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Observer States and interregional trade between Asia and Latin America

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This paper seeks to reduce the knowledge gap about the motivation of Asian and Oceanic countries that want to become permanent observers of formal regional integration agreements in Latin America and Caribbean, especially those related to international trade. Using semiparametric cox models, the authors reveal the interest that Asian and Oceanic countries have in observing the State of the rule of law by joining the formalized frameworks that promote international trade in Latin America and the Caribbean as observers. Besides, the paper demonstrates how trade flows from Asia to States that make part of integration agreements in Latin America can influence the decision of Asian nations to seek a permanent observer status. The paper offers clear evidence that the Asian and Oceanic States are inclined to join preferential trade agreements as permanent observers when trade flows from Asian and Oceanic nations toward the members of the regional agreements become important: Asian and Oceanic States wish to protect the trade flows from the new regulations of international commerce that regional blocks may introduce.

KEYWORDS

Latin America and Caribbean, Asia–Pacific, observers, rule of law, trade, regional trade agreement

“I am not accustomed to saying anything for sure after just one or two observations.” Andreas Vesalius

1 Introduction

The strengthening of various ties between Asia and Latin America has been a key characteristic of the evolving relations between these two regions of the world over the past two decades since the beginning of the new millennium. New dynamics are evident in practically all aspects of their interactions.¹ However, the speed at which interregional trade is growing can be considered a paramount indicator of this new scenario, which presents both challenges and opportunities for the actors involved: while in 1995, the volume of all trade between Asia and Latin America reached 62 billion dollars, in 2016, the figure was already more than seven times larger, namely 465 billion dollars ([United Nations Statistics Division, 2022](#)).

At the same time, it is impossible to overlook the fact that the trade engagement with Asia took place simultaneously with Latin America's continuing flirt with the old idea of regional integration, which emphasizes promoting regional and extra-regional trade,

¹ This diversification and expansion can be evidenced, among other things, by the agenda of the first Asia-Latin America continental congress organized by the Latin American Studies Association (LASA) in early 2022 [[Latin American Studies Association \(LASA\), 2022](#)].

including new, ambitious, and heterogeneous projects such as the Bolivarian Alliance for the Peoples of Our America—Peoples' Trade Treaty (ALBA-TCP) born in 2004, and the Pacific Alliance (PA), which emerged in 2011. This last case is particularly interesting since one of the PA's aims is the promotion of trade relations with Asian and Oceanic countries (Pacific Alliance, 2015). By 2019, the bloc already had 10 permanent observers from the Asian region (Rouvinski, 2021). Moreover, in 2022, Singapore became the first-ever PA's Associated State, upgrading its status from a permanent observer and setting a precedent for other Asian States eager to follow (Leo, 2022). Similarly, Observer and Associated States are present in other schemes of economic integration in Latin America, reflecting Latin American efforts to get closer to Asia, including longstanding regional blocs such as the Andean Community of Nations (created in 1969) and the Latin American Integration Association (ALADI, created in 1980), in addition to younger groups such as the Southern Common Market (MERCOSUR, since 1991) and the Association of Caribbean States (since 1994).

The introduction of scholarly interest in studying the reasons for a State to seek to be part of a formal international organization can be traced back to the late 1990s, to the pioneering study by Abbott and Snidal (1998) that examines the use of the formal spaces fomented by States in the international arena in their capacity of full members, focusing on issues of management of multilateral interactions. Additionally, Droeze (2020) analyzes the legal and practical implications in the international arena related to the formal membership of States and other actors in international organizations. Similarly, in terms of international trade, Nguyen (2019) demonstrates the positive impact on interregional trade between 1960 and 2014 of the participation by 160 States from around the world in regional trade agreements.

In contrast to the study of the State's full membership in formal international organizations, there have been only a few attempts to analyze the role of Observer States in international institutions. The previous research mainly focused on diplomatic interactions related to the observer status of States interested in promoting their foreign policy goals by engaging Member States in formal multilateral arrangements as complementary to other policy instruments (Lackebauer, 2014; Knecht, 2020; Baranyi, 2022). However, substantial growth in the number of Observer States has occurred in recent years within the framework of the blocs that seek to promote regional economic cooperation. For example, by 2022, i.e., ~10 years after the establishment of the PA, the bloc already had 61 Observer States. In contrast, by the same year, the Organization of American States (OAS) had 72 members, but the OAS had achieved this number over half a century, since 1971.

In regional integration studies, scholars have acknowledged the presence of Observer States. However, their focus on the Observer States has typically been a secondary consideration within broader discussions about Member States rather than examining the Observer States on its own. For example, Nolte (2016) argues that "the categories of 'associated member' or 'observer status' might be of importance in terms of cross-cutting membership that help to avoid open conflicts between organizations. As he writes, 'non-members or organizations that are not full members are nevertheless still connected to a given organization—and thus exposed to its norms.'" In a similar vein, scholars have

interpreted the high number of Observers "as an indicator of success" because it demonstrates the importance other States attach to (a particular regional integrations block—C.M, V.R.) (Marczak and George, 2016). Levi Coral (2022) describes Observer States as "an extraordinary geographical, political, and economic resource of a regional block, while generating a greater visibility of the block at the international level." At the same time, there has been a call for the need to investigate deeper into the figure of Observer States and "differentiate between types of observers" to understand better the reasons for their motivation and for "keeping their interest" (Marczak and George, 2016).

Hence, the contemporary scenario in which States are eager to join international organizations as observers requires scholars to understand the nature of States' motivations for making such a decision. Observer States do not benefit from the public good that trade agreements provide to their full members, but they must assume political and bureaucratic costs to perform such a task.

We argue that Asian nations are willing to become observers of trade agreements because they can influence the nature of economic norms and trade flows without assuming the risks associated with full membership. Being an observer allows those nations to influence the members of trade agreements to develop their institutions in line with the interests of the observers. Such a path is only possible under two circumstances: First, both members of trade agreements and Asian countries promote the rule of law domestically. Under these circumstances, Asian nations recognize that Latin American countries are striving to establish stable and transparent norms, which could potentially impact the rules of trade agreements. Second, trade exchange between trade agreements and Asian nations should be substantial. Asian nations may utilize observer status as a mechanism to safeguard their export interests within trade agreements or to assess the feasibility of joining a regional cooperation agreement.

The paper helps to understand the drivers of the growing interregional trade between Asian countries and Latin America. It reveals the strategies employed by Asian nations to influence international institutions beyond their region, seeking to alter norms and trade flows in their favor. By identifying the reasons behind the desire of Asian nations to acquire observer status, we can shed light on the Asian economic diplomacy and its impact in the Latin American region.

The paper is organized as follows: First, we describe the role and status of Observer States in regional trade agreements. Second, we review previous studies of trade agreement membership and observers. Later, we discuss how the rule of law and trade flows shape the preferences of Asian nations to become observers. Next, we present our research design and results. Finally, we share some ideas for future research agendas.

2 The role and status of observer States

For our research, we define an Observer State in regional blocs as a State that, without being a full member, maintains a formal relationship with the bloc, allowing it to participate in limited institutional activities. The Observer status allows these States to attend various types of meetings (often designed

exclusively by the blocs to meet the demands of Observers), partially access documents and information, and cooperate in specific areas, but without voting rights or direct participation in dispute resolution mechanisms.

