

The background of the entire page is a close-up, slightly blurred image of the European Union flag, showing the blue field with yellow stars.

The EU's Common Commercial Policy in a changing world:

Insights into the trajectory and drivers behind EU trade and investment policy in the period 2006-2019

Master Thesis

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Abstract

Taking point in the increasingly changing global trade regime, the aim of this thesis is to undertake a qualitative case study of EU trade policy in the period between 2006 and 2019. The aim of this analysis is threefold, namely to identify and assess the trajectory of EU trade policy, as well as provide with both an in- depth and high level account of the different drivers behind this trajectory. To that end, the thesis will rely on the integration of two different frameworks for identifying and assessing EU trade policy and policy change respectively, in order to provide with a concrete account of the development of EU trade policy along the fronts of trade liberalization and trade promotion in the period in question. This will be supplemented with a multi-level discussion on the progress amongst the three strategies, and the different drivers behind this trajectory, as identified amongst others in both existing theoretical frameworks and current empirical works on EU trade policy. Within this context, this thesis aims to paint a coherent and structured picture of EU trade policy in a changing world with interdependencies and challenges, including the rise of GVCs, Emerging Economies, and the new trade agenda, as well as internal EU challenges arising from the different legislative developments, and recovery from the 2008 financial crisis and more recent refugee and Brexit crisis.

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1 Introduction

From the commencement of the World Trade Organisation (WTO) in 1995 and the stalling of the Doha Development Agenda (DDA) to the rise of trade agreements, such as TTIP, and recent trade wars, there is little doubt that the global trade regime has undergone vast transformation within the past 25 years. Similarly, the global political economy has also witnessed profound changes in the same time period, characterised amongst others by intense globalisation and a subsequent fragmentation of Global Value Chains (GVCs), transnational capital, the emergence of new powers and subsequently revised power configurations globally (European Commission, 2016). Within this greater environment, the European Union (EU) has emerged as an actor of paramount importance, largely as a result of its position as the largest economy and trading block globally, as well as degree of influence exerted internationally (Bendini, 2015; Daugbjerg, 2014, p.76; European Commission, 2016; Langhelle et. al., 2014; Meunier and Nicolaidis, 2006). Nonetheless, in recent years the EU has also been called upon to manage a number of internal and external challenges and crises, including successive rounds of enlargement, the 2008 global financial crisis, migration crisis, as well as geopolitical and geoeconomic concerns across the globe (Koeth, n.d., p.1).

Taking into account such a constantly and radically changing environment with important implications for EU policy (Koeth, n.d., p.7; Gustyn, 2017, p. 145; UNCTAD, 2017, p.1), this thesis aims to build an understanding and account of the EU's development as a global actor within trade. More specifically, this thesis aims to uncover and explain the manner in which EU trade policy has developed, mapping out and assessing its incremental development, as well as identifying the drivers behind its development. In doing so, the thesis will take a special interest in the EU's Common Commercial Policy (CCP), characterised by many as one of the most "dynamically developing" areas of EU external relations, as well as one of the "most integrated common policy areas" (Eeckhout, 2011, p. 439; Gustyn, 2017, p. 145).

Dating back to the 1950s and the Treaty of Rome, the CCP is widely considered the cornerstone of the EU's external economic relations and has over time come to encompass matters pertaining to both trade and investment (Cini and Perez-Solorzano Borragan, 2013, p. 215; de Waelle, 2011; Wu, 2011). Centred around the notions of developing the world's trade in a harmonious manner, reducing customs barriers and abolishing varying restrictions on international trade and investment (Eeckhout, 2011, p.440), the

CCP has over time sparked controversy on two fronts: firstly on the issue of legal competence shared between EU Member States and institutions, and secondly on its interaction with issues falling outside EU external competence, including issues pertaining to humanitarian aid, the environment and foreign policy (de Waelle, 2011; Eeckhout, 2011, p. 439). Additionally, the CCP's instruments may be broken down into two main categories, namely the ones relating to trade promotion, and trade defence. Whilst the former fall under the purview of both the EU and WTO and other global institutions, the latter relate to the EU's unilateral response measures to perceived unfair practices, through amongst others anti-dumping and anti-subsidy measures (Cini and Perez-Solorzano Borraran, 2013, p. 215). Within this context and taking point in the significant changes that have taken place in the global trade regime since the mid 2000s, this thesis will seek to focus on the CCP and address these two interconnected questions regarding the trajectory and drivers of EU trade policy, and will thus operate under the following research question:

Whether and how has EU trade policy changed in the period between 2006 and 2019, and what are the drivers behind this trajectory?

In order to answer this twofold research question, this thesis will first proceed to reflect on the different accounts of the drivers provided in existing literature. This review will enable the thesis to explore the multiplicity of relevant factors discussed in separate streams of literature, leading to the presentation and justification of the chosen theoretical framework to address the thesis' twofold research question. This will be followed by an extensive section on the thesis methodology, reflecting on a number of key considerations, ranging from the methodological assumptions governing the thesis to the particular methods used and methodological issues encountered. Consequently, EU trade policy will be introduced, reflecting on its unique structure, mechanics, legal foundation, as well as its principle objectives and instruments employed. This will be followed by an analysis of and discussion regarding the trajectory of EU trade policy and its drivers. This section will lastly be followed by the thesis' conclusion reflecting on the different findings of the thesis, as well future avenues for research.

2 Literature Review

2.1 Introduction

As mentioned above, the aim of this section is to provide an overview of the different drivers behind EU trade policy within existing literature, with a particular focus on the drivers behind its trajectory since the early 2000s. Interestingly, EU trade policy presents a number of different and distinct features, such as its institutional structure and centrality in the global economy, which render it relevant and interesting to a number of different streams of literature, including Political Science, Comparative European Studies and International Political Economy amongst others. Indeed, within these streams, alternative and competing understandings of EU trade policy and its drivers are discussed, thereby rendering it insightful to trace out their main findings and subsequently discuss their relevance or lack thereof for this particular thesis. In attempting to navigate between the different theoretical insights from said literature streams, this thesis will firstly rely on key existing literature reviews on EU trade policy, most notably by Poletti and De Bièvre (2014), in order to bring together and structure different key insights on the drivers behind EU trade policy.

However, it is important to note at this point that literature on EU trade policy and its drivers is widely considered to be limited and narrow, especially in comparison to work carried out on US trade policy and other policy areas. Despite the increasing importance of EU trade policy in recent decades, as well a growing body of literature, EU trade policy literature is primarily characterised by single case studies on specific and major negotiations, and mostly on agriculture (Dür and Zimmermann, 2007, p. 772; Polletti and De Bièvre, 2014, p. 102).

Thus, despite the crucial contribution of the different streams and case studies, the thesis will supplement this literature review by including and reviewing additional literature, which will focus on the drivers behind EU trade policy, stemming from empirical work on both EU trade policy and the global trade regime. This is largely due to the increasing importance of a number of works with empirical research on EU trade policy in light of the rapidly changing internal and external environment facing the EU the past years. Additionally, a number of works with a focus on international economic policy and trade developments also entail important insights regarding the trajectory of EU Trade Policy and the interplay between external developments within the field and the EU's pursuit of its trade policy. Thus, by integrating theoretical works from a number of relevant streams, and empirical work on both EU trade policy and international economic policy, this thesis aims at providing a comprehensive literature review

of EU trade policy drivers, aiming to shed light on key themes, thereby ultimately leading to a cohesive theoretical discussion regarding the drivers behind EU trade policy.

2.2 Political accounts of the drivers behind EU trade policy

In their 2014 work “The political science of European trade policy: A literature review with a research outlook”, Poletti and De Bièvre set out to review key political science literature on EU trade policy, classifying literature based on whether it considers the EU as a special case or attempts “to develop generic insights” (Poletti and De Bièvre, 2014, p. 114). Whilst this particular distinction may contribute little to this literature review, their comprehensive presentation of different theories constitutes a helpful starting point for this thesis to single out the different accounts of drivers behind EU trade policy, which exist within different theoretical frameworks. In doing so, the thesis has identified a number of different drivers behind EU trade policy, classified along four different dimensions, namely the legal principle and political issue of competence, Realism, the Principal Agent Framework, and the “Protection of exporters” argument.

More specifically, political research on EU trade policy has been fairly limited and was only initiated in the early 1990s, following the completion of the internal market, the uniformity of import standards within the EU in 1993, and the 1997 Amsterdam Treaty. To a large extent, this is due to the fact that the 1997 Amsterdam Treaty extended EU competence within the CCP to services and intellectual property (IP) (Nentwich and Falkner, 1997, p.10; Poletti and De Bièvre, 2014, p.104). Early work within the field focused on the political struggle that ensued between Member States and EU institutions over competence; ultimately arguing that this struggle, and the case law developments and Treaty Amendments that it entailed became a decisive factor shaping both EU trade policy and its rules (Meunier and Nicolaidis, 1999; Young, 2000; Woolcock, 2000).

