua & Barbuda	2129440525	0.9	116	0.003	92
1	Barbados	4283565545	1	98	0.005	277
1	Belize	2338133534	0.95	132	0.003	306
1	Dominica	703399601	1	96	0.001	71
1	Dominican Republic	96731892071	0.9	61	0.117	9636
1	Grenada	1209835050	1	79	0.001	103
1	Guyana	3881258194	0.8	138	0.005	746
1	Haiti	14811519348	0.8	56	0.018	9705
1	Jamaica	22958888391	0.95	113	0.028	2790
1	Saint Kitts	1116268444	1	91	0.001	50
1	Saint Lucia	1835057563	1	114	0.002	169
1	Saint Vincent	1100504460	1	92	0.001	109
1	Surinam	6629902342	0.75	109	0.008	515
1	The Bahamas	8156328769	1	100	0.010	348
1	Trinidad & Tobago	40373855858	1	101	0.049	1315
2	Costa Rica	65779909103	1	68	0.066	4654
2	El Salvador	47727037752	0.9	70	0.048	6221

r	*Country*	*GDP*	*Pol*	*Trade*	*GDP/World*	*Pop (m)*
2	Guatemala	107297400117	0.9	61	0.107	15271
2	Honduras	35834494560	0.85	121	0.036	8505
2	Nicaragua	28419322955	0.95	115	0.027	5877
2	Panama	69870441179	1	150	0.070	3772
3	Botswana	37657768014	0.9	105	0.031	2250
3	Lesotho	6676113038	0.9	127	0.006	2203
3	Mozambique	26247669891	0.8	112	0.029	28829
3	Namibia	35088683802	0.75	112	0.022	2479
3	South Africa	739419184416	0.95	60	0.615	55908
3	Swaziland	11205076630	0.05	97	0.009	1343
4	Madagascar	28295673249	0.5	74	0.034	20569
4	Mauritius	18481668540	1	104	0.022	1247
4	Seychelles	1670126998	0.9	225	0.002	87
4	Zimbabwe	17248072759	0.55	58	0.021	13810
11	Comoros	922669571	0.8	63	0.001	673
11	Djibouti	2097512651	0.6	117	0.003	836
11	Eritrea	5890463355	0.15	28	0.007	4310
11	Ethiopia	80993822423	0.8	48	0.097	85416
11	Madagascar	28295673249	0.5	74	0.034	20569
11	Malawi	14189510517	0.8	51	0.017	14714
11	Mauritius	18481668540	1	104	0.022	1247
11	Seychelles	1670126998	0.9	225	0.002	87
11	Sudan	139981320353	0.3	35	0.168	33650
11	Zambia	39857780125	0.85	56	0.048	13456
11	Zimbabwe	17248072759	0.55	58	0.021	13810
12	Argentina 1	481425332916	0.9	41	0.791	38728
12	Brazil 1	1921638611572	0.9	30	3.159	184738
12	Paraguay 1	29955986008	0.9	96	0.049	5703
12	Uruguay 1	34640523175	1	61	0.057	3324
13	Argentina 2	824212325824	0.9	31	0.825	42096
13	Brazil 2	3087961712327	0.9	25	3.092	200560

r	*Country*	*GDP*	*Pol*	*Trade*	*GDP/World*	*Pop (m)*
13	Paraguay 2	47506734022	0.9	99	0.048	6379
13	Uruguay 2	63919673072	1	55	0.064	3396
14	Brunei Darussalam	29536750160	0.25	109	0.035	383
14	Indonesia	1863773890433	0.9	46	2.236	239340
14	Malaysia	536877098894	0.8	163	0.644	27605
14	Philippines	471754213663	0.95	65	0.566	92220
14	Singapore	307468099910	0.4	361	0.369	4987
14	Thailand	816049899794	0.7	119	0.979	66881
14	Vietnam	354717704806	0.15	136	0.426	86025
15	Bolivia	47873330022	0.9	83	0.058	9599
15	Colombia	454954372410	0.85	38	0.551	44901
15	Ecuador	128879488764	0.75	68	0.156	14447
15	Peru	256532331728	0.95	58	0.311	28641
16	Bahrain	45750754990	0.15	146	0.055	1114
16	Kuwait	238741850314	0.15	93	0.289	2652
16	Oman	119107618383	0.1	96	0.144	2759
16	Qatar	159791627772	0	89	0.194	1389
16	Saudi Arabia	1163234174767	0	96	1.409	25940
16	UAE	475030915085	0.1	149	0.575	6894
17	Cameroon	49696600513	0.3	37	0.060	18907
17	CAR	3710661655	0.45	34	0.004	4345
17	Chad	19508303017	0.4	77	0.023	11502
17	Congo. Dem. Rep.	35544357956	0.75	64	0.043	60373
17	Congo. Rep.	20249558528	0.3	120	0.024	4115
17	Equatorial Guinea	34088542632	0.2	122	0.041	868
17	Gabon	22765426236	0.65	83	0.027	1536
17	Sao Tome & Principe	418925647	0.95	75	0.001	166
18	Burundi	8187305239	0.45	38	0.007	10524
18	Kenya	152941817637	0.95	38	0.127	48461
18	Rwanda	22802984391	0.35	48	0.019	11917
18	Tanzania	150336018559	0.65	37	0.125	55572

r	*Country*	*GDP*	*Pol*	*Trade*	*GDP/World*	*Pop (m)*
18	Uganda	76702400286	0.45	45	0.064	41487
19	Benin	15383136312	0.85	56	0.019	8696
19	Burkina Faso	19129040395	0.5	36	0.023	14689
19	Cabo Verde	2807818687	1	100	0.003	491
19	Cote d'Ivoire	50055049171	0.7	87	0.061	19497
19	Gambia. The	2373579535	0.25	56	0.003	1588
19	Ghana	63681669732	0.9	70	0.077	23298
19	Guinea	12184564691	0.45	75	0.015	10323
19	Guinea-Bissau	1930259179	0.8	53	0.002	1480
19	Liberia	2375182613	0.8	179	0.003	3662
19	Mali	24568186514	0.85	64	0.030	14138
19	Mauritania	11093241544	0.25	113	0.013	3407
19	Niger	11937133416	0.8	53	0.014	15228
19	Nigeria	680353840818	0.7	65	0.824	150347
19	Senegal	25356946952	0.85	79	0.031	12203
19	Sierra Leone	6849328423	0.85	39	0.008	6165
19	Togo	7012076137	0.3	87	0.008	6161
20	American Samoa	703000000	0.9	160	0.000	1
20	Cook Islands	255000000	0.95	37	0.000	1
20	Fiji	5944159874	0.6	109	0.008	843
20	Kiribati	174860148	1	103	0.000	1
20	Marshall Islands	164545084	1	111	0.000	1
20	Micronesia. Fed. Sts.	326447977	1	66	0.000	1
20	Nauru	56336866	0.95	113	0.000	1
20	Niue	20400000	0.9	105	0.000	1
20	Palau	238035772	1	118	0.000	1
20	Papua New Guinea	13336410534	0.75	131	0.015	6787
20	Samoa	968619333	0.95	82	0.001	1
20	Solomon Islands	852047686	0.9	97	0.001	1
20	Tonga	485033055	0.6	77	0.001	1
20	Tuvalu	31507017	1	51	0.000	1

r	Country	GDP	Pol	Trade	GDP/World	Pop (m)
20	Vanuatu	663470298	0.95	105	0.001	1

Source: Own elaboration

Table 20 illustrates the first group of variables used for the construction of the CCI that use the state as unit of analysis.