Panke (2020) shows that observer status constitutes an institutionalized form of differentiated participation, whereby States gain access to deliberative processes without assuming the legal or political commitments of full membership. Panke highlights that observers exercise a form of “voice without vote,” which enables them to project interests, build networks, and in some cases, influence norm formation—especially in multilateral settings. It is also reasonable to suggest that aiming at the status of Observer reflects strategic calculations: States use it to secure institutional benefits (such as access to information, technical participation, and political visibility) while circumventing potential entry barriers imposed by full members acting as gatekeepers. Moreover, the literature on differentiated regionalism has introduced the concept of a flexible institutional architecture that enables varying degrees of integration (Litsegård and Mattheis, 2024). Taken together, these perspectives reinforce the notion that Observer States are not passive actors but strategic participants who use this role to maximize their normative, institutional, and diplomatic interests within the limits of their willingness or capacity for full integration.

Belonging to a regional organization—whether as a full member or an observer—entails both tangible and intangible costs and benefits that influence States’ strategic choices. On the benefit side, observer status offers access to regional forums, technical cooperation, early information flows, and opportunities for political visibility and normative alignment, often without binding commitments. For smaller or geographically distant States, it provides a low-cost mechanism for engaging with dynamic regional blocs and performing the tasks associated with norm entrepreneurship. It may also serve broader geopolitical objectives, such as hedging between competing alliances or testing the waters before deeper integration. However, observer status also entails costs, including aligning domestic policy narratives with regional norms and occasionally accepting limited influence despite high symbolic investment. Full membership, in contrast, often requires adopting regional legal frameworks, complying with common standards, contributing financially, and ceding policy autonomy in specific issue areas. The preference for observer status, therefore, frequently reflects a rational cost-benefit calculation, particularly when the perceived advantages of engagement outweigh the obligations and constraints of deeper institutional integration.

For example, the Pacific Alliance recognizes two forms of participation for countries that are not full members: Observer States and Associate States. An Observer State is a country that expresses interest in closely following the development of the bloc and cooperating in specific areas, without taking part in internal decision-making or trade negotiations. This status is regulated by the *Framework Agreement of the Pacific Alliance* (Alianza del Pacífico, 2012) and the *Guidelines for the Participation of Observer States* adopted by the Council of Ministers.

According to the Pacific Alliance regulations, Observer States may—and often do—attend working group meetings, participate in international cooperation initiatives, and access certain information, although to a more limited extent than

full members. They may also propose cooperation projects, but do not have voting rights or permanent financial obligations. In contrast, an Associate State is a country with which the Alliance signs a comprehensive and binding trade agreement that includes high standards in areas such as trade in goods, services, and investment. This status was established in the *Puerto Varas Declaration* (Alianza del Pacífico, 2016), which launched the formal negotiation process with third countries. Associate States actively engage in the bloc’s institutional framework on trade matters, although they do not hold full membership. Whereas, Observer States maintain a relationship focused on dialogue and limited cooperation, Associate States are more closely integrated into the bloc through specific economic and trade commitments (Alianza del Pacífico, 2022).

Following the formal establishment of the Pacific Alliance on April 28, 2011, several Asian countries have acquired observer status, with most joining between 2012 and 2014. New Zealand was the first Oceanic country to become an Observer in 2012, shortly after the Alliance’s founding, and remains the longest-standing observer from the region. Singapore followed in February 2014, becoming the first ASEAN member to attain this status. By 2015, the Pacific Alliance had 59 observer States, suggesting that countries such as Australia, China, India, Indonesia, Japan, South Korea, and Thailand joined around 2013–2014. As of 2025, New Zealand has held observer status for ~13 years, while the others have been observers for around 11 years. Observer status in the Pacific Alliance and other blocs is open-ended and continues as long as the country remains active and committed (Foreign Affairs and Trade of New Zealand, (n.d.); Alianza del Pacífico, 2014; Vietnam News, 2021).

In another example, MERCOSUR, the Observer State status allows non-member countries to maintain an institutional relationship with the bloc without assuming the legal and economic commitments implied by full membership or association. Observer States can participate in open meetings, receive official documentation, and establish channels for dialogue and cooperation, although they do not have voting rights or access to dispute resolution mechanisms. This category is provided for in the bloc’s regulations and has been used flexibly. A notable example is Mexico, which was accepted as an Observer State in 2004, allowing it to maintain a close relationship with MERCOSUR without the need to negotiate a full free trade agreement (MERCOSUR, 2004). In this sense, observer status in MERCOSUR constitutes a strategic diplomatic tool that facilitates coordination with third countries interested in South American regional integration without formally joining the bloc.

In the Andean Community (CAN), the Observer State status allows countries and international organizations to maintain an institutional relationship with the Andean bloc without being full members or assuming the obligations derived from the Andean legal system. This status is contemplated in the Regulations for the Participation of Third Parties in the CAN, adopted by the Andean Council of Foreign Ministers, which establishes that observers may attend open meetings, receive official information, and participate in cooperation activities, provided they share an affinity with the principles and objectives of Andean integration (CAN, 2020). Countries such as Spain, Panama, and Morocco have been admitted as Observer States (CAN, 2020).

Some States may indeed seek Observer status as a preliminary step toward full membership. This strategy allows them to learn firsthand about the bloc's practices, norms, and institutional dynamics before making a final decision. The same logic applies to existing full members, who may prefer to assess a candidate's compatibility and readiness before supporting their full integration. Haiti has held observer status since 2007, with its designation as a permanent observer being formally recognized in 2012 (Masud, 2013). The country has also signaled an interest in attaining full membership, having conveyed this intent during the XI ALBA Summit in Caracas on February 4, 2012 (Escambray, 2012). This progression suggests that observer status may serve as an initial phase leading toward greater integration. The Observer status can also be a preliminary step toward applying for Associate State status, as was the case with Bolivia and MERCOSUR, which was first an observer and then an associate before beginning its accession process as a full member (MERCOSUR, 2012).

In this context, our focus is on Observer States that opt not to pursue full membership, typically due to financial or political considerations associated with it. Nevertheless, these States remain interested in monitoring normative developments and influencing select processes. Additionally, current member States often serve as gatekeepers, sometimes expressing reluctance to permit external actors to become active proponents of norms that the members themselves may prefer not to adopt or reinforce. Structural factors, such as geographic location, may also render certain States ineligible for full membership within regional integration frameworks; however, these States frequently seek engagement with the bloc's activities and agenda.²

2 Exploring the relationship between the normative life cycle and the advancement of regional integration in greater detail constitutes a promising avenue for future research. While this is the task for the future research, it is possible to suggest here that, from the perspective of the normative change processes proposed by Finnemore and Sikkink (1998), the classic stages of regional integration outlined by Balassa (2013), along with the theoretical contributions of Deutsch (1957) and Haas (1958), constitute a structural background that shapes the environment in which new regional norms emerge, are articulated, and eventually become institutionalized. These theories enable us to distinguish among various forms of regional cooperation—such as free trade areas, customs unions, and deeper integration schemes—which provide not only institutional frameworks but also the political and legal spaces where “normative entrepreneurs” operate to promote changes in State and regional behavior. Regional integration should not be understood solely as a technical or economic process, but also as a normative arena in which actors seek to legitimize and disseminate shared standards. In line with this perspective, recent neofunctionalist approaches have emphasized the resilience of Latin American regionalism as a product of institutional adaptation and normative continuity, even amid crisis or fragmentation (Nolte and Weiffen, 2024). In this regard, the legal typology of the World Trade Organization [WTO (n.d.)], which distinguishes between Regional Trade Agreements (RTAs) and Preferential Trade Agreements (PTAs), provides a complementary analytical tool for examining how different levels of legal formalization coexist with normative dynamics aimed at the internalization of common regional values, practices, and commitments.

