

# Signaling for Aid? Effects of Signing Democracy-Related Provisions in Preferential Trade Agreements

## Online Appendix

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## A.1 Aid types and sectors

| Aid types                       | Description                                                                                                                                            |
|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Overseas Development Assistance | All sectors                                                                                                                                            |
| Democracy aid                   | Anti-corruption organizations and institutions; legal and judicial development; democratic participation and civil society; human rights; women rights |
| Aid for Trade                   | Trade policy and management; trade facilitation; RTAs; multilateral trade negotiations; trade-related adjustment; trade education/training             |

## A.2 Number of observations across specifications

Table 1: Number of observations for main specification (ODA, Democracy Aid and Aid for Trade)

|                                                            | General<br>Objectives | Individual<br>Rights | Stakeholder<br>Participation | Transparency | Policy<br>Space |
|------------------------------------------------------------|-----------------------|----------------------|------------------------------|--------------|-----------------|
| <b>Main specification</b>                                  |                       |                      |                              |              |                 |
| <i>Signed provisions</i>                                   |                       |                      |                              |              |                 |
| ODA                                                        | 1789                  | 2562                 | 2255                         | 1784         | 2564            |
| Democracy Aid                                              | 1791                  | 2229                 | 2257                         | 1786         | 2231            |
| Aid for Trade                                              | 1791                  | 719                  | 2257                         | 1786         | 2231            |
| <i>Signed comprehensive provisions</i>                     |                       |                      |                              |              |                 |
| ODA                                                        | 330                   | 973                  | 968                          | 961          | 1840            |
| Democracy Aid                                              | 330                   | 973                  | 968                          | 961          | 1842            |
| Aid for Trade                                              | 330                   | 973                  | 968                          | 961          | 1842            |
| <i>*Observations corresponding to Figures 5, 6a and 6b</i> |                       |                      |                              |              |                 |

Table 2: Number of observations for robustness checks (ODA, Democracy Aid and Aid for Trade)

|                                                            | General<br>Objectives | Individual<br>Rights | Stakeholder<br>Participation | Transparency | Policy<br>Space |
|------------------------------------------------------------|-----------------------|----------------------|------------------------------|--------------|-----------------|
| <b>Robustness checks, excluding democratization trends</b> |                       |                      |                              |              |                 |
| <i>Signed provisions</i>                                   |                       |                      |                              |              |                 |
| ODA                                                        | 1871                  | 2986                 | 2565                         | 1878         | 2988            |
| Democracy Aid                                              | 1873                  | 2558                 | 2567                         | 1880         | 2560            |
| Aid for Trade                                              | 1873                  | 2558                 | 2567                         | 1880         | 2560            |
| <i>Signed comprehensive provisions</i>                     |                       |                      |                              |              |                 |
| ODA                                                        | 330                   | 973                  | 968                          | 961          | 1920            |
| Democracy Aid                                              | 330                   | 973                  | 968                          | 961          | 1922            |
| Aid for Trade                                              | 330                   | 973                  | 968                          | 961          | 1922            |
| <i>*Observations corresponding to Figure 7</i>             |                       |                      |                              |              |                 |
| <b>Robustness checks, with polyarchy index</b>             |                       |                      |                              |              |                 |
| <i>Signed provisions</i>                                   |                       |                      |                              |              |                 |
| ODA                                                        | 1755                  | 2528                 | 1768                         | 2221         | 2530            |
| Democracy Aid                                              | 1757                  | 2195                 | 1770                         | 2223         | 2197            |
| Aid for Trade                                              | 1757                  | 2195                 | 1770                         | 2223         | 2197            |
| <i>Signed comprehensive provisions</i>                     |                       |                      |                              |              |                 |
| ODA                                                        | 330                   | 973                  | 968                          | 961          | 1823            |
| Democracy Aid                                              | 330                   | 973                  | 968                          | 961          | 1825            |
| Aid for Trade                                              | 330                   | 973                  | 968                          | 961          | 1825            |
| <i>*Observations corresponding to Figure 8</i>             |                       |                      |                              |              |                 |
| <b>Robustness checks, with GDPPC</b>                       |                       |                      |                              |              |                 |
| <i>Signed provisions</i>                                   |                       |                      |                              |              |                 |
| ODA                                                        | 1390                  | 1690                 | 1552                         | 1430         | 1694            |
| Democracy Aid                                              | 1392                  | 1504                 | 1432                         | 1554         | 1508            |
| Aid for Trade                                              | 1392                  | 1504                 | 1432                         | 1554         | 1508            |
| <i>Signed comprehensive provisions</i>                     |                       |                      |                              |              |                 |
| ODA                                                        | 329                   | 966                  | 954                          | 961          | 1476            |
| Democracy Aid                                              | 329                   | 966                  | 954                          | 961          | 1478            |
| Aid for Trade                                              | 329                   | 966                  | 954                          | 961          | 1478            |
| <i>*Observations corresponding to Figure 9</i>             |                       |                      |                              |              |                 |