Table 20. Variables with the state (i) as unit (2)

r	Country	Land	Member	(Exp+Imp)/2	EcoEU	PolEU
1	Antigua & Barbuda	440	1	11.35	11.5	90
1	Barbados	430	1	35.33	22.3	100
1	Belize	22810	1	3.20	14.6	95
1	Dominica	750	1	21.06	3	100
1	Dominican Republic	48310	0.5	6.53	66.9	90
1	Grenada	340	1	27.86	4.6	100
1	Guyana	196850	1	21.49	21.5	80
1	Haiti	27560	0.6	19.14	36.1	75
1	Jamaica	10830	1	11.55	44.6	95
1	Saint Kitts	260	1	12.83	4.6	100
1	Saint Lucia	610	1	10.49	6.9	100
1	Saint Vincent	390	1	12.71	11.5	100
1	Surinam	156000	0.72	19.59	30	75
1	The Bahamas	10010	0.92	0.85	27.6	100
1	Trinidad & Tobago	5130	1	10.62	56.1	100
2	Costa Rica	51060	0.85	10.40	69.2	100
2	El Salvador	20720	0.85	30.75	52.3	90
2	Guatemala	107160	0.85	19.77	67.6	90
2	Honduras	111890	0.85	16.18	47.6	85
2	Nicaragua	120340	0.85	17.34	37.6	95
2	Panama	74340	0.85	12.74	63.8	95
3	Botswana	566730	1	52.20	48.4	90
3	Lesotho	30360	1	55.20	18.4	90

r	*Country*	*Land*	*Member*	*(Exp+Imp)/2*	*EcoEU*	*PolEU*
3	Mozambique	786380	1	22.80	51.5	75
3	Namibia	823290	0.93	49.89	41.5	80
3	South Africa	1213090	0.87	10.48	86.1	95
3	Swaziland	17200	0.9	84.00	23.8	5
4	Madagascar	581800	0.97	3.46	39.2	50
4	Mauritius	2030	0.97	5.32	41.5	100
4	Seychelles	460	0.63	5.73	9.2	90
4	Zimbabwe	386850	0.97	0.75	45.3	55
11	Comoros	1861	1	6.13	6.9	80
11	Djibouti	23180	1	15.26	15.3	60
11	Eritrea	101000	0.75	14.94	25.3	15
11	Ethiopia	1000000	1	5.08	63	35
11	Madagascar	581800	1	3.89	39.2	50
11	Malawi	94280	1	6.18	26.1	80
11	Mauritius	2030	1	6.67	41.5	100
11	Seychelles	460	0.63	5.54	9.2	90
11	Sudan	2376000	1	1.04	72.3	30
11	Zambia	743390	1	3.54	56.1	85
11	Zimbabwe	386850	1	4.18	45.3	55
12	Argentina 1	2736690	0.72	27.00	90	90
12	Brazil 1	8358140	0.72	9.34	98.4	90
12	Paraguay 1	397300	0.72	48.65	59.2	100
12	Uruguay 1	175020	0.72	34.20	64.6	100
13	Argentina 2	2736690	0.85	25.99	90	90
13	Brazil 2	8358140	0.85	8.84	98.4	90
13	Paraguay 2	397300	0.85	30.95	59.2	100
13	Uruguay 2	175020	0.85	28.15	64.6	100
14	Brunei Darussalam	5270	0.92	36.10	43	25
14	Indonesia	1811570	1	27.31	93	90
14	Malaysia	328550	1	25.96	87.6	80
14	Philippines	298170	1	16.65	85.3	95

r	*Country*	*Land*	*Member*	*(Exp+Imp)/2*	*EcoEU*	*PolEU*
14	Singapore	709	1	24.93	81.5	40
14	Thailand	510890	1	16.64	90.7	70
14	Vietnam	310070	0.73	16.82	78.4	15
15	Bolivia	1083300	1	9.12	60	90
15	Colombia	1109500	1	5.02	89.2	85
15	Ecuador	248360	1	12.55	73.8	75
15	Peru	1280000	1	7.75	80.7	95
16	Bahrain	771	0.95	15.45	56.1	15
16	Kuwait	17820	0.95	6.36	76.1	15
16	Oman	309500	0.95	17.57	71.5	10
16	Qatar	11610	0.95	8.42	77.6	0
16	Saudi Arabia	2149690	0.95	3.26	92.3	0
16	UAE	83600	0.95	6.12	86.9	10
17	Cameroon	472710	0.75	3.89	58.4	30
17	CAR	622980	0.75	6.41	17.6	45
17	Chad	1259200	0.75	3.84	38.4	40
17	Congo. Dem. Rep.	2267050	0.5	0.70	53	75
17	Congo. Rep.	341500	0.75	7.29	46.9	30
17	Equatorial Guinea	28050	0.75	2.89	35.3	20
17	Gabon	257670	0.75	8.84	49.2	65
17	Sao Tome & Principe	960	0.5	10.77	4.6	95
18	Burundi	25680	0.65	19.05	22.3	45
18	Kenya	569140	0.78	12.57	70	95
18	Rwanda	24670	0.65	24.87	33	35
18	Tanzania	885800	0.78	6.43	61.5	65
18	Uganda	200520	0.78	21.39	55.3	45
19	Benin	112760	1	20.76	33.8	85
19	Burkina Faso	273600	1	21.52	43	50
19	Cabo Verde	4030	1	9.58	16.9	100
19	Cote d'Ivoire	318000	1	26.97	60.7	70
19	Gambia. The	10120	1	13.13	11.5	25

r	*Country*	*Land*	*Member*	*(Exp+Imp)/2*	*EcoEU*	*PolEU*
19	Ghana	227540	1	12.24	65.3	90
19	Guinea	245720	0	4.64	30.7	45
19	Guinea-Bissau	28120	0.68	17.86	9.2	80
19	Liberia	96320	1	10.37	16.1	80
19	Mali	1220190	1	22.51	39.2	85
19	Mauritania	1030700	0.5	8.10	29.2	25
19	Niger	1266700	1	19.78	32.3	80
19	Nigeria	910770	1	5.35	83	70
19	Senegal	192530	1	28.44	28.4	85
19	Sierra Leone	72180	1	6.14	46.1	85
19	Togo	54390	1	36.87	26.9	30
20	American Samoa	1	0.5	11.04	-	-
20	Cook Islands	1	1	1.37	-	-
20	Fiji	18270	0	7.46	20	60
20	Kiribati	1	1	8.17	0.7	100
20	Marshall Islands	1	0.82	0.10	0.7	100
20	Micronesia. Fed. Sts.	1	1	0.07	0.7	100
20	Nauru	1	1	0.49	-	-
20	Niue	1	1	0.11	-	-
20	Palau	1	0.73	0.16	-	-
20	Papua New Guinea	452860	1	0.27	49.2	75
20	Samoa	1	1	6.48	6.9	90
20	Solomon Islands	1	1	2.65	11.5	90
20	Tonga	1	1	6.98	3	65
20	Tuvalu	1	1	11.28	0	100
20	Vanuatu	1	1	3.65	9.2	90

Source: Own elaboration

Table 21 illustrates the first group of variables used for the construction of the CCI that use the state as unit of analysis.

