

# Does the economic decline of the West and the rise of China encourage NGO crackdown?

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**Abstract.** Laws restricting foreign funding to domestically operating nongovernmental organizations (NGOs) have proliferated in developing countries. This is puzzling because Western powers support the norm that NGOs are critical for democracy and development, recommend governments partner with NGOs, and sometimes use trade sanctions to encourage adherence to this norm. We examine whether rising trade with China influences the onset of NGO restrictions. China, which has emerged as an important export destination, articulates a different norm of state sovereignty over NGOs and does not sanction developing countries that enact restrictive NGO laws. Analysis of 153 developing countries from 2000–2015 finds that increasing exports to China may double the risk of NGO crackdown, but only when accompanied by declining exports to Western democracies. NGO scholars should recognize there are multiple norms about state-NGO relationship and that norm acceptance is influenced by the economic clout of the power that espouses a particular norm.

**Keywords:** NGO crackdown; trade; China

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## Introduction

Western powers promote the norm of a transnational civil society (Sikkink, 1998) and recommend that governments share sovereignty with nongovernmental organizations (NGOs) on public policy issues (Wapner, 1995; Warkentin, 2001; Kaldor, 2003; Reimann, 2006). They support this norm by providing NGOs a seat at the policy table in international forums, funding overseas NGOs and even routing foreign aid funding through them, instead of the governments of recipient countries (Christensen and Weinstein, 2013). Nevertheless, since 2000, 54 developing countries have enacted laws that restrict the inflow of foreign funding to domestically operating NGOs (Dupuy, Ron, and Prakash, 2016).<sup>1</sup> They do so in spite of the risk of facing trade sanctions from Western countries. Of course, developing countries could also fear moral sanctions. But as we show below, moral sanctions flow from trade leverage, a material dimension. As this Western trading leverage has diminished, so has the effectiveness of their naming and shaming countries that violate pro-NGO norm or threatening them with trade sanctions.

Why have some developing countries embraced the alternative state sovereignty norm? Arguably, many developing countries adopted the NGO norm but never internalized it (Finnemore and Sikkink, 1998). Instead, the norm was held in place by the implied threat of trade sanctions, which was credible when Western markets absorbed most developing country exports. In recent years, China has emerged as an important export destination for these countries. Importantly, in contrast to the Western world, China promotes an alternative state sovereignty norm, heavily regulates NGOs (Ma, 2002; Hsia and White, 2002), and restricts overseas funding for its own domestic NGOs (Yin, 2009). In international forums, China promotes the view that NGOs should respect the territorial integrity of the countries in which they function and that international organization should remain the exclusive prerogative of sovereign states (detailed examples can be found in Piccone, 2018). Our research note examines an important case of the durability of Western norms (or the acceptance of an alternative norm of state sovereignty) in the light of the rise of China and the economic decline of the West. We test whether, all else equal, the onset of restrictive NGO funding laws is

<sup>1</sup> The Carnegie Endowment termed such restrictions as “Closing Space: Democracy and Human Rights Support Under Fire.” As Dupuy, Ron, and Prakash (2016) point out, these laws cover a wide variety of restrictions, from notification of foreign funding (Azerbaijan) to requiring the government’s prior approval to receive any funding (Angola). Others have imposed extensive reporting requirements (Indonesia).

associated with rising exports to China alongside concomitant reductions in the export salience of Western markets.

Prior research suggests domestic threats to regimes, including recent competitive elections or the emergence of popular movements such as the Maidan revolution and the Arab Spring, may have motivated governments to crackdown on NGOs. Our analysis of NGO restrictions in response to rising trade with China does not rule out such explanations; instead, we report the increased risk of NGO restrictions due to changes in the trade relationships the country has with China and Western powers, all else equal.

We also recognize that since the rise of the modern global governance system through a network of international organizations following World War II, there has been tension between the role of NGOs and the Westphalian model of state sovereignty. Thus, the post Cold War associational revolution (Salamon, 1994) and the subsequent backlash from a large number of countries that seek to preserve state sovereignty over NGOs, reflects historical tensions around the power of NGOs versus the state.

In examining NGO funding restrictions, we engage with an established debate on the role of material incentives versus norms in policy adoption (Fearon and Wendt, 2002; Finnemore and Sikkink, 2001; Checkel, 1997). Structurally powerful countries, such as those which dominate global trade, are able to shape material incentives facing less powerful countries by (among other things) controlling access to their export markets (Barkin, 2003). When powerful countries champion a given norm, less powerful developing countries have incentives to adopt policies cohering with that norm. In this situation, it is less clear whether the latter adopted this norm in response to material incentives or its normative appropriateness (March and Olsen, 1998), because the same powerful countries control their material *and* normative environments.

But suppose the economic leverage of the NGO norm champions is declining, while the rising economic power articulates an opposing norm. This offers the opportunity to empirically test competing claims about norm sustenance, norm replacement, and economic leverage. If norms sustenance is indeed independent of economic leverage, we should not expect norm replacement when the material power of the original norm champions declines. But if norm survival is influenced by economic leverage, policies based on this norm will be at risk.

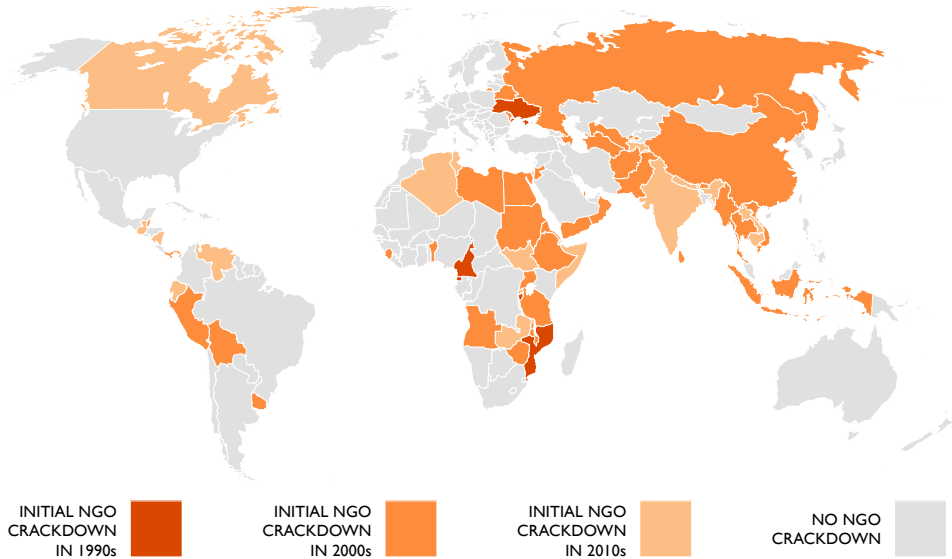
Of course, one could argue that developing countries willingly adopted pro-NGO policies that allowed NGOs to challenge state sovereignty (Sikkink, 1998). After all, these countries were socialized into the logic of appropriate behavior toward NGOs (March and Olsen, 1998). But governments may have adopted pro-NGO policies not