Table 3: Number of observations (ODA, Democracy Aid and Aid for Trade)

|                                          | General<br>Objectives    | Individual<br>Rights | Stakeholder<br>Participation | Transparency | Policy<br>Space |
|------------------------------------------|--------------------------|----------------------|------------------------------|--------------|-----------------|
| Placebo test, with democracy pairs       |                          |                      |                              |              |                 |
| Signed provisions                        |                          |                      |                              |              |                 |
| ODA                                      | 1777                     | 2789                 | 1553                         | 2058         | 2833            |
| Democracy Aid                            | 1777                     | 2445                 | 1553                         | 2058         | 2496            |
| Aid for Trade                            | 1777                     | 2445                 | 1553                         | 2058         | 2496            |
| Signed comprehensive provisions          |                          |                      |                              |              |                 |
| ODA                                      | 270                      | 1619                 | 892                          | 1499         | 1627            |
| Democracy Aid                            | 270                      | 1619                 | 892                          | 1499         | 1627            |
| Aid for Trade                            | 270                      | 1619                 | 892                          | 1499         | 1627            |
| *Observations corresponding to Figure 13 |                          |                      |                              |              |                 |
| Placebo test, environmental provisions   |                          |                      |                              |              |                 |
|                                          | Environmental provisions |                      | Environmental chapter        |              |                 |
| ODA                                      | 2247                     |                      | 964                          |              |                 |
| Democracy Aid                            | 2249                     |                      | 964                          |              |                 |
| Aid for Trade                            | 2249                     |                      | 964                          |              |                 |
| *Observations corresponding to Figure 14 |                          |                      |                              |              |                 |

### A.3 P-values for joint placebo test

Table 4: P-values for joint placebo test, main specification (ODA, Democracy Aid and Aid for Trade)

|                                                        | General<br>Objectives | Individual<br>Rights | Stakeholder<br>Participation | Transparency | Policy<br>Space |
|--------------------------------------------------------|-----------------------|----------------------|------------------------------|--------------|-----------------|
| <b>Main specification</b>                              |                       |                      |                              |              |                 |
| <i>Signed provisions</i>                               |                       |                      |                              |              |                 |
| ODA                                                    | 0.54                  | 0.53                 | 0.35                         | 0.16         | 0.54            |
| Democracy Aid                                          | 0.90                  | 0.06                 | 0.07                         | 0.63         | 0.06            |
| Aid for Trade                                          | 0.26                  | 0.96                 | 0.79                         | 0.57         | 0.96            |
| <i>Signed comprehensive provisions</i>                 |                       |                      |                              |              |                 |
| ODA                                                    | 0.84                  | 0.72                 | 0.80                         | 0.90         | 0.40            |
| Democracy Aid                                          | 0.84                  | 0.01                 | 0.61                         | 0.26         | 0.39            |
| Aid for Trade                                          | 0.85                  | 0.02                 | 0.04                         | 0.17         | 0.14            |
| <i>*P-values corresponding to Figures 5, 6a and 6b</i> |                       |                      |                              |              |                 |

Table 5: P-values for joint placebo test, robustness checks (ODA, Democracy Aid and Aid for Trade)