A second key theme in literature regarding the drivers of EU trade policy is the role of political, geoeconomic and mercantilist factors in driving policy. Whilst fundamentally different to the preceding focus on competence, this stream of literature takes point in the different trade agreements pursued by the EU with other countries and regions, and argues - primarily on a case study basis- that these are often driven by significant strategic reasoning, and less so commercial principles.

One prime work within this stream is Hubert Zimmerman's (2007) "Realist Power Europe? The EU Negotiations about China's and Russia's WTO Accession". Relying on a number of EU policy papers, as well as interviews with high ranking officials, Zimmerman argues that EU trade policy is strongly motivated by geopolitical and geoeconomic factors and often advances foreign policy objectives; this is reflected amongst others in the EU's pursuit of interregional trade agreements as a response to the power of both the US and Emerging Economies, as well as in its pursuit to maximise its "wealth relative to the other powers" (Zimmerman, 2007, pp. 813- 815). Additionally, on an individual basis and focusing on China's Accession Procedure to the WTO, Zimmerman highlights that the EU's ultimate position reveals a mix of an intent to both improve positional competition with other powers, as well as advance commercial interests (Zimmerman, 2007, p.824). Interestingly, upon considering Russia's Accession to the WTO, Zimmerman argues that in this case "commercial aspects were finally subordinated to larger geostrategic considerations and the interest to posit the EU as global actor"; arguing that ultimately the EU conceded in exchange for Russia's signature to the Kyoto Protocol – a leading climate initiative led by the EU (Zimmerman, 2007, p. 827).

Whilst -by the authors own admittance- both cases are extremes, a similar focus on Realist assumptions may well be found in Hurt's work on the trade negotiations between the EU and the African, Caribbean and Pacific States (ACP), and the subsequent *Cotonou Agreement* signed in 2000. Taking point in a comparison between the content of the preceding Agreement and the *Cotonou Agreement*, Hurt argues that the renewed Agreement reflects a twofold commitment on part of the EU: on the one hand to the prevalence of neoliberal norms within trade and aid, and on the other hand to achieving its foreign policy objectives through multiple channels, including the WTO (Hurt, 2003, pp.174-175).

Within the same line of study lies Farrell's (2005) work "A Triumph of Realism over Idealism? Cooperation Between the European Union and Africa". Within her work, Farrell takes point in the *Cotonou Agreement* and its predecessor, arguing that the new Agreement was driven by a shift "in the strategic interests of the individual Member States", as well as the EU's new focus on trade instead of aid, and a new alignment between the EU's thinking and the neoliberal foundations of international institutions (Farrell, 2005, p. 268). Additionally, Farrell critically discusses the different political provisions and elements within the Agreement, ultimately concluding that these reflect two key findings: the commercial importance of Africa for EU Member States due to the region's markets and natural resources, and the lesser relative economic and political importance of the region for the EU compared to Asia (Farrell, 2005, p. 280).

Whilst these three central works share different units of analysis and/or perspectives, they all highlight the importance of geopolitical and geoeconomic objectives in driving EU trade policy, when approaching different aspects of EU trade policy, in particular on the front of trade promotion. Interestingly, they also share important insights regarding the balance between the pursuit of commercial and geopolitical or geoeconomic interests, suggesting no fixed constellation of priorities.

2.3 Political economy accounts of the drivers behind EU trade policy

Whilst the previous stream of literature draws from Political Science and International Relations, another stream of literature emerges in Poletti and De Bièvre's work, relying on principles from International Political Economy and middle-range theories to explain what drives EU trade policy. Within this stream, EU trade policy is considered the by-product of the (political) interaction between a number of domestic and international actors, with Putnam's two and three level games commonly applied to individual cases (Frenhoff-Larsen, 2007; Moyer, 1993; Patterson, 1997). Another approach that has been strongly favoured within this stream of literature is the use of the Principal Agent theory to address the drivers of EU trade policy. Within this context, considering whether and to what extent the Commission has an incentive and does anticipate the preferences of Member States, as well as considering the political dynamics within the Commission become the driving factors behind EU trade policy (Poletti and De Bièvre, 2013, p.105).

Maintaining an International Political Economy focus, an additional and significant part of literature has also been devoted to explaining EU trade policy through mapping out the distributional consequences of policies and "the patterns of interest group mobilization that these endanger" (Poletti and DeBièvre, 2013, p. 106). Within this stream, special attention is paid to producers and even more to exporters, with Dür's work on different EU negotiations revealing significant alignment between interest groups and the policies pursued by the EU (Dür, 2007; Dür,2008; Dür, 2011; Poletti and De Bièvre, 2013, p. 106). Within a similar line, Poletti and De Bièvre point to two more important works, by Eckhardt (2011) and Heron and Siles-Brugge (2012); here, the former highlights the mobility of European import-dependent firms against losses and the latter highlight the preferences of multinational firms to secure competitive entry and advantages in service markets with significant degree of regulation.

2.4 Emerging themes within literature on EU trade policy

Whilst not employing an extensive theoretical framework, a number of academics and professionals from the field of international economic policy field have been increasingly writing on EU trade policy in recent years, in light of changing power configurations and norms globally. Within this stream of literature, a main element of focus is the EU's turn towards Bilateralism and Interregionalism in the aftermath of the stalemate within the Doha Development Agenda, as well as of the re-definition of the guiding norms behind EU trade policy. Within this context, a number of important themes emerge, including the role of the relevant Treaty Reforms, developments in the WTO in light of the gridlock reached between the developed countries and Emerging Economies, internal EU developments in connection to the Common Agricultural Policy, as well as the rise of Global Value Chains and changing firm preferences, and the increased interest in investment and competition within the pursuit of international economic policy (Baru, 2015; Cae-One, 2011; Eckhardt and Poletti, 2016; Garcia-Duran, 2016; Gsthóhl, 2016, Jara, 2016).

2.5 Insights from international economic policy and international trade

2.5.1 Bilateralism vs Multilateralism

At this point, it becomes imperative to include two main emerging themes within literature on international economic policy, with significant relevance to EU trade policy and its defining characteristics. The first main theme is the relationship and contested complementarity between bilateralism and multilateralism. Indeed, within the context of a stalled Doha Round, international economic policy debates often revolve around the dilemma between bilateralism and multilateralism, with many expressing concerns over the destabilising effect of bilateral and plurilateral agreements on the ability of the multilateral global regime, envisioned by the WTO, to survive. More specifically, within economics, a common line of argument is that bilateralism and multilateralism “feed back into each other” (Baldwin, 2006; Garcia – Duran, 2016, p. 25), whereas authors, such as Bhagwat, highlight the adverse effect that bilateralism may have on multilateralism through the channel of trade diversion effects (Bhagwati, 2008). Similarly, within literature, Baldwin and Evenett (2011) discuss the complementarity between multilateralism and bilateralism in light of the WTO stalemate, whereas Mansfield and Reinhardt (2003) and Abbott (2007) raise concerns over the power balance and leverage inherent within bilateral agreements and PTAs. This debate is highly important in the context of EU trade policy, when taking into account the EU's expressed intent to use bilateralism in the pursuit of returning to and restoring

multilateralism, primarily through the WTO track, as well realist accounts of the EU's pursuit of interregional trade agreements (Garcia- Duran, 2016, p. 26, European Commission, 2015).

2.5.2 The role of Global Value Chains

The final important theme to raise relates to the changing nature of international trade, and the increasing difficulty to distinguish between national and foreign interests. Whilst not integrated in EU trade policy literature, the implications of the rise of Global Value Chains for the pursuit of international economic policy, and in particular trade policy, has increasingly been highlighted and addressed within literature, leading to the development of new theoretical frameworks, including the new new trade theory. This is a recent development of paramount importance when considering the drivers behind the trajectory of EU trade policy, in light of its significant and multi-connected position in the global trade of goods and services.

3 Theoretical Framework

3.1 Introduction

The aim of this section is to provide with a comprehensive account of the thesis' theoretical framework and its twofold focus on the trajectory of EU trade policy and its drivers. More specifically, identifying and assessing the trajectory of EU trade policy in the period in question will constitute the first part of the thesis' analysis and will be largely based on the incorporation and integration of the work by Jens Ladefoged Mortensen (2009) on EU trade policy and Peter Hall (1993) on policy change. Similarly, the identification and discussion of the different drivers behind the EU's trade policy will be carried out against the background of specific and relevant theoretical prepositions discussed in the thesis's theoretical framework. The aim of this section is to now provide with separate insights into the two elements of the thesis' theoretical framework, as well as discuss the thesis' alignment to existing literature, as well as theoretical and other limitations.

