The Domestic Politics of Free Trade Agreements

Public Demonstrations and the FTA Ratification Process in Latin America

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Contents

1   Introduction

Do massive public demonstrations by non-political elites affect the ratification process of free trade agreements (FTAs) in Latin America? FTAs are often thought of as an issue area that only policy wonks care about, but there is no denying that free trade agreements are increasingly covered by the media and are at the forefront of policy debates. Ever since the large demonstrations of tens of thousands of anti-free trade activists at the World Trade Organization's 1999 summit in Seattle, Washington, sometimes referred to as the "Battle of Seattle," demonstrations against trade agreements have become more common. The proponents of free trade agreements claim that FTAs raise the standard of living of people all over the world. However, the coalition of groups against free trade argue that the agreements harm consumer protections, labor rights, the environment, and impost high concentrated costs on specific industries. As countries continue to enact FTAs, it is important to know which actors exert influence throughout the process and how they do it. Do you have to be in the room, or can your voice be heard from outside on the streets?

Past research on the negotiation and ratification process of trade agreements have largely focused on veto players. Veto players, in this context, are domestic political actors whose approval is needed for the final draft of the trade agreement and to ratify the agreement through the national legislature (Allee and Elsig 2017). However, not much has been written about transgressive resisters, the activists in the streets who fundamentally challenge the existence of FTAs, seek to stop FTA negotiations, and halt legislative bodies from ratifying FTAs. Transgressive resisters are often ordinary citizens who feel that political elites do not represent their interests when it comes to trade agreements, and thus turn to public demonstrations as a political strategy to have their positions heard. Following the aftermath of the Battle of Seattle, a Los Angeles Times reporter wrote, "[o]n the tear-gas shrouded streets of Seattle, the unruly forces of democracy collided with the elite world of trade policy. And when the meeting ended in failure late Friday, the elitists had lost and [the] debate was changed forever" (Peterson December 5 1999). But the question remains, do transgressive

resisters influence the FTA ratification process?

In this paper, I argue that once negotiations between the countries have concluded, and a final draft of the trade agreement is sent to legislators to ratify, transgressive resisters can affect the duration of time it takes for the FTA to be ratified in Latin American countries, especially when the agreement is with the US or other countries with major economic markets. These demonstrations are strategic activities that seek to change the narrative about FTAs and put pressure on legislators to not ratify the agreement. Using event history modeling, I test my argument on a sample of 74 current and ratified FTAs that involve Latin American countries, from 1994 to 2021. I find that transgressive resisters organize in full force when the FTA is with the United States and other developed economies, and that more demonstrations, on average, other things equal, delays the ratification process. These findings contribute to the literature on the politics of market reform, pluralistic accounts of democratic politics, and social movements.

In the next section, I provide background information to better understand why countries sign free trade agreements, existing approaches to studying the negotiation and ratification process of FTAs, and the role of non-elites in politics. In section 3 I describe my research design, focusing on the decision to use event history modeling, how I gathered the information for the original dataset, and the limitations of the data. In section 4 I present the results of the models and in section 5 I delve into case studies where demonstrations affected the ratification process. Finally, in section 6 I outline future potential research and provide final remarks.

2 Background and Literature Review

2.1 Why Sign a Free Trade Agreement?

The rise in the number of FTAs since 1990 can be attributed to two details: 1) the lack of progress in reducing global trade barriers at the World Trade Organization (WTO) (Mans-

field and Reinhardt 2008) and 2) the conditional and discretionary nature of unilateral preferential trade agreements (PTAs). The WTO was formed in 1995 to oversee much of the global system of trade rules. However, negotiations on new global trade rules have reached an impasse with well-established economies on one side (e.g. the US, the EU, and Japan) and emerging economies on the other (e.g. Brazil, China, and India) (Hoekman 2015, 131). The lack of progress in new cost reductions in global trade has moved countries to create FTAs with strategic partners. However, while FTAs might have started off with "shallow integration" policies that only affected the flow of goods and services across borders, new agreements have "deep integration" policies that include investment regulations, the establishment and protection of intellectual property (IP), and government procurement (Manger 2014, 80).

Most research on why countries negotiate trade agreements focus on the desire for stable market access, in the hopes that it will lead to further economic development (Shadlen 2020). This is most apparent with North-South trade agreements where one country is from the Global North, one is from the Global South, and there is an inherent power asymmetry between the two (Manger 2014). Many countries in the Global South have historically enjoyed trade benefits from countries in the Global North through the Generalized System of Preferences (GSP) and supplementary programs, also known as PTAs. For example, the US created a series of trading programs known as the Caribbean Basin initiative (CBI) to offer many countries duty-free access to the US market. However, the GSP and supplementary programs are provisional.

Beneficiary countries of the GSP and supplementary programs must meet an eligibility criterion, which can always be updated or unilaterally removed due to changing political winds of the preference-granting country. These programs are not created through negotiation between the two countries, and it does not offer the benefit receiving country any mechanism to make any changes to the program. While beneficiary countries have no guarantee of continued market access, they are often required to make non-trade policy concessions.

For example, the US "links GSP eligibility to... participation in drug eradication and interdiction efforts, compliance with international arbitration rulings, adherence to international codes and treaties, and foreign policy cooperation" (Manger 2014, 83). Yet when these deep integration policies are presented in settings such as the WTO, countries in the Global South often reject them (Gallagher 2008). Why then do these countries accept these policies during FTA negotiations?