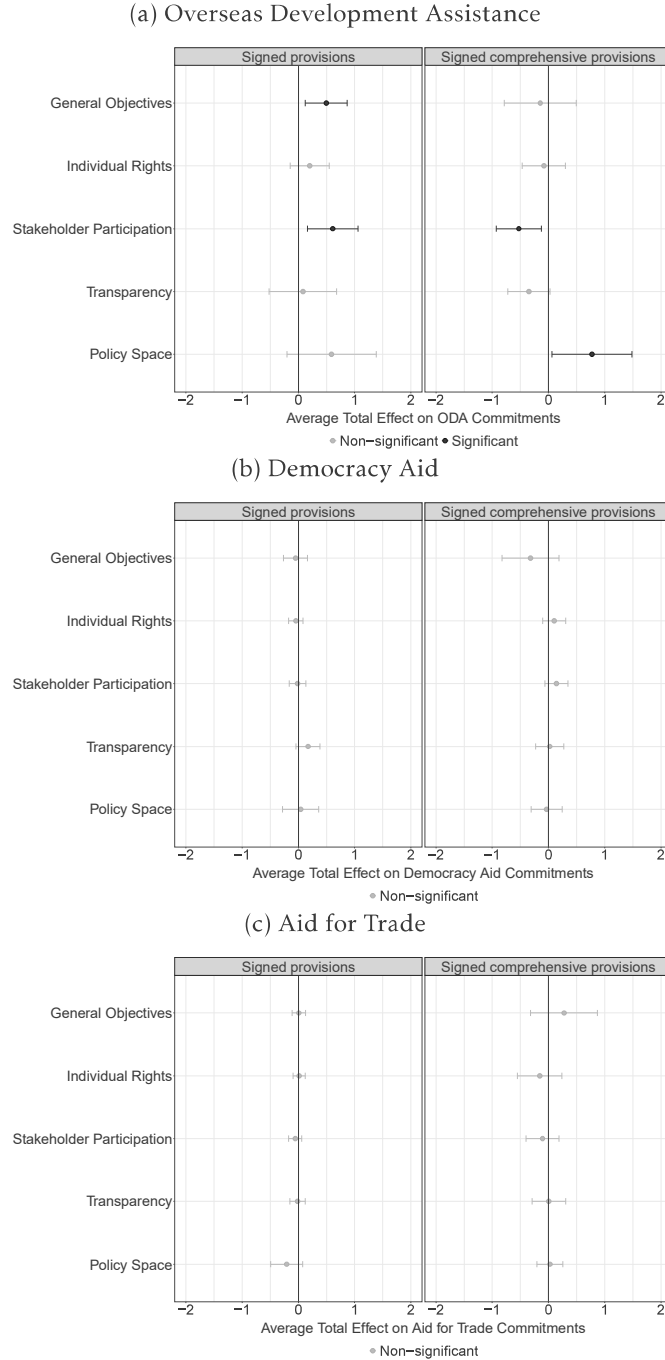
|                                                            | General<br>Objectives | Individual<br>Rights | Stakeholder<br>Participation | Transparency | Policy<br>Space |
|------------------------------------------------------------|-----------------------|----------------------|------------------------------|--------------|-----------------|
| <b>Robustness checks, excluding democratization trends</b> |                       |                      |                              |              |                 |
| <i>Signed provisions</i>                                   |                       |                      |                              |              |                 |
| ODA                                                        | 0.52                  | 0.49                 | 0.34                         | 0.14         | 0.54            |
| Democracy Aid                                              | 0.94                  | 0.06                 | 0.08                         | 0.64         | 0.05            |
| Aid for Trade                                              | 0.24                  | 0.96                 | 0.81                         | 0.56         | 0.96            |
| <i>Signed comprehensive provisions</i>                     |                       |                      |                              |              |                 |
| ODA                                                        | 0.85                  | 0.72                 | 0.80                         | 0.90         | 0.30            |
| Democracy Aid                                              | 0.84                  | 0.02                 | 0.59                         | 0.26         | 0.37            |
| Aid for Trade                                              | 0.86                  | 0.02                 | 0.04                         | 0.14         | 0.11            |
| <i>*P-values corresponding to Figure 7</i>                 |                       |                      |                              |              |                 |
| <b>Robustness checks, with polyarchy index</b>             |                       |                      |                              |              |                 |
| <i>Signed provisions</i>                                   |                       |                      |                              |              |                 |
| ODA                                                        | 0.53                  | 0.52                 | 0.37                         | 0.15         | 0.55            |
| Democracy Aid                                              | 0.92                  | 0.14                 | 0.10                         | 0.61         | 0.12            |
| Aid for Trade                                              | 0.27                  | 0.96                 | 0.78                         | 0.56         | 0.96            |
| <i>Signed comprehensive provisions</i>                     |                       |                      |                              |              |                 |
| ODA                                                        | 0.84                  | 0.69                 | 0.81                         | 0.90         | 0.39            |
| Democracy Aid                                              | 0.84                  | 0.01                 | 0.62                         | 0.28         | 0.47            |
| Aid for Trade                                              | 0.85                  | 0.02                 | 0.04                         | 0.16         | 0.14            |
| <i>*P-values corresponding to Figure 8</i>                 |                       |                      |                              |              |                 |
| <b>Robustness checks, with GDPPC</b>                       |                       |                      |                              |              |                 |
| <i>Signed provisions</i>                                   |                       |                      |                              |              |                 |
| ODA                                                        | 0.05                  | 0.70                 | 0.45                         | 0.09         | 0.71            |
| Democracy Aid                                              | 0.89                  | 0.12                 | 0.16                         | 0.70         | 0.12            |
| Aid for Trade                                              | 0.26                  | 0.94                 | 0.89                         | 0.82         | 0.94            |
| <i>Signed comprehensive provisions</i>                     |                       |                      |                              |              |                 |
| ODA                                                        | 0.83                  | 0.40                 | 0.85                         | 0.87         | 0.16            |
| Democracy Aid                                              | 0.83                  | 0.01                 | 0.62                         | 0.27         | 0.73            |
| Aid for Trade                                              | 0.84                  | 0.06                 | 0.08                         | 0.25         | 0.28            |
| <i>*P-values corresponding to Figure 9</i>                 |                       |                      |                              |              |                 |