3.2 Analytical insights from the nexus between trade policy content and diplomatic strategy

As mentioned above, the first aim of this thesis is to identify and map out the development of EU trade policy across the three most recent strategy publications, namely the 2006 *Global Europe*, the 2010 *Trade, Growth and World Affairs* and the 2015 *Trade for All* strategy. In order to do so, the thesis will conceptually rely to a large extent on the work conducted by Jens Ladefoged Mortensen on the EU and its role and position in the WTO. More specifically, in his work, Mortensen (2009) amongst others discusses and explains the trajectory of EU trade policy on the WTO level in the period between 1957 and 2003. In doing so, Mortensen relies on two key dimensions to depict and confirm his account of the EU policy's trajectory, namely *trade policy content* and *diplomatic strategy*, with a respective focus on policy orientation on the one hand, and choice of instruments on the other hand. (Mortensen, 2009, p. 89). More precisely, Mortensen's analysis reveals that the EU strategy has developed from a defensive, reactive strategy with inward looking, neo-mercantilist orientation in the GATT to an aggressive and proactive strategy in the later stages of the GATT and WTO with a clear outward looking, pro-liberal orientation (Mortensen, 2009, pp. 83-39).

Whilst context driven and limited to the EU's trade policy on the WTO level in the period 1957- 2003, Mortensen's approach to depicting and accounting for the trajectory of EU trade policy holds significant

analytical potential. This is evident amongst others in the use of an amended version of Mortensen's framework by Young and Peterson (2014) in their leading work on EU trade policy and its re-orientation towards regional FTAs in the 2006 *Global Europe* strategy. In line with this trend in EU trade policy literature, the aim of this thesis is thus to take point in the two dimensions identified by Mortensen, namely *trade policy content* and *diplomatic strategy*, and adapt these to both the scope of the thesis, as well as the contemporary debates and issues that have emerged within EU trade policy and the relevant literature since 2003. On the one hand, this thesis' scope is broader than that of Mortensen and X, seeking to map out and explain the trajectory of EU trade policy on all the different levels relevant for the EU, namely the multilateral, bilateral and unilateral level (European Commission, 2016, pp. 19-27). On the other hand, the thesis also aims to integrate and respond to the growing debate regarding the global rise of protectionist trade policies in recent years, in particular in relation to trade wars and the rise of China (Koeth, n.d; Rawlinson, 2019).

Thus, given the broader focus and spatial limitations of this thesis, as well as the resurgence of trade protectionism in recent years, it becomes insightful to amend the elements of the *trade policy content* towards a high level distinction between trade liberalisation and trade protectionism, instead of Mortensen's distinction between a neo-mercantilist and pro-liberal orientation. This amendment is in line with a common way of approaching EU trade policy along the dimensions of liberalist/protectionist (Young & Peterson, 2014, p.48), and enables this thesis to build upon and continue this tradition and address how the recent trajectory of EU trade policy relates to these dimensions. Furthermore, the distinction between trade liberalisation and trade protectionism will allow for the thesis to deliver clear, concise and relevant insights on the trajectory of EU trade policy, especially when taking into account the lack of a definition for neo-mercantilism and pro-liberal orientation within Mortensen's work, as well as the thesis' limited scope and access to data, that would otherwise not suffice for an in-depth discussion regarding the nuances of trade liberalising strategies.

The inclusion of *trade protectionism* as one of the two elements of *trade policy content* is further justified by and aligned to Mortensen's focus on choice of instruments in the second key dimension, namely *diplomatic strategy*. More specifically, EU trade policy instruments are currently divided along two main categories, namely trade promotion and trade defence instruments. Whilst the former fall under the purview of both the EU and WTO and other global institutions, the latter relate to the EU's unilateral response measures to perceived unfair practices, through amongst others anti-dumping and anti-subsidy measures (Cini and Perez-Solorzano Borraran, 2013, p. 215). Taking into account the extensive review of the EU's trade

defence instruments in recent years, as well as its active presence in the WTO Dispute Settlement System, it becomes apparent that the close consideration of developments explicitly along the trade promotion and trade defence front will allow for the thesis to better structure and map out the different elements of EU trade policy, and thus achieve a more coherent understanding of the EU's overall trade policy and its trajectory.

This particular distinction is key for both the thesis' analytical framework and relevance to existing literature. Indeed, per Young and Peterson (2014), EU trade policy literature has largely focused on individual trade policy decisions, resulting into little focus on the "big picture of the Union as a trading power" as well as an ill-understanding of the different and distinct policies that form EU trade policy (Young and Peterson, 2014, p.1). In response to this, this thesis aims at uncovering the nature of EU trade policy, by identifying and mapping out the trajectory of the policy in the past 15 years. In doing so, the multiple levels identified above along the dimensions of trade promotion/ trade defence allow for the thesis to better structure and map out the different elements of EU trade policy, and thus achieve a more coherent understanding of the EU's overall trade policy.

Additionally, in their work, Young and Peterson (2014) identify three main tensions within EU trade policy that are unexplained, namely whether its liberal or protectionist, its limited success in securing its preferences, as well as its apparent difficulty in complying with some rulings from the WTO's Dispute Settlement System (Young & Peterson, 2014, pp.9-10). Whilst this thesis doesn't aim to address the latter two points, its analysis is directly related to the tension. More specifically, in identifying and discussing the trajectory of EU trade policy, in particular also in the aftermath of the rise of China, this thesis aims to conceptualise and crystalize the liberal and protectionist tendencies within EU trade policy, thereby also contributing to an existing, un-concluded debate.

In relation to *diplomatic strategy*, it is important to also note here that thesis will maintain Mortensen's distinction between aggressive, proactive and defensive, reactive strategies. However, given the lack of a clear and transferable definition of these in Mortensen's work, the thesis will operate with and integrate Cohen's (2002) categorisation of proactive and reactive trade policy in the context of US trade policy making. Here, aggressive, proactive trade policy actions and decisions will constitute decisions "conceived to advance a country's perceived self-interests", particularly through trade promotion activities and high initiative taking, and defensive, reactive trade policy actions will refer to "actions taken in response to actions or policies originating in other countries", largely in the form of trade defence activities and

initiatives (Cohen, 2002, pp. 6-7). Taking into account the expected impact of the changing world order in EU trade policy, the debate will also focus on whether and how EU trade policy is impacted by and reacts to this, expanding the distinction between proactive and reactive. All in all, Mortensen's framework and its distinction along *trade policy content* and *diplomatic strategy* will thus provide this thesis with a concrete frame for identifying and assessing the trajectory of EU trade policy, in full understanding of the particularities of trade policy making.

3.3 Assessing the trajectory of EU trade policy

Having discussed the theoretical framework employed to identify the trajectory of EU trade policy, the thesis will now reflect on its choice of theoretical framework relating to the assessment of the trajectory of EU trade policy. More specifically, in the second part of the analysis, the thesis sets out to assess the policy change in EU trade policy in the time in question. In order to do so, the thesis will rely on Peter Hall's work on Paradigm Shifts, borrowing primarily his notion of first, second and third order change, as well as his analytical focus on the role and interplay of instrument settings, instruments and goals, in order to contextualise the development of EU trade policy in response to its changing external and internal environment,

In his work "Policy Paradigms, Social Learning, and the State: The Case of Economic Policymaking in Britain", Hall sets out to examine the manner in which policies change, focusing in particular on the role of Social Learning in this process (Hall, 1993, p.276). Focusing on British macroeconomic history making between 1970 and 1989, Hall seeks to distinguish between the learning processes that lead to "simple change" vs. "potentially more radical transformations" and identifies within his analysis three distinct types of change within policy, which he terms first, second and third order change (Hall, 1993, pp. 278-279). Here, first order change refers to changes in the policy's instrument settings, such as alterations in the UK's minimum lending rate, which wasn't accompanied by a change in the overall goals and instruments of UK macroeconomic policy (Hall, 1993, p. 278). Subsequently, second order change encompasses changes in both the policy's instruments and their settings, such as the 1971 introduction of a new monetary control system, without any changes to the overall goals of the policy (Hall, 1993, p. 278-279). Lastly, third order change is rare and entails changes in all three levels, namely instrument settings, instruments and hierarchy of goals due to a change in policy paradigm, as reflected in the UK's turn from Keynesian to monetarist macroeconomic policy (Hall, 1993, p. 279).

It is important to note here that according to Hall, both first and second order change are enabled by past experience and new knowledge, in line with Hall's focus on Social Learning and thus the importance of past policy, the role of the state and experts within this process, and "the capacity of the state to act autonomously from societal pressure" (Hall, 1993, pp. 277-278). Indeed, within his analysis on first order change, Hall highlights the centrality of the outcomes of the policy at time -0, as well as of civil servants in setting the levels of the adjusted minimum lending rates (Hall, 1993, p. 281). Similarly, in the case of second order change, Hall examines three different instances and concludes that "dissatisfaction with past policy rather than ... response to new economic events alone" best explained the second order changes identified within British macroeconomic policy (Hall, 1993, p. 283). However, the picture differs drastically in regards to third order change, as Hall argues that the learning related to important third order changes may constitute a "much broader affair subject to powerful influences from society and the political arena" (Hall, 1993, p. 288), ultimately concluding that his analysis "cautions us against positing too rigid a distinction between *politics as social learning* and *politics as a struggle for power*. It suggests that *powering* and *puzzling* are often intertwined in the formation of public policies. To see this most clearly, we need more studies of the evolution of policy over time, a subject that has often been neglected relative to static, one-shot comparisons of policy across nations." (Hall, 1993, p. 292).