because of their normative appeal. They may have instead merely tolerated these policies given the economic leverage exercised over them, only to discover that following the pro-NGO norm creates political problems at home. Foreign funded NGOs tend to get mixed up in local politics and often support opposition groups, directly or indirectly (Christensen and Weinstein, 2013). This tendency is encouraged by the rise of the “rights-based” discourse in development studies (Kindornay, Ron, and Carpenter, 2012). If education, health, or any other local public good is a “right,” then governments arguably violate these rights because they typically under-supply public goods. As rights defenders, NGOs will frequently feel the obligation to speak up against rights violators; namely the local government.

Seeking political survival, governments push back. They paint foreign funded NGOs as external meddlers in domestic politics, sometimes invoking colonial or anti-semitic tropes (as in Hungary). Further, the rise of government sponsored NGOs (GONGOs) (Naím, 2007) adds to distrust regarding the objectives of transnational NGOs and whether they are acting on behest of foreign governments. To deny material resources to NGOs, governments restrict their access to foreign funding, a clever strategy because many prominent NGOs are not able to raise funds locally (Dupuy, Ron, and Prakash, 2016). Indeed, since 2000, a steady stream of developing countries have initiated crackdowns on NGOs’ access to foreign funds (Figure 1).

Developing country governments might be discouraged from enacting restrictive NGO laws if they fear retaliation from Western powers championing the pro-NGO norm via trade sanctions. Irrespective of whether trade sanctions elicit desired policy changes in the sanctioned countries (Drezner, 2000; Marinov, 2005), the fear of trade sanction can work only if developing countries consider Western countries to be an indispensable (non-substitutable) export market. If developing countries increasingly export to locations that favor an alternative norm of state sovereignty over NGOs, they are likely to worry less about Western concerns about cracking down on NGOs.

What mechanisms link trade relations to developing countries adopting the China-favored norm over the western NGO norm? Countries might adopt China-favored norm for four reasons. First, trade might lead to more interactions among top officials, and developing country leaders might learn more about the Chinese perspective on sovereignty of state over NGOs. Second, China could explicitly encourage countries to crack down because it wants to recreate the world in its own image, the way Western powers sought to do by spreading the norms of democracy and capitalism. Third, suppose developing countries never really bought into the NGO norm but adopted it due to Western trade pressure. Increased trade with China has diminished Western



### CUMULATIVE DEVELOPING COUNTRIES RESTRICTING NGOs

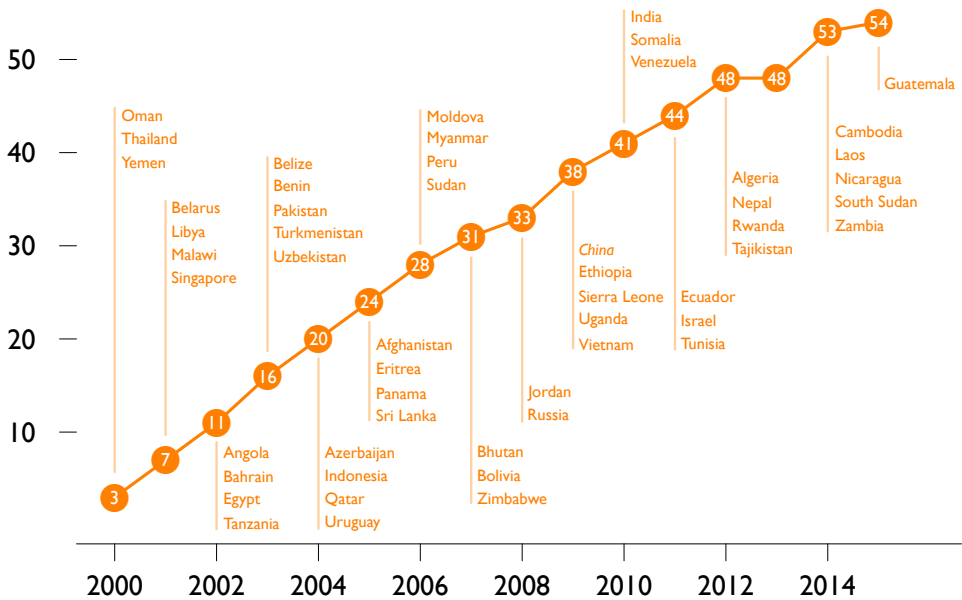


Figure 1. NGO crackdowns in the developing world, 2000–2015.

trade leverage, allowing countries to disown the NGO norm. Fourth, along with trade, Western norms were maintained via western aid flows. Hence, developing countries might feel that if they crackdown on NGOs and Western aid is cut off, China will step in – but only if they trade with China.

We recognize that trade often leads to more interaction among officials. As a result, developing country leaders might learn more about the Chinese perspective on sovereignty of state over NGOs. Although it is vocal about other issues (such as relationship with Taiwan or the activities of the Dalai Lama), we have not found evidence that China explicitly encourages countries to crackdown on NGOs (though such evidence would support our argument). Nevertheless, China signals its support for its preferred norm subtly and in a variety of ways. It implicitly encourages NGO crack-downs through its own restrictions foreign funding to NGOs and through the strong position China takes on state sovereignty in international forums.

Critically, the decline in trade with Western countries has made the threat of Western trade sanctions less credible. But what about the threat of lost development aid from the West: might developing countries expect China to replace this aid? Probably not: China has only recently begin to provide foreign aid, and much of this seems to be linked with specific economic projects (as in Africa) including the Belt and Road initiative. Thus, during the time period of our study, countries probably did not assume that China would replace aid (and in any event, we control for each country's reliance on development assistance). Future research could examine how aid replacement (akin to trade replacement in our paper) might motivate countries to adopt China-favored norms as opposed to Western norms.