Table 21. Variables with the region (r) as unit

Region	*r*	*n*	*Auth.*	*Auton.*	*RelPOP*	*RelGDP*	*LangVP*	*LangGDP*
CARIFORUM	1	14	0.341	0.245	83.3	84.7	100	100
Central America	2	6	0.312	0.330	59.9	53	62.9	34
SADC	3	6	0.345	0.293	43.4	50.6	73.3	94.8
ESA interim	4	4	0.416	0.406	42.1	33.7	50	35
ESA full	11	11	0.416	0.406	35.8	34.3	67.3	63.7
MERCOSUR 1	12	4	0.331	0.158	78.1	77.7	50	14.8
MERCOSUR 2	13	4	0.335	0.158	76.1	75.2	50	15.5
ASEAN	14	7	0.400	0.263	22	95.4	100	100
CAN	15	5	0.250	0.131	95.3	23.8	19	9.6
GCC	16	6	0.179	0.107	76.5	70.8	100	100
Central Africa	17	8	0.263	0.252	42	42.7	78.6	87.1
EAC	18	5	0.513	0.220	51	49.4	70	75.4
West Africa	19	16	0.522	0.199	41.5	43.7	33.3	29.9
Pacific	20	15	0.278	0.311	53.9	48.9	86.7	99.7

Source: Own elaboration

Table 22 illustrates the variables used for the construction of the CCI that use the dyad as unit of analysis.

Table 22. Variables with the dyad (ij) as unit

r	*Country A*	*Country B*	*Econ*	*Ally*	*Dispute*	*Lang*	*Instr*
1	Antigua & Barbuda	Barbados	0.8	1	1	1	1
1	Antigua & Barbuda	Belize	0.8	0.68	1	1	1
1	Antigua & Barbuda	Dominica	1	1	1	1	1
1	Antigua & Barbuda	Dominican Republic	0	1	1	0	1
1	Antigua & Barbuda	Grenada	1	1	1	1	1
1	Antigua & Barbuda	Guyana	0.8	0.68	1	1	1
1	Antigua & Barbuda	Jamaica	0.8	1	1	1	1
1	Antigua & Barbuda	Saint Kitts	1	1	1	1	1
1	Antigua & Barbuda	Saint Lucia	1	1	1	1	1

r	*Country A*	*Country B*	*Econ*	*Ally*	*Dispute*	*Lang*	*Instr*
1	Antigua & Barbuda	Saint Vincent	1	1	1	1	1
1	Antigua & Barbuda	Surinam	0.8	1	1	0	1
1	Antigua & Barbuda	The Bahamas	0.8	1	1	1	1
1	Antigua & Barbuda	Trinidad & Tobago	0.8	1	1	1	1
1	Barbados	Belize	0.8	0.68	1	1	1
1	Barbados	Dominica	0.8	1	1	1	1
1	Barbados	Dominican Republic	0	1	1	0	1
1	Barbados	Grenada	0.8	1	1	1	1
1	Barbados	Guyana	0.8	0.68	1	1	1
1	Barbados	Jamaica	0.8	1	1	1	1
1	Barbados	Saint Kitts	0.8	0.96	1	1	1
1	Barbados	Saint Lucia	0.8	1	1	1	1
1	Barbados	Saint Vincent	0.8	1	1	1	1
1	Barbados	Surinam	0.8	1	1	0	1
1	Barbados	Trinidad & Tobago	0.8	1	1	1	1
1	Belize	Dominica	0.8	0.68	1	1	1
1	Belize	Dominican Republic	0	0.68	1	0	1
1	Belize	Grenada	0.8	0.68	1	1	1
1	Belize	Guyana	0.8	0.68	1	1	1
1	Belize	Jamaica	0.8	0.68	1	1	1
1	Belize	Saint Kitts	0.8	0.68	1	1	1
1	Belize	Saint Lucia	0.8	0.68	1	1	1
1	Belize	Saint Vincent	0.8	0.68	1	1	1
1	Belize	Surinam	0.8	0.68	1	0	1
1	Belize	Trinidad & Tobago	0.8	0.68	1	1	1
1	Dominica	Dominican Republic	0	1	1	0	1
1	Dominica	Grenada	1	1	1	1	1
1	Dominica	Guyana	0.8	0.68	1	1	1
1	Dominica	Jamaica	0.8	1	1	1	1
1	Dominica	Saint Kitts	1	1	1	1	1
1	Dominica	Saint Lucia	1	1	1	1	1

r	*Country A*	*Country B*	*Econ*	*Ally*	*Dispute*	*Lang*	*Instr*
1	Dominica	Saint Vincent	1	1	1	1	1
1	Dominica	Surinam	0.8	1	1	0	1
1	Dominica	Trinidad & Tobago	0.8	1	1	1	1
1	Grenada	Dominican Republic	0	1	1	0	1
1	Grenada	Guyana	0.8	0.68	1	1	1
1	Grenada	Jamaica	0.8	1	1	1	1
1	Grenada	Saint Kitts	1	0.96	1	1	1
1	Grenada	Saint Lucia	1	1	1	1	1
1	Grenada	Saint Vincent	1	1	1	1	1
1	Grenada	Surinam	0.8	1	1	0	1
1	Grenada	Trinidad & Tobago	0.8	1	1	1	1
1	Guyana	Dominican Republic	0	0.68	1	0	1
1	Guyana	Jamaica	0.8	0.68	1	1	1
1	Guyana	Saint Kitts	0.8	0.68	1	1	1
1	Guyana	Saint Lucia	0.8	0.68	1	1	1
1	Guyana	Saint Vincent	0.8	0.68	1	1	1
1	Guyana	Surinam	0.8	0.68	0.32	0	1
1	Guyana	Trinidad & Tobago	0.8	0.68	1	1	1
1	Haiti	Antigua & Barbuda	0.8	1	1	0	0.5
1	Haiti	Barbados	0.8	1	1	0	0.5
1	Haiti	Belize	0.8	0.68	1	0	0.5
1	Haiti	Dominica	0.8	1	0.84	0	0.5
1	Haiti	Dominican Republic	0.8	1	0.16	0	0.5
1	Haiti	Grenada	0.8	1	1	0	0.5
1	Haiti	Guyana	0.8	0.68	1	0	0.5
1	Haiti	Jamaica	0.8	1	1	0	0.5
1	Haiti	Saint Kitts	0.8	0.96	1	0	0.5
1	Haiti	Saint Lucia	0.8	1	1	0	0.5
1	Haiti	Saint Vincent	0.8	1	1	0	0.5
1	Haiti	Surinam	0.8	1	1	0	0.5
1	Haiti	The Bahamas	0.8	1	1	0	0.5

r	*Country A*	*Country B*	*Econ*	*Ally*	*Dispute*	*Lang*	*Instr*
1	Haiti	Trinidad & Tobago	0.8	1	1	0	0.5
1	Jamaica	Dominican Republic	0	1	1	0	1
1	Jamaica	Saint Kitts	0.8	0.96	1	1	1
1	Jamaica	Saint Lucia	0.8	1	1	1	1
1	Jamaica	Saint Vincent	0.8	1	1	1	1
1	Jamaica	Surinam	0.8	1	1	0	1
1	Jamaica	Trinidad & Tobago	0.8	1	1	1	1
1	Saint Kitts	Dominican Republic	0	0.96	1	0	1
1	Saint Kitts	Surinam	0.8	0.96	1	0	1
1	Saint Kitts	Trinidad & Tobago	0.8	0.96	1	1	1
1	Saint Lucia	Dominican Republic	0	1	1	0	1
1	Saint Lucia	Saint Kitts	1	1	1	1	1
1	Saint Lucia	Saint Vincent	1	1	1	1	1
1	Saint Lucia	Surinam	0.8	1	1	0	1
1	Saint Lucia	Trinidad & Tobago	0.8	1	1	1	1
1	Saint Vincent	Dominican Republic	0	1	1	0	1
1	Saint Vincent	Saint Kitts	1	1	1	1	1
1	Saint Vincent	Surinam	0.8	1	1	0	1
1	Saint Vincent	Trinidad & Tobago	0.8	1	1	1	1
1	Surinam	Dominican Republic	0	1	1	0	1
1	Surinam	Trinidad & Tobago	0.8	1	1	0	1
1	The Bahamas	Barbados	0.8	1	1	1	1
1	The Bahamas	Belize	0.8	0.68	1	1	1
1	The Bahamas	Dominica	0.8	1	1	1	1
1	The Bahamas	Dominican Republic	0	1	1	0	1
1	The Bahamas	Grenada	0.8	1	1	1	1
1	The Bahamas	Guyana	0.8	0.68	1	1	1
1	The Bahamas	Jamaica	0.8	1	1	1	1
1	The Bahamas	Saint Kitts	0.8	0.96	1	1	1
1	The Bahamas	Saint Lucia	0.8	1	1	1	1
1	The Bahamas	Saint Vincent	0.8	1	1	1	1