3 Norms, rule of law, and international trade

This research uses a constructivist normative approach, where a norm is understood as “a standard of behavior appropriate for actors with a given identity” (Katzenstein, 1996, p. 5). We use the framework based on Finnemore and Sikkink's (1998) idea of normative change, which evolves in three stages: norm emergence, norm cascade, and internalization. In this “life cycle” of norms, the logic of the State's behavior changes at each stage. During the first stage, States and other actors, acting as norm entrepreneurs, introduce new norms while recognizing potential competition with preexisting norms and the perceptions of interests and motivations held by existing norm entrepreneurs. In the next stage of the norms life cycle, socialization is the dominant mechanism of what Finnemore and Sikkink call the “cascade” of norms: “States comply with norms . . . for reasons that relate to their identities as members of international society” (Finnemore and Sikkink, 1998, p. 902) while international organizations play the role of “custodians of the seals of international approval and disapproval,” and thus are crucial in “establishing and assuring adherence to international norms” (Finnemore and Sikkink, 1998, p. 903). During the third stage, “norms held by States are widely viewed as successful and desirable models that are likely to become prominent and be diffused” (Finnemore and Sikkink, 1998, p. 906).

Since the emergence and strengthening of debates on norms, researchers have focused on how norms are challenged, resisted, and reshaped. Authors like Wiener (2004, 2014) have explored “norm contestation,” arguing that norms are not static and are continually subject to reinterpretation and challenge, particularly when different actors have conflicting understandings of those norms. Acharya (2004) has contributed to the literature with his idea of “norm localization.” He further suggests that global norms are not just adopted but are adapted and reinterpreted to fit local contexts (Acharya, 2009). This literature examines the interaction between global and local actors in shaping how norms are understood and implemented.

In addition, other scholars have expanded Finnemore and Sikkink's focus on “norm entrepreneurs” to explore how individuals, organizations, and States act as agents of change. This includes work on how NGOs, advocacy networks, and corporations engage in promoting and transforming norms. For example, Betts and Orchard (2014) explored how international organizations, NGOs, and States act as norm entrepreneurs in implementing global norms, focusing on refugee protection and human rights cases. There is also a growing body of empirical research examining specific norms—such as human rights, environmental protection, or humanitarian intervention—and their effects on policy change, such as Coen (2009) and Coen et al. (2021). These studies often use case studies to trace the life cycle of norms in specific areas of international relations.

At the same time, as Finnemore and Sikkink argued in the 1990s, States continue to adhere to norms for legitimization, conformity, and esteem (Finnemore and Sikkink, 1998, p. 902). All three of these may lead to strengthening States' particular identities, such as being considered responsible members of the international community, which observe, for example, the rule of law and promote free trade. In addition, many States' compliance

with the norms results from a rational choice to support certain norms when the established or new norms compete with others supported by more powerful States. In this context, when it comes to interregional trade, our point of departure in this research is that States join regional organizations as observers to closely monitor the life cycle of norms related to their trade with the specific region. Additionally, relevant Observer States may support member States that wish to act as norm entrepreneurs for norms in which the observers are interested and even exert pressure on members who intend to challenge the established norms. In this scenario, as discussed later in this paper, Observer States are drawn to regional blocs due to the reduced costs associated with their observer status, rather than full membership.

Considering our interest in trade agreements, it is crucial to emphasize the importance of other stakeholders (such as companies that benefit from trade) throughout the entire cycle of norms, from the moment they emerge until their internalization. Their relevance can be explained by the fact that actors other than States may assume roles of regulatory entrepreneurs (for example, through business councils such as the Pacific Alliance Business Council), aspiring to recruit States to advance certain norms related to international trade. During the norms cascade stage and after passing through a tipping point (i.e., when norm entrepreneurs have succeeded in persuading many States to adopt the norm), regional blocks tend to have formal and informal mechanisms in place to convince other Members to follow the rule. Finally, actors other than Member States may also serve as norm vigilantes during the internalization stage, when there is a generalized acceptance of a norm in the region where it is expected to be continuously applied.

Additionally, we take advantage of research results shared by [Abbott and Snidal \(1998\)](#). They demonstrate that international organizations have become increasingly prominent protagonists in introducing and promoting norms, as they provide stable platforms for stakeholders interested in both observing and promoting the evolution of these norms. In the case of a regional integration organization, the type of orchestration described by [Abbott and Snidal \(2010\)](#) becomes possible because the Member States agree on explicit procedures regarding the “rules of the game” regarding the central purpose of a multilateral cooperation organization. Besides, most international organizations acquire a certain level of independence in their *modus operandi* due to an autonomous or semi-autonomous managing entity carrying out daily activities throughout the “life cycle of the norms.”³

In this context, it can be expected that a higher level of formalization and autonomy of multilateral bodies will lead to more States being interested in observing or promoting the process of strengthening a norm, thereby stimulating the decision to resort to this organization in observer status before becoming a full member. The rational conduct of the States can explain this scenario, as

it allows Member States to lower the uncertainty associated with compliance with a specific norm while avoiding the high costs associated with full membership. Eventually, if an Observer State manages to ensure that the norm reaches the internalization phase, this State may choose to “upgrade” its status to full membership. An alternative scenario is that, before becoming a full member, an Observer State undergoes an intermediate stage of being an Associated State, as is the case with the Pacific Alliance (see [Figure 1](#)).⁴