Developing countries' export dependence on Western markets declined sharply from 61.4% in 2000 to 42.2% in 2015. Over the same period, these countries dramatically increased the share of their total exports to China, from 3.7% in 2000 to 13.7% in 2015. In the aggregate, it seems likely that China's 10.0% increase in average export salience explains about half of the 19.3% decline in the West's export's salience.<sup>2</sup>

Did this structural change in export markets encourage developing countries to roll back pro-NGO policies? Our research note investigates this possibility using data on NGO crackdowns and dyadic trade patterns for 153 developing countries over the period 2000–2015. We employ event history analysis to show the risk of onset of restrictions on foreign funding to NGOs rises substantially as the composition of countries'

<sup>2</sup> Authors' calculations using dyadic trade data from the Correlates of War trade dataset, version 4 (Barbieri, Keshk, and Pollins, 2009; Barbieri and Keshk, 2017).

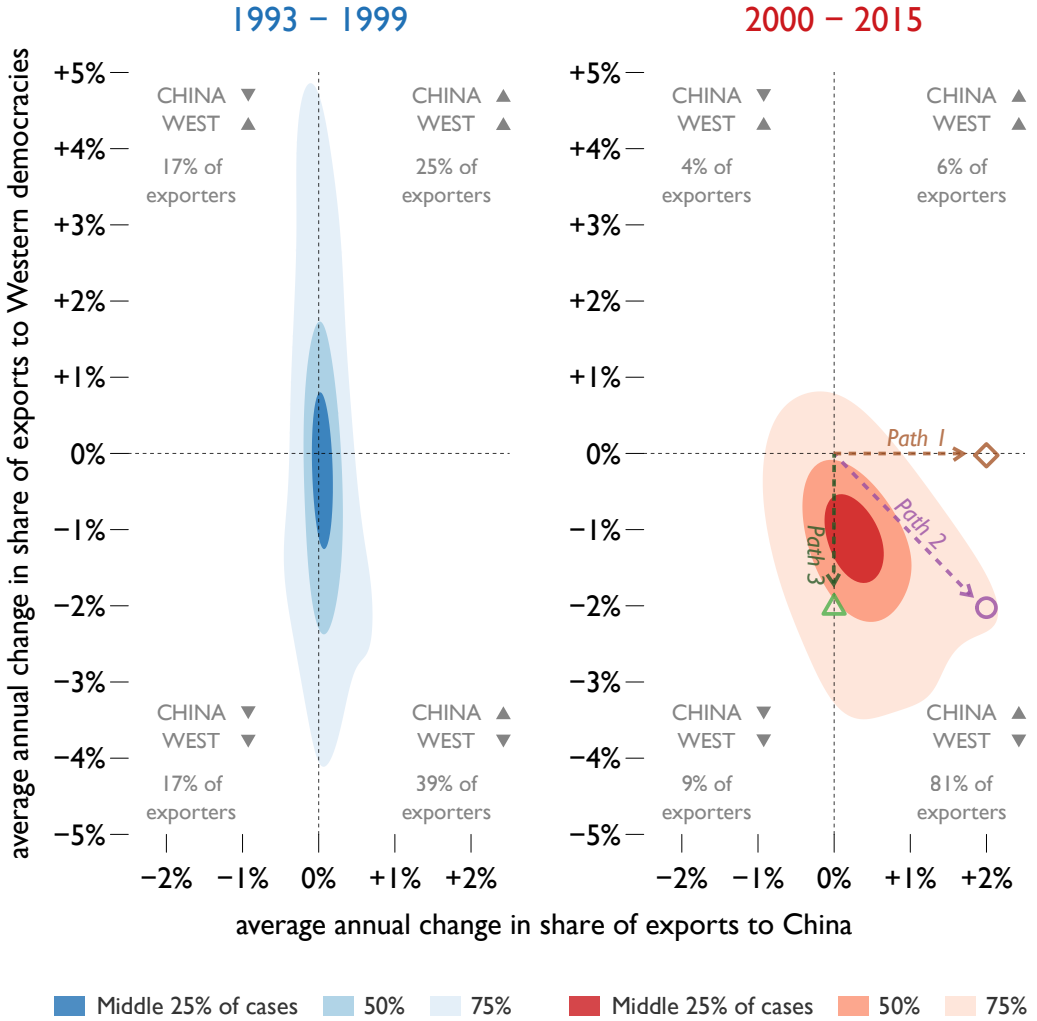
exports shifts towards China and away from the West. Our analysis finds that increasing exports to China may *double the risk* of NGO crackdown, but only when accompanied by declining exports to Western democracies.

### Where developing countries send exports: China versus the West

As Adolph, Quince, and Prakash (2017) emphasize, when a country sends a greater share of its exports to a new trading partner, it is likely to export relatively less to its existing partners. To the extent that the effects of trade on domestic politics flow through the composition of trade portfolios, this implies the effect of trading more with one country depends on the other countries it displaces. In the aggregate, China's growing demand for imports from developing countries, particularly raw materials, coincides with a simultaneous decline in the share of developing countries' exports headed for Western democracies.

But is this trade shift occurring uniformly across the developing world, or have countries' export portfolios evolved along different paths? To delve deeper, we examine annual data on dyadic trade flows for a near census of 153 developing countries using data from the Correlates of War Trade Database (Barbieri, Keshk, and Pollins, 2009; Barbieri and Keshk, 2017).<sup>3</sup> For each exporting country  $i$  and year  $t$ , we calculated the share of exports that country  $i$  sent to China, and the share of exports that country  $i$  sent to Western democracies.<sup>4</sup> We then calculated the change in these export shares over two periods, 1993–1999 and 2000–2015, before and after the US awarded permanent trade relations to China (Lardy, 2000).

- <sup>3</sup> In the remainder of the paper, we exclude China as a case in the analysis, while retaining trade with China as a key explanatory variable for NGO crackdowns in other countries. Our results are not noticeably affected by this exclusion. We recognize that most trade data treats economic activities of China's special administrative regions, like Hong Kong, as if they were separate states. Thus, countries might trade indirectly with Mainland China via Hong Kong. Viewed this way, the salience of China in trade would probably increase for most developing countries if Hong Kong were to be included in the equation.
- <sup>4</sup> To construct the Western democracy exports variable, we define a relatively narrow set of long-standing rich democracies (in essence, the early members of the OECD) which nonetheless account for the majority of total world imports at the start of our study period. These export destinations lie in Europe (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom, and the smaller states of Andorra, Iceland, Liechtenstein, Luxembourg, and Monaco), North America (Canada, the United States), and the Pacific Rim (Australia, Japan, New Zealand).