This is an important insight for this thesis on two grounds, as it is strongly aligned with the thesis' broad scope, covering from 2006 and 2019. Whilst the thesis doesn't intend to apply a Social Learning approach to its analysis, Hall's approach is strongly aligned with the thesis' long term focus over a 14-year period between 2006 and 2019. Here, the thesis' findings in relation to the trajectory of EU trade policy will be conceptualised through the lens of an amended account of first, second and third order change borrowed from Hall's (1993) work, in order to depict whether and how EU trade policy has changed on aggregate across the 2006 GE, 2010 TGWA and 2015 TtA strategies. This discussion will be carried out on a high level, largely due to spatial limitations that prevent the extensive and exhaustive consideration of all changes across the three identified trade strategies. Within this context, Hall's distinction over first, second and third order change becomes a highly valuable analytical tool for this thesis to contextualize the way and degree to which EU trade policy has adjusted to the different external and internal events impacting and determining its content.

3.4 Identifying the drivers behind EU trade policy

The second aim of this thesis is to identify and discuss the different drivers behind the trajectory of EU trade policy. The aim of the preceding Literature Review has been to provide an account of the different drivers behind EU trade policy within literature, merging insights from different fields of research, including International Political Economy and International Economic Law. Taking into account the lack of a theoretical framework enabling this thesis to simultaneously integrate and consider all these factors, the thesis has had to construct a set of theoretical prepositions, combining a number of different theories that can ultimately account for the different themes that have emerged in the literature. In the sections that follow, the different theoretical prepositions identified as relevant to answer the thesis's twofold research question will be separately introduced and discussed. Additionally, given this theoretical challenge inherent in the study of EU trade policy, it becomes insightful to borrow in the process insights from the study of American foreign economic and trade policy, given its breadth and extensive work. Indeed, within this line, US trade policy has traditionally been approached from three different reference points, namely system, society and state-centred (Ikenberry, 1988, p. 219).

Thus, upon reflecting on the findings of the literature review and the study of US foreign economic policy making, it becomes evident that a number of different factors become highly relevant in explaining the different drivers behind the trajectory of EU trade policy, including internal institutional developments, the (strategic) pursuit of political and/or commercial interests, structural power shifts, and changing patterns for trade and the conduct of trade policy as a result of Global Value Chains (GVCs). Drawing on Ikenberry's threefold focus on system, society and state, these elements will be integrated in the theoretical prepositions discussed below and applied to the data analysis and thesis analysis. Integrated in this is also a close consideration of all external and systemic factors impacting EU trade policy, marking a difference from existing literature on EU trade policy and IPE trade literature (Young & Peterson, 2014, p.4) In relation to the systemic factors, it is important to note here that as per Ikenberry (1988), "the particular ways, in which the international system impacts policy, are unclear and manifest in a number of ways" (Ikenberry, 1988, p. 220). This is an important insight for the thesis, which aims to highlight the impact of the international system on the trajectory of EU trade policy, in light of a changing global governance regime, balance of powers and patterns of political economy. Taking into account Ikenberry's remarks, it however also becomes clear that this task is daunted by both theoretical methodological challenges.

3.4.1 Trade Theory: From traditional trade theory to strategic trade policy and new trade theory

Taking into account the centrality of EU trade policy for this thesis, it becomes insightful to begin by considering the role and analytical power of trade theory for this thesis and its research question. Indeed, trade theory has substantially been developed in the past fifty years, with a distinction often drawn between *traditional trade theory* developed until the 1970s, *new trade theory* developed in the 1980s and *new-new trade theory* developed in the 2000s as a response to a changing global trade policy regime (Ciuriak et. al., 2011, p. 3). Taking point in countries as a level of analysis, *traditional trade theory* centres around the notions of comparative advantage and inter-industry trade, where trade takes place between countries with differences amongst technology and/or endowments, and where mutual specialisation and reduced trade barriers result into economic welfare for all countries (Ciuriak et. al., 2011, p.2). Indeed, under assumed perfect competition, *traditional trade theory* favours free trade and no government intervention (Medin, 2014, p.4).

However, as a response to the intra-industry trade patterns observed, *new trade theory* emerging in the 1980s, moved the focus away from the country level to the industry level, arguing that increased scale of production and access to increased variety leads to increased efficiency and welfare gains respectively (Ciuriak et. al., 2011, p. 3). More importantly, *new trade theory* operates under the assumption of market failures, thereby providing a twofold rationale for the development of industrial policy, namely to increase national income through firstly a focus on supporting the establishment of important industries and secondly the strengthening of domestic firms' presence abroad (Alam, 1995, p. 369 ; Medin, 2014, p. 5).

The last round of theory, *new new trade theory* further amended the unit of analysis, placing special focus on the firm, and firm level exports and FDI instead of the industry, arguing that firms' participation in international markets is a function of firms' differences, especially in relation to their production technologies (Ciuriak et. al., 2011, p. 5; Tanaka, 2010). Indeed, this was largely driven by a set of important observations within data, highlighting the percentage of firms exporting, the higher productivity of exporters vs. non exporters, as well as the re-allocation of resources between firms within a certain industry post trade liberalisation (Madeira, 2016, p. 682; Melitz and Redding, 2015, p. 1105). Within this context, *New new trade theory* also entails important implications regarding the pursuit of trade policy; more specifically, many scholars have focused on the relationship between firms' level of political participation and industry concentration (Bombardini and Trebbi, 2012; Drope and Hansen, 2009; Ker at. Al., 2013),

arguing that competing preferences amongst firms in the same industry have led to less active industry associations, and instead more active firms within policy lobbying and interest groups (Madeira, 2016, p. 678).

It is important to note here that *new trade theory* holds significant analytical value in connection to the second part of the research question, namely the drivers behind EU trade policy. Indeed, the commitment to trade liberalization, the sectoral preference for trade liberalization or lack thereof, as well as the tendency to resort to strategic trade policy have all been important themes emerging in the preceding literature review, pointing to important underlying assumptions and objectives of EU trade policy. Within this context, on the one hand, *new trade theory* entails important insights regarding the strategic pursuit of international economic policy; these enable the paper to introduce and discuss whether and to what extent EU trade policy is governed by industrial policy orientations either domestically or in their support of domestic firms internationally. This is an important distinction, as a separate focus on trade promotion and defence measures enables the thesis to take a more nuanced look at EU trade policy and the (strategic) use of its different instruments, especially at a time of a heightened global trade regime characterised by trade wars and a weakening of the global rules-based trade environment.

3.4.2 The signing of Preferential Trade Agreements (PTAs): A discussion of drivers

Taking into account the centrality of the drivers behind the EU's pursuit of trade agreements in the literature review, part of the theoretical framework will be derived from the greater theoretical discussion on PTAs. More specifically, within literature, there are competing accounts of the different reasons PTAs are pursued, with the main competing accounts being economic/commercial and political factors. With regard to economic factors, literature highlights amongst others the relevance of size, distance between countries, and similarity amongst countries (Baier and Bergstrand, 2004, p. 60), as well as trade imbalances (Facchini et. al., 2017, p. 32) as driving economic factors behind the pursuit of trade agreements. Similarly, commercial drivers, such as promoting existing exporters' interests, preventing trade diversion and matching other countries' access to certain countries and markets also play an important role within literature (Baldwin, 1993; European Parliament, 2016, p. 9; Manger, 2012). Within the realm of political drivers, a number of accounts are offered, highlighting drivers from interest group mobilization and power distribution to the pursuit of objectives relating to geopolitics (Antkiewicz and Momani, 2013; European Parliament, 2016, p.9; T-Figueras, 2013, p.11), responding to systemic factors (Kim et. al.,

2016, p.5) and the “cementing of economic ties” and thereby the building of broader relationships as a tool of foreign policy (Mastel, 2004, p. 46).

Whilst these factors share a number of differences, they are all key themes relating to EU trade policy as discussed within the literature review. Consequently, the aim of this thesis is to integrate this debate within its analytical framework, and seek to understand whether and which drivers lie behind the trajectory of EU trade policy and its changing orientation towards key trading partners. In doing so, the thesis expects to integrate important internal and external drivers behind EU trade policy. It is important to note at this point that the focus on both interest groups and domestic politics is not only a feature of PTA literature, but also a fundamental aspect of Foreign Policy Analysis (Alden and Aran, 2012; Hudson, 2014). Building on the PTA literature focus on such elements, the thesis aims to consider said drivers both in the context of PTAs and beyond, focusing on the general pursuit of EU trade policy. Similarly, focus on geopolitical and power balance factors is a central element within systemic theories, which consider actors’ policies from the perspective of their position in the international system, and theorise on the interplay between agents and structure, and in this particular case on the interplay between major powers, such as Europe and Asian countries, and their power balance (Braumoeller, 2011). Thus, in integrating and utilizing such a distinction between economic and political factors in terms of both PTAs and the general pursuit of EU trade policy, the analysis aims to overcome the dichotomy otherwise existent in literature and the relevant theoretical accounts, enabling the thesis to map out the trajectory of EU trade policy more concretely and consistently.