Table 6: P-values for joint placebo test, placebo tests (ODA, Democracy Aid and Aid for Trade)

|                                        | General<br>Objectives    | Individual<br>Rights | Stakeholder<br>Participation | Transparency | Policy<br>Space |
|----------------------------------------|--------------------------|----------------------|------------------------------|--------------|-----------------|
| Placebo test, with democracy pairs     |                          |                      |                              |              |                 |
| Signed provisions                      |                          |                      |                              |              |                 |
| ODA                                    | 0.27                     | 0.76                 | 0.32                         | 0.07         | 0.62            |
| Democracy Aid                          | 0.01                     | 0.27                 | 0.25                         | 0.34         | 0.20            |
| Aid for Trade                          | 0.25                     | 0.67                 | 0.73                         | 0.34         | 0.70            |
| Signed comprehensive provisions        |                          |                      |                              |              |                 |
| ODA                                    | 0.94                     | 0.13                 | 0.01                         | 0.12         | 0.70            |
| Democracy Aid                          | 0.96                     | 0.13                 | 0.17                         | 0.12         | 0.76            |
| Aid for Trade                          | 0.98                     | 0.72                 | 0.59                         | 0.96         | 0.37            |
| *P-values corresponding to Figure 13   |                          |                      |                              |              |                 |
| Placebo test, environmental provisions |                          |                      |                              |              |                 |
|                                        | Environmental provisions |                      | Environmental chapter        |              |                 |
| ODA                                    | 0.78                     |                      | 0.02                         |              |                 |
| Democracy Aid                          | 0.51                     |                      | 0.00                         |              |                 |
| Aid for Trade                          | 0.39                     |                      | 0.39                         |              |                 |
| *P-values corresponding to Figure 14   |                          |                      |                              |              |                 |

## A.4 Excluding controls for democratization trends

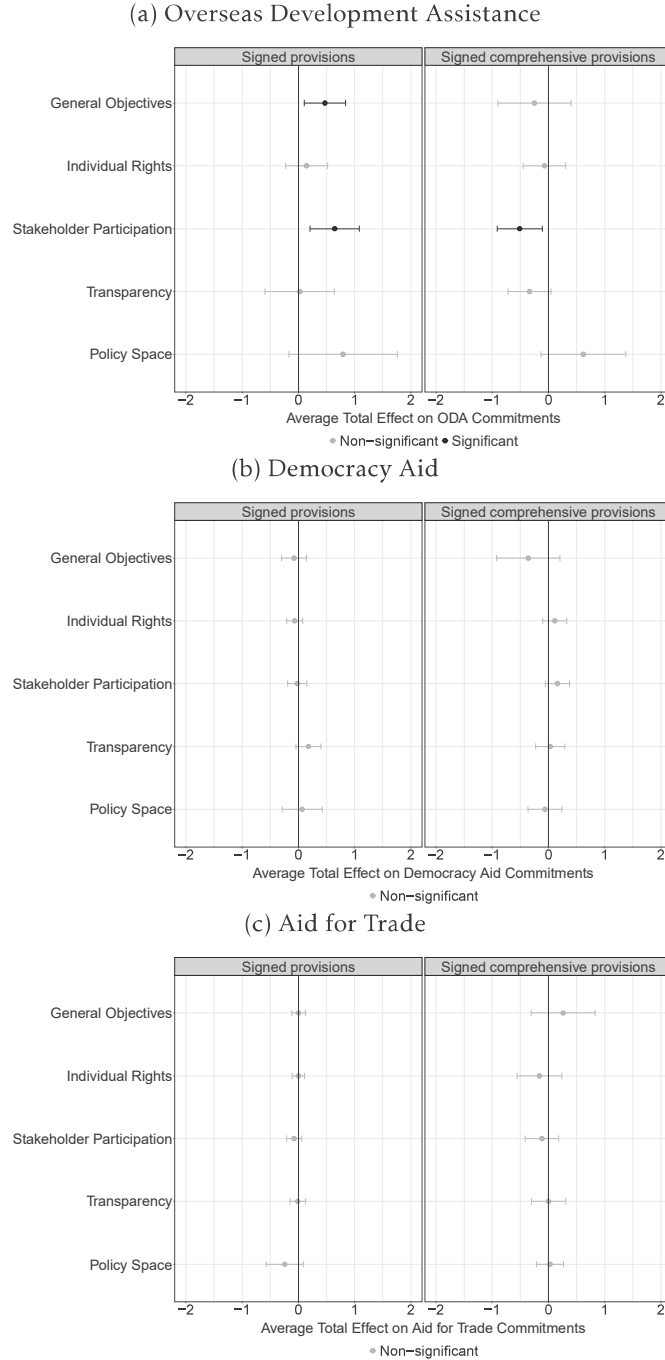
Figure 7: Effects of signing democracy-related provisions on ODA, democracy aid and aid for trade, excluding democratization trends from the list of controls



Note: Results from a staggered difference-in-differences model. The coefficients correspond to the average total effect over a 10-years period of time. Error bars correspond to the 95% confidence interval. The model cannot be estimated for the category democracy promotion due to missing data. Details on sample size across each specification can be found in Table 2 (Online Appendix A.2).