The Latin American and Caribbean region has experienced a strong rise in the number of FTAs, including those with countries in the Global North that require non-trade policy concessions. The data suggests that beneficiary countries that have become dependent on trade with the preference granting country prefer to lock in market access at all costs. Scholars have argued that the higher the political trade dependence (PTD), the more likely a country from the Global South will seek to obtain a free trade agreement with the US or the EU (Manger 2014). Additionally, for countries in Latin America and the Caribbean, as they see their neighbors sign FTAs, it "can alter countries' calculations of the relative benefits and costs of participating – or not participating – in trade agreements" (Shadlen 2020, 3). This means that a country that was not convinced about deep integration policies at the WTO or during initial FTA conversations could update their calculations if their neighbors sign a trade agreement with those same provisions and with the same partner country. This is more apparent for countries that do not have relatively diverse exports. Would be winners of free trade agreements, usually exporters, a highly concentrated and organized coalition, increase the fear that not participating in free trade agreement, like neighboring countries, would stifle development. As Gallaher states, "the benefits of market access are perceived as outweighing the costs of losing policy space and trade diversion" (Gallagher 2008, 49). However, there are other avenues that asymmetric relationships in domestic and international stages influence the ratification of FTAs.

It has long since been argued that powerful countries can apply strong pressure on weaker countries when it comes to trade and market reform (Hirschman 1945; Drahos 2003).

According to Drahos, a country's bargaining power stems from: 1) the country's market power, 2) commercial intelligence networks that can gather, distribute, and analyze the country's economic strength and weaknesses, 3) the capacity of a state to create a coalition of political and economic elite to steward the process, and 4) domestic institutions that delegate negotiating authority and ratification process. If we use Drahos' metrics of bargaining power, we can further understand why Latin American countries would sign FTAs with deep integration policies, even if they refuse those policies in global forums. These countries are simply at a negotiating disadvantage. Transgressive resisters question the economic model at the foundation of FTAs and strongly believe that their country will be worse off if they ratify an FTA with deep integration policies, especially when the relationship between partner countries is asymmetrical (Carazo Vargas March 12 2007; Press February 14 2005).

2.2   What Explains the Duration of the Trade Agreement Process?

The free trade agreement process starts when an organized coalition successfully manages to convince elected officials to begin trade negotiations that will solidify stable market access with one or more countries. This coalition is made up of potential winners of the FTA. If this coalition is highly motivated and passed the major hurdle of getting negotiations started, what then determines the length of time it takes for negotiations to end and for the FTA to be ratified? The length of trade negotiations and ratification have real world implications, including: officials creating careers over how quickly they can make deals through negotiations, "businesses base their investments and export decisions on market access," longer negotiations increase the risk of one side ending negotiations entirely to begin negotiating with another trading partner, and longer processes increase the risk of undermining the coalition of potential winners of the FTA (Lechner and Wüthrich 2018; Fearon 1998, 277). Previous research suggests the regional diversity of the countries, the design of the trade agreement, and the influence of veto players all play a role on the duration of the trade agreement process, namely the negotiation phase.

Past research suggests that an increase in the number of countries involved in trade negotiations have a statistically significant impact on the total duration of trade negotiations (Moser and Rose 2012). Intuitively this finding makes sense as it is more difficult to reach a consensus when there are more people at the negotiation table. However, the number of countries involved should not influence the ratification period. At this stage of the process, consensus between political elites have been reached and the pro-FTA coalition is interested in mobilizing their coalition against all FTAs.

Researchers have long hypothesized that neighboring countries have an easier time reaching a consensus in trade negotiations and international affairs more broadly. The theory is that countries that have a longer history of interacting together will have less difficulty coming to an agreement versus "strangers." Neighboring countries can be defined through bilateral distance (Bergstrand and Egger 2013; Baier and Bergstrand 2007) or if they are in the same region (Moser and Rose 2012; Mölders 2016). It is plausible that transgressive resisters organize in full force when the FTA is with a "stranger" and not a neighbor.

Recent studies have attempted to code the text of hundreds of trade agreements to determine if the design of the agreement influences the duration of trade negotiations. The Design of Trade Agreements Database (DESTA) has coded 733 Preferential Trade Agreements (PTAs) to measure obligation, precision, and delegation of PTAs (Dur and Elsig 2014). Data suggests that agreements with deeper integration policies, especially when compared to previous agreements, will increase the total duration of the trade negotiation (Lechner and Wüthrich 2018). Unfortunately, this data was not integrated into this version of the study.

Finally, the last group of studies look at the influence of veto players during the trade agreement process. Veto players, as a concept, was designed to "capture the range of important actors in selected democratic systems, it has been extended to reflect how domestic actors across all political systems might encourage domestic or international policy rigidity" (Allee and Elsig 2017, 539). Researchers argue that countries with more veto plater are less likely to enter trade agreements and, if the country does start trade negotiations, veto

players can slow down the process. Veto players are measured by counting the number of independent veto points over a policy outcome, and the distribution of the preferences of the actors. A larger number of veto players increases the level of political constraints. While much of the international relations literature focuses on political elites, other political science subfields, like American politics, and other disciplines, like history and sociology, have more robust studies that focus the influence of activists and transgressive resisters on policy (Wasow 2008). This paper seeks to include transgressive resisters in the trade agreement literature.

2.3   Can Non-Elites Make an Impact on Policy?

Trade agreements are negotiated by representatives of the countries involved, and once a final draft of the agreement has been approved by all parties, it is signed by the leaders of the countries. However, that agreement is inoperable unless the agreement is ratified through mechanisms detailed in domestic law and the agreement goes into force. This is a classic two-level game where level one is between the representatives from the countries involved and the level two game is between each government and their constituents at home (Haftel and Thompson 2013; Spalding 2014, 29; Putnam 1988). This study is interested in the period when an FTA has been signed by all parties and when it is ratified. Domestic laws usually require the legislature to ratify an FTA, meaning there needs to be a majority coalition of domestic political actors. So, can transgressive resisters, non-political elites who fundamentally disagree with FTAs, influence the ratification process?