**Figure 2.** Developing countries’ observed tradeoffs between exports to China and the West. Data on the average annual change in export portfolios of 153 developing countries at risk of NGO crackdown are summarized using two-dimensional kernel density estimation applied separately to two periods (1993–1999 and 2000–2015). Shaded regions show the central 25%, 50%, and 75% of exporting countries, respectively. The brown, purple, and green arrows show three hypothetical paths a country might have followed: *Path 1* represents a country that expanded China exports without changing its share of exports to Western democracies, *Path 2* shows a country that reduced exports to Western democracies by the same amount it increased exports to China, and *Path 3* a country that reduced exports to Western democracies without increasing its exports to China. KDE bandwidths selected by smoothed cross-validation (Duong and Hazelton, 2005).



The observed strength of the shift from exporting to Western democracies to exporting to China grew much stronger after the turn of the 21st century. Figure 2 shows this in two ways. First, each plot reports the percentage of developing countries which simultaneously reduced exports to Western democracies and increased exports to China: in the 1990s, 39% of developing countries made this trade-off, rising to an overwhelming 81% of countries in the 2000s. Second, to gain a more detailed sense of the scale of this trade shift and its variation across exporters, we summarized the country-level changes using two-dimensional kernel density estimation (a bivariate generalization of smoothed histograms), which reveals the regions of the plots containing the central 25%, 50%, and 75% of countries, respectively. The left plot shows that while a plurality of developing countries shifted their exports towards China in the final years of the twentieth century, this shift was only weakly related to much larger positive and negative changes in exports to Western democracies. However, as the right plot shows, from 2000 onwards, a large majority of developing countries sharply increased exports to China *and* reduced exports to the West.

Three hypothetical paths highlight the different ways this tradeoff occurred. Very few developing countries followed *Path 1*, in which exports to China rise without any change in exports to the West. This path is certainly possible: in principle, China could be primarily displacing India or other intra-South trading partners. Instead, the joint distribution of Chinese and Western export salience suggests that *Path 2*—in which the rise in exports to China closely matches in the share of exports to the West—is far more common. Finally, a smaller share of developing countries reduced their exports to the West without significantly shifting towards China as an export destination (*Path 3*). For countries travelling along these latter paths, the cumulative drop over fifteen years in the share of their exports sent to the West is a hefty 30 percent.

## Export destinations and NGO funding restrictions

We turn now to investigating the relationship between these large shifts in export portfolios and NGO crackdowns.<sup>5</sup> To control for potential confounders, we use event history analysis to model NGO funding crackdowns. Starting in 2000—when the US Congress voted to support China’s admission to the World Trade Organization, and when the tradeoff between exports to China and exports to the West began to emerge

<sup>5</sup> As we show subsequently in sensitivity analysis, our results hold when we replace export portfolios with import portfolios.

– we observe each country  $i$  until the first observed instance of a crackdown on foreign aid directed to NGOs, or until 2015, whichever is later. Once a country cracks down, it leaves the risk set for the remainder of the study period; countries that never crack down are treated as right-censored.<sup>6</sup> All other missing data are handled using multiple imputation with appropriate assumptions for time series cross-sectional data (Honaker and King, 2010).<sup>7</sup> We model the probability of crackdown using a Cox proportional hazards model with standard errors clustered by country, and we combine the results of our analysis across ten imputed datasets through simulation.

Table 1 presents results for our event history models, with the covariates of each model sorted from those which most reduce the risk of crackdown, to those which most enhance the risk. In our initial specification (Model 1), the only covariates are the share of exports sent to China and Western democracies, respectively. Table 1 shows the hazard ratio associated with a shift from the 25th to the 75th percentile of each covariate, as recommended by Harrell (2015) for continuous covariates of event history models. We find that holding the export salience of China fixed, countries that export heavily to the West are half as likely to crackdown on NGOs in any given year, compared to countries that send only a small share of their exports to the West. On the other hand, holding trade with the West fixed, exporting heavily to China has a positive but statistically insignificant effect on NGO crackdown. But are these results robust to potential confounders? And is it reasonable to assume that exports to the West and China shifted independently in the 21st century?

In our full specification (Model 2), we also control for a number of features of the international environment that might also affect governments' decisions to enact restrictive NGO funding laws. We control for total trade as a percentage of GDP and total foreign direct investment as a percent of GDP from the World Bank's World Development Indicators dataset (World Bank, 2017) because, as the trade–regulatory diffusion literature suggests, a country's absolute level of dependence on foreign markets (and foreign investors) might incentivize it to adopt global norms and standards (Elliott and Freeman, 2003).

We also control for overseas development assistance, some of which is funneled through NGOs (Dietrich, 2013), using data from the World Bank's World Develop-

6 All results are substantively the same using either 1998 as the starting year (which captures all observed NGO crackdowns) or 2002 (the year of final China accession to the WTO).

7 In practice, only model controls are imputed: we do not impute the NGO crackdown outcome, and the export portfolio data are fully observed. We obtain similar results using listwise deletion instead of imputation.

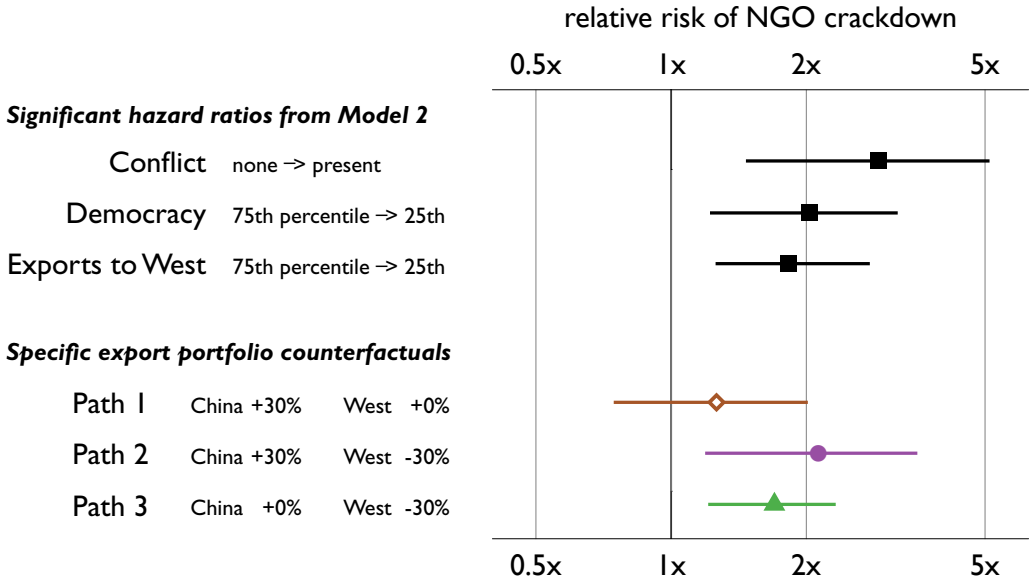
**Table 1.** Cox models of the risk of NGO crackdown, developing countries, 2000–2015.