r	*Country A*	*Country B*	*Econ*	*Ally*	*Dispute*	*Lang*	*Instr*
1	The Bahamas	Surinam	0.8	1	1	0	1
1	The Bahamas	Trinidad & Tobago	0.8	1	1	1	1
1	Trinidad & Tobago	Dominican Republic	0	1	1	0	1
2	Costa Rica	El Salvador	0.8	1	1	1	1
2	Costa Rica	Honduras	0.8	1	1	1	1
2	Costa Rica	Nicaragua	0.8	1	0.08	1	1
2	El Salvador	Honduras	0.8	1	0.76	1	1
2	El Salvador	Nicaragua	0.8	1	0.6	1	1
2	Guatemala	Costa Rica	0.8	1	1	1	1
2	Guatemala	El Salvador	0.8	1	1	1	1
2	Guatemala	Honduras	0.8	1	1	1	1
2	Guatemala	Nicaragua	0.8	1	1	1	1
2	Honduras	Nicaragua	0.8	1	0.44	1	1
2	Panama	Costa Rica	0.8	1	0.96	1	0.84
2	Panama	El Salvador	1	1	1	1	0.84
2	Panama	Guatemala	0.8	1	1	1	0.84
2	Panama	Honduras	0.8	1	1	1	0.84
2	Panama	Nicaragua	0.8	1	1	1	0.84
3	Botswana	Lesotho	0.6	0	1	1	0
3	Botswana	Mozambique	0.4	0	1	0	0
3	Botswana	Namibia	0.6	0	0.6	1	1
3	Botswana	South Africa	0.6	0	1	1	0.1
3	Botswana	Swaziland	0.6	0	1	1	0.5
3	Lesotho	Mozambique	0.4	0	1	0	1
3	Lesotho	Namibia	0.8	0	1	1	0
3	Lesotho	South Africa	0.8	0	0.88	1	0.9
3	Lesotho	Swaziland	0.8	0	1	1	0.5
3	Mozambique	Namibia	0.4	0	1	0	0
3	Mozambique	South Africa	0.4	1	1	1	0.9
3	Mozambique	Swaziland	0.4	0	0.88	0	0.5
3	Namibia	South Africa	0.8	0	1	1	0.1

r	*Country A*	*Country B*	*Econ*	*Ally*	*Dispute*	*Lang*	*Instr*
3	Namibia	Swaziland	0.8	0	1	1	0.5
3	South Africa	Swaziland	0.8	1	1	1	0.6
4	Madagascar	Mauritius	0.4	0	1	0	0.5
4	Madagascar	Seychelles	0.4	0	1	1	0.5
4	Madagascar	Zimbabwe	0.4	0	1	0	0.5
4	Mauritius	Seychelles	0.4	0	1	1	1
4	Mauritius	Zimbabwe	0.6	0	1	0	1
4	Zimbabwe	Seychelles	0.4	0	1	1	1
11	Comoros	Djibouti	0.4	0	1	1	1
11	Comoros	Eritrea	0.4	0	1	1	1
11	Comoros	Ethiopia	0.4	0	1	0	1
11	Comoros	Madagascar	0.4	0	1	1	1
11	Comoros	Malawi	0.4	0	1	0	1
11	Comoros	Mauritius	0.4	0	1	0	0.5
11	Comoros	Seychelles	0.2	0	1	1	0.5
11	Comoros	Sudan	0.4	0	1	1	1
11	Comoros	Zambia	0.4	0	1	0	1
11	Comoros	Zimbabwe	0.4	0	1	0	0.5
11	Djibouti	Eritrea	0.4	0	0.04	1	1
11	Djibouti	Ethiopia	0.4	0	1	0	1
11	Djibouti	Madagascar	0.4	0	1	1	1
11	Djibouti	Malawi	0.4	0	1	0	1
11	Djibouti	Mauritius	0.4	0	1	0	0.5
11	Djibouti	Seychelles	0.2	0	1	1	0.5
11	Djibouti	Sudan	0.4	0	1	1	1
11	Djibouti	Zambia	0.4	0	1	0	1
11	Djibouti	Zimbabwe	0.4	0	1	0	0.5
11	Eritrea	Ethiopia	0.4	0.36	0	0	1
11	Eritrea	Madagascar	0.4	0	1	1	1
11	Eritrea	Malawi	0.4	0	1	1	1
11	Eritrea	Mauritius	0.4	0	1	1	0.5

r	*Country A*	*Country B*	*Econ*	*Ally*	*Dispute*	*Lang*	*Instr*
11	Eritrea	Seychelles	0.2	0	1	1	0.5
11	Eritrea	Sudan	0.4	0	0.28	1	1
11	Eritrea	Zambia	0.4	0	1	1	1
11	Eritrea	Zimbabwe	0.4	0	1	1	0.5
11	Ethiopia	Madagascar	0.4	0	1	0	1
11	Ethiopia	Malawi	0.4	0	1	0	1
11	Ethiopia	Mauritius	0.4	0	1	0	0.5
11	Ethiopia	Seychelles	0.2	0	1	0	0.5
11	Ethiopia	Sudan	0.4	0	0.04	0	1
11	Ethiopia	Zambia	0.4	0	1	0	1
11	Ethiopia	Zimbabwe	0.4	0	1	0	0.5
11	Madagascar	Malawi	0.4	0	1	1	1
11	Madagascar	Mauritius	0.4	0	1	1	0.5
11	Madagascar	Seychelles	0.2	0	1	1	0.5
11	Madagascar	Sudan	0.4	0	1	1	1
11	Madagascar	Zambia	0.4	0	1	1	1
11	Madagascar	Zimbabwe	0.4	0	1	1	0.5
11	Malawi	Mauritius	0.4	0	1	1	0.5
11	Malawi	Seychelles	0.2	0	1	1	0.5
11	Malawi	Sudan	0.4	0	1	1	1
11	Malawi	Zambia	0.4	0	1	1	1
11	Malawi	Zimbabwe	0.4	0	1	1	0.5
11	Mauritius	Seychelles	0.4	0	1	1	1
11	Mauritius	Sudan	0.4	0	1	1	0.5
11	Mauritius	Zambia	0.4	0	1	1	1
11	Mauritius	Zimbabwe	0.6	0	1	1	1
11	Seychelles	Sudan	0.2	0	1	1	0.5
11	Seychelles	Zambia	0.2	0	1	1	0.5
11	Seychelles	Zimbabwe	0.4	0	1	1	1
11	Sudan	Zambia	0.4	0.12	1	1	1
11	Sudan	Zimbabwe	0.4	0	1	1	0.5