Public demonstrations are not random and spontaneous outbursts that support or oppose policies, rather they are a strategic political activity that requires focused and capable organizers (Turner and Crabtree 2021). The goal of public demonstrations is often to attract media attention to shift public perception and leverage their collective power to advance their policy interests (Wasow 2008; Daniel Q. Gillion 2013; McAdam and Su 2002). Recent scholarship suggests that public demonstrations have the power to influence the behavior

of legislators "if the expected utility of doing so is greater than the expected utility of not supporting it" (Gause 2022, 263; Daniel Q. Gillion 2012). However, much of the literature focuses on domestic policies and does not explore how public demonstrations affect international trade policies in Latin America.

3   Research Design

3.1   Theory

After free trade agreements have been negotiated and signed by representatives of each country involved, each country must ratify the agreement through domestic legal channels. Political elites are at the forefront of the ratification period because the legislative branch usually needs to approve the FTA, but this process does not occur in a vacuum. Transgressive resisters fundamentally disagree with free trade agreements and the economic neoliberal philosophy at the foundation of free trade agreements. They believe that public demonstrations of their opposition can stop the ratification process, even if their demonstrations did not stop the negotiation phase. I argue that if transgressive resisters are organized enough to show their influence with large demonstrations multiple times, it could cause legislators to act differently. For example, legislators who are pro-FTA might try to propose policies for distributive allocations as to not lose many votes, pro-FTA legislators might spend more time doing public relations to minimize blowback, and anti-FTA legislators might be more forceful with their delaying tactics by claiming a mandate from the public demonstrations. These activities, and others, affect the length of time it takes legislators to ratify a free trade agreement.

3.2   Data

Using an original dataset, I test my argument on a sample of 70 of the 94 current and ratified free trade agreements in Latin America, from 1994 to 2021, reported by the Organization of

American States' (OAS) Foreign Trade Information System (known as SICE for its acronym in Spanish – Sistema de Informacion sobre Comercio Exterior). The SICE database contains over 18,000 documents and files on all the custom unions, free trade agreements in force, preferential trade agreements in force, agreements signed and ratified but not yet in force, and agreements under negotiation for member countries of the OAS. Every ratified free trade agreement was disaggregated in the dataset resulting in 189 rows of country – agreement level data. My unit of analysis is country – agreement because I am interested in the ratification period for each FTA within each country. With my sample of 70 ratified agreements, there are 108 observations used in this study. For this project, I define Latin American countries narrowly, excluding the island nations in the Caribbean, except for the Dominican Republic.

3.2.1 Dependent Variable

My dependent variable is the ratification period, the number of days between those two dates. The length of time it takes for an FTA to become ratified represents how complicated it was for the state to push through a policy that they approved of and were excited for. The SICE database contains the signature date for every agreement in its files, which was collected using web scraping techniques. However, SICE does not readily display or contain the ratification date for each agreement. Thus, I systematically searched through SICE PDF documents and used Factiva to screen newspaper articles to obtain the ratification date for each country – agreement pairing. Factiva is an online database of newspapers in 26 languages and from more than 200 countries. I searched through Spanish language newspapers using a combination of key search words, including: free trade agreement, FTA, ratified, passed, *name of country of interest*, *name of agreement*, and *partner country names* (these terms were in Spanish and using various conjugations). If there were any contradicting dates between media reports, the earliest date was used. This approach follows that of other studies (Lechner and Wüthrich 2018; Wüthrich 2020).

With the sample of 108 observations, Figure 1 shows the variation in the dependent

variable, the time it took each country to ratify a free trade agreement. The shortest time to ratify an agreement was the Bolivia – Mexico Free Trade Agreement, which took 4 days (this was an FTA that replaced a 16-year-old FTA between the two countries). The longest ratification period belongs to Chile when it ratified its FTA with Nicaragua, which took 4,726 days, or almost 13 years. The median duration it took a country to ratify a free trade agreement was 334 days, or about 11 months.

3.2.2   Independent Variable

The key independent variable in this study is the number of demonstrations that occurred during the ratification period. The number of demonstrations is a proxy for the strength of the transgressive resisters in having their positions heard. I systematically searched through thousands of newspaper articles using Factiva to collect the number of demonstrations during the ratification period of each country – agreement pairing. I used a combination of key search words, including free trade agreement, FTA, protest, demonstration, manifestation, rally, *name of country of interest*, *name of agreement*, and *partner country names* (these terms were in Spanish and using various conjugations). Furthermore, I only searched for newspapers articles that were published between the ratification period.