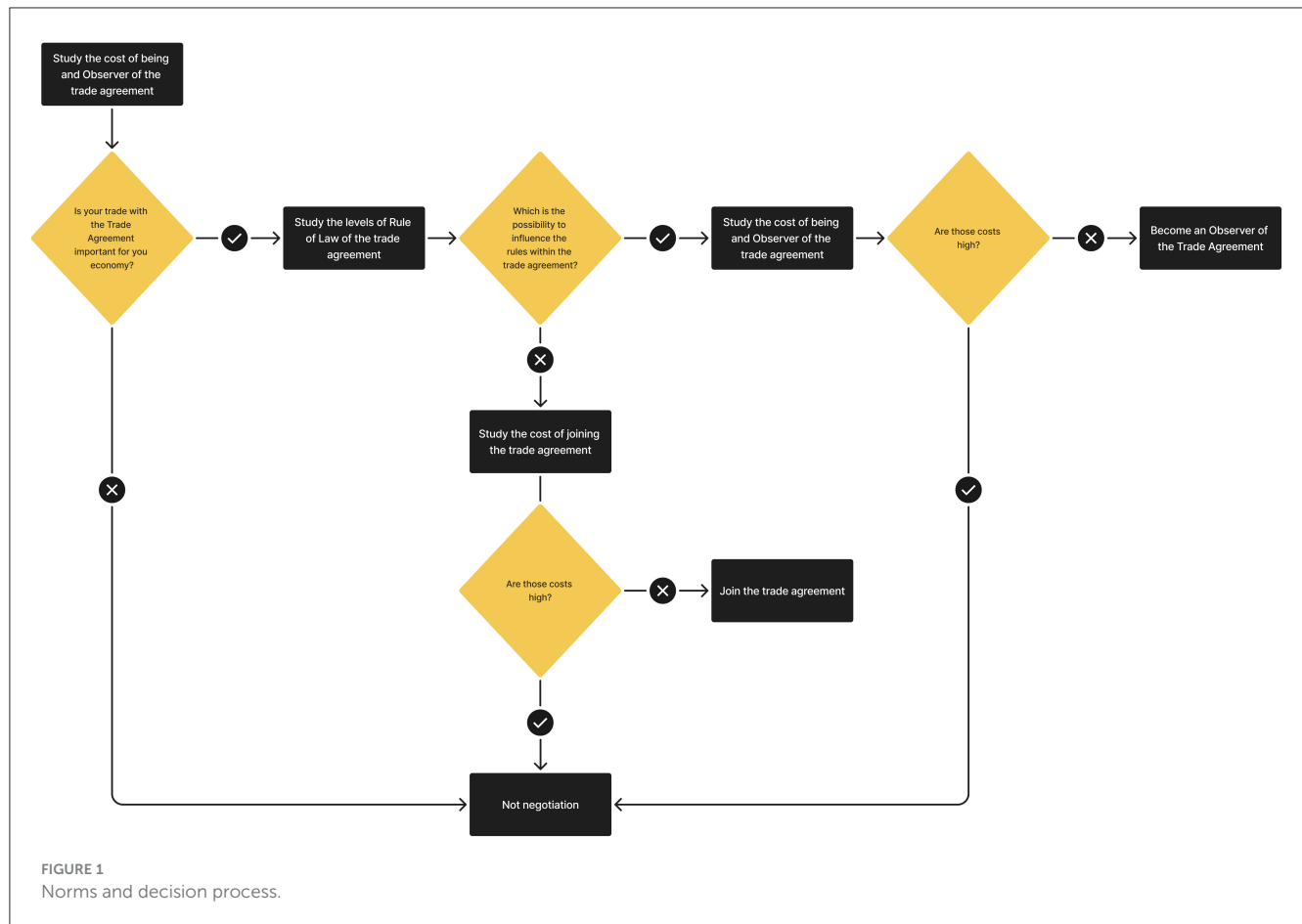
Based on multi-year observations and extensive research, it is demonstrated that the rule of law is crucial for international trade. For example, the Hinrich Foundation refers to the rule of law as the “bedrock” of trade agreements ([Durkin, 2020](#)). At the same time, from the normative perspective, the rule of law can be understood as a norm that recognizes that the law should apply to all people, institutions, and organizations equally, regardless of their status in society, under the conditions of a non-arbitrary form of government where the law prevents the arbitrary use of power. In this sense, since at least the 1980s, the rule of law has been a key category of analysis in scholarly research related to international trade in a highly interdependent world, with the presence of heterogeneous States and diverse political systems ([Jackson et al., 1984](#)).⁵

However, after the end of the Cold War, the logic of competition in the international arena changed, strengthening formal international trade regulatory institutions, where the rule of law began to be considered one of the most important guarantees. So that parties to an international trade agreement will honor their promises and allow cross-border economic activity to flourish. In particular, the World Trade Organization (WTO) stresses the importance of the rule of law. This makes the trading system more secure and predictable ([Jianming, 2002](#); [Busch et al., 2008](#); [Du and Kong, 2020](#)). Similarly, some studies demonstrated that the deepening of democracy and international trade is achieved by promoting the rule of law ([Gobetti, 2009](#)). According to [Cranmer et al. \(2015\)](#), the world could enjoy “perpetual peace” if States were more interconnected in three ways: through the expansion of democratic States, increased economic interdependence through trade, and greater joint membership in formal organizations. Additionally, other studies verified the positive impact of the rule of law in terms of promoting trade in the framework of regional integration agreements that promote the same principles as the WTO, and where the rule of law is a decisive factor for companies

³ There are some notable exceptions in our case study such as the Pacific Alliance, which does not have any permanent entity separate from national governments. Still, as some research shows, cooperation among government officials in charge of the Pacific Alliance in ministries and agencies at the national level has transnational character and match at least some of the characteristics of autonomous *modus operandi* found in organizations that have their proper governing bodies ([Terán, 2021](#); [Prado Lallande and Rouvinski, 2023](#)).

⁴ However, suppose the Member States consider that the integration process is taking an undesired direction linking this shift to the participation of the Observer States. In that case, the Member States can use their power to maintain or modify the formal procedures and other “rules of the game” to limit the influence of the Observer States.

⁵ It is worthy mentioning here that during the cold war, the existence of complex interdependence links between States with different political systems had more to do with the interests of strategic competition in a bipolar world than with the rule of law ([Keohane and Nye, 1987](#)). This is how, for example, in the 1980s, among the main partners of the Soviet Union in Latin America were Brazil and Argentina, at that time under the command of military dictatorships and with no rule of law both in the USSR and in these South American countries ([Rouvinski, 2022](#)). Indicatively, the USSR obtained GATT observer status only in 1990, just a year before its dissolution.



that want to participate in a regional market (Ahmed et al., 2006; Desierto and Cohen, 2020).

From this perspective, what stands out in previous studies is the relevance of formalized spaces where various actors can discuss, evaluate, and promote the rule of law. In this context, the proposal to use the normative approach to establish the reasons that motivate States to seek to join the regional integration blocs as observers offers the advantage of being able to evaluate the five dimensions of the rule of law, namely transparency, predictability, stability, accountability, and due process (US Chamber of Commerce, 2021), as a whole and as the most critical content of the normative evaluation process, that can be in one of the three phases of the “life cycle of norms.” In other words, regional integration agreements are understood as a multidimensional process whose expressions include coordination, cooperation, convergence, and deep integration initiatives may be attractive to States that are not part of the founding members or original full members because they allow them to identify the phase of the rule of State law (CEPAL, 2014). Then, they can decide to become Associate States or Member States if they consider that the standard has entered the internalization phase. Hence, our first hypothesis is the following:

H1: States are prone to join an economic integration agreement as observers because they consider these spaces appropriate to assess the rule of law without assuming the risks associated with full membership.

4 Protection of commercial interests

Preferential trade agreements tend to generate two effects in the member countries of the agreement. On the one hand, nations increase their trade flows to the members of the integration agreement on average and establish trade transactions (Baier and Bergstrand, 2004). This phenomenon occurs because international regulations promote the reduction of tariffs among commercial allies and reduce the uncertainty of the commercial policy of their partners. On the other hand, integration agreements also encourage the arrival of foreign direct investment to the extent that they affect the protection of the property rights of economic agents (Manger, 2009; Büthe and Milner, 2014). In this scenario, investors will use this opportunity to strengthen their production networks (Baldwin, 2011).

Those States that are not members of the agreements may assume costs that are not expected by trade agreements. Integration processes can discriminate against external economic agents (Panagariya and Findlay, 1994; Grossman and Helpman, 1995). This type of circumstance arises because interest groups pressure their governments so that obstacles to actors outside the agreement are established in the rules of the agreements and, in this way, increase their economic returns by limiting competition in the community market (Krishna, 1996). This phenomenon induces non-member States to have incentives to join integration processes (Grossman and Helpman, 1995). As the number of members increases, the negative consequences for non-members may also

rise (Hoekman and Kostecki, 2001). For example, Argentina increased its flow of exports to the member countries of the Southern Common Market (Mercosur) due to the restrictive measures that the agreement imposed on non-member countries (Chang and Winters, 2002).

However, trade agreements do not always lead to such decisions. Preferential trade agreements sometimes seek to reduce trade barriers for partners and non-member countries (Ornelas, 2005; Calvo-Pardo et al., 2011). For example, the Association of Southeast Asian Nations (ASEAN) reduced its tariffs for Member States to promote intra-regional exchanges and strategically reduced tariffs toward Latin American countries (Estevadeordal et al., 2008).