r	*Country A*	*Country B*	*Econ*	*Ally*	*Dispute*	*Lang*	*Instr*
11	Zambia	Zimbabwe	0.4	0	1	1	0.5
12	Brazil	Argentina	0.6	1	0.84	0	1
12	Brazil	Paraguay	0.6	1	1	0	1
12	Brazil	Uruguay	0.6	1	1	0	1
12	Paraguay	Argentina	0.6	1	1	1	1
12	Paraguay	Uruguay	0.6	1	1	1	1
12	Uruguay	Argentina	0.6	1	1	1	1
13	Brazil	Argentina	0.8	1	1	0	1
13	Brazil	Paraguay	0.8	1	1	0	0.84
13	Brazil	Uruguay	0.8	1	1	0	1
13	Paraguay	Argentina	0.8	1	1	1	0.84
13	Paraguay	Uruguay	0.8	1	1	1	0.84
13	Uruguay	Argentina	0.8	1	1	1	1
14	Brunei Darussalam	Indonesia	0.4	0	1	0	1
14	Brunei Darussalam	Malaysia	0.4	0	1	1	1
14	Brunei Darussalam	Philippines	0.4	0	1	0	1
14	Brunei Darussalam	Singapore	0.8	0	1	1	0.5
14	Brunei Darussalam	Thailand	0.4	0	1	0	1
14	Brunei Darussalam	Vietnam	0.4	0	1	0	1
14	Indonesia	Malaysia	0.4	0	0.04	0	1
14	Indonesia	Philippines	0.4	0	0.24	0	1
14	Indonesia	Singapore	0.4	0	1	0	0.5
14	Indonesia	Thailand	0.4	0	0.2	0	1
14	Indonesia	Vietnam	0.4	0	1	0	1
14	Malaysia	Philippines	0.4	0	0.84	0	1
14	Malaysia	Singapore	0.4	0	0.24	1	0.5
14	Malaysia	Thailand	0.4	0	0.12	0	1
14	Malaysia	Vietnam	0.4	0	1	0	1
14	Philippines	Singapore	0.4	0	1	1	0.5
14	Philippines	Thailand	0.4	0	1	0	1
14	Philippines	Vietnam	0.4	0	0.4	0	1

r	*Country A*	*Country B*	*Econ*	*Ally*	*Dispute*	*Lang*	*Instr*
14	Singapore	Thailand	0.4	0	1	0	0.5
14	Singapore	Vietnam	0.4	0	1	0	0.5
14	Thailand	Vietnam	0.4	0	0.56	0	1
15	Colombia	Bolivia	0.6	1	1	1	1
15	Colombia	Ecuador	0.6	1	1	1	1
15	Colombia	Peru	0.6	1	1	1	1
15	Ecuador	Bolivia	0.6	1	1	1	1
15	Peru	Bolivia	0.6	1	1	1	1
15	Peru	Ecuador	0.6	1	0.4	1	1
16	Bahrain	Kuwait	0.6	1	1	1	1
16	Bahrain	Oman	0.6	1	1	1	1
16	Bahrain	Qatar	0.6	1	0.88	1	1
16	Bahrain	Saudi Arabia	0.6	1	1	1	1
16	Oman	Kuwait	0.6	1	1	1	1
16	Oman	Qatar	0.6	1	0.68	1	1
16	Qatar	Kuwait	0.6	1	1	1	1
16	Saudi Arabia	Kuwait	0.6	1	0.6	1	1
16	Saudi Arabia	Oman	0.6	1	1	1	1
16	Saudi Arabia	Qatar	0.6	1	0.6	1	1
16	UAE	Bahrain	0.6	1	1	1	1
16	UAE	Kuwait	0.6	1	1	1	1
16	UAE	Oman	0.6	0	0.68	1	1
16	UAE	Qatar	0.6	1	1	1	1
16	UAE	Saudi Arabia	0.6	1	1	1	1
17	Cameroon	Congo	0.8	0.36	1	1	1
17	Cameroon	Equatorial Guinea	0.8	0.36	1	1	0.5
17	Cameroon	Sao Tome & Principe	0	0.36	1	0	0.5
17	CAR	Cameroon	0.8	0.36	0.32	1	0.5
17	CAR	Congo	0.8	0.44	1	1	0.5
17	CAR	DR Congo	0	0.36	1	1	1
17	CAR	Equatorial Guinea	0.8	0.36	1	1	1

r	*Country A*	*Country B*	*Econ*	*Ally*	*Dispute*	*Lang*	*Instr*
17	CAR	Gabon	0.8	0.36	1	1	0.5
17	CAR	Sao Tome & Principe	0	0.36	1	0	1
17	Chad	Cameroon	0.8	0.36	1	1	0.5
17	Chad	CAR	0.8	0.36	0.32	1	1
17	Chad	Congo	0.8	0.36	1	1	0.5
17	Chad	DR Congo	0	0.36	1	1	1
17	Chad	Equatorial Guinea	0.8	0.36	1	1	1
17	Chad	Gabon	0.8	0.36	1	1	0.5
17	Chad	Sao Tome & Principe	0	0.36	1	0	1
17	DR Congo	Cameroon	0	0.36	1	1	0.5
17	DR Congo	Congo	0	0.44	0.48	1	0.5
17	DR Congo	Equatorial Guinea	0	0.36	1	1	1
17	DR Congo	Gabon	0	0.36	1	1	0.5
17	DR Congo	Sao Tome & Principe	0	0.36	1	0	1
17	Equatorial Guinea	Congo	0.8	0.36	1	1	0.5
17	Equatorial Guinea	Sao Tome & Principe	0	0.36	1	0	1
17	Gabon	Cameroon	0.8	0.36	1	1	1
17	Gabon	Congo	0	0.36	1	1	1
17	Gabon	Equatorial Guinea	0.8	0.36	1	1	0.5
17	Gabon	Sao Tome & Principe	0.8	0.36	1	0	0.5
17	Sao Tome & Principe	Congo	0	0.36	1	1	0.5
18	Burundi	Kenya	0.8	0.4	1	0	0.5
18	Burundi	Rwanda	0.8	0.64	0.4	1	1
18	Burundi	Tanzania	0.8	0.4	0.56	0	1
18	Burundi	Uganda	0.8	0.4	1	0	1
18	Kenya	Rwanda	0.8	0.4	1	1	0.5
18	Kenya	Tanzania	0.8	0.4	1	1	0.5
18	Kenya	Uganda	0.8	0.4	0.24	1	0.5
18	Rwanda	Tanzania	0.8	0.4	1	1	1
18	Rwanda	Uganda	0.8	0.4	0.24	1	1
18	Uganda	Tanzania	0.8	0.4	1	1	1

r	*Country A*	*Country B*	*Econ*	*Ally*	*Dispute*	*Lang*	*Instr*
19	Benin	Burkina Faso	0.8	1	1	1	1
19	Benin	Cape Verde	0.6	1	1	0	1
19	Benin	Côte d'Ivoire	0.8	1	1	1	0.5
19	Benin	Gambia	0.6	1	1	0	1
19	Benin	Ghana	0.6	1	1	0	0.5
19	Benin	Guinea	0.6	1	1	1	1
19	Benin	Guinea-Bissau	0.8	1	1	0	1
19	Benin	Liberia	0.6	1	1	0	1
19	Benin	Mali	0.8	1	1	1	1
19	Benin	Mauritania	0	0	1	0	1
19	Benin	Niger	0.8	1	1	1	1
19	Benin	Nigeria	0.6	1	0.32	0	0.5
19	Benin	Senegal	0.8	1	1	1	1
19	Benin	Sierra Leone	0.6	1	1	0	1
19	Benin	Togo	0.8	1	1	1	1
19	Burkina Faso	Cape Verde	0.6	1	1	0	1
19	Burkina Faso	Côte d'Ivoire	0.8	1	1	1	0.5
19	Burkina Faso	Gambia	0.6	1	1	0	1
19	Burkina Faso	Ghana	0.6	1	1	0	0.5
19	Burkina Faso	Guinea	0.6	1	1	1	1
19	Burkina Faso	Guinea-Bissau	0.8	1	1	0	1
19	Burkina Faso	Liberia	0.6	1	1	0	1
19	Burkina Faso	Mali	0.8	1	1	1	1
19	Burkina Faso	Mauritania	0	0	1	0	1
19	Burkina Faso	Niger	0.8	1	1	1	1
19	Burkina Faso	Nigeria	0.6	1	1	0	0.5
19	Burkina Faso	Senegal	0.8	1	1	1	1
19	Burkina Faso	Sierra Leone	0.6	1	1	0	1
19	Burkina Faso	Togo	0.8	1	1	1	1
19	Cape Verde	Gambia	0.6	1	1	0	1
19	Cape Verde	Ghana	0.6	1	1	0	0.5