## A.5 Replacing rule of law by the polyarchy index

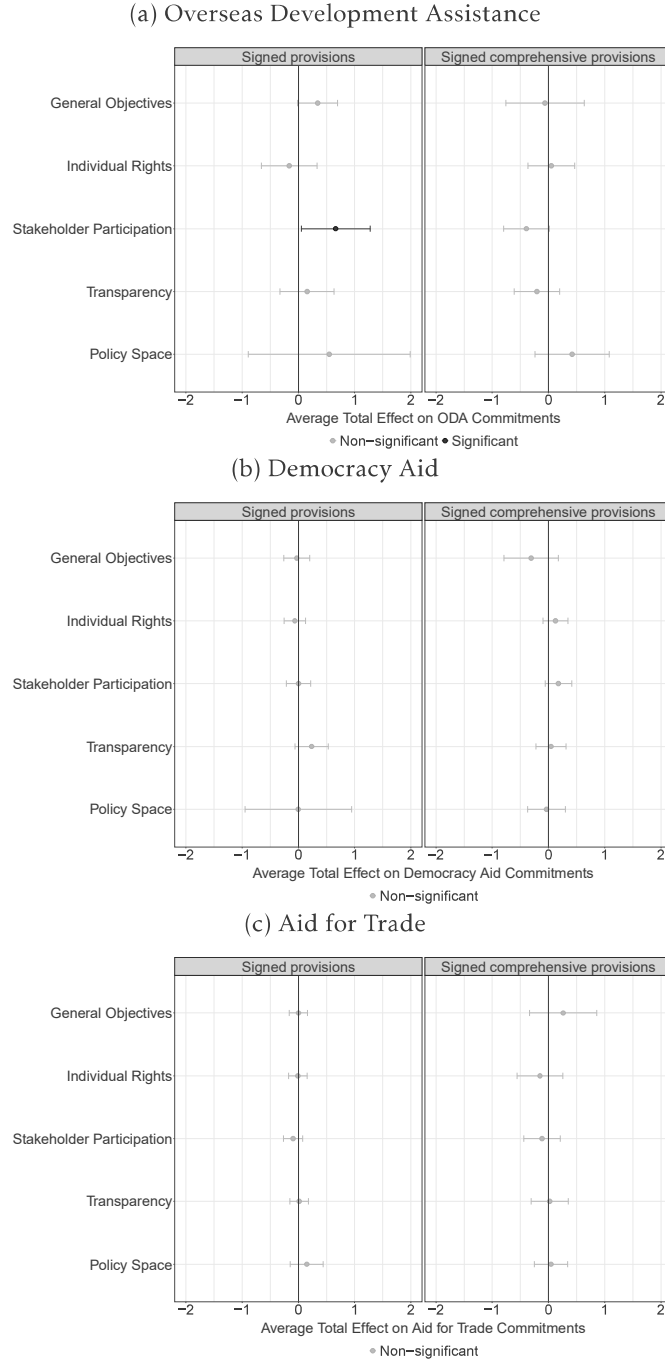
Figure 8: Effects of signing democracy-related provisions on ODA, democracy aid and aid for trade, replacing the rule of law index by the polyarchy index in the list of controls



Note: Results from a staggered difference-in-differences model. The coefficients correspond to the average total effect over a 10-years period of time. Error bars correspond to the 95% confidence interval. The model cannot be estimated for the category democracy promotion due to missing data. Details on sample size across each specification can be found in Table 2 (Online Appendix A.2).

## A.6 Controlling for GDP per capita

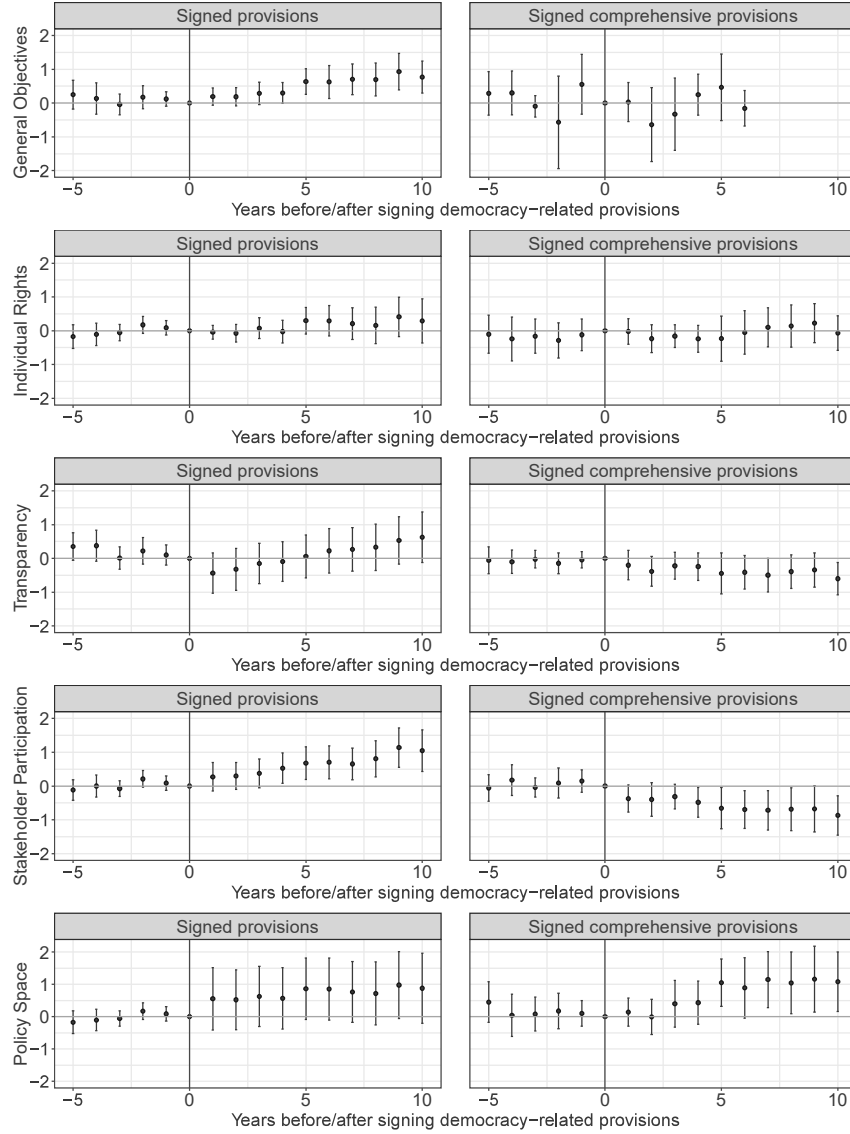
Figure 9: Effects of signing democracy-related provisions on ODA, democracy aid and aid for trade, controlling for donors' and recipients' GDP per capita