I found newspaper articles that described public demonstrations against FTAs in 14 country – agreement ratification periods using the method described above. There was a total of 28 public demonstrations. Those demonstrations were against nine different FTA, see Table 1. It is important to note that ten of the 14 country – agreement observations included the US, two included the EU, one included China, and one included MERCOSUR, the South American custom union between Argentina, Brazil, Paraguay, and Uruguay.
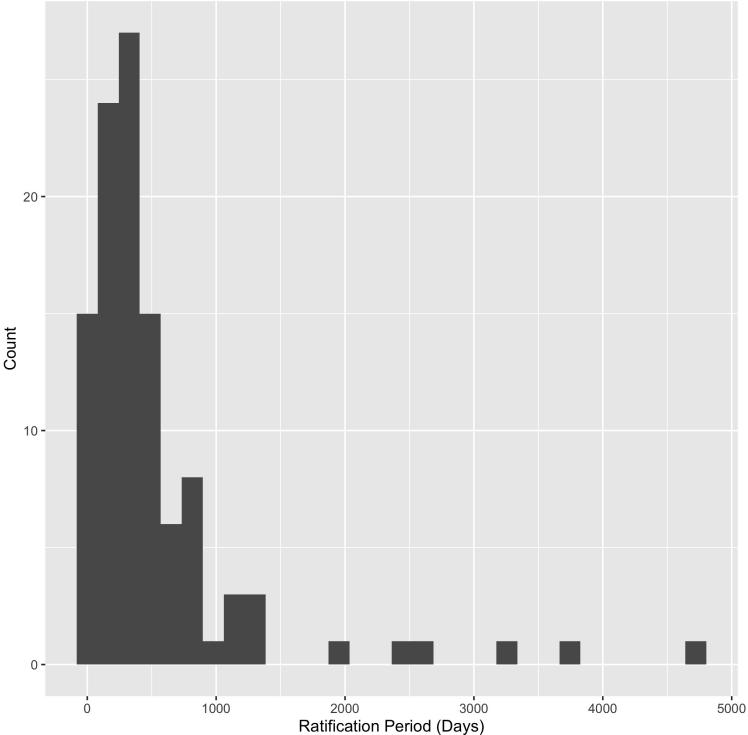
3.2.3   Controls

I included several control variables that could alleviate concerns of potential confounding factors. Because my unit of analysis is the ratification period for every country – agreement

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Figure 1: A Boxplot and Histogram of the Ratification Period in Days for FTAs in Latin America
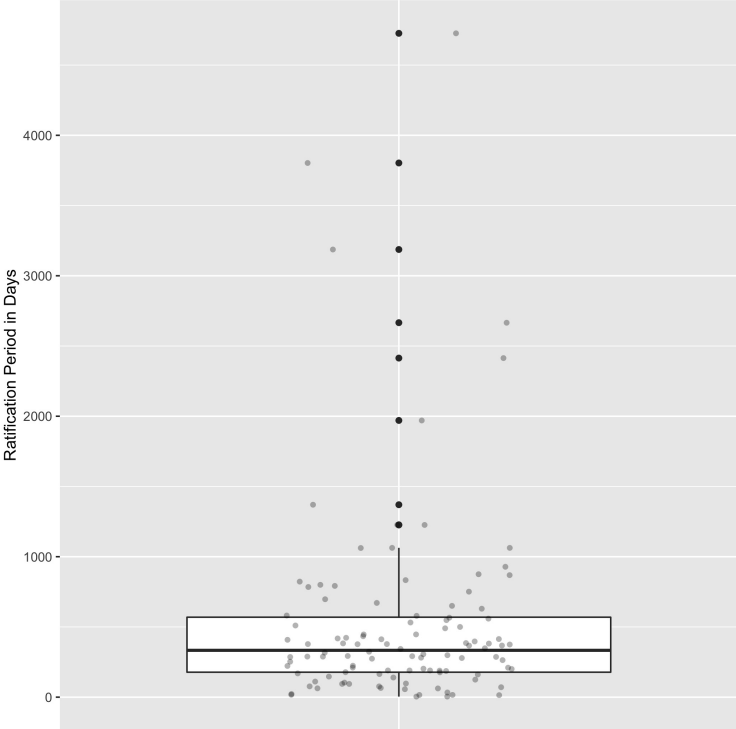
(a) Boxplot

(b) Histogram

Table 1: Number of Demonstrations Against FTAs in Latin America

Country	Agreement	Number of Demonstrations
Chile	Chile - MERCOSUR	1
Chile	Chile - United States of America	1
Colombia	Colombia - European Union	2
Colombia	Colombia - United States of America	2
Costa Rica	CAFTA-DR	6
Dominican Republic	CAFTA-DR	2
El Salvador	CAFTA-DR	1
Guatemala	CAFTA-DR	3
Honduras	CAFTA-DR	1
Mexico	Mexico - European Union	2
Mexico	USMCA (Canada-Mexico-United States)	1
Nicaragua	CAFTA-DR	2
Peru	Peru - China	1
Peru	Peru - United States of America	3

observation, when applicable, these variables are averages for the period of interest. For example, as is the norm in past research, I include the mean natural log of total GDP and GDP per capita to capture the economic importance and income level of a country (Baccini and Elsig 2015). I also include the mean Polity IV score during the ratification period (Jaggers and Gurr 1995). The Polity IV score will control for how democratic a country is during the ratification period. The idea is that more democratic countries are less repressive than less democratic countries, affecting how safe individuals feel about attending a demonstration. Furthermore, the more democratic a country, the more likely that transgressive resisters will feel that their demonstrations can influence policy makers' decisions. However, it is important to note that some of the largest and most intense demonstrations in some Latin American countries, such as El Salvador, "occurred under conditions not always emphasized by prevailing social movement theories (e.g., under extremely repressive governments or under neoliberal regimes that undermine the base of the social movement sector by liquidating organized labor)" (Almeida 2008, 3). Additionally, I control for which region of the world the partner countries are from.

The other control variables are binomial and seek to control for other conditions that

might speed up or slow down the ratification process. I control whether the partner countries are in the Latin American and Caribbean region or not (are they neighbors) (Moser and Rose 2012; Mölders 2016), if one of the partner countries is the United States, and if the partner countries include a major economic market (power asymmetries) (Hirschman 1945; Drahos 2003). For this study, countries classified as having major economic markets are the United States, the United Kingdom, the European Union, Canada, Japan, New Zealand, and the four members of the European Free Trade Association (EFTA), which include Iceland, Liechtenstein, Norway, and Switzerland. The EFTA countries are included as countries with major economic markets because they operate in parallel with the EU and participate in the European Single Market. See Table 3 for descriptive statistics of these control variables.