r	*Country A*	*Country B*	*Econ*	*Ally*	*Dispute*	*Lang*	*Instr*
19	Cape Verde	Guinea	0.6	1	1	0	1
19	Cape Verde	Guinea-Bissau	0.6	1	1	1	1
19	Cape Verde	Liberia	0.6	1	1	0	1
19	Cape Verde	Mauritania	0	0	1	0	1
19	Cape Verde	Nigeria	0.6	1	1	0	0.5
19	Cape Verde	Sierra Leone	0.6	1	1	0	1
19	Côte d'Ivoire	Cape Verde	0.6	1	1	0	0.5
19	Côte d'Ivoire	Gambia	0.6	1	1	0	0.5
19	Côte d'Ivoire	Ghana	0.6	1	1	0	1
19	Côte d'Ivoire	Guinea	0.6	1	0.48	1	0.5
19	Côte d'Ivoire	Guinea-Bissau	0.8	1	1	0	0.5
19	Côte d'Ivoire	Liberia	0.6	1	0.2	0	0.5
19	Côte d'Ivoire	Mali	0.8	1	1	1	0.5
19	Côte d'Ivoire	Mauritania	0	0	1	0	0.5
19	Côte d'Ivoire	Niger	0.8	1	1	1	0.5
19	Côte d'Ivoire	Nigeria	0.6	1	0.6	0	1
19	Côte d'Ivoire	Senegal	0.8	1	1	1	0.5
19	Côte d'Ivoire	Sierra Leone	0.6	1	1	0	0.5
19	Côte d'Ivoire	Togo	0.8	1	1	1	0.5
19	Gambia	Ghana	0.6	1	1	1	0.5
19	Gambia	Guinea	0.6	1	1	0	1
19	Gambia	Guinea-Bissau	0.6	1	1	0	1
19	Gambia	Liberia	0.6	1	1	1	1
19	Gambia	Mauritania	0	0	1	0	1
19	Gambia	Nigeria	0.6	1	1	1	0.5
19	Gambia	Sierra Leone	0.6	1	1	1	1
19	Ghana	Guinea	0.6	1	1	0	0.5
19	Ghana	Guinea-Bissau	0.6	1	1	0	0.5
19	Ghana	Liberia	0.6	1	1	1	0.5
19	Ghana	Mauritania	0	0	1	0	0.5
19	Ghana	Nigeria	0.6	1	1	1	1

r	*Country A*	*Country B*	*Econ*	*Ally*	*Dispute*	*Lang*	*Instr*
19	Ghana	Sierra Leone	0.6	1	0.4	1	0.5
19	Guinea	Guinea-Bissau	0.6	1	1	0	1
19	Guinea	Liberia	0.6	1	0.36	0	1
19	Guinea	Mauritania	0	0	1	0	1
19	Guinea	Nigeria	0.6	1	1	0	0.5
19	Guinea	Sierra Leone	0.6	1	0.28	0	1
19	Guinea-Bissau	Liberia	0.6	1	1	0	1
19	Guinea-Bissau	Mauritania	0	0	1	0	1
19	Guinea-Bissau	Nigeria	0.6	1	1	0	0.5
19	Guinea-Bissau	Sierra Leone	0.6	1	1	0	1
19	Liberia	Mauritania	0	0	1	1	1
19	Liberia	Nigeria	0.6	1	0.36	1	0.5
19	Liberia	Sierra Leone	0.6	1	0.24	1	1
19	Mali	Cape Verde	0.6	1	1	0	1
19	Mali	Gambia	0.6	1	1	0	1
19	Mali	Ghana	0.6	1	1	0	0.5
19	Mali	Guinea	0.6	1	1	1	1
19	Mali	Guinea-Bissau	0.8	1	1	0	1
19	Mali	Liberia	0.6	1	1	0	1
19	Mali	Mauritania	0	0	0.2	0	1
19	Mali	Niger	0.8	1	0.6	1	1
19	Mali	Nigeria	0.6	1	1	0	0.5
19	Mali	Senegal	0.8	1	1	1	1
19	Mali	Sierra Leone	0.6	1	1	0	1
19	Mali	Togo	0.8	1	1	1	1
19	Mauritania	Nigeria	0.6	1	1	0	0.5
19	Mauritania	Sierra Leone	0.6	0	1	0	1
19	Niger	Cape Verde	0.6	1	1	0	1
19	Niger	Gambia	0.6	1	1	0	1
19	Niger	Ghana	0.6	1	1	0	0.5
19	Niger	Guinea	0.6	1	1	1	1

r	*Country A*	*Country B*	*Econ*	*Ally*	*Dispute*	*Lang*	*Instr*
19	Niger	Guinea-Bissau	0.8	1	1	0	1
19	Niger	Liberia	0.6	1	1	0	1
19	Niger	Mauritania	0	0	1	0	1
19	Niger	Nigeria	0.6	1	1	0	0.5
19	Niger	Senegal	0.8	1	1	1	1
19	Niger	Sierra Leone	0.6	1	1	0	1
19	Niger	Togo	0.8	1	1	1	1
19	Nigeria	Sierra Leone	0.6	1	0.4	1	0.5
19	Senegal	Cape Verde	0.6	1	1	0	1
19	Senegal	Gambia	0.6	1	0.24	0	1
19	Senegal	Ghana	0.6	1	1	0	0.5
19	Senegal	Guinea	0.6	1	1	1	1
19	Senegal	Guinea-Bissau	0.8	1	1	0	1
19	Senegal	Liberia	0.6	1	1	0	1
19	Senegal	Mauritania	0	0	1	0	1
19	Senegal	Nigeria	0.6	1	1	0	0.5
19	Senegal	Sierra Leone	0.6	1	1	0	1
19	Senegal	Togo	0.8	1	1	1	1
19	Togo	Cape Verde	0.6	1	1	0	1
19	Togo	Gambia	0.6	1	1	0	1
19	Togo	Ghana	0.6	1	0.12	0	0.5
19	Togo	Guinea	0.6	1	1	1	1
19	Togo	Guinea-Bissau	0.8	1	1	0	1
19	Togo	Liberia	0.6	1	1	0	1
19	Togo	Mauritania	0	0	1	0	1
19	Togo	Nigeria	0.6	1	1	0	0.5
19	Togo	Sierra Leone	0.6	1	1	0	1
20	American Samoa	Solomon Islands	0	0	1	1	0.5
20	American Samoa	Tonga	0	0	1	1	1
20	American Samoa	Tuvalu	0	0	1	1	0.5
20	American Samoa	Vanuatu	0	0	1	1	0.5