Note: Results from a staggered difference-in-differences model. The coefficients correspond to the average total effect over a 10-years period of time. Error bars correspond to the 95% confidence interval. The model cannot be estimated for the category democracy promotion due to missing data. Details on sample size across each specification can be found in Table 2 (Online Appendix A.2).

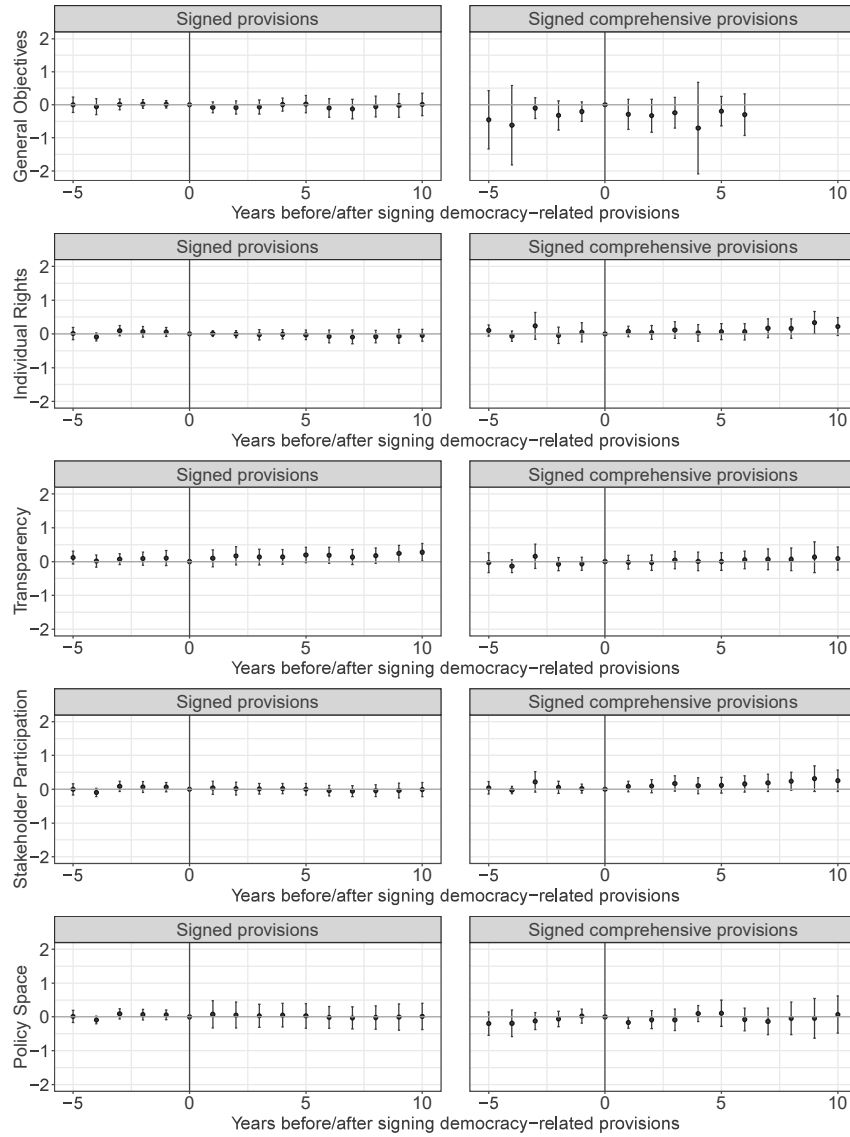
## A.7 Anticipation effects

Figure 10: Event study: Effects of signing democracy-related provisions on **ODA** commitments over time.