Covariate	Model 1			Model 2		
	hazard ratio	95% CI		hazard ratio	95% CI	
		lower	upper		lower	upper
Democracy <sub><i>t</i>-1</sub>				0.48	0.31	0.80
Exports to West/Total Exports <sub><i>t</i>-1</sub>	0.50	0.33	0.73	0.55	0.36	0.79
FDI/GDP <sub><i>t</i>-1</sub>				0.96	0.82	1.10
Development Assistance/GDP <sub><i>t</i>-1</sub>				1.04	0.99	1.09
Trade Openness <sub><i>t</i>-1</sub>				1.05	0.62	1.65
Exports to China/Total Exports <sub><i>t</i>-1</sub>	1.07	0.89	1.28	1.07	0.91	1.24
log GDP per capita <sub><i>t</i>-1</sub>				1.11	0.69	1.67
Conflict <sub><i>t</i>-1</sub>				2.90	1.46	5.14
Total country-years at risk		2126			2126	
Total countries at risk		153			153	
Total events		53			53	
AIC		255.8			254.8	
Concordance index (Harrell's <i>c</i> )		0.637			0.704	

For continuous covariates (all variables except *Conflict*), the hazard rate shows the relative increase in the hazard of crackdown given a shift from the 25th to the 75th percentile of the covariate. For the binary covariate *Conflict*, a traditional hazard ratio is shown. Covariates with both 95% confidence limits below 1.0 significantly lower the probability of crackdown; those with both limits above 1.0 significantly increase the risk. Standard errors used to compute confidence intervals are clustered by country. The concordance index shows the proportion of all pairs of countries which the model correctly predicts which country will crackdown first. The Efron method is used to resolve ties. Results combined from 10 multiply imputed datasets.

ment Indicators dataset (World Bank, 2017). Finally, we also control for other elements of domestic politics such as conflict, economic development, and levels of democracy that might contribute to, or undermine, the longevity of Western norms. We take data on conflict (a binary indicator of moderate or severe civil war) from the UCDP/PRIO Armed Conflict database (Gleditsch, Wallensteen, Eriksson, Sollenberg, and Strand, 2002) and on economic development (GDP per capita in 2011 dollars at purchasing power parity) from the World Bank. To measure democracy, we use the first principal component of the five measures of democracy provided by the Varieties of Democracy project (V-DEM) (Coppedge et al, 2018).<sup>8</sup>

<sup>8</sup> We find similar results using an average of the five V-DEM components, or the V-DEM electoral component by itself, or the Polity measure of democracy.



**Figure 3.** Drivers of NGO crackdown in developing countries, 2000–2015. The first three entries show the estimated relative risk of NGO crackdown given the specified change in the listed covariate, while holding all other covariates constant at their means. The remaining entries show the relative risks associated with the three paths of export portfolio change traced out in Figure 1 (30% represents the cumulative change over 15 years implied by the hypothetical annual changes shown in that figure). All results calculated using Model 2. Horizontal lines show 95% confidence intervals. Axis is log-scaled.

Under the full specification, model fit improves, but associations between trade portfolios and the risk of NGO crackdown are substantively unchanged. As Table 1 shows, beside the exports to Western democracies, only two covariates have significant effects: Democracy and Conflict. Figure 3 highlights the relative impact of the three significant covariates. In terms of hazard ratios, all else equal, low export salience of Western trading partners raises the risk of crackdown by 1.8 times (95% CI: 1.3 to 2.8): nearly as large a risk as autocracy and two-thirds that of conflict.

Did many countries actually shift their export portfolios on this scale? To place our results in the context of twenty-first century trade shifts, we consider the model’s predictions for countries that travel along the three paths traced out in Figure 2. Figure 3 shows that *Path 2*—in which countries expand their exports to China and reduce exports to Western democracies in equal proportions—has a substantively large effect on the risk of crackdown, making it 2.1 times more likely (95% CI: 1.2 to 3.5). Countries

lowering the share of their exports to Western democracies without increasing exports to China (*Path 3*) see a smaller but still significant increase in risk (hazard ratio=1.7, 95% CI: 1.2 to 2.3). On the other hand, countries travelling along *Path 1* – increasing the export share of China without changing the share of the West – see no significant change in the risk of NGO crackdown (hazard ratio=1.3, 95% CI: 0.8 to 2.0). Because so few countries followed this path, it is particularly hard to estimate the separate effect of China’s export salience when holding trade with the West fixed. However, while China may not have a discernible unique effect as a trading partner, it is indisputable that China’s rise is the primary engine behind the decline in exports to Western democracies.

This leads to a final question: would the history of 21st century NGO crackdowns have been different if export patterns had remained unchanged from 2000 onwards? How many of the 53 crackdowns analyzed can be attributed to shifting trade away from the West? Although we cannot tell which specific cases are caused by trade shifts, we can get an aggregated estimate from the model. First, we simulate each of our 153 developing countries through its historical course on all covariates, counting the total number of events predicted to occur over this time by Model 2 (the sum across countries of the cumulative probability of crackdown by 2015).<sup>9</sup> Aggregated across the dataset, this predicts a total of 40.2 countries (95% CI: 35.5 to 42.3) implement a crackdown at some point, a bit lower than the 53 events actually observed. Next, we “freeze” trade patterns at their year 2000 levels for all 153 countries and assume the next 15 years unfolded with those trade patterns fixed, while all other covariates evolved as they did historically. In this counterfactual, the West retains its preeminence as an export destination, and the model predicts 8.5 fewer crackdowns across the developing world (95% CI: -4.0 to -12.8). This is a noteworthy effect, far larger than the aggregate counterfactual consequences of freezing democracy (1.7 additional events, 95% CI: +0.6 to +3.0) or conflict (0.2 fewer events, 95% CI: -1.1 to +0.1) at their 2000 levels across countries. In sum, changing export patterns – including but not limited to the rise of China – emerge from the model as the most consequential explanation of change over time in NGO crackdowns.