r	*Country A*	*Country B*	*Econ*	*Ally*	*Dispute*	*Lang*	*Instr*
20	American Samoa	Western Samoa	0	0	1	1	0.5
20	Cook Islands	American Samoa	0	0	1	1	1
20	Cook Islands	Fiji	0.4	0	1	1	1
20	Cook Islands	Kiribati	0.4	0	1	1	0.5
20	Cook Islands	Marshall Islands	0.2	0	1	1	1
20	Cook Islands	Micronesia	0.4	0	1	1	1
20	Cook Islands	Nauru	0.4	0	1	0	1
20	Cook Islands	Niue	0.6	0	1	1	1
20	Cook Islands	Palau	0	0	1	1	1
20	Cook Islands	Papua New Guinea	0.4	0	1	1	1
20	Cook Islands	Solomon Islands	0.4	0	1	1	0.5
20	Cook Islands	Tonga	0.4	0	1	1	1
20	Cook Islands	Tuvalu	0.4	0	1	1	0.5
20	Cook Islands	Vanuatu	0.4	0	1	1	0.5
20	Cook Islands	Western Samoa	0.4	0	1	1	0.5
20	Fiji	American Samoa	0	0	1	1	1
20	Fiji	Kiribati	0.4	0	1	1	0.5
20	Fiji	Marshall Islands	0.2	0	1	1	1
20	Fiji	Micronesia	0.4	0	1	1	1
20	Fiji	Nauru	0.4	0	1	0	1
20	Fiji	Niue	0.4	0	1	1	1
20	Fiji	Palau	0	0	1	1	1
20	Fiji	Papua New Guinea	0.4	0	1	1	1
20	Fiji	Solomon Islands	0.4	0	1	1	0.5
20	Fiji	Tonga	0.4	0	1	1	1
20	Fiji	Tuvalu	0.4	0	1	1	0.5
20	Fiji	Vanuatu	0.4	0	1	1	0.5
20	Fiji	Western Samoa	0.4	0	1	1	0.5
20	Kiribati	American Samoa	0	0	1	1	0.5
20	Kiribati	Marshall Islands	0.2	0	1	1	0.5
20	Kiribati	Micronesia	0.4	0	1	1	0.5

r	*Country A*	*Country B*	*Econ*	*Ally*	*Dispute*	*Lang*	*Instr*
20	Kiribati	Nauru	0.6	0	1	0	0.5
20	Kiribati	Niue	0.4	0	1	1	0.5
20	Kiribati	Palau	0	0	1	1	0.5
20	Kiribati	Papua New Guinea	0.4	0	1	1	0.5
20	Kiribati	Solomon Islands	0.4	0	1	1	1
20	Kiribati	Tonga	0.4	0	1	1	0.5
20	Kiribati	Tuvalu	0.6	0	1	1	1
20	Kiribati	Vanuatu	0.4	0	1	1	1
20	Kiribati	Western Samoa	0.4	0	1	1	1
20	Marshall Islands	American Samoa	0	0	1	1	1
20	Marshall Islands	Micronesia	0.4	0	1	1	1
20	Marshall Islands	Nauru	0.2	0	1	0	1
20	Marshall Islands	Niue	0.2	0	1	1	1
20	Marshall Islands	Palau	0.2	0	1	1	1
20	Marshall Islands	Papua New Guinea	0.2	0	1	1	1
20	Marshall Islands	Solomon Islands	0.2	0	1	1	0.5
20	Marshall Islands	Tonga	0.2	0	1	1	1
20	Marshall Islands	Tuvalu	0.2	0	1	1	0.5
20	Marshall Islands	Vanuatu	0.2	0	1	1	0.5
20	Marshall Islands	Western Samoa	0.2	0	1	1	0.5
20	Micronesia	American Samoa	0	0	1	1	1
20	Micronesia	Nauru	0.4	0	1	0	1
20	Micronesia	Niue	0.4	0	1	1	1
20	Micronesia	Palau	0.2	0	1	1	1
20	Micronesia	Papua New Guinea	0.4	0	1	1	1
20	Micronesia	Solomon Islands	0.4	0	1	1	0.5
20	Micronesia	Tonga	0.4	0	1	1	1
20	Micronesia	Tuvalu	0.4	0	1	1	0.5
20	Micronesia	Vanuatu	0.4	0	1	1	0.5
20	Micronesia	Western Samoa	0.4	0	1	1	0.5
20	Nauru	American Samoa	0	0	1	0	1

r	*Country A*	*Country B*	*Econ*	*Ally*	*Dispute*	*Lang*	*Instr*
20	Nauru	Niue	0.4	0	1	0	1
20	Nauru	Palau	0	0	1	0	1
20	Nauru	Papua New Guinea	0.4	0	1	0	1
20	Nauru	Solomon Islands	0.4	0	1	0	0.5
20	Nauru	Tonga	0.4	0	1	0	1
20	Nauru	Tuvalu	0.6	0	1	0	0.5
20	Nauru	Vanuatu	0.4	0	1	0	0.5
20	Nauru	Western Samoa	0.4	0	1	0	0.5
20	Niue	American Samoa	0	0	1	1	1
20	Niue	Palau	0	0	1	1	0.5
20	Niue	Papua New Guinea	0.4	0	1	1	1
20	Niue	Solomon Islands	0.4	0	1	1	0.5
20	Niue	Tonga	0.4	0	1	1	0.5
20	Niue	Tuvalu	0.4	0	1	1	1
20	Niue	Vanuatu	0.4	0	1	1	0.5
20	Niue	Western Samoa	0.4	0	1	1	1
20	Palau	American Samoa	0	0	1	1	1
20	Palau	Papua New Guinea	0	0	1	1	1
20	Palau	Solomon Islands	0	0	1	1	0.5
20	Palau	Tonga	0	0	1	1	1
20	Palau	Tuvalu	0	0	1	1	0.5
20	Palau	Vanuatu	0	0	1	1	0.5
20	Palau	Western Samoa	0	0	1	1	0.5
20	Papua New Guinea	American Samoa	0.4	0	1	1	0.5
20	Papua New Guinea	Solomon Islands	0.4	0	1	1	0.5
20	Papua New Guinea	Tonga	0.4	0	1	1	0.5
20	Papua New Guinea	Tuvalu	0.4	0	1	1	1
20	Papua New Guinea	Vanuatu	0.4	0	1	1	0.5
20	Papua New Guinea	Western Samoa	0	0	1	1	1
20	Solomon Islands	Tonga	0.4	0	1	1	1
20	Solomon Islands	Tuvalu	0.4	0	1	1	0.5

r	*Country A*	*Country B*	*Econ*	*Ally*	*Dispute*	*Lang*	*Instr*
20	Solomon Islands	Vanuatu	0.4	0	1	1	1
20	Tonga	Tuvalu	0.4	0	1	1	0.5
20	Tonga	Vanuatu	0.4	0	1	1	0.5
20	Vanuatu	Tuvalu	0.4	0	1	1	1
20	Western Samoa	Solomon Islands	0.4	0	1	1	1
20	Western Samoa	Tonga	0.4	0	1	1	1
20	Western Samoa	Tuvalu	0.4	0	1	1	0.5
20	Western Samoa	Vanuatu	0.4	0	1	1	1

Source: Own elaboration

Annex 4. Principal components analysis

On the basis of the component matrix in Table 11, we have rotated the factor loadings using the varimax method for the individual CCI indicators for the first four components, following OECD (2008) recommendations. Table 23 shows the rotated factor loadings using four principal components.