3.4.3 Conclusion

As discussed earlier, the aim of this section has been to introduce and discuss the theoretical framework employed, comprised of a number of different theories to address the thesis’ twofold research question. On the one hand, the thesis has introduced Mortensen’s distinctions along the two key themes of trade policy content and diplomatic strategy, as a means of navigating through and conceptualising the trajectory of EU trade policy, relying on a theoretical framework tailored to EU trade policy. Similarly, the thesis has integrated an amended version of Hall’s (1993) work on first, second and third order change, in order to enable the thesis to better capture and conceptualise the different critical conjectures in the development of EU trade policy in the period in question, through Hall’s conceptual tool for the analysis of policy change altogether, creating a strong alignment between and complimentary contribution

from the two frameworks in relation to the identification and assessment of the trajectory of EU trade policy.

This has been accompanied by both a very concrete and high level consideration of the different drivers behind the identified trajectory. In order to do so, the thesis has relied on a number of theoretical prepositions derived from a number of theories, borrowing from International Political Economy, International Relations and International Economics, in order to synthesize together the internal and external drivers behind the trajectory of EU trade policy. In doing so, this thesis has ultimately brought together theories with different units and levels of analysis, as evident amongst others in the focus on GVCs versus the focus of *foreign policy analysis* and systemic theories on the state. Whilst recognising a possible misalignment between the chosen theories, it is important to note that this particular combination of theories has emerged in response to the key themes that have emerged from an extensive literature review spanning across theoretical works on EU trade policy, empirical research on EU trade policy, as well as relevant and insightful accounts of possible drivers from practitioners within International Trade. Consequently, this renders the replicability of the findings that emerge from this specific theoretical framework impossible, as it has been constructed to accommodate the particular interplay of events and policy developments identified within literature on contemporary EU trade policy. Nonetheless, in doing so, the reliability of this theoretical framework is not comprised, as it is specifically geared towards uncovering and mapping out all the different causal mechanisms behind the trajectory of EU trade policy.

4 Methodology

Driven by an interest to map out, assess and explain EU trade policy in the face of a changing global trade regime and myriad inputs, this thesis is well placed within Critical Realism as its overarching Philosophy of Science position. More specifically, the thesis aims to identify the trajectory of EU trade policy across its different key themes and instruments, as well as to identify the drivers behind the trajectory identified. In doing so, it is aligned with the principles of Critical Realism, with research aiming to shed light on the different underlying, and not directly observable structures that drive contemporary EU trade policy, and span across the internal and external environment facing the EU (Bhaskar, 1989). Additionally, the thesis is well aligned with the precedence of structure over agency inherent in Critical Realism (Bhaskar, 1989), as evident in its strong focus on and close consideration of the interplay between the different actors and internal and external structures surrounding and impacting EU trade policy and its trajectory.

Aiming to understand the trajectory of EU trade policy, in particular in the context of the global changing world, the thesis adopts retroductive reasoning. Here, the intention of the thesis is to rely on both deductive and inductive reasoning, as evident in the reliance on a process of “back –forth” between empirical data and theoretical frameworks and data points, in order to reach an understanding of EU trade policy, its trajectory in the period between 2006 and 2019, as well as the drivers behind this trajectory. Indeed, in line with Critical Realism, the retroductive approach enables the thesis to bring EU trade policy and the dispersed accounts about the policy across literatures under “a new scheme of concepts, designating the structures, generative mechanisms or agents producing it” (Bhaskar, 1989, p.90), that can enable the researcher to identify the most representative understanding of the situation analysed (Bryman, 2012; Tashakkori & Teddlie, 2010). The thesis’ reliance on retroduction is also evident in its work with the analysis, where the thesis has developed an analytical framework of five key categories to be applied in the analysis across the three trade strategies. Here, this framework is the result of the authors’ intensive preoccupation with retroduction, aiming to develop a set of themes that can best group and guide the analysis’ findings, reflecting relevant insights from both theoretically and empirically informed relevant work. As a result of this process altogether it can well be argued that the thesis largely undertakes an empirically grounded and theoretically informed interpretation of a (historical) process, namely EU trade policy making in the period 2006 to 2019.

In the context of this particular analysis, retroduction is key as it enables the thesis to overcome the inherent and fixed theoretical divisions and dichotomies existent in EU trade literature, (as discussed and evident in the literature review and theoretical framework), as well as to capitalise on the ample empirical research on EU trade policy despite its limited theoretical input and relevance. Whilst extensive in quantity, retroductive reasoning enables the thesis to collect and process the greatest amount of information and data points possible, enabling the report to develop an account of the trajectory of EU trade policy and its drivers of the highest possible level, given the author's level of expertise and access to data. Indeed, this is very important, when taking into account the limited access of the author to both Brussels, and the representatives of business industries and sectors.

This thesis is altogether organised as a qualitative case study of the overall EU trade policy across three key strategy publications, aligned with Lijphart's (1971) provisions for an interpretative case study, aimed to address the issues at hand, relying amongst others on applicable and relevant theoretical insights where available. Whilst its broad focus on all the different levels of EU trade policy making allows for and enables a more nuanced understanding of EU trade policy, it is important to note here that the thesis' focus on the overall picture also results on less extensive research on particular trade policy developments, as well as primary research, providing less insights amongst others on the specifics of the EU's different agreements and initiatives with individual countries and regions. Instead, this thesis aims to re-compose existing literature on individual trade policy developments and the overall strategic orientation of EU trade policy, in order to better map out what these resemble and assess the degree of changes and possible drivers.

In order to do that, the thesis depends to a large extent on the collection of wide array and sufficient data, with a primary preference for qualitative data and secondary preference for quantitative data confirming the qualitative findings. It is important to note at this point that traditionally IPE literature on trade focuses primarily on tariffs. In this analysis and methods, a greater number of instruments will be taken into account, including anti-dumping duties and anti-subsidy and safeguard, as they better capture and address the changing nature of the trade agenda in the 21st century (Young & Peterson, 2014, p.16), setting high expectation in relation qualitative data. Additionally, the thesis relies on a combination of primary and secondary qualitative research and data, through its extensive interaction with EU publications and communications, such as the GE and TGWA, as well as through the reconsideration of these and their content in light of secondary reports produced by leading institutions and authors, across the fields of EU trade policy, WTO, International Law and International Relations amongst others.

Indeed, it is important to note here that nature of the Research Question and focus requires the collection of data on EU trade policies across a range of different sources, including legal sources in connection to many of the developments on the trade defence front of the EU's trade strategy amongst others. As a result of the significant exposure to secondary data, special emphasis is put on both the quality of the all data and sources used, as well as through the cross-checking of relevant findings and insights through triangulation. This is key, addressing and mitigating for biases that can arise either directly from the primary data or be embedded in the secondary data. Nonetheless, the analysis is still faced with some methodological challenges, largely as a result of reduced secondary data available for the more recent EU trade strategies.

5 Case

Having reflected on the theoretical and methodological framework of the thesis, the aim of this section is to provide with a more extensive introduction of EU trade policy, with a particular focus on explaining and mapping out its origins, mechanics and instruments. In doing so, this section provides the necessary context and framework for the analysis that follows, enabling the reader to better understand both the trajectory of EU trade policy, as well as the different issues introduced and discussed.

5.1 Origins and objectives of the CCP

In order to understand EU trade policy, it is imperative to first turn to the establishment of the European Economic Community (EEC) and the subsequent creation of a customs union (Koutrakos, 2005, p. 17). Here, the creation of the customs union and the subsequent implementation of a common external tariff highlighted at the time the importance of developing a more all-encompassing common external trade policy for the EU, which would enable and ensure the better functioning of both the customs union and common market (Eeckhout, 2011, p.12). Consequently, a chapter on the issue of creating and operationalising a common commercial policy was included in the EEC Treaty, and continues to be included nowadays as part V of the Treaty on the Functioning of the European Union (TFEU) (Eeckhout, 2011, p.12). Indeed, within the TFEU, Articles 206 and 207 relate specifically to the Common Commercial Policy, highlighting its objectives, and institutional set up and measures respectively (Eeckhout, 2011, p.12), with the policy's objectives undergoing change, most notably with the gradual inclusion of services and intellectual property (IP) through the Amsterdam and Nice Treaty, and the inclusion of FDI since the Lisbon Treaty (Eeckhout, 2011, p.12). Today, Article 206 identifies the objectives of the CCP in the following manner: *“by establishing a customs union, the Union shall contribute, in the common interest, to the harmonious development of world trade, the progressive abolition of restrictions on international trade and on foreign direct investment, and the lowering of customs and other barriers.”* (TFEU, Article 206).