Since non-block countries are still determining the level of compliance with the preferences of the preferential trade agreements toward them, these nations must find mechanisms to reduce information asymmetry. One of the alternatives they can choose is to become full members of the integration agreements. However, international institutions demand economic and political costs from Member States that States are unwilling to bear (Haftel and Thompson, 2013). In this sense, non-member countries would be ready to be part of the agreements if the benefits of the said decision outweigh the costs. Due to the uncertainty they must decide, there may be better options than applying for a preferential trade agreement.

Another alternative that non-member States can consider is to become observers of the integration agreements. By uniting through the figure of an observer, non-member countries can reduce their uncertainty regarding the interests and preferences of partner nations and their interest groups. They will know first-hand if the dynamics of the trade agreement are effectively aimed at hitting their economic interests. From the observer status, they can first influence the negotiation processes within commercial institutions and, second, more accurately assess the benefits of entering the integration agreement from the information collected (see Figure 2).

Additionally, Observer States benefit from the high degree of formalization of regional integration agreements compared to singular treaties that seek to facilitate trade without offering permanent platforms that guarantee a certain continuity in promoting their commercial interests, as Abbott and Snidal (1998) suggest, precisely because it is not enough to make “just one or two observations,” as Andreas Vesalius already argued in the sixteenth century. It is necessary to observe the evolution of norms uninterrupted. In this context, it is not surprising that almost all regional integration agreements in Latin America feature a high degree of formalization, often in the form of autonomous and semi-autonomous secretariats. As we have mentioned, even in the case of the Pacific Alliance, which does not have a permanent secretariat, it does have an architecture of consultative bodies. It makes decisions to act continuously, benefiting from the structures provided to the Alliance by the Member States (Terán, 2021).

At the same time, it is worth noting that Latin America exhibits a high degree of intergovernmentalism, which contrasts with many scenarios in Europe and Asia, where formal multilateral institutions often enjoy greater autonomy. Nevertheless, regional integration bodies and other arrangements in Latin America continue to carry

out their day-to-day work. While decision-making processes are ultimately shaped through intergovernmental mechanisms and the authority of Heads of State, the formal structures of these blocs still play a significant role. Their institutional frameworks, commitments, and instruments are essential components of the broader process, particularly in promoting and reinforcing shared norms within the bloc.

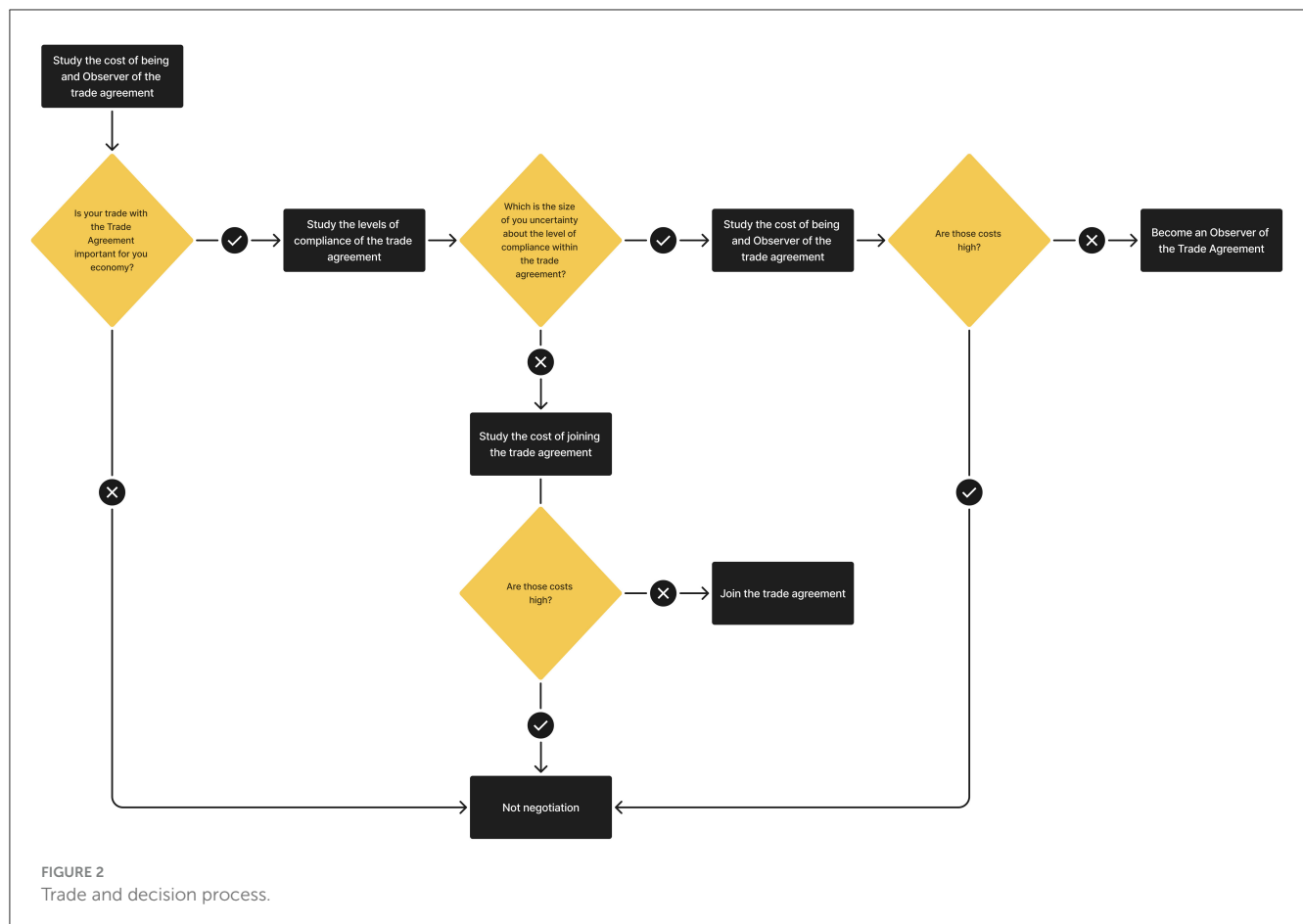
Although the figure of the observer does not require States to make commitments regarding their trade policy, they must assume some bureaucratic and political costs that only some are willing to accept. The countries must then determine how important the trade they have with the members of the integration processes is. If commercial ties with the trade union are few, non-member States will have no incentive to become Observer States of a particular agreement. On the other hand, if the market in which economic integration takes place is important for non-member countries, non-bloc countries would be willing to assume the costs demanded by the observation to the extent that they can influence the trade policy of the agreement and reduce uncertainty in line with the preferences of the agreement's members. Hence, our second hypothesis is the following:

H2: States will be more likely to join an economic integration agreement as observers when their trade flows toward the Member States of the agreement increase.