<sup>9</sup> Simulations are drawn and combined across the 10 imputed datasets and their corresponding Cox models; indeed, the ability to simulate over time is a key motivation behind our use of imputation to fill gaps in the time series.

## Conclusions

National governments play a critical role in the institutional environment of NGOs (Salamon and Anheier, 1998; Bloodgood, Tremblay-Boire, and Prakash, 2014). But because governments are embedded in a global structure, their domestic policies may also be shaped by the preferences of powerful states on which they depend in various ways (Salamon, 1994; Reimann, 2006). Further, global embeddedness means that countries experience policy spillovers: trade policy could influence how a country pursues public health or facilitates NGOs. The rise of NGOs in the global economy and the recent spurt of NGO crackdowns should be viewed in the context of changes in global politics, and as example of how the structural shift epitomized by the rise of China produces unexpected consequences for seemingly unrelated issues.

Of course, if the China and the western powers shared the same political and normative templates, this structural shift will have little consequences for domestic policies. But in many areas they do not. Recent controversies – including censorship by Chinese-owned global social media phenomenon TikTok, China’s year-long backlash against the National Basketball Association’s Houston Rockets, and China’s reaction to Western response of its clampdown on Hong Kong – have revealed the clash between Chinese and Western norms on the issue of democracy and free speech (Harwell and Romm, 2019; Dreyer, 2019; Amador, 2020).

To what extent will China’s normative world view – including the primacy of the state over NGOs and the need for regulatory mechanisms to control resources NGOs receive from abroad – replace the Western world view of a transnational civic sector that receives international funding and deals with domestic governments as a co-equal? This is an important issue because the contemporary world society (Meyer, Boli, Thomas, and Ramirez, 1997) is shaped by Western norms. Of course, the norms of declining powers might survive if the emerging power does not articulate a competing norm. Take the case of private property or capitalism, both Western norms. The policies that embody these norms will probably outlive Western decline because these norms cohere with China’s political and economic preferences. In the changing structural context of the global economy, the fate of other global norms such as multilateralism, on which China’s position is ambiguous, remains to be seen.

While our models control for foreign aid, Western powers provided most of this aid in the period of our study. It is only recently that China has started providing foreign aid, but much of this seems to be linked with specific economic projects, including the Belt and Road initiative. Future research could examine how aid replacement (akin

to trade replacement in our paper) might motivate countries to adopt China-favored norms as opposed to Western norms. Similarly, China could exercise influence in a variety of other ways: through FDI flows, by establishing Confucius Institutes, and via military assistance. Study of such non-trade interactions would provide an even richer picture of how interactions with China might motivate countries to adopt China-favored norms. Finally, the COVID-19 pandemic might create unanticipated demand for the services that NGOs provide. Hence, future work should examine if domestic governments either diluted or withdrew previously-adopted restrictive NGO policies, especially in the domain of public health, where governmental capacity is often weak.

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## SUPPLEMENTARY MATERIALS

To supplement “Does the economic decline of the West and the rise of China encourage NGO crackdown?” Nonprofit and Voluntary Sector Quarterly.

### Operationalization of Variables

Dyadic trade measures. We construct two measures of dyadic exports using the Correlates of War Trade Data, Version 4 (Barbieri, Keshk, and Pollins, 2009; Barbieri and Keshk, 2017). Let  $i$  index the 153 developing countries included in our analysis, let  $\mathcal{W}$  indicate the set of Western democracies listed in note 3 in the main text, and let  $\mathcal{C}$  indicate China. We construct, for each country  $i$  and year  $t$ , the share of country  $i$ 's exports that went either to the West or to China as a share of their total exports:

$$\text{Exports to West/Total Exports}_{i,t} = \frac{\sum_{w \in \mathcal{W}} \text{Exports from } i \text{ to } w \text{ in year } t}{\text{Total Exports of } i \text{ in year } t} \quad (\text{S-1})$$

$$\text{Exports to China/Total Exports}_{i,t} = \frac{\text{Exports from } i \text{ to } \mathcal{C} \text{ in year } t}{\text{Total Exports of } i \text{ in year } t} \quad (\text{S-2})$$

In the sensitivity analysis below, we create analogous measures of imports from the West and China, respectively, using the same approach, *mutatis mutandis*.

Democracy. The Varieties of Democracy (V-DEM) project provides five different dimensions of democracy: electoral, liberal, participatory, deliberative, and egalitarian components (Coppedge et al, 2018). In order to capture the broadest sense of democracy, our measure is obtained by applying a principal components analysis to these five measures, and extracting the first principal component. However, we obtain similar results if we instead used the average of all five components, or the electoral component alone.

FDI/GDP. We draw data on net inflows of foreign direct investment as a proportion of GDP from the World Bank's World Development Indicators (World Bank, 2017).

Development Assistance/GDP. We obtain data on net official development assistance and official aid received in current dollars from the World Bank's World Development Indicators (World Bank, 2017), which we divide by GDP in dollars, from the same source.

**Table S1.** *Descriptive statistics of covariates for all country-years at risk in Models 2 and 4.*

Covariate	Mean	SD	percentiles		
			25th	50th	75th
Democracy (V-DEM PC1)	-0.02	2.02	-1.76	-0.22	1.65
Exports to West/Total Exports	0.55	0.24	0.37	0.57	0.74
FDI/GDP	0.06	0.18	0.01	0.03	0.07
Development Assistance/GDP	0.01	0.03	0.00	0.00	0.01
Trade Openness: (Exports + Imports)/GDP	0.90	0.42	0.62	0.85	1.10
Exports to China/Total Exports	0.06	0.12	0.00	0.02	0.07
GDP per capita (in constant \$k)	6.66	16.03	2.64	7.51	15.57
Conflict	0.11	0.31	0.00	0.00	0.00
Imports from West/Total Imports	0.46	0.18	0.34	0.47	0.59
Imports from China/Total Imports	0.09	0.09	0.03	0.06	0.11

Trade Openness/GDP. We draw data on total trade (imports plus exports) as a proportion of GDP from the World Bank’s World Development Indicators (World Bank, 2017).