It is important however to note at this point that over the past seven decades, important amendments, including through the Treaties of Amsterdam, Nice and Lisbon, have been made to the original Treaty, as well as the articles in question. These amendments, coupled with other developments, have entailed significant implications for the Common Commercial Policy, and EU trade policy in particular. More specifically, after the adoption of the common customs tariff in the 1960s, the Commission was empowered to represent and conduct trade negotiations in the GATT, replacing member states

(Eeckhout, 2011, pp.12-13). However, the 1970s entailed significant barriers to the conduct of a uniform common external trade policy within the ECC, as different member states maintained different import restrictions, which were only fully abolished in 1994 (Eeckhout, 2011, p.13). During this process, an important legal debate ensued regarding the issue of competence both between member states and institutions, and different institutions over the conduct of the CCP and EU trade policy (Eeckhout, 2011, p.13). Given the highly political nature of this battle, many within literature have coined this a battle between supranationalism and intergovernmentalism, transferred on the terrain of “external relations, exclusive competences and qualified majority voting- a threesome of political sensitivities” (Cameron, 2012, p. 12; Eeckhout, 2011). Today, the EU enjoys exclusive competence over EU trade policy, with member states enjoying in principle no powers; however, this is not the case in general foreign policy, and in instances of interaction between trade policy and general possibility, a frontier zone may emerge “where the principle of exclusivity does not fully come into play” (Eeckhout, 2011, p.439). This is further reflected in amendments made to Article 206 of the TFEU in the Lisbon Treaty, where the Union came to replace member states (Cameron, 2012, p. 14; Koutrakos, 2015, p. 18). It thus becomes apparent from the preceding analysis that there is significant interaction between internal developments and the trajectory of EU trade policy, reflecting the importance of including an internal dimension to the analysis.

5.2 The mechanics of EU trade policy

Here, it is important to note that the institutional setting and historical dynamics that shape this setting are paramount for the understanding different policy outcomes (Ikenberry, 1988, p.222), rendering an overview of the EU’s trade policy institutional setting and its history (development, former direction) an important part of the equation.

Turning to the institutional setup of EU trade policy, the original Article 133 EC named the Commission and Council, with the former making a proposal and the latter acting upon it by qualified majority (Eeckhout, 2011, p.458). However, this was changed in the Lisbon Treaty, which introduced the European Parliament (EP) as an additional key actor in EU trade policy making; through the inclusion of the ordinary legislative procedure in Article 207(2) of the TFEU, the procedure has been changed substantially, with regulations with legislative provisions for trade policy and the conclusion of international agreements on trade matters requiring action and consent also by the EP (Eeckhout, 2011, pp.458-459). More specifically, ordinary legislative procedure (co-decision) applies to “basic regulations relating to trade defence instruments, the GSP, antidumping, rules of origin” (Cameron, 2012, p.14)

Interestingly, significant variation exists along the degree of delegation within the EU, as well as along decision rules between the different instruments that comprise EU trade policy. More specifically, anti-dumping policy is primarily conferred to the European Commission, increasing likelihood of the Commission's proposals being accepted by Member States (Young & Peterson, 2014, p.2). On the other hand, the European Commissions has limited power in issues, such as the single market measures and their subsequent trade-effects, where both a super majority in the Council of the European Union and the assent of the European Parliament are required (Young & Peterson, 2014, p.2). This finding is very interesting, as it reveals the complex apparatus that lies behind different trade policy decisions within the EU. In doing so, it holds implications for the findings of this analysis, suggesting that multiple institutions impact the trajectory of EU trade policy, making it perhaps harder to generalise on said trajectory. However, it is this thesis belief that by breaking down the analysis along the different elements of trade promotion and trade defence, it can provide a more nuanced understanding of the different influences driving the trajectory of EU trade policy.

Lastly, in regards to the Commission, this is widely considered to be the locus of all technical expertise on EU trade policy, in particular due to its role representing the EU and member states in the GATT, WTO and international agreements over the last decades through the Directorate General (DG) Trade (Cameron, 2012, p. 11; Eeckhout, 2011, p.459). In line with Article 207(3) of the TFEU, the Commission is assisted and supervised by the Trade Policy Committee, formerly known as the 133 Committee) (Eeckhout, 2011, p.459).

5.3 EU trade policy and its instruments

According to Cini and Pérez-Solórzano Borragán (2013), the instruments of EU trade policy can be divided into two broad areas, namely measures relating to trade promotion and trade defence (Cini & Pérez-Solórzano Borragán, 2013, p. 215). On the one hand, trade promotion relates to the EU's international activities, such as the pursuit of bilateral, inter-regional and multilateral agreements, as well as its activities on the WTO level, aiming altogether at the development of formal rules for trade and its subsequent development and diversification (Cini & Pérez-Solórzano Borragán, 2013, p. 215). On the other hand, EU trade defence measures aim at countering “perceived unfair trade practices by its key partners”, and include amongst others anti-dumping measures, anti-subsidy measures, sanctions and rules

of origin on the EU level, as well as relevant provisions in trade agreements, and the WTO dispute settlement procedures (Cini & Pérez-Solórzano Borragán, 2013, pp. 215-216).

This distinction between trade promotion and trade defence as focus areas is also echoed by the EU, and in particular the Commission. However, the Commission departs from Cini and Pérez-Solórzano Borragán's depiction of trade promotion activities, further specifying its action along the dimensions of four focus areas: goods and services, public procurement, intellectual property and investment (European Commission, n.d.- a). Along goods and services, the Commission highlights the multilateral, plurilateral and bilateral negotiations as its key instruments, including the Doha Round in the WTO, a future plurilateral agreement on services, and bilateral agreements, such as EU-South Korea Free Trade Agreement, and the EU and Mexico's Economic Partnership, Political Coordination and Cooperation Agreement as respective examples (European Commission, n.d.- b). Given its €1.3 trillion per year share in world trade, public procurement is an important feature of EU trade promoting activities, with the Commission aiming to open up the public procurement market both in Europe (in the aftermath of the 2016 new rules, as well as abroad; With regard to the latter, EU trade policy aims at both developing standardised rules for reasons of transparency, as well as providing a level playing field for companies bidding abroad and has included and is negotiating relevant rules in its FTAs, including with South Korea, Chile, Colombia, Mexico, and India, MERCOSUR, and Singapore respectively (European Commission, n.d.-c). In terms of intellectual property, the Commission highlights the importance of improving and enforcing the IP in third countries as they support creativity and innovation, pointing to a number of instruments at its disposal, including multilateral agreements, under the auspices of the WTO and World Intellectual Property Organisation, bilateral trade agreements with comprehensive Intellectual Property Rights (IPR) chapters, as well as bilateral meetings and plurilateral agreements, such as the Anti-Counterfeiting Trade Agreement rejected by the EP in 2012 (European Commission, n.d.-d).Address lack of discussion on investment and why

With regard to trade defence instruments, the Commission breaks down its work into two main dimensions: Actions against imports into the EU, Actions against exports from the EU and Dispute Settlement (European Commission, n.d.-e.). In regards to the first category, the Commission specifies its objective as “re-establishing a competitive environment for the EU industry when harmed by dumped or subsidised imports” (European Commission, n.d.- f), identifying anti-dumping, anti-subsidy and safeguards as the relevant trade defence instruments at its disposal (TDIs) (European Commission, 2014, p.1). Here, anti-dumping measures largely involve the increase in price of imports, in order to restore

market conditions in the case of material injuries to EU industries as a result of dumping by other countries (Gstöhl, 2013, p.15). Similarly, anti-subsidy measures refer to the imposition of countervailing duties by the EU, when public authorities have cut prices of exports or production costs through trade distorting subsidies (Gstöhl, 2013, p.15). Lastly, safeguard measures revolve around the temporary imposition of import restrictions, when a sudden surge in imports can lead to significant harm of domestic industries (Gstöhl, 2013, p.15).

In terms of Actions against exports from the EU, the Commission takes on a threefold role, namely monitoring the development of investigations against the EU, assisting and advising EU industries and national authorities impacted by investigations, and lastly becoming more directly involved in cases involving EU subsidies and safeguard investigations, where the EU as a whole is targeted (European Commission, n.d.-g).