5 Research design

Using a set of semiparametric Cox models, we analyze data from all countries situated in Asia and Oceania to estimate the risk of Asian and Oceanic countries acquiring the status of an observer on Latin American and Caribbean economic integration agreements. Asia and Oceanic countries have played a significant role in this context as they have sought to strengthen economic ties with Latin America and the Caribbean in recent years, since their trade and foreign investment have become essential for both regions (King et al., 2012). These models enable us to assess how our predictors influence the hazard function without assuming that the hazard function is constant (Harrell, 2015). The dependent variable is the time it takes for Asian and Oceanic countries to become observers of the economic integration agreements in Latin America and the Caribbean. The economic integration agreements that are considered are the following: the Pacific Alliance (AP), the Bolivarian Alliance for the Peoples of Our America (ALBA), the Latin American Integration Association (ALADI), the Association of Caribbean States (AEC), the Andean Community of Nations (CAN), the Caribbean Community (CARICOM), the Southern Common Market (MERCOSUR), and the Central American Integration System (SICA). We include all existing regional trade agreements in Latin America and the Caribbean in our estimation to provide an unbiased comparison of the process that leads Asian and Oceanic nations to become observers. We calculate the time elapsed since the regional agreement's creation until Asian or Oceanic countries become observers.⁶ If they do not gain this status, the time is estimated from the agreement's creation

⁶ In some cases, the time was calculated since the creation of the State.



up to 2020. The unit of analysis is the Asian/Oceanic country-integration agreement. All models were estimated with robust standard errors clustered by Agreement-Country to address the possible unobservable factors that might influence our estimation.

We consider that the preferences of Asian countries change according to how those countries and their members promote and respect the rule of law within the integration agreements. To achieve this, we use two independent variables. The first independent variable is the Rule of Law Index of the Asian/Oceanic countries that can be observers of the integration agreements. We expect that the higher this index is, the more likely Asian/Oceanic nations will join Latin American and Caribbean integration agreements as observers. The second independent variable is the Average Rule of Law Index of the countries that make up the economic integration agreement. We expect that the higher this average is, the faster Asian/Oceanic nations will join Latin America and the Caribbean economic integration agreements. The data source for both variables is The Varieties of Democracy (V-Dem) Research Project (Coppedge et al., 2019). We use version number 15 of this database.

To assess the effect of foreign trade on the decision to join an integration agreement as an observer, we take several variables. In the first model that we estimate, we use the total volume of trade between the Asian/Oceanic country and the integration agreement in the immediately preceding year as an independent variable. To do this, we add all the exports and imports of

the Asian/Oceanic country to the integration agreement. To this sum, we calculate the natural logarithm. We make that decision given the distribution of the variable. In the second model, we use two independent variables. The first variable is the total exports of the Asian country to the integration agreement in the immediately preceding year. The second variable is the total imports of the Asian nation from the integration agreement in the immediate previous year. Both variables are transformed using natural logarithms due to their distributions. All these variables were created using information from the International Monetary Fund's Trade Statistics Department (Table 1).

We included six control variables in our estimates. The first variable is the Gross Domestic Product per capita (t-1) of the Asian/Oceanic country. We expect the higher this indicator is, the more inclined the country will be to form part of the economic integration agreement as an observer. The second variable is the Average Gross Domestic Product per Capita of the members of the economic integration agreement (t-1). Both variables are taken from the World Bank database. We expect that the higher this factor is, the more likely an Asian country will join the economic integration agreement as an observer. We also include lagged military expenditure (as a percentage of GDP) in the model to address how the strength of Asian and Oceanic nations might influence their decision to become an observer. We use the World Bank database. The fourth control variable is the average distance between Asian/Oceanic nations and members of Trade agreements.

TABLE 1 Descriptive statistics.

Variables	Mean	SD	Min	Max
Total trade t-1 (ln)	5.202	2.684	0.698	12.237
Exports toward trade agreement t-1 (ln)	3.835	3.024	0.000	11.844
Imports from trade agreement t-1 (ln)	4.135	2.842	0.005	11.403
Rule of law index of Asian/Oceanic country	0.483	0.275	0.065	0.993
Average rule of law index within trade agreement	0.588	0.075	0.472	0.763
Average GDP per capita of trade agreement t-1	8425.884	2046.609	4128.391	10826.229
GDP per capita of Asian/Oceanic country t-1	12527.681	15900.301	573.287	59374.438
Military expenditure of Asian/Oceanic country (% of GDP) (t-1)	2.498	1.939	0.362	8.638
New State	0.060	0.238	0.000	1.000
Average distance between Asian nation and members of trade agreement (ln)	9.584	0.152	9.184	9.851
Free trade agreement	0.576	0.495	0.000	1.000

We expect that nations close to most Latin American countries will be more likely to join as observers of trade agreements. The fifth control variable is called the *Free Trade Agreement*. This variable assumes a value of one (1) if the trade agreement allows its members to exchange goods freely and zero (0) otherwise. Despite Latin American countries' efforts to deepen their economic cooperation, many of them remain reluctant to enter into free trade agreements. We expect that Asian countries will be more inclined to join an economic integration agreement as observers when the accord is a free trade agreement. Lastly, we include a variable called *New State*. This variable would acquire the value of one (1) if the country were recognized after creating the economic integration agreement and zero (0) otherwise. In regional arrangements that have only existed for a few years, we expect the Observer States to invest more resources in observing how integration agreements are configured.

6 Results

Our models show that respect for the rule of law and foreign trade lead Asian and Oceanic countries to become observers of economic integration processes in Latin America and the Caribbean. We evaluate how certain regulatory practices can influence the decision-making of the observer countries. In this context, we review how Asian and Oceanic countries protect the rule of law and assess how countries that are parties to economic integration agreements uphold this principle. From the normative perspective we discussed earlier, it is an effort to establish which phase of the life cycle the norm of the rule of law is located. In the three models we estimate, we find that the quality of the rule of law in Asian/Oceanic nations does not explain why these nations decide to join integration agreements as observers. However, when we review what happens with the protection of the rule of law by the countries that make up the integration agreements, we find that Asian and Oceanic countries are more likely to become observers in economic integration agreements when their members, on average, respect the rule of law (see Table 2). For example, South Korea has become an observer of the integration agreements that tend to have the highest levels of rule of law, such as AP and ALADI,

over SICA. This situation implies that Asian/Oceanic nations are willing to invest their resources if they perceive that trade agreements in Latin America are prepared to expand their trade relations by establishing more stable and predictable rules for their trade partners.

On the other hand, we decided to measure the effect of foreign trade in two ways. When we measure the importance of foreign trade with the economic integration agreement as the sum of the imports and exports that the Asian country makes to the members of the integration agreements, we find that when there is a 10% increase in exports and imports of the Asian/Oceanic country toward the economic integration processes, the risk of becoming an observer of that integration agreement is expected to increase by 2.3% (see Table 2). In 2013, the total trade between Israel and members of the AP agreement was approximately US\$1.089 million, prior to Israel becoming an observer in 2014. In 2019, trade between Israel and CARICOM amounted to US\$691.6 million, during which period Israel was not an observer. In this sense, Asian and Oceanic countries are willing to invest their resources in certain types of agreements to the extent that they can protect their economic interests.

However, not all foreign trade necessarily guides the interests of Asian and Oceanic countries. For this reason, we estimate one additional model in which we observe the individual effect of exports and imports from Asian and Oceanic countries on the Latin American and Caribbean agreements. In the second, we observe that the exports of the Asian and Oceanic countries motivate them to become observers of the economic integration processes. We expect a 2.6% increase in the risk of becoming an observer of an integration agreement when there is a 10% increase in exports from the Asian/Oceanic country to the integration agreement, while holding other variables constant (see Table 2). In 2016, the United Arab Emirates exported goods valued at more than US\$336 million to AEC, before it became an observer in 2017. In 2019, exports from the United Arab Emirates to MERCOSUR totaled US\$43.53 million, during which time the country did not hold observer status. This estimation shows us that it is not only the importance of foreign trade in general that motivates these nations to become observers, but also that what motivates them is to

TABLE 2 Cox semiparametric survival models that estimate the risk of being an observer in economic integration agreements in Latin America and the Caribbean.