Table 2: Descriptive Statistics of Control Variables

Characteristic	N = 108
Region of Partner Country	
East Asia	24 (22%)
Europe	12 (11%)
Latin America & Caribbean	54 (50%)
Middle East	2 (1.9%)
North Africa	1 (0.9%)
North America	15 (14%)
Includes the US	
No	98 (91%)
Yes	10 (9.3%)
Neighbor is in Latin America & Caribbean	
No	54 (50%)
Yes	54 (50%)
Includes a Major Market Economy	
No	80 (74%)
Yes	28 (26%)
Mean Polity IV Score	9.00 (8.00, 10.00)
Natural Log of Mean GDP (Current US Dollars)	25.21 (24.34, 26.14)
Natural Log of Mean GDP per capita (Current US Dollars)	8.68 (8.34, 9.22)
Note:	n (%); Median (IQR)

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3.3   Method

I use event history modeling to answer my question, do public demonstrations organized by transgressive resisters affect the ratification process of free trade agreements in Latin America. Event history modeling, also known as survival analysis or duration modeling, is used to study the duration of time until an event happens. Specifically, event history modeling estimates the "risk" that an event, in this case the ratification of an FTA, will occur as time progresses (Haftel and Thompson 2013). Thus, by looking at the relationship between covariates and the length of the observed time, we can better understand the factors that influence the time it takes for the event to happen. While event history modeling is often associated with fields like biostatistics, where the event is usually referring to the death or recovery of a patient, social scientists have adapted this model to examine the duration of time until an event occurs, such as the ratification of a treaty.

Event history modeling is preferred over traditional linear regression models like OLS regression because 1) duration might be considerably asymmetric, 2) there are instances where censoring occurs because an event has not happened yet, and 3) traditional regression has trouble accounting for covariates whose values change over time (Box-Steffensmeier 2004). First, duration data is always positive because time cannot be negative, and this can cause skewness problems with the response variable. OLS can mitigate these problems, but the issue is null with event history modeling. Censoring occurs when there is missing observation data because the event of interest did not occur before the study ended. Censoring can create misleading results in OLS because censored and uncensored observations are treated as equals. However, event history modeling is designed to return the hazard rate, or the probability that the event of interest will not occur, at value t, and accounts for censoring. Finally, traditional regression models have a hard time accounting for time-varying covariates and implicitly treat all covariates as time-invariant (Box-Steffensmeier 2004, 19).

I used the Cox proportional hazard model to understand the relationship between the number of days in the ratification period with my covariates of interest (Cox 1972, 1975).

The Cox proportional hazard model is the most trusted and frequently used model for social science research because the distribution form of the duration time can be left unspecified, but we are still able to understand the relationship of the outcome with the covariates of theoretical interest (Box-Steffensmeier 2004, 47). The Cox model assumes that the hazard rate for the ith individual is

$$h_t(t) = h_o(t)exp(\beta\prime x),$$

where $h_o(t)$ is the baseline hazard function and $\beta\prime x$ are the covariates and regression parameters. In other words, the hazard rate is the rate at which an event happens at time t, given that the observation had survived to time t, accounting for the covariates and regression parameters.

3.4 Concerns and Limitations

Some might argue that this project suffers from selection bias. Barbara Geddes succinctly summarizes the problem in her lauded article, "How the Cases You Choose Affect the Answers You Get" (Geddes 1990). Selection bias could be describes as selecting on the dependent variable, that the observations are unrepresentative of the wider population, or that the end of time-series data was not chosen in a neutral way. It is reasonable to think that some unobservable variable that leads a country to sign a free trade agreement will affect the speed of ratification at the domestic level. However, selection bias is less of a concern for this project because this theory is focused on the factors that affect the ratification process. Thus, this universe of cases was chosen to better understand the influence of transgressive resisters on the ratification period. Furthermore, there is reason to believe that economic and political factors that affect signing a free trade agreement would have manifest themselves throughout the negotiation period and would have no systematic effect during the ratification period (Haftel and Thompson 2013, 364). Finally, the reason for including the Polity IV score, the natural log of GDP, and the natural log of GDP per capita is to con-

trol for political and economic factors that influence the negation process and perhaps the ratification period.

The chief cause of concern is that the number of public demonstrations by transgressive resisters in the dataset is an undercount. Newspaper-based event data has been used by social scientists to facilitate comparative and historical research on collective action (Tarrow 2011; Lichbach 1998) but there exists a robust methodological debate about the use of this data. One major critique is that the data inherently has selection bias because news agencies do not report on all events (Earl and Soule 2004; Demarest and Langer 2019). However, social movement scholars maintain that large scale demonstrations with many participants, "events characterized by violence (property or physical damage, police repression, arrests, etc.), events organized by movements with professional (public relations) staff, and events involving high-profile actors are all more likely to be reported" (Demarest and Langer 2019, 8; Earl and Soule 2004; Ortiz and Diaz 2005; Jenkins and Maher 2016).

To account for these critiques, I limited my newspaper search to only Spanish language newspapers. The goal is to capture local and national newspapers, which would be more likely to report more public demonstrations than international newspapers (Bueno de Mesquita and Shapiro 2015; Demarest and Langer 2018). Furthermore, I expect Spanish language international newspapers to be more willing to report on public demonstrations occurring in other Spanish speaking countries, their neighbors in the region. Unfortunately, Factiva does not have a substantial catalog of local and national newspapers for some of my countries of interest. For example, Factiva only has articles written in 2021 for La Prensa Gráfica, one of El Salvador's oldest daily national newspapers. This is described as stage 2 error, where third-party decisions about which sources to include in a database occur (Althaus and Shalmon 2021). Unfortunately, this is a liability with all event data studies and can only be accounted for with more fine grain data that usually involves archival work, not using a third-party vendor.