Lastly, it is interesting to note that the Commission includes Dispute Settlement as separate category of its trade policy -albeit with strong ties to both trade promotion and defence-, to be conducted through three different channels, namely the WTO Dispute Settlement Mechanism, Bilateral Trade Agreements and more recently Investment Dispute Settlement (European Commission, n.d.-h). With the exclusion of investment from the focus area of this thesis, the preceding categorisation may be depicted as follows:

Policy orientation	Instrument
Trade promotion	Multilateral negotiations (suspended)
Trade promotion	Bilateral negotiations
Trade defence	Anti-dumping measures
Trade defence	Anti- subsidy measures
Trade defence	Safeguards
Promotion/defence	WTO Dispute Settlement

This distinction is key and will be operationalised when mapping out the trajectory of EU trade policy, as it enables the thesis to take a more nuanced approach to understanding the development of EU trade policy. However, trade defence measures are more complicated and their extensive legal content and scope falls outside the scope and expertise area of this thesis. Instead, the aim of this thesis is to map out

and contextualise the use of trade defence instruments, in order to better understand the development of EU trade policy along the liberal/protectionist front, as a response to a changing global environment and increasingly protectionist tendencies.

6 Analysis

6.1 Introduction

Having provided an overview of EU trade policy, its mechanics, instruments and development, the focus of this analysis will be on EU trade policy in the time period between 2006 and 2019, coinciding with the 2019 appointment of a new Commission President and Commissioners, and a possible subsequent change in policy (Connelly, 2019; Horseman & Dreyer, 2019). The aim of this analysis will be threefold, namely to identify, assess and explain the trajectory of EU trade policy in this period, with a particular reference to and discussion of the different drivers behind this trajectory. As mentioned before, in doing so, the analysis will be chronologically structured around the publication of EU trade strategies, as well as include important additional developments on the fronts of both trade promotion and trade defence in the period in question. Additionally, it will build on the amended version of Mortensen's (2009) distinction along the two fronts of trade policy content (liberal/protectionist), and diplomatic strategy (aggressive proactive/ defensive reactive), in order to provide with concrete findings on the trajectory of EU trade policy in the period in question. This will be supplemented with a high level consideration of the different findings in the context of Hall's account of first, second and third order change, as well as be considered up against the changing internal and external environment facing the EU in the period in question.

6.2 Mapping out and discussing the trajectory of EU trade policy

EU trade policy changed significantly between the mid 1950s and early 2000s, evolving from a defensive position towards international trade in the 1960s (Woolcock, 2011, p.2) to the EU acting as a “proactive, post-modern trade liberaliser in the WTO” in the early 2000s (Mortensen, 2008, p.89). In the aftermath of 2003, the EU has published three key trade policy strategies, namely *Global Europe: Competing in the world* (2006), *Trade, Growth and World Affairs* (2010), and *Trade for All* (2015), as well as a number of supplementary and other relevant publications. The aim of this section is to provide with an in-depth analysis of and comparison across the three main strategies, in order to identify, assess and explain the trajectory of EU trade policy in the period between 2006 and 2019.

6.2.1 Global Europe, 2006 – 2009

Published in 2006, Global Europe (GE) constitutes the first key EU trade policy strategy published in the 2000s, and is in direct connection to the 2005 renewed Lisbon strategy and its focus on delivering growth and jobs (European Commission, 2006, p. 2). Within the new strategy, the Commission highlights the importance of implementing proper internal and external policies to adapt European competitiveness to a changing world, with external policies being of direct interest to this thesis. More specifically, within GE, external action is organised along eight dimensions by the Commission, namely

1. the World Trade Organization (WTO)
2. Free Trade Agreements (FTAs)
3. Transatlantic Trade and Competitiveness,
4. China,
5. IPR enforcement,
6. Renewed Market Access Strategy,
7. Public Procurement, and
8. Review of TDIs (European Commission, 2006, pp. 8-11).

For the purpose of this analysis, the eight key dimensions can be re-grouped in terms of the main themes that run through EU trade policy, in five main categories, namely Commitment to multilateralism and the WTO, Revised strategies and instruments, Review of TDIs, New trade agenda, and Relations with key trading partners. In identifying and discussing the Commission's priorities along each of these categories, the analysis can derive important insights regarding the content and direction of EU trade policy content and the instruments employed, as well as discuss the drivers behind these.

I. Commitment to multilateralism and the WTO

The first main theme running through the GE strategy is the EU's commitment to multilateralism and the multilateral trading system as “the most effective means of expanding and managing trade” (European Commission, 2006, p.8). Within this context, the GE also re-iterates the EU's commitment to the WTO and to the resumption of the Doha Development Round of negotiations (European Commission, 2006, p.8). In doing so, the GE highlights the importance of the Doha Development Agenda, which includes agriculture, non agricultural market access (NAMA), services, IP, as well as trade

and development and the environment, hinting at the possibility of concessions to that end (European Commission, 2006, pp. 2-8; World Trade Organization, n.d.).

Whilst the EU's commitment to multilateralism has been a cornerstone of EU trade policy since the 1990s, the GE's explicit reference to and re-iteration to this and the WTO in particular is an important finding in light of the stalled Doha Development Round in the preceding years (Gstöhl, 2016, p.1). Indeed, it explicitly frames and confirms that EU trade policy content is to develop towards the front of trade liberalisation, through the channel of "an ambitious, balanced, and just multilateral agreement" and with the aim of "opening markets, in which European companies can compete, and providing new opportunities for growth and development" (European Commission, 2006, p. 2). Whilst this perhaps provides an (unequivocal) answer in regards to the trade policy content envisioned in the GE, its insights regarding the particulars of the strategy and its instruments are limited. In order to identify and discuss the trade strategy envisioned in the GE, it thus becomes imperative to consider the remaining four categories, which reveal more in relation to the instruments and focus areas of the GE strategy, as well as their drivers and overall environment around the GE strategy and its formation.

II. Revised strategies and instruments

In reading the GE publication, it becomes apparent that this entails a number of modifications to both the strategies and instruments at the disposal of the EU for achieving its aspired multilateral agreement and trade liberalisation, in particular in regards to both the issue of market access and Free Trade Agreements (FTAs).

1) Renewed Market Access

The GE points to the EU's work on a Renewed Market Access Strategy (RMAS), which will amend the 1996 strategy and focus primarily on targeting sectors and industries with the greatest value for the EU (European Commission, 2006, p. 11). The RMAS, published in 2007 as part of the GE, is structured along four dimensions, namely:

1. Achieving a right mix of policy instruments (including new and existing trade agreements, assistance and diplomacy),
2. Building a new relationship between member states and businesses,

3. Prioritising for the proper use of resources, and
4. The development of a “more effective, efficient and transparent” service to address barriers to accessing markets (European Commission, 2008, p.4).

In doing so, the GE through the RMAS aims to address the issue of the changing nature of barriers in global trade, including poor protection of IPRs and technical regulations and standards abroad (European Commission, 2008, p.3), and thereby facilitate better access for European companies in foreign markets, ensuring and enhancing European competitiveness abroad (European Commission, 2008, p.6; Schweinfurth, 2016, p. 56). In doing so, the RMAS, one of the EU’s key instruments for trade promotion (Gstöhl, 2013, p.16), is in full alignment with the primary objective of trade liberalisation, and in particular market access, pursuing a proactive and aggressive strategy founded in new initiatives and active involvement in addressing the issue of changing barriers in international trade. This is illustrated amongst others in its new emphasis on cooperation between the Commission, the EU member states and European businesses with the aim of identifying and abolishing barriers in trade, in particular NTBs (Maes, 2008, p.2).

Main themes	Focus
Renewed Market Access strategy	<ul style="list-style-type: none"> - Targeting sectors and industries with greatest value - Fourfold initiative to address changing trade barriers
New round of FTAs	<ul style="list-style-type: none"> - Building block to multilateral trading system - Driven by key economic criteria - Renewed content mirroring the new trade agenda
Neighbourhood and development related FTAs	<ul style="list-style-type: none"> - Secondary role, with wider role of EU trade policy in EU external relations to be factored in bilateral trade relations

Author’s summary of the Revised strategies and instruments in GE

2) Free Trade Agreements (FTAs)

The GE strategy also entails important modifications to FTAs, and their logic and way of implementation within EU trade policy. Breaking away from the EU’s proposal of the multilateral Millennium Round in the 1990s, and the EU’s moratorium on bilateral and other trade agreements set in the late 1999s (Dec, 2015, p.52; Jara, 2016, p.12), the GE initiates a new round and type of FTAs. More specifically, the GE calls for FTAs to be “approached with care” (European Commission, 2006, p.8), with the aim of

preparing the next round of multilateral negotiations (European Commission, 2006, p.8). More specifically in doing so, the GE aims to utilise the WTO+ and WTO-X options, ultimately enabling the creation of preferential agreements that will enable progress on issues already discussed in the WTO or not covered by the WTO respectively, thereby serving as “stepping stones rather than stumbling blocks for multilateral liberalization” (Garcia-Duran, 2016. p.24).