Independent variables	Model 1	Model 2	Model 3
Average rule of law index within trade agreement		56.76*** (15.88)	55.36*** (15.63)
Rule of law index of Asian/Oceanic country		1.824 (1.440)	1.691 (1.444)
Total trade t-1 (ln)		0.243*** (0.0624)	
Exports toward trade agreement t-1 (ln)			0.272** (0.124)
Imports from trade agreement t-1 (ln)			−0.0262 (0.121)
GDP per capita of Asian/Oceanic country t-1	0.0000237*** (0.00000882)	−0.0000114 (0.0000177)	−0.0000113 (0.0000193)
Average GDP per capita of trade agreement t-1	−0.000130 (0.0000993)	−0.00162*** (0.000539)	−0.00156*** (0.000535)
Military expenditure of Asian/Oceanic country (% of GDP) (t-1)	−0.236* (0.123)	−0.116 (0.101)	−0.0914 (0.106)
Average distance between Asian nation and members of trade agreement (ln)	−1.552 (1.133)	−0.871 (1.600)	−0.797 (1.554)
Free trade agreement	−0.105 (0.543)	−6.151*** (1.695)	−5.958*** (1.663)
New State	0.648 (0.572)	−3.575* (1.931)	−3.458* (1.860)
N	296	250	250
No. of failures	26	24	24
Log pseudo-likelihood	−137.9	−79.46	−78.65
χ^2	20.72***	56.44***	66.05***
PH-assumption tests	22.88***	2.68	2.39
Harrell's C	0.659	0.886	0.882

Standard errors in parentheses Clustered by Integration Agreement-Country. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

guarantee access of their products and merchandise to relevant markets for their economy.

The results show that Asian and Oceanic countries consider establishing stable commercial links to be crucial, and their decisions are based on assessing the State of the rule of law. For this reason, Asian and Oceanic countries seeking to expand their international markets will strive to uphold the rule of law. In addition, these Asian and Oceanic countries consider it costly to establish trade cooperation ties with regional agreements in which the standards are used according to the interests of the strongest political and economic actors. For this reason, Asian and Oceanic countries will be more likely to enter into discussion links with agreements that defend similar values. Based on this similarity, trade relations between Asian and Oceanic countries and economic

integration agreements in Latin America and the Caribbean can be deepened.

In summary, the decisions of Asian and Oceanic countries to become observers in Latin American and Caribbean economic integration agreements are influenced by two main factors: the adherence to the rule of law within member countries and the potential for export growth. The findings suggest that while internal rule of law within Asian and Oceanic nations is not a determining factor, these countries are more likely to engage with blocs where members maintain consistent legal frameworks. This suggests a preference for stable environments where trade rules are reliably enforced. This suggests that, when observers facilitate modifications to the agreement's rules, Latin American and Caribbean countries are more likely to commit to those changes without hesitation.

On the other hand, the analysis suggests that economic factors are involved, as higher exports to a regional bloc are associated with a greater probability of seeking observer status. Non-member countries may be willing to bear the expenses related to observer status if it enables them to potentially shape the agreement's trade policies and mitigate uncertainties regarding member States' preferences toward them. Thus, the choice to become an observer appears to be based on considerations of both legal stability within Latin American agreements and opportunities for expanding and protecting market access.

7 Robustness checks

Additional models are estimated by modifying one of the independent variables. The assumption that all countries have equal influence on the quality of the rule of law within a trade agreement may be restrictive. Therefore, a weighted average rule of law index is calculated for each trade agreement, using population size as the weighting factor. This means that countries with larger populations contribute more to the measure.

The findings from these models align closely with those of our primary analyses (see Table 3). Notably, the weighted average rule of law within a trade agreement is positively associated with the likelihood that an Asian or Oceanic nation becomes an observer. Unlike the main models, these estimations suggest that Asian and Oceanic countries with higher levels of the rule of law are more likely to assume observer status. This may suggest an interest among such nations in promoting their governance practices within the trade agreements where they participate as observers. Nevertheless, caution is warranted in interpreting these results, as the proportional hazard assumption is not met in these estimations.

On the other hand, we find that when there is a 10% increase in exports and imports of the Asian/Oceanic country toward the economic integration processes, the risk of becoming an observer of that integration agreement is expected to increase by 3.7% (see Table 3). Additionally, we observe an increase of about 3% in the risk of becoming an observer of an integration agreement when there is a 10% increase in exports from the Asian/Oceanic country to the integration agreement, leaving the other variables constant (see Table 3). This estimation shows us that it is not only the importance of foreign trade in general that motivates these nations to become observers but also that what motivates them is to

TABLE 3 Cox semiparametric survival models that estimate the risk of being an observer in economic integration agreements in Latin America and the Caribbean using weighted average rule of law index within trade agreement.

Independent variables	Model 4	Model 5
Weighted average rule of law index within trade agreement	4.893** (2.144)	5.446** (2.153)
Rule of law index of Asian/Oceanic country	3.170** (1.445)	3.105** (1.483)
Total trade t-1 (ln)	0.381*** (0.0830)	
Exports toward trade agreement t-1 (ln)		0.316*** (0.117)
Imports from trade agreement t-1 (ln)		0.0866 (0.102)
GDP per capita of Asian/Oceanic country t-1	−0.0000308 (0.0000205)	−0.0000322 (0.0000225)
Average GDP per capita of trade agreement t-1	−0.0000199 (0.000118)	−0.0000288 (0.000126)
Military expenditure of Asian/Oceanic country (% of GDP) (t-1)	−0.189 (0.147)	−0.160 (0.156)
Average distance between Asian nation and members of trade agreement (ln)	−1.583 (1.346)	−1.674 (1.443)
Free trade agreement	−0.448 (0.513)	−0.545 (0.521)
New State	−1.128* (0.647)	−1.437** (0.722)
N	250	250
No. of failures	23	23
Log pseudo-likelihood	−106.7	−104.2
χ^2	35.98	34.84
PH-assumption tests	27.87**	26.86***
Harrell's C	0.829	0.839

Standard errors in parentheses clustered by integration agreement-country. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

guarantee the access of their products and merchandise to relevant markets for their economy.

There is a potential for an endogenous relationship between trade flows and the acquisition of observer status. To address this situation, we estimate a set of non-recursive models that allow us to incorporate this bidirectional relationship between the two dynamics. We estimate two multivariate probit models. In both systems of equations, the dependent variable for the first equation is *Observer*. This variable assumes the value of one (1) if the Asian/Oceanic nation is an observer and zero (0) otherwise. In the first system of equations, the second dependent variable is *High Commerce*. This variable assumes the value of one (1) if the amount of trade with the trade agreement is equal to or greater than the mean of the trade with all Latin American and Caribbean Trade Agreements, and zero (0) otherwise. In the second system of equations, there are two additional dependent variables: *High Exports* and *High Imports*. These variables assume the value of one (1) if exports or imports to the trade agreement are equal to or greater than the mean of exports or imports to all Latin American and Caribbean Trade Agreements, and zero (0) otherwise. To

implement the non-recursive model, we set the trade variables as the main independent variables in the observer equation, and we include the observer variable as the independent variable in the trade equations.