The final cause for concern in this study is multicollinearity, which refers to situations

where two or more variables are linearly correlated with each other. If the variables are not independent, they can alter results by providing false coefficients and standard errors; any inferences we gather from the biased data will be incorrect. In other words, multicollinearity makes it difficult to try to untangle the influence of each variable. It could be argued that some of the control variables partially measure each other. For example, it might be unwise to include the binary control variables for if the partner countries include the United States and if the partner country has a major economic market. This would be an issue because the US is partially measured by the major economic market control variable. To account for this, I run the models with as many control variables as possible, without including variables that may partially measure each other.

4   Results and Analysis

To test my initial hypothesis, I used event history modeling on a sample of 70 current and ratified FTAs that involve Latin American countries, from 1994 to 2021. With my disaggregation strategy, there are 109 country–agreement observations. This initial exploration only examined the ratification phase, the period after the final draft of the FTA was signed by government representatives and up to when the FTA was ratified. In other words, these initial results do not take into consideration public demonstrations that occurred during the FTA negotiation period. I include controls, such as the mean Polity IV score, the natural log for the mean GDP, and the natural log of the mean GDP per capita during this period to control for political and economic factors that could affect the speed towards ratification. I find that transgressive resisters organize in full force when the FTA is with the United States and other developed economies, and that more demonstrations, on average, other things equal, delays the ratification process.

Table 3 displays the results of four event history models that seek to understand the effects of the multiple variables on the length of the ratification period of FTAs in Latin

America. For all seven models in this initial study, mean Polity IV score, the natural log of the mean GDP, and the natural log of the mean GDP per capita during the ratification period are the constant controls. Model 1 includes the three consistent control variables and none of the variables are statistically important. In Model 2, the key independent variable, the number of demonstrations during the ratification period, is included and the model suggests that public demonstrations do not affect ratification. Model 3 removes the key independent variable and instead checks to see if economic power asymmetry between the countries in the FTA plays a role. The model suggests that the length of the ratification period is affected if one of the partner countries is a major economic market. Finally, Model 4 includes the measure of demonstrations and power asymmetries. When put together, the coefficients of the number of demonstrations and power asymmetries drastically increase and become statistically significant. Additionally, Model 4 suggests that there are some economic factors that affect the ratification period.

The results of the models are presented as coefficients. A positive sign indicates that the hazard, in this case the ratification of the FTA, is higher. This means that the ratification will be swifter. Thus, a negative sign indicates an increase in the length of the ratification period. Because the coefficients for economic power asymmetries and the mean GDP of the Latin American countries are positive, this indicates that the number of days in the ratification period will be less. Conversely, because the coefficient for the number of public demonstrations by transgressive resisters is negative, as well as the mean GDP per capita, these country – agreement observations have a lower risk of the event happening, creating a lengthier ratification process.

Table 4 presents the results of the last three models. Model 5 includes an additional control if the FTA partner countries are in Latin America because 50 percent of the FTAs in the sample are with Latin American countries; the inclusion of the variable did not substantially change any coefficients or standard errors. Model 6 removes the variable for economic power asymmetry and includes a dummy variable if the partner country is the

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Table 3: Cox Nonproportional Hazard Estimates (Models 1 - 4)

| | *Dependent variable:* | | | |
| | Ratification Period in Days | | | |
	Model 1	Model 2	Model 3	Model 4
Number of Demonstrations		$-.04$ (.11)		$-.25^{***}$ (.14)
Partner Country is a Major Market			$.49^{**}$ (.24)	$.83^{***}$ (.28)
Mean Polity IV Score	$-.03$ (.12)	$-.03$ (.12)	$.02$ (.13)	$.03$ (.13)
Mean GDP	$.20$ (.14)	$.19$ (.14)	$.22$ (.14)	$.22^{*}$ (.14)
Mean GDP per Capita	$-.40$ (.29)	$-.40$ (.28)	$-.41$ (.29)	$-.46^{*}$ (.29)
Observations	108	108	108	108
R^2	.05	.05	.09	.12

Note: *p<0.1; **p<0.05; ***p<0.01

United States. Unsurprisingly, the effect of the US is immensely large and statistically significant; the coefficient is positive which means that FTAs with the US have a faster ratification period. Finally, Model 7 includes controls for the region of the world where the partner countries are from. At this point, the number of demonstrations is still statistically significant, and its coefficient has been stable. The model suggests that the length of the ratification differs significantly when the FTA is with specific regions of the world, including the Middle East, North Africa, and North America. However, seeing as there is only two cases from the Middle East and one from North Africa (see Table 3), those results should be ignored. It is important to note that the dummy variable for North America is smaller in both strength and statistical significance from the US and major economic market dummy variables. That means that the FTAs with Canada do not seem to garner swift ratification processes.