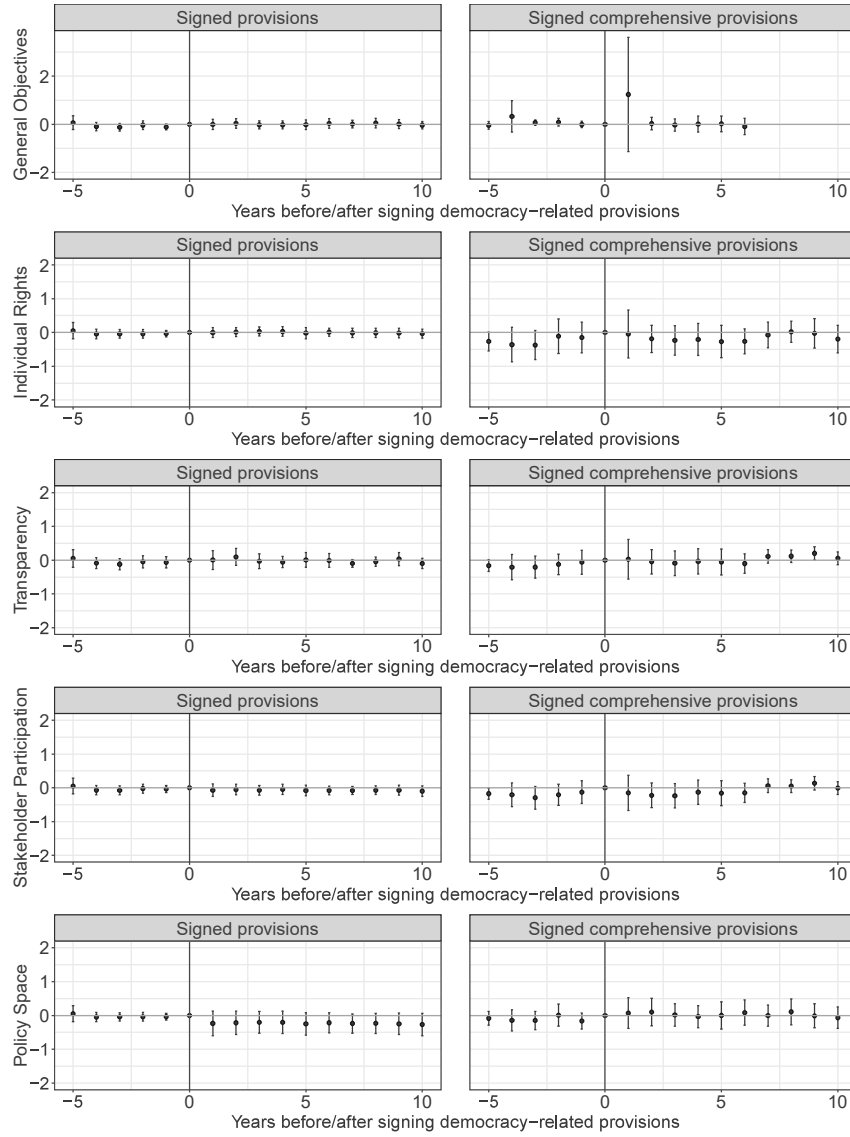
*Note: Results from a staggered difference-in-differences. The coefficients correspond to the point estimates for each period. Error bars correspond to the 95% confidence interval.*

Figure 11: Event study: Effects of signing democracy-related provisions on **democracy aid** commitments over time.



*Note: Results from a staggered difference-in-differences. The coefficients correspond to the point estimates for each period. Error bars correspond to the 95% confidence interval.*

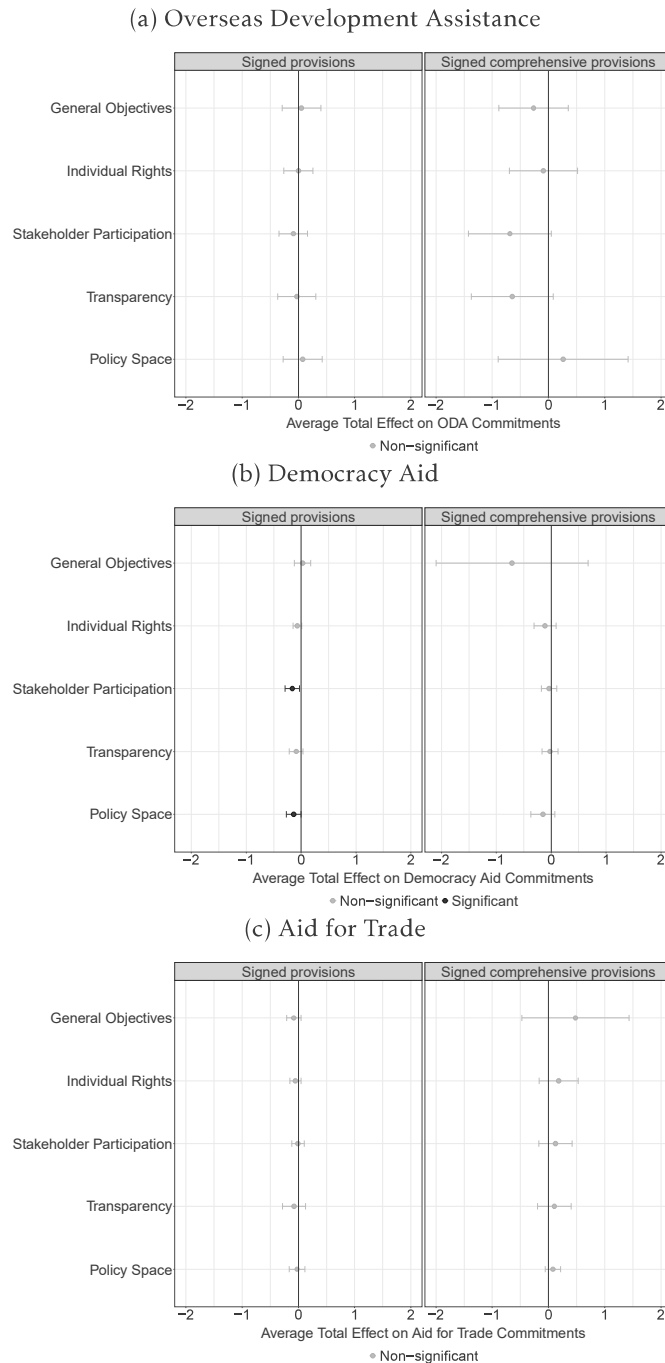
Figure 12: Event study: Effects of signing democracy-related provisions on **Aid for Trade** commitments over time.