As control variables for the observer equations, we include the following: the Rule of Law Index for Asian and Oceanic countries that may act as observers to integration agreements, as well as the average Rule of Law Index for the member States of those agreements. Additional variables considered are Gross Domestic Product (GDP) per capita (t-1) for the Asian/Oceanic country, the average GDP per capita among agreement members (t-1), lagged military expenditure as a percentage of GDP, and the number of days it takes for Asian and Oceanic countries to become observers of economic integration agreements in Latin America and the Caribbean, including its squared and cubic terms.

For the trade equations, the following control variables are incorporated: the Polyarchy Index for member countries of trade agreements (t-1), sourced from The Varieties of Democracy (V-Dem) Research Project (Coppedge et al., 2019), version 15. We also include GDP per capita (t-1) for the Asian/Oceanic country, the logarithm of the average distance between the Asian nation and its members of the trade agreement, and a dummy variable indicating whether the Asian or Oceanic nation shares a colonial heritage with any member of the trade agreement. For model identification and convergence, the set of variables in each equation must be different.

Using this approach, it is evident that, despite potential endogeneity between trade and observer status, trade has a positive influence on the likelihood that Asian and Oceanic nations become observers of Trade Agreements in Latin America and the Caribbean (refer to Table 4). Additionally, the second system of equations indicates that elevated levels of both exports and imports contribute to these countries' decisions to assume observer status. This suggests that Asian and Oceanic nations seek to advance their export and import interests through observer participation. Furthermore, the rule of law within trade agreements remains a significant factor in explaining the likelihood that these nations opt to join Latin American and Caribbean trade agreements as observers.

8 Conclusions

Preferential trade agreements are strategies used by States to strengthen their trade relations. Despite the economic benefits of these agreements, States are not necessarily willing to join them because the integration processes require considerable effort from their members. Since countries need to be aware of their partners' preferences in the agreement regarding compliance with international regulations, States will be reluctant to link up with these international institutions.

However, staying away from preferential trade agreements can also be detrimental. On some occasions, economic integration processes establish trade barriers to non-block countries to boost the intra-community market. However, these types of decisions do not necessarily occur. The agreements may reduce trade barriers not only to Member States but also to non-member nations.

TABLE 4 Multivariate probit estimates: non-recursive models between observer and trade.

Independent variables	Model 6		Model 7		
	Observer	High commerce	Observer	High exports	High imports
Observer		5.503*** (1.655)		1.708*** (0.441)	1.985*** (0.460)
High commerce	6.172*** (0.807)				
High exports			1.431*** (0.430)		
High imports			2.369*** (0.777)		
Average rule of law index within trade agreement	4.378 (2.717)		8.807*** (3.173)		
Rule of law index of Asian/Oceanic country	−0.0949 (0.498)		0.238 (0.462)		
Polyarchy index for member countries of trade agreements (t-1)		−1.612 (1.993)		−2.400 (1.710)	1.360 (1.674)
Average GDP per capita of trade agreement t-1	−0.000381*** (0.000137)		−0.000481*** (0.000128)		
GDP per capita of Asian/Oceanic country t-1	−0.00000131 (0.0000126)	0.0000462** (0.0000189)	−0.0000189** (0.00000913)	0.0000260*** (0.00000613)	0.0000342*** (0.00000714)
Military expenditure of Asian/Oceanic country (% of GDP) (t-1)	−0.132 (0.0860)		−0.0720 (0.0485)		
# of days	−0.00313** (0.00140)		−0.00293*** (0.000998)		
# of days^2	0.000000544* (0.000000285)		0.000000511*** (0.000000190)		
# of days^3	−2.93e-11* (1.69e-11)		−2.64e-11** (1.04e-11)		
Average distance between Asian nation and members of trade agreement (ln)		1.103 (0.791)		0.749 (0.570)	0.918 (0.596)
Colonial heritage		0.556 (0.422)		0.250 (0.297)	0.0169 (0.364)
Constant	−0.0976 (2.683)	−9.295 (7.073)	0.0910 (1.939)	−5.800 (5.379)	−9.980* (5.685)
$r_{1,2}$	−1.430* (0.741)		−1.380*** (0.407)		
$r_{1,3}$			−0.826*** (0.315)		
$r_{2,3}$			0.549*** (0.127)		
N	216		216		
Log pseudo-likelihood	−107.8		−253.2		

Standard errors in parentheses Clustered by Integration Agreement-Country. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Countries then face a double uncertainty. On the one hand, the States need to be made aware of compliance with regulations established by member countries. Conversely, they are still determining if the integration processes will affect their economic interests. In this scenario, the figure of the observing country becomes attractive. The Observer State is a State that does not assume the responsibilities of a full member but retains the option to observe the behavior of its partners in preferential trade agreements. From there, you can learn firsthand the preferences of your members regarding compliance with the agreement's rules and how they handle non-block trade policy.

Additionally, the observer countries can influence the design of the trade regulations of the agreements. As a result, they might convince member countries to adopt measures that benefit their interests. Observing countries can then become full partners in the agreements when the regulations of the agreement align with their trade rules, as the preferences of the observing country and the preferential trade agreement are not dissimilar.

Our statistical analyses show that Asian and Oceanian countries are more likely to become observers of regional trade agreements when the nations that are part of the agreement tend to defend the rule of law. Furthermore, we also demonstrate that Asian and

Oceanian nations are inclined to become observers if they have a strong commercial relationship with these trade agreements. This relationship is stronger when these trade agreements cover a large portion of their exports.

For example, Singapore became an observer country of the Pacific Alliance in 2014. From that moment, the Asian country attended various Summits of the Alliance until, at the beginning of 2022, Singapore requested to become a full member of the agreement and was granted the first Associated State status. Thanks to this status upgrade, Singapore can benefit from increased advocacy for strengthening the rule of law policies in Alliance member countries, thanks to having a more tangible presence in the organizational architecture of the Alliance. Singapore's trade with the region has grown substantially, namely, 1.5 times between 2011 and 2018 (Rouvinski, 2021), and, for this Asian country, respect for the rule of law is a necessary condition for its trade relations with the PA to be beneficial in the long run. According to the Singapore government, "the rule of law ensures legal certainty and investment security for companies" (Singapore Government, n.d.).

In future research, it is essential to examine how the formal institutions of integration agreements influence States' decisions to become observers. For example, it is necessary to evaluate the impact of having a permanent body that governs integration processes or dispute resolution mechanisms. This is relevant because, at least in some cases, governments are unwilling to invest tangible resources into permanent regional cooperation bodies, making them more vulnerable to political changes in the Member States (Acosta Castillo et al., 2016; Prado Lallande and Rodríguez Portilla, 2019). In other cases, States seek observer status without apparent short-term benefits.

Data availability statement

The original contributions presented in the study are included in the article/Supplementary material, further inquiries can be directed to the corresponding author.

Author contributions

CM: Conceptualization, Data curation, Investigation, Methodology, Writing – original draft, Writing – review & editing. VR: Conceptualization, Formal analysis, Investigation, Validation, Writing – original draft, Writing – review & editing.

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Conflict of interest

The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

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The author(s) declare that Gen AI was used in the creation of this manuscript. The AI was employed to proofread the manuscript, correcting errors identified by one reviewer and mitigating the introduction of new ones.

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Supplementary material

The Supplementary Material for this article can be found online at: <https://www.frontiersin.org/articles/10.3389/fpos.2025.1494379/full#supplementary-material>

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