Four of the seven models indicate that number of demonstrations by transgressive resisters affect the ratification process by delaying it. However, the data suggests that whatever effect the demonstrations have on the ratification period are eclipsed by other factors with larger effects, mainly if the FTAs are with a country where there is a large economic power asymmetry and if the FTA is with the United States. In each model, the coefficient of the other factors are twice as large as the number of demonstrations. These findings align

Table 4: Cox Nonproportional Hazard Estimates (Models 5 - 7)

	Dependent variable:		
	Ratification Period in Days		
	Model 5	Model 6	Model 7
Number of Demonstrations	$-.25^{***}$ (.14)	$-.27^{***}$ (.18)	$-.24^{***}$ (.14)
Partner Country is a Major Market	$.79^{***}$ (.33)		
Partner Country is the US		$.83^{**}$ (.54)	
Partner Country is in Latin America	$-.06$ (.26)	$-.27$ (.22)	
FTA with Europe			.16 (.38)
FTA with Latin America			$-.30$ (.27)
FTA with the Middle East			-1.13^{**} (.77)
FTA with North Africa			$-.93^{***}$ (1.06)
FTA with North America			$.67^{*}$ (.41)
Mean Polity IV Score	.03 (.13)	$-.01$ (.12)	$-.08$ (.13)
Mean GDP	$.22^{*}$ (.14)	$.22^{*}$ (.14)	.17 (.15)
Mean GDP per Capita	$-.47^{*}$ (.30)	$-.45$ (.29)	$-.30$ (.31)
Observations	108	108	108
R^2	.12	.09	.13

Note: *p<0.1; **p<0.05; ***p<0.01

with much of the literature on the factors that influence trade negotiations and provide new insights on the role of transgressive resisters. The next section will look at case studies to further flesh out the role of transgressive resisters.

5 Case Studies

As seen in Table 5, all six Latin American countries involved in the Central American – Dominican Republic Free Trade Agreement (CAFTA-DR) with the United States had transgressive resisters that organized demonstrations against the agreement. The ratification period for these countries are similar, with the exception of Costa Rica which was a drastic outlier. We can continue to investigate at the country – agreement level to further understand how transgressive resisters played a role in the ratification period in Costa Rica and El Salvador. These two case studies were chosen because they represent the polar opposites of how long it took to ratify CAFTA-DR. While there is an institutional argument for why

Costa Rica had a lengthier process (legislative procedures), transgressive resisters organized demonstrations (ranging in tactics) that have left their mark on the process as well.

Table 5: Ratification Period for CAFTA-DR

Country	Days	Number of Demonstrations
Costa Rica	1227	6
Nicaragua	500	2
Dominican Republic	397	2
Guatemala	286	3
Honduras	279	1
El Salvador	203	1

5.1 Background on CAFTA-DR

The United States – under the Bush Sr., Clinton, and Bush Jr. administrations – sought to establish the Free Trade Area of the Americas (FTAA), a hemisphere wide FTA, but momentum began to wane as key Latin American countries, such as Brazil, called for more balanced negotiations with the US (Spalding 2014, 63; Barbosa 2003). This led the Bush Jr. administration to seek a fragmented approach and sign bilateral and regional FTAs throughout Latin America, starting with Central America (Zoellick 2002). Coincidently, unilateral trade rules under the Caribbean Basin Initiative (CBI), which affected Central America countries, were set to expire and "U.S. representatives made it clear that CAFTA-DR would replace the CBI, not simply serve as an option or alternative. Continuing access to the U.S. market would now come with a price" (Spalding 2014, 82). The US and Central American countries agreed to a twelve-month negotiation process with three sets of actors involved, government officials, business sector representatives, and civil society participants.

CAFTA-DR was the first time that civil society participants were formally invited to Central American trade negotiations. Unfortunately, interviews with those civil society representatives in the negotiation rooms suggest that they were vastly outnumbered by representatives of the business sector, and that they had no tangible influence on the text of the FTA (Spalding 2014, 81). In fact, some have described the process as merely informing

civil society of what was to come. Throughout the process, the US pressured the Central American countries to accept deep integration policies that affected intellectual property rights, labor laws, and markets that were once only open to state monopolies, like Costa Rica's government-run electricity and telecommunication company (el Instituto Costarricense de Electricidad – ICE) (Hicks and Tingley. 2009). Furthermore, the US pushed for confidentiality of the treaty texts until the final draft was complete, allowing only government representatives to have access to the documents, going against the idea of transparency and the inclusion of business and civil society participation (Condo and Rivera 2005). While transgressive resisters organized demonstrations throughout the negotiation process, in the end, representatives from the United States, Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua signed the final draft of CAFTA-DR on May 28, 2004, initiating the ratification process.

5.2   Costa Rica

It was expected that Costa Rica would have a lengthier ratification process because "legislative measures in Costa Rica required two rounds of approval by the full [legislative] body, with a mandatory constitutional review following the first vote" (Spalding 2014, 141). However, there were substantive delays because of the force behind the anti-CAFTA movement. CAFTA-DR required Costa Rica to privatize the telecommunication industry and allow international firms to enter that market. ICE, the state run telecommunication company that employed 12,000 workers, around 10 percent of the national government employees, opposed this move as they feared the loss of job security, benefits, and wages (Sojo Obando 2004; Hoffman 2008). However, other public employee unions, including teachers and oil workers, joined the unions of ICE employees as they feared this was the first move in further neoliberal economic policies that would soon affect them as well. The solidarity strikes and demonstrations in the street (many of which were not reflected in the Factiva database but were described in other sources) soon included students, environmentalists, and rural peasants

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that blocked roads to disrupt transportation and economic activities to put pressure on the government to reject privatization and the FTA (Hoffman 2008).