*Note: Results from a staggered difference-in-differences. The coefficients correspond to the point estimates for each period. Error bars correspond to the 95% confidence interval.*

## A.8 Placebo test: effects on democracy pairs

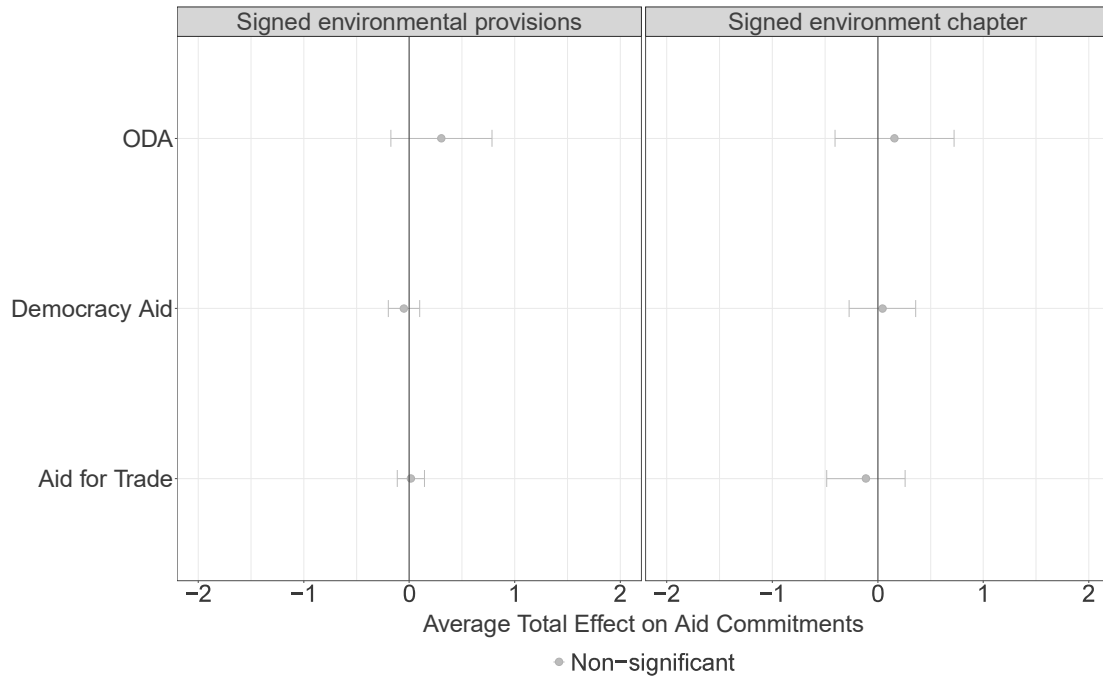
Figure 13: Placebo test: effects of signing democracy-related provisions for democracy pairs on ODA, Democracy Aid, and Aid for Trade



Note: Results from a staggered difference-in-differences model. The coefficients correspond to the average total effect over a 10-years period of time. Error bars correspond to the 95% confidence interval. The model cannot be estimated for the category democracy promotion due to missing data. Details on sample size across each specification can be found in Table 3 (Online Appendix A.2).

## A.9 Placebo test: effects of signing environmental provisions

Figure 14: Placebo test: effects of signing environmental provisions on ODA, Democracy Aid, and Aid for Trade



*Note: Results from a staggered difference-in-differences model. The coefficients correspond to the average total effect over a 10-years period of time. Error bars correspond to the 95% confidence interval. Details on sample size across each specification can be found in Table 3 (Online Appendix A.2).*