**Appendix A**

Table A1 Summary Statistics

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Variable | Obs | Mean | Std. Dev. | Min | Max |
| Ambition of competition provisions on PTAs | 378 | 3.43 | 2.70 | 0.00 | 11.00 |
| OECD members | 378 | 1.15 | 3.06 | 0.00 | 20.00 |
| Trade surplus | 378 | -5.31 | 5.08 | -12.58 | 10.14 |
| State capacity | 378 | 0.19 | 0.75 | -1.74 | 2.27 |
| Level of democracy | 378 | 0.17 | 6.88 | -10.00 | 10.00 |
| Variance of economic growth | 378 | 8.26 | 34.48 | 0.01 | 586.41 |
| Domestic competition law | 378 | 7.80 | 10.30 | 0.00 | 36.00 |
| Average level of ambition of competition provisions in preexisting PTAs | 378 | 0.08 | 0.54 | 0.00 | 5.00 |
| GATT/WTO members | 378 | 3.27 | 4.68 | 0.00 | 31.00 |
| Number of members | 378 | 4.71 | 6.06 | 2.00 | 59.00 |
| Variance of GDP among PTA members | 378 | 3.25 | 4.74 | 0.00 | 40.00 |
| Ratio of linguistic affinity | 378 | 0.00 | 0.00 | 0.00 | 0.00 |

Figure A1 Distribution of Variables



Table A2. Partial Correlation



Table A3 Variance Inflation Factor Test

|  |  |  |
| --- | --- | --- |
| Variable | VIF | 1/VIF |
|  |  |  |
| *State capacity* | 3.25 | 0.308099 |
| *Level of democracy* | 3.2 | 0.312461 |
| *OECD members* | 2.05 | 0.4872 |
| *GATT/WTO members* | 1.8 | 0.555692 |
| *Domestic competition laws* | 1.59 | 0.629965 |
| *Trade surplus* | 1.43 | 0.700643 |
| *Variance of economic growth* | 1.29 | 0.777198 |
| *Average level of ambition of competition provisions in preexisting PTAs* | 1.12 | 0.895207 |
| *Number of members* | 1.05 | 0.950917 |
| *Variance of GDP among PTA members* | 1.04 | 0.965349 |
| *Ratio of linguistic affinity* | 1.03 | 0.971014 |
|  |  |  |
| Mean VIF | 1.71 |  |

**Appendix B**

Table A1 What Explains the Ambition of Competition Provisions in PTAs:

Alternative Measures of Explanatory Variables

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| DV=Ambition of competition provisions in PTAs |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| *Ratio of OECD members* | 0.424 |  |  |  |  |  |  |  |
|  | (0.399) |  |  |  |  |  |  |  |
| *Trade surplus (overall within a PTA)* |  | -0.015\*\*\* |  |  |  |  |  |  |
|  |  | (0.004) |  |  |  |  |  |  |
| *State capacity (variance among members)*  |  |  | 1.205\*\*\* |  |  |  |  |  |
|  |  |  | (0.215) |  |  |  |  |  |
| *Level of democracy (median)* |  |  |  | 0.080\*\*\* |  |  |  |  |
|  |  |  |  | (0.027) |  |  |  |  |
| *Inflation rate (variance over 5 years)*  |  |  |  |  | 0.245 |  |  |  |
|  |  |  |  |  | (0.210) |  |  |  |
| *Competition law (median)* |  |  |  |  |  | 0.034\*\* |  |  |
|  |  |  |  |  |  | (0.014) |  |  |
| *Average level of ambition of competition provisions in preexisting PTAs (median)* |  |  |  |  |  |  | 0.387\*\* |  |
|  |  |  |  |  |  |  | (0.157) |  |
| *Ratio of GATT/WTO members* |  |  |  |  |  |  |  | 0.217 |
|  |  |  |  |  |  |  |  | (0.324) |
| *Number of OECD members* |  | 0.186\*\*\* | 0.204\*\*\* | 0.127\*\*\* | 0.139\*\*\* | 0.127\*\*\* | 0.145\*\*\* | 0.184\*\*\* |
|  |  | (0.055) | (0.054) | (0.048) | (0.052) | (0.047) | (0.051) | (0.036) |
| *Trade surplus* | -0.099\*\*\* |  | -0.078\*\*\* | -0.092\*\*\* | -0.094\*\*\* | -0.090\*\*\* | -0.095\*\*\* | -0.098\*\*\* |
|  | (0.024) |  | (0.025) | (0.024) | (0.024) | (0.024) | (0.024) | (0.024) |
| *State capacity* | 0.897\*\*\* | 0.767\*\*\* |  | 0.743\*\*\* | 0.898\*\*\* | 0.898\*\*\* | 0.873\*\*\* | 0.801\*\*\* |
|  | (0.215) | (0.194) |  | (0.184) | (0.192) | (0.187) | (0.191) | (0.192) |
| *Level of democracy* | 0.018 | 0.026 | 0.081\*\*\* |  | 0.017 | 0.016 | 0.017 | 0.016 |
|  | (0.021) | (0.021) | (0.018) |  | (0.021) | (0.022) | (0.021) | (0.021) |
| *Variance of GDP growth rates* | -0.002 | -0.003 | -0.002 | -0.002 |  | -0.002 | -0.002 | -0.002 |
|  | (0.003) | (0.003) | (0.003) | (0.003) |  | (0.003) | (0.003) | (0.003) |
| *Domestic competition laws* | 0.036\*\*\* | 0.041\*\*\* | 0.059\*\*\* | 0.033\*\*\* | 0.038\*\*\* |  | 0.039\*\*\* | 0.038\*\*\* |
|  | (0.013) | (0.013) | (0.013) | (0.013) | (0.013) |  | (0.013) | (0.013) |
| *Average level of ambition of competition provisions in preexisting PTAs* | 0.439\*\*\* | 0.296\* | 0.416\*\*\* | 0.365\*\* | 0.419\*\*\* | 0.451\*\*\* |  | 0.411\*\*\* |
|  | (0.137) | (0.172) | (0.148) | (0.144) | (0.148) | (0.150) |  | (0.151) |
| *Number of GATT/WTO members* | 0.095\*\*\* | 0.026 | 0.030 | 0.026 | 0.052 | 0.027 | 0.043 |  |
|  | (0.030) | (0.040) | (0.038) | (0.031) | (0.037) | (0.031) | (0.036) |  |
| Constant | 1.991\*\*\* | 1.886\*\*\* | 1.618\*\*\* | 1.885\*\*\* | 2.031\*\*\* | 1.983\*\*\* | 2.094\*\*\* | 2.053\*\*\* |
|  | (0.231) | (0.254) | (0.235) | (0.230) | (0.225) | (0.266) | (0.225) | (0.277) |
| Observations | 419 | 419 | 390 | 419 | 414 | 419 | 419 | 419 |
| R-squared | 0.222 | 0.233 | 0.282 | 0.251 | 0.230 | 0.229 | 0.233 | 0.232 |

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table A2 What Explains the Ambition of Competition Provisions in PTAs: More Controls

|  |  |  |  |
| --- | --- | --- | --- |
|  | (1) | (2) | (3) |
| DV=Ambition of competition provisions in PTAs |  |  |  |
|  |  |  |  |
| *OECD members* | 0.108\* | 0.118\*\* | 0.120\*\* |
|  | (0.057) | (0.054) | (0.053) |
| *Trade surplus* | -0.091\* | -0.079\*\*\* | -0.079\*\*\* |
|  | (0.047) | (0.027) | (0.027) |
| *State capacity* | 0.785\*\* | 0.960\*\*\* | 0.950\*\*\* |
|  | (0.317) | (0.221) | (0.232) |
| *Level of democracy* | 0.094\*\*\* | 0.025 | 0.025 |
|  | (0.028) | (0.023) | (0.023) |
| *Variance of economic growth* | 0.011\*\* | -0.002 | -0.002 |
|  | (0.004) | (0.004) | (0.004) |
| *Domestic competition law* | 0.044\*\* | 0.044\*\*\* | 0.044\*\*\* |
|  | (0.018) | (0.014) | (0.014) |
| *Average level of ambition of competition provisions in preexisting PTAs* | - | 0.424\*\*\* | 0.423\*\*\* |
|  |  | (0.162) | (0.161) |
| *GATT/WTO members* | 0.025 | 0.037 | 0.035 |
|  | (0.042) | (0.040) | (0.039) |
| *FDI dependency* | -5.263 |  |  |
|  | (5.628) |  |  |
| *Ratio of alliance ties* |  | 346.049 |  |
|  |  | (630.347) |  |
| *GATT/WTO membership duration* | -0.011 |  | 0.001 |
|  | (0.015) |  | (0.012) |
| *Number of members* | 0.053 | 0.038 | 0.038 |
|  | (0.032) | (0.030) | (0.030) |
| *Variance of GDP among PTA members* | 0.002 | -0.016 | -0.016 |
|  | (0.068) | (0.026) | (0.026) |
| *Ratio of linguistic affinity* | -6,027.435\*\* | -6,481.869\* | -5,788.246\*\* |
|  | (2,866.453) | (3,601.717) | (2,738.983) |
| Constant | 2.094\*\*\* | 2.145\*\*\* | 2.139\*\*\* |
|  | (0.421) | (0.279) | (0.287) |
| Observations | 238 | 378 | 378 |
| R-squared | 0.307 | 0.259 | 0.258 |