Table 23. Rotated factor loadings

	1	*2*	*3*	*4*
Political	**0.829**	0.397	0.092	0.307
Economic	**0.672**	-0.359	**0.553**	0.004
Security	**0.840**	0.070	0.191	0.342
Authority	0.107	**-0.859**	-0.079	-0.149
Autonomy	-0.224	-0.352	**-0.785**	0.119
Power	0.123	-0.092	-0.119	**0.872**
Definition	-0.031	-0.163	-0.047	**-0.684**
Trade	-0.126	-0.033	**0.908**	0.040
Cultural	**0.702**	0.057	-0.198	-0.166
BATNA	0.428	**0.777**	0.119	-0.071
Global Europe	0.573	**0.591**	-0.474	0.070
Eigenvalues	***2.94***	***2.15***	***2.09***	***1.51***
% Variance	***0.34***	***0.25***	***0.24***	***0.17***

Source: Own elaboration.

Rotation of components is a standard practice in PCA that enhances the interpretability of the results by minimizing the number of individual indicators that have a high loading on the same factor. However, it loses part of the cumulated variance of the first four components compared to the original matrix. Ideally, each indicator is loaded exclusively on one of the retained factors. For example, the first factor captures between four and five variables and minimizes the loading of the other variables. The highest loading for each component is shown in black.

In the next step, factor loadings are squared, scaled to unity sum, and weighted according to the percentage of the explained variance of each factor. This allows to weight the variables according to the variance of its component. For example, *Political* variable represents the 23 percent of the total squared variables in the first factor. The variable represents the eight percent in relation to the 34 percent of the variance explained by the first component, as it is shown in Table 24. Next, we have subtracted the highest value for each variable among the four components. Values are converted to unit scale, which represents the final statistical weighting for the CCI index.

Table 24. Weighted CCI with 4 factors (weighted by variance)

	1	***2***	***3***	***4***	***Unit***
Political	**0.08**	0.02	0.00	0.01	***0.103***
Economic	**0.05**	0.01	0.04	0.00	***0.067***
Security	**0.08**	0.00	0.00	0.01	***0.105***
Authority	0.00	**0.08**	0.00	0.00	***0.110***
Autonomy	0.01	0.01	**0.07**	0.00	***0.092***
Power	0.00	0.00	0.00	**0.09**	***0.114***
Definition	0.00	0.00	0.00	**0.05**	***0.070***
Trade	0.00	0.00	**0.09**	0.00	***0.123***
Cultural	**0.06**	0.00	0.00	0.00	***0.074***
BATNA	0.02	**0.07**	0.00	0.00	***0.090***
Global Europe	0.04	**0.04**	0.03	0.00	***0.052***
% Variance	***0.34***	***0.25***	***0.24***	***0.17***	***1***

Source: Own elaboration.

Finally, Table 25 shows the same data of the previous table but with a different aggregation method. Instead of aggregating the principal components according to the percentage of their explained variance on the total index, here we assume that each empirical dimension of cohesiveness weights equally on the total score.

Table 25. Weighted CCI with 4 factors (equal weighting)

	1	***2***	***3***	***4***	***Unit***
Political	**0.08**	0.02	0.00	0.01	***0.076***
Economic	**0.05**	0.01	0.04	0.00	***0.050***
Security	**0.08**	0.00	0.00	0.01	***0.078***
Authority	0.00	**0.08**	0.00	0.00	***0.112***
Autonomy	0.01	0.01	**0.07**	0.00	***0.095***
Power	0.00	0.00	0.00	**0.09**	***0.163***
Definition	0.00	0.00	0.00	**0.05**	***0.100***
Trade	0.00	0.00	**0.09**	0.00	***0.128***
Cultural	**0.06**	0.00	0.00	0.00	***0.054***
BATNA	0.02	**0.07**	0.00	0.00	***0.091***
Global Europe	0.04	**0.04**	0.03	0.00	***0.053***
% Variance	***0.25***	***0.25***	***0.25***	***0.25***	***1***

Source: Own elaboration.

The empirical weightings of Table 25 are the ones used for the CCI of Table 9. For the robustness test, the weightings are the ones in Table 24, as their pondering yields more unfavorable results to have a positive mean difference and supposes therefore a harder test for our findings. This procedure has been repeated using different combinations of uncertainty. For example, we normalize the variables using the Z-Scores method, exclude the power variable from the index, and then calculate the PCA.

Annex 5. Robustness tests

The following Table 26 indicates the different combinations used to test the internal robustness of the indicators. We have tested the mean difference in the levels of cohesiveness in agreement and non-agreement regions using different measurements. Last column shows that the hypothesis that regional cohesiveness has a positive relation with the likelihood of agreement with the EU is validated in the 24 different combinations analyzed.

As it can be seen in the first column, the indicators have been pondered and non-pondered by GDP, meaning that in one case the values take into considerations the weight of each country in the region according to their GDP and in the other case not. The second column indicates the three different normalization methods used in the robustness test. Min-Max normalizes each variable giving 1 to the highest value and 0 to the lowest and assigns the rest of values in relation to the minimum and the maximum value. Z-Scores assigns the value of 0 to the mean of the values of the variable and weights the rest of the values on the basis of their standard deviation. Scale orders the values of the variable, assigning 1 to the highest value and keeping the same separation among values until 0. The third column indicates the variable excluded in the composite index. Instead of excluding all the variable, we have only selected the ones that more positively and negatively affected the results: BATNA and Power. By so doing, we assume that we can capture the lowest and highest mean difference among agreement and non-agreement regions. Finally, the

fourth column shows the weighting method used: theoretical, using Aggarwal and Fogarty's framework, and empirical, using PCA.

Table 26. Robustness of the indicators

	Pondering	*Normalization*	*Exclude*	*Weighting*	*Agree*	*No-agree*	*Diff*
1	GDP	Min-Max	Power	Statistical	.544	.518	.026
2	GDP	Z-Scores	Power	Statistical	.063	-.025	.088
3	GDP	Scale	Power	Statistical	.517	.485	.032
4	GDP	Min-Max	BATNA	Statistical	.580	.489	.091
5	GDP	Z-Scores	BATNA	Statistical	.197	-.079	.276
6	GDP	Scale	BATNA	Statistical	.559	.471	.088
7	GDP	Min-Max	Power	Theoretical	.551	.522	.029
8	GDP	Z-Scores	Power	Theoretical	.101	-.040	.141
9	GDP	Scale	Power	Theoretical	.502	.493	.009
10	GDP	Min-Max	BATNA	Theoretical	.613	.501	.112
11	GDP	Z-Scores	BATNA	Theoretical	.260	-.104	.364
12	GDP	Scale	BATNA	Theoretical	.557	.473	.084
13	No	Min-Max	Power	Statistical	.568	.513	.055
14	No	Z-Scores	Power	Statistical	.131	-.053	.184
15	No	Scale	Power	Statistical	.535	.475	.060
16	No	Min-Max	BATNA	Statistical	.595	.477	.118
17	No	Z-Scores	BATNA	Statistical	.267	-.107	.374
18	No	Scale	BATNA	Statistical	.575	.456	.119
19	No	Min-Max	Power	Theoretical	.565	.512	.053
20	No	Z-Scores	Power	Theoretical	.182	-.073	.255
21	No	Scale	Power	Theoretical	.559	.469	.090
22	No	Min-Max	BATNA	Theoretical	.612	.455	.157
23	No	Z-Scores	BATNA	Theoretical	.391	-.157	.548
24	No	Scale	BATNA	Theoretical	.618	.436	.182

Source: Own elaboration.

Annex 6. Interviews[90]

Luca de Carli

DG Trade official, European Commission

Date of the interview: 21 June 2016

Ignasi Granell

DG Trade official, European Commission

Date of the interview: 21 June 2016

Rūta Žarnauskaitė

DG Trade official, European Commission

Date of the interview: 21 June 2016

[90] List sorted alphabetically, by surname. The order does not necessarily correspond to the number of the interview.