Pro-CAFTA legislators feared that CAFTA ratification "might be defeated, not for lack of votes but for lack of time," as there was a March 1, 2008 deadline and legislators that opposed ratification could delay voting, even with the "fast-tack" process (Willis 2012). The demonstrations grew larger and were more organized as the transgressive resisters saw a clear path towards blocking ratification. The momentum led José Miguel Corrales – a former elected official of the National Liberation Party (Partido Liberacón Nacional – PLM), staunch opponent of neoliberal policies, and prominent member of the CAFTA opposition – to spearhead a movement to take the CAFTA ratification process out of the hands of the legislature and into the hands of the people through a national referendum (Breuer 2009). The Supreme Electoral Tribunal (Tribunal Supremo Electoral – TSE) authorized the national referendum to proceed and the anti-CAFTA movement had to shift tactics towards an electoral campaign. However, the now "NO campaign" organized a final demonstration in the nation's capital on September 30th, 2007, which has been described as one of the largest demonstrations in the country's history and with an estimated 100,000 participants (Willis 2012). The referendum was voted on October 7, 2007, and even though the "NO campaign" was drastically overspent in television and print media ads, the "NO campaign" narrowly lost with 48.43 percent of the national vote, compared to the "YES campaign's" 51.57 percent (Breuer 2009).

The probability that the anti-CAFTA movement was going to succeed were low, especially with the lack of material resources and the amount of ingroup conflict (Frajman 2012). For example, it is estimated that the "YES campaign" raised $500 million through private businesses and individuals, where the "No campaign" raised about $30 million through door-to-door knocking fundraising (Breuer 2009). Additionally, a couple of days before the final vote, during the time when laws mandated an end to all campaign events, US trade representative Susan Schwab issued a statement arguing that if the referendum did not ratify

CAFTA-DR, it would be hard to imagine any new FTA agreement between the US and Costa Rica (Spalding 2014, 151). This raised the stakes of the referendum and injected more fear of what would happen if the FTA was not ratified. In the end, the "NO campaign" suffered electoral defeat, but the movement delayed the process in the legislature, removed the ratification power from the legislature and put the decision to a national popular vote (the first time this occurred with any FTA in the world), and lost by only 3.15 percent of the vote. Clearly, transgressive resisters influenced the ratification process of CAFTA-DR.

5.3   El Salvador

El Salvador is an interesting illustration of the effect of transgressive resisters on the ratification process because the actions of the anti-CAFTA movement expedited legislative procedures. During the ratification period, transgressive resisters organized several demonstrations in opposition of the FTA (again these demonstrations were not reflected in the Factiva database but were described in other sources). It is important to note that there was no legislative lobbying by the anti-CAFTA movement. Others have speculated that organizers recognized the futility of legislative lobbying as the pro-CAFTA legislators were not against a deadline and they had the votes to ratify the agreement; instead "the resisters selected the tactic of extralegal confrontation and high-profile political theater" (Spalding 2007, 100). These tactics culminated on the morning of December 16, 2004, when transgressive resisters calmly and quietly began to enter the Legislative Assembly building. Sensing that the CAFTA ratification process was coming to an end, the demonstrators felt the need to disrupt the proceedings of the day by taking control of the legislative chamber and calling for a national vote by the people to determine the future of CAFTA (Spalding 2014, 133). Once security officers cleared the building of demonstrators, legislators resumed the day's session at 3:55 pm. Fearing more disruptions by transgressive resisters, pro-CAFTA legislators disregarded institutional procedures and altered the agenda at 3:10 am to start the ratification vote for CAFTA. There was turmoil on the assembly floor as some anti-CAFTA

legislators found themselves locked out of the building, and at 11:15 am, the pro-CAFTA legislators won and the FTA was ratified (Spalding 2014, 134).

This case embodies why further research is needed to understand the effect of non-political elites on free trade agreements in Latin America. According to interviews with Carmen Elena Calderón de Escalón, the pro-CAFTA head of the Foreign Relations Committee that championed CAFTA through the legislative process, "the decision to advance the vote so quickly, with regular deliberative processes suspended, resulted from the leadership's fears of further anti-CAFTA mobilizations" (Spalding 2014, 135). She further explained that her and other pro-CAFTA legislators believed that anti-CAFTA legislators were stalling the process to allow for more disruption by transgressive resisters, especially those in rural areas. Thus, future research on the role of transgressive resisters should also consider the type of demonstration that occurred. For example, demonstrations could be categorized as nonviolent, disruptive, and violent (Almeida 2008). Even this taxonomy can be more comprehensive by differentiating a strike from a march, a street barricade from occupation of a building, an armed attack from arson or vandalism, and so on.

6 Conclusion and Future Research

As the number of free trade agreements continue to increase each year, it is important to know which actors influence the process. Past research has largely focused on the role of political elites and has overlooked the role of transgressive resisters. The anti-trade agreement coalition has often turned to public demonstrations as a political strategy to express their opposition against FTAs during the negotiation and ratification periods. Using event history modeling, this study has presented data that suggests that transgressive resisters can slow down the ratification period of free trade agreements in Latin America. However, those effects can be mitigated by other factors, namely economic power asymmetries between the partner countries.

This research contributes the literature of the politics of market reform by including transgressive resisters in a narrative that often focuses on the political elite. However, further research can improve our understanding of how anti-FTA coalitions gain momentum and if specific types of demonstrations influence the process in Latin America. This can be done by utilizing the full universe of cases, including more newspaper databases during the data gathering process, and incorporating measures for the type of demonstrations organized. Finally, future research should introduce finer measures that account for the design of the FTA, trade dependencies, the design of domestic ratification processes, and the power asymmetries between partner countries.

Research in this vein has implications for the policy and social movement spaces. If pro-FTA coalitions do not want to lose momentum during the ratification process, they might want to account for transgressive resisters. Similarly, if the anti-FTA coalition wants to delay or stop the ratification process, they might want to alter their tactics. While this study has notable limitations and considerations, I hope it highlights the need to include transgressive resisters into our larger understanding of the actors involved during the ratification period of free trade agreements.

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