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table A4 What Explains the Ambition of Competition Provisions in PTAs: Alternative Data on Competition Provisions in PTAs

|  |  |
| --- | --- |
|  | (1) |
| DV= Ambition of competition provisions in PTAs |  |
|  |  |
| *OECD members* | 0.148 |
|  | (0.265) |
| *Trade surplus* | -0.333\*\* |
|  | (0.130) |
| *State capacity* | 4.632\*\*\* |
|  | (1.101) |
| *Level of democracy* | 0.148 |
|  | (0.108) |
| *Variance of economic growth* | -0.003 |
|  | (0.022) |
| *Domestic competition law* | 0.189\*\* |
|  | (0.079) |
| *Average level of ambition of competition provisions in preexisting PTAs* | 0.693 |
|  | (0.460) |
| *GATT/WTO members* | 0.106 |
|  | (0.153) |
| *Number of members* | 0.292\*\* |
|  | (0.139) |
| *Variance of GDP among PTA members* | 0.083 |
|  | (0.145) |
| *Ratio of linguistic affinity* | -22,375.791 |
|  | (16,123.511) |
| Constant | 11.047\*\*\* |
|  | (1.209) |
| Observations | 464 |
| R-squared | 0.254 |

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table A5 What Explains the Ambition of Competition Provisions in PTAs: Dyadic Estimation with Selection Issue Addressed

|  |  |  |  |
| --- | --- | --- | --- |
|  | (1) | (2) | (3) |
|  | DV= Ambition of competition provisions in PTAs | DV=Signing PTAs | mills |
|  |  |  |  |
| *Joint OECD membership*  | 1.302\*\*\* |  |  |
|  | (0.161) |  |  |
| *Trade surplus* | 0.023\*\*\* |  |  |
|  | (0.009) |  |  |
| *State capacity*  | 0.835\*\*\* |  |  |
|  | (0.044) |  |  |
| *Level of democracy* | 0.040\*\*\* | 0.002\*\* |  |
|  | (0.005) | (0.001) |  |
| *GDP growth* | 0.004 |  |  |
|  | (0.006) |  |  |
| *Domestic competition law* | 0.037\*\*\* |  |  |
|  | (0.003) |  |  |
| *Average level of ambition of competition provisions in preexisting PTAs* | 0.299\*\*\* |  |  |
|  | (0.021) |  |  |
| *Joint membership in GATT/WTO* | 0.806\*\*\* | 0.154\*\*\* |  |
|  | (0.066) | (0.015) |  |
| *Colonial legacy* |  | -0.018 |  |
|  |  | (0.020) |  |
| *Linguistic affinity* |  | 0.319\*\*\* |  |
|  |  | (0.020) |  |
| *Number of signed PTAs* |  | 0.005\*\*\* |  |
|  |  | (0.000) |  |
| *GDP (ln)* |  | -0.067\*\*\* |  |
|  |  | (0.004) |  |
| *Alliance* |  | 0.343\*\*\* |  |
|  |  | (0.016) |  |
| *Trade dependence*  |  | 5.236\*\*\* |  |
|  |  | (0.398) |  |
| *WTO round* |  | -0.059\*\*\* |  |
|  |  | (0.014) |  |
| *FDI dependence*  |  | 2.303\*\*\* |  |
|  |  | (0.437) |  |
| λ |  |  | 1.019\*\*\* |
|  |  |  | (0.122) |
| Constant | -1.267\*\*\* | -1.001\*\*\* |  |
|  | (0.314) | (0.093) |  |
| Observations | 277,794 | 277,794 | 277,794 |

Standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table A6 What Explains the Ambition of Competition Provisions in PTAs: Alternative Samples

|  |  |  |
| --- | --- | --- |
|  | (1) | (2) |
| DV= Ambition of competition provisions in PTAs | Drop duplicate treaty numbers | Drop duplicate treaty names |
|  |  |  |
| *Number of OECD members* | 0.146\*\*\* | 0.106 |
|  | (0.051) | (0.069) |
| *Trade surplus* | -0.088\*\*\* | -0.104\*\*\* |
|  | (0.025) | (0.026) |
| *State capacity* | 0.937\*\*\* | 0.842\*\*\* |
|  | (0.194) | (0.197) |
| *Level of democracy* | 0.011 | 0.006 |
|  | (0.021) | (0.022) |
| *Variance of GDP growth rates* | -0.002 | -0.002 |
|  | (0.003) | (0.003) |
| *Domestic competition laws* | 0.040\*\*\* | 0.045\*\*\* |
|  | (0.013) | (0.013) |
| *Average level of ambition of competition provisions in preexisting PTAs* | -0.097 | 0.278 |
|  | (0.461) | (0.211) |
| *Number of GATT/WTO members* | 0.034 | 0.067 |
|  | (0.035) | (0.054) |
| Constant | 2.141\*\*\* | 2.180\*\*\* |
|  | (0.229) | (0.250) |
| Observations | 376 | 331 |
| R-squared | 0.229 | 0.219 |

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table A7 What Explains the Ambition of Competition Provisions in PTAs: Ordered Probit

|  |  |
| --- | --- |
|  | (1) |
| DV=Ambition of competition provisions in PTAs |  |
|  |  |
| *OECD members* | 0.055\*\* |
|  | (0.023) |
| *Trade surplus* | -0.033\*\*\* |
|  | (0.012) |
| *State capacity* | 0.388\*\*\* |
|  | (0.096) |
| *Level of democracy* | 0.012 |
|  | (0.010) |
| *Variance of economic growth* | -0.001 |
|  | (0.002) |
| *Domestic competition law* | 0.019\*\*\* |
|  | (0.006) |
| *Average level of ambition of competition provisions in preexisting PTAs* | 0.164\*\* |
|  | (0.069) |
| *GATT/WTO members* | 0.009 |
|  | (0.018) |
| *Number of members* | 0.019 |
|  | (0.013) |
| *Variance of GDP among PTA members* | -0.004 |
|  | (0.011) |
| *Ratio of linguistic affinity* | -3,503.669\* |
|  | (2,024.543) |
| cut1 |  |
|  |  |
| Constant | -0.361\*\*\* |
|  | (0.133) |
| cut2 |  |
|  |  |
| Constant | -0.017 |
|  | (0.131) |
| cut3 |  |
|  |  |
| Constant | 0.313\*\* |
|  | (0.134) |
| cut4 |  |
|  |  |
| Constant | 0.514\*\*\* |
|  | (0.139) |
| cut5 |  |
|  |  |
| Constant | 0.848\*\*\* |
|  | (0.140) |
| cut6 |  |
|  |  |
| Constant | 1.389\*\*\* |
|  | (0.151) |
| cut7 |  |
|  |  |
| Constant | 1.743\*\*\* |
|  | (0.162) |
| cut8 |  |
|  |  |
| Constant | 2.281\*\*\* |
|  | (0.199) |
| cut9 |  |
|  |  |
| Constant | 2.791\*\*\* |
|  | (0.229) |
| cut10 |  |
|  |  |
| Constant | 3.289\*\*\* |
|  | (0.302) |
| cut11 |  |
|  |  |
| Constant | 3.513\*\*\* |
|  | (0.336) |
| Observations | 378 |

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1