GDP per capita. We obtain data on GDP per capita in 2011 dollars at purchasing power parity from the World Bank’s World Development Indicators (World Bank, 2017).

Conflict. Our measure of conflict is binary indicator of the presence of at least moderate civil war, as coded by the UCDP/PRIO Armed Conflict database (Gleditsch, Wallensteen, Eriksson, Sollenberg, and Strand, 2002).

Table S1 shows descriptive statistics for each of the above variables over the at-risk sample of country-years explored in the event history analysis.

### Sensitivity Analysis: Import Flows

In the main text, we argue that when China replaces Western democracies as an export destination for developing countries, it reduces pressure on those countries to respect the pro-NGO norm that Western powers have promoted. A similar logic could apply to import dependence. Specifically, for many developing countries, the lack of hard currency potentially creates an opportunity for trading partners to impose informal conditions in exchange for access to imported goods (Nassimbeni, Sartor, and Orzes, 2014; Marin and Schnitzer, 1995) – and China is far less likely to include respect for the NGO norm in its conditions on importing countries. It is therefore appropriate

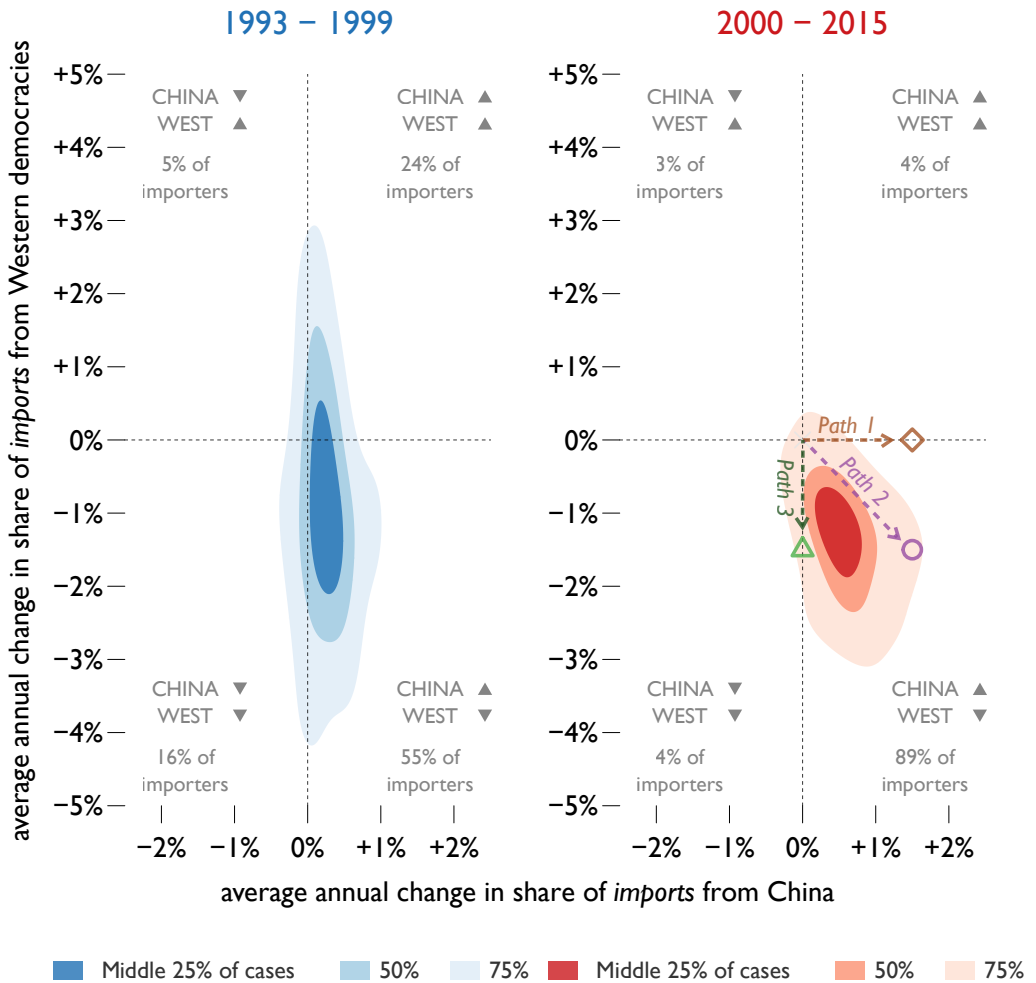
to consider whether the results in the main text would hold if we examined changes in developing countries’ dependence on *imports* from Western democracies and China, respectively, instead of dependency on these trading partners as export destinations. However, as export and imports between country dyads are highly correlated, it may be difficult to truly tease apart these import and export mechanisms: overall, we expect to find very similar results across measures of import and export salience.

We begin by examining changing patterns in import dependence on the West and China. For each importing country  $i$  and year  $t$ , we calculated the share of imports that country  $i$  received to China (out of all imports received by  $i$ ), and the share of imports that country  $i$  received from Western democracies (again out of country  $i$ ’s total imports in year  $t$ ). We then calculated the change in import shares over two periods, 1993–1999 and 2000–2015.

Analogous to Figure 2 in the main text, Figure S1 shows the percentage of developing countries increasing (or decreasing) the share of imports from Western democracies (or China). In the 1990s, a bare majority (55%) of developing countries made this trade-off, rising to virtual all countries (89%) of in the 2000s. Once again, to gain a more detailed sense this trade shift and its variation across importers, we summarize country-level changes using two-dimensional kernel density estimation, highlighting the regions of the plot containing the central 25%, 50%, and 75% of countries, respectively.

The shift in imports over these two periods is similar to the shift in exports: as with exports, after the turn of the century, virtually all countries shifted away from Western sources of imports towards China, while before 2000, some countries were still increasing their share of imports from Western democracies. However, there are also some key differences. First, there is a notable trend away towards Chinese imports in both periods, not just in the later period (as we saw for exports). Second, the shift from towards China and away from the West was slightly less pronounced in the second period, compared to exports. Looking again at [Path 2](#), which highlights a strong increase in imports from China at the expense of imports from the West, we note that countries travelling along this path see a cumulative drop (increase) in their Western (Chinese) imports of 25 percent over fifteen years. This is slightly smaller than the 30 percent cumulative change observed for the export trade-off highlighted in Figure 2 in the main text.

Once again, we investigate the relationship between large shifts in trade portfolios and NGO crackdowns in developing countries, but we now highlight the role of changes in import portfolios, rather than export portfolios. We again use Cox pro-



**Figure S1.** Developing countries’ observed tradeoffs between imports to China and the West. Data on the average annual change in import portfolios of 153 developing countries at risk of NGO crackdown are summarized using two-dimensional kernel density estimation applied separately to two periods (1993–1999 and 2000–2015). Shaded regions show the central 25%, 50%, and 75% of exporting countries, respectively. The brown, purple, and green arrows show three hypothetical paths a country might have followed: *Path 1* represents a country that expanded China imports without changing its share of imports from Western democracies, *Path 2* shows a country that reduced imports from Western democracies by the same amount it increased imports from China, and *Path 3* a country that reduced imports from Western democracies without increasing its imports from China. KDE bandwidths selected by smoothed cross-validation (Duong and Hazelton, 2005).

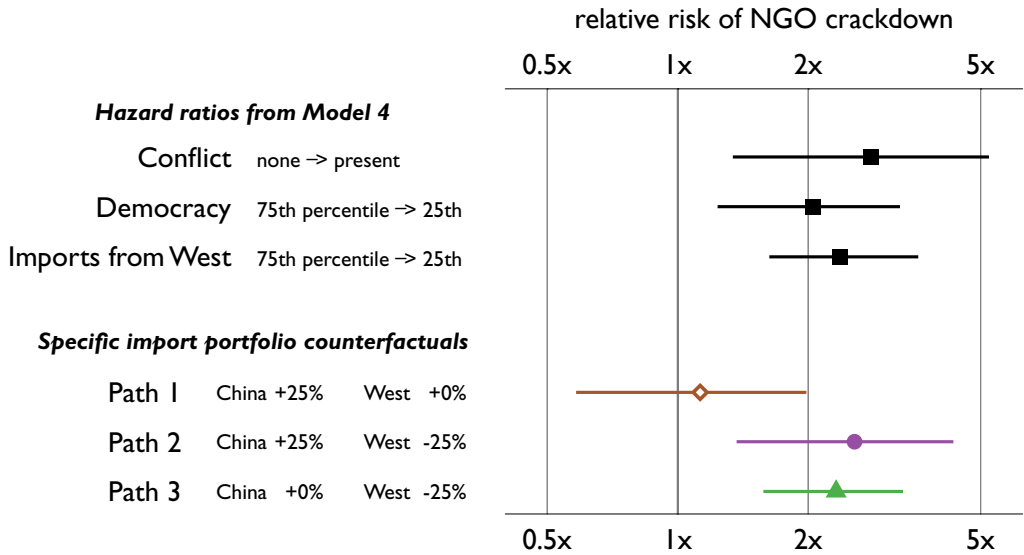
**Table S2.** Additional Cox models of the risk of NGO crackdown, developing countries, 2000–2015.

Covariate	Model 3			Model 4		
	hazard ratio	95% CI		hazard ratio	95% CI	
		lower	upper		lower	upper
Democracy <sub><i>t</i>-1</sub>				0.49	0.31	0.80
Imports from West/Total Exports <sub><i>t</i>-1</sub>	0.43	0.29	0.60	0.42	0.28	0.61
FDI/GDP <sub><i>t</i>-1</sub>				0.99	0.86	1.12
Development Assistance/GDP <sub><i>t</i>-1</sub>				1.04	1.00	1.09
Trade Openness <sub><i>t</i>-1</sub>				1.00	0.59	1.57
Imports from China/Total Exports <sub><i>t</i>-1</sub>	1.00	0.80	1.24	1.03	0.83	1.26
log GDP per capita <sub><i>t</i>-1</sub>				1.43	0.87	2.21
Conflict <sub><i>t</i>-1</sub>				2.80	1.35	5.18
Total country-years at risk		2126			2126	
Total countries at risk		153			153	
Total events		53			53	
AIC		253.1			252.5	
Concordance index (Harrell's <i>c</i> )		0.683			0.737	

For continuous covariates (all variables except *Conflict*), the hazard rate shows the relative increase in the hazard of crackdown given a shift from the 25th to the 75th percentile of the covariate. For the binary covariate *Conflict*, a traditional hazard ratio is shown. Covariates with both 95% confidence limits below 1.0 significantly lower the probability of crackdown; those with both limits above 1.0 significantly increase the risk. Standard errors used to compute confidence intervals are clustered by country. The concordance index shows the proportion of all pairs of countries which the model correctly predicts which country will crackdown first. The Efron method is used to resolve ties. Results combined from 10 multiply imputed datasets.

portional hazards models with country-clustered standard errors, and combine results across ten imputed datasets through simulation. Table S2 presents results for our event history models, with the covariates of each model sorted to match the order of covariates in Table 1 in the main text. For continuous covariates, the hazard ratios shown in the table are associated with a shift from the 25th to the 75th percentile of each covariate. In Model 3, the only covariates are the share of imports received from China and from Western democracies, respectively. Model 4 adds the same set of controls as used in Model 2 in the main text.

Table S2 shows reveals results that are qualitatively similar to those in the main text. Trade with Western democracies (now measured using imports), Democracy, and Conflict are all significant and have similar effects as in Table 1. Development assistance is now also statistically significant, but has substantively the same small effect: the ac-



**Figure S2.** *Alternative drivers of NGO crackdown in developing countries, 2000–2015.* The first three entries show the estimated relative risk of NGO crackdown given the specified change in the listed covariate, while holding all other covariates constant at their means. The remaining entries show the relative risks associated with the three paths of import portfolio change traced out in Figure S1 (25% represents the cumulative change over 15 years implied by the hypothetical annual changes shown in that figure). All results calculated using Model 4. Horizontal lines show 95% confidence intervals. Axis is log-scaled.

tual hazard ratio and confidence interval are barely changed (in both Model 2 and 4, development assistance is just on the edge of significance). Figure S2 highlights the relative impact of the three significant covariates. In terms of hazard ratios, all else equal, low import salience of Western trading partners raises the risk of crackdown by 2.4 times (95% CI: 1.6 to 3.6): nearly as large a risk as conflict, and slightly larger than the risk associated with autocracy. These results, and the estimated risk associated with a cumulative 25% reduction in dependency on Western democracies for imports, are substantively very similar to those shown for reduced exports to the West in the main text, suggesting shifting dependence on imports from the West to China is a valid alternative mechanism by which the logic of our argument may operate.

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