Within this context, FTAs are to be driven by key economic criteria, namely market potential, including economic size and growth, as well as the level of protection in place against European exports (European Commission, 2006, p.9). Additionally, the GE also sets a direction for FTAs’ content, aiming at comprehensive, ambitious, trade, investment and services liberalization, as well as regulatory convergence and sustainable development objectives where possible (European Commission, 2006, p. 8). It is important to note at this point, that in introducing a new generation of FTAs, the GE makes a distinction between future economic FTAs and FTAs previously pursued for development or neighbourhood objectives with limited content (European Commission, 2006, p.8-9; Garcia-Duran, 2016, p.23). However, the GE maintains the possibility of FTAs pursued for such objectives, calling for the wider role of EU trade policy in EU external relations to be factored in in bilateral trade relations (European Commission, 2006, p.9) Here, it is important to highlight that EU relations with both Balkans and European CIS countries were considered to be key in the early 2000s, given their proximity and similarities to the acceding Central and Eastern European countries, as well as given their geopolitical importance and instability (Brenton, 2000, p.29). Similarly, EU relations with both Africa and the ACP states entailed a significant foreign policy aspect (Brenton, 2000, p.30), highlighting the existence of political and geopolitical drivers behind EU trade policy, even in the GE.

Following the preceding section, it becomes apparent that the GE entails important modifications to a second instrument utilised by EU trade policy, namely FTAs. More specifically, whilst not a new instrument, the GE introduces a significant qualitative change to FTAs as an instrument, expanding their content, importance and reach. In doing so, the EU pursued an aggressive strategy, identifying a number of important regions for negotiations, including the ASEAN and MERCOSUR countries, as well as Korea and India. This marks an important departure from the EU moratorium in negotiations since the late 1990s, with the Commission issuing a Negotiating Directive for both an EU-India FTA, as well as for the ASEAN countries already in 2007 (European Commission, 2019b)(for a timeline of issued Negotiating Directives, see Appendix A).

In terms of drivers, it is a widely expressed opinion that the EU's new generation of FTAs was to a large extent the consequence of developments on the WTO level and subsequent modifications in US trade policy. More specifically, the stalling of the Doha Development Round in 2001, coupled with the non-promising breakdown of formal talks at the 2003 Ministerial meeting in Cancun resulted into a re-consideration of US trade policy, which created a "competition for liberalisation", with the US pursuing agreements with countries such as Chile, Singapore and Korea, and thereby threatening EU in some of its key markets (Bendini, 2015, p.5; Dee, 2015, pp. 52-53; Gstöhl, 2016, p.1; Jara, 2006, p. 13; Koeth, n.d, p.2; Mastel, 2004, p.43). Coupled with the EU's failure to revive the Hong Kong WTO ministerial meeting with relevant agriculture concession, the 2006 GE strategy thus recognised that "that success at the multilateral level was unlikely" (Woolcock, 2011, p.4), opting for a new generation of FTAs (Elsig, 2007; Evennet, 2007; Heydon & Woolcock, 2009; Bartels, 2007). Additionally, it is important to note that GE entailed a clear shift towards developing bilateral agreements with Asian countries, largely due to the growing reliance on imports by both EU retailers and consuming industries, as a result of a global political economy characterised by GVCs and access to imports from low-cost sources (Eeckhardt & Poletti, 2016). Thus, it may well be argued that in terms of the new FTAs generation, the GE was in part a reactive policy development, resulting from a number of drivers, namely the stalling of the Doha Round, the subsequent re-orientation of US trade policy, as well as a changing global political economy and subsequent changes in European interests and competitiveness.

III. Review of TDIs

In a similar approach as before, the GE strategy also entails important provisions in relation to trade defence and the instruments at its disposal. More specifically, the GE argues for the need to make the EU's TDIs more effective and adapted to the global economy, calling on experts and stakeholders to submit contributions on the issues of strengthening the use of TDIs within EU trade policy (European Commission, 2006, pp.11-12). Furthermore, the GE calls for more EU action on the front of unfair subsidisation through four fronts, namely transparency on international level, reinforcement of ability to monitor practices in third countries, WTO Dispute Settlement mechanisms, and EU anti-subsidy instruments (European Commission, 2006, pp.11-12). Additionally, within the GE focus is placed on ensuring that the pursuit of TDIs by other countries is both characterised by high application standards, as well as being in full respect of international rules (European Commission, 2006, p.11).

Main themes	Focus
Need for review of EU TDIs	- Increasing efficiency and adapting to the global economy
Addressing unfair subsidisation	<ul style="list-style-type: none"> - Strengthening transparency at the international level - Reinforcing ability to monitor practices in third countries - Reliance on WTO Dispute Settlement mechanism, as well as EU anti-subsidy measures
Pursuit of TDIs by third parties	- Ensuring application of high standards in the pursuit, as well as full alignment with international rules

Trade defence in GE

From the preceding section, it becomes evident that the GE contains a threefold focus regarding TDIs. More specifically, on the one front it highlights the need for a review of TDIs, whilst calling for action to be taken in the present both internally (addressing unfair subsidisation) and externally (third parties). In considering the content of the TDIs changes discussed, it becomes clear that such developments maintain and are geared towards a liberal, trade promoting direction, driven in this case by the emerging economies' tendency to "combine growth with unnecessarily high barriers to EU exports" (European Commission, 2006, p. 5), as well as the consequences of that and the rise of GVCs for EU competitiveness in a changing global economic environment (Jara, 2016, p.15). Here, it is interesting to elaborate the link between the rise of GVCs and need for revised TDIs to account for the presence of European firms in these, in light of "a quickly blurring distinction between foreign and domestic products or services ..., with approximately 50% of world trade (being) in intermediate goods" (Jara, 2016, p.15), greatly increasing the interdependence and exposure of European firms to TDIs originating from the EU (European Commission, 2016).

In terms of trade strategy, whilst reactive in addressing barriers imposed by third countries, this aspect of the GE is characterised by significant pro-active elements both in the present and future, including a review of TDIs, and active involvement in the setting of international and third parties' standards. Additionally, both the review of TDIs and international involvement display significant elements of an aggressive, and not defensive strategy, aiming at transforming and levelling the playing field, as well as enabling European companies to enjoy better access to foreign, key markets in the future.

IV. New trade agenda

In reading the GE, it also becomes apparent that the strategy has an increased focus on issues, which relate to the new trade agenda, and fall outside the scope, such as IPR enforcement, public procurement, services and investment. Indeed, this has largely been an agenda pursued by the EU since the late 1990s, as evident also in the EU's strong, but unsuccessful pursuit of the Singapore issues during the Doha Round on the WTO level (Evennet, 2006, p. 401). In regards to IPR enforcement, the GE entails a twofold objective, namely to strengthen IPR provisions in future agreements, as well as to reinforce existing commitments in order to reduce violations and the export of fake goods, in particular with China, Russia, ASEAN, Korea, Mercosur, Chile and Ukraine (European Commission, 2006, p.10). In regards to the latter, a number of measures are recommended, including an allocation of more resources to support right-holders, as well as raising awareness among EU companies, particularly the ones operating in China (European Commission, 2006, p.10). On the issue of public procurement, the GE highlights the Commission's Consideration of proposal to target restrictive public procurement practices against EU suppliers tendering for public contracts abroad (European Commission, 2006, p.11). Furthermore, it highlights the importance of focusing on bilateral negotiations between the EU and said countries, in order to proceed on this matter and achieve the liberalisation of public procurement market abroad, even through the use of leverages, such as targeted restrictions on access to parts of the EU public procurement market (European Commission, 2006, p.11). In regards to services, this is identified as a cornerstone for of the EU economy, representing 77%of employment and growth, with significant potential (European Commission, 2006, p.6). As a result, the GE calls for the gradual pursuit of liberalisation in services with key trading partners, and countries with poor market access. Lastly, the improvement of investment conditions in third countries is also an important theme within the GE, which calls for the pursuit of investment liberalisation through FTAs, as well as for the development of an EU investment agreement (European Commission, pp. 8-9).

Main themes	Focus
IPR enforcement	<ul style="list-style-type: none">- Strengthening of future agreements- Reinforcing existing commitments (in particular with China, Russia, ASEAN and Mercosur)
Public procurement	<ul style="list-style-type: none">- Consideration of proposal to target restrictive practices

	<ul style="list-style-type: none"> - Bilateral negotiations to pursue the opening of such markets abroad, incl. through the leverage of EU targeted restrictions
Services	<ul style="list-style-type: none"> - Pursuit of liberalisation in services with both key trading partners, and countries with poor market access strategy and commitments
Investment	<ul style="list-style-type: none"> - Openness to international investment to foster competition, innovation, and access to new technologies and new investment incentives - Improvement of investment conditions in third countries, including emerging economies - Investment liberalisation through FTAs - Future development of an EU Investment Agreement

New trade agenda in the GE

It is important to note here that with the significant reduction of tariffs and quantitative restrictions in the early 2000s, there was a significant departure away from the trade policy agenda of the 20th century into a new agenda concerned amongst others with issues, such as deep integration, addressing regulatory barriers and trade in services (Brenton, 2000). It becomes evident that the inclusion of the new trade agenda in the GE strategy is a clear expression of the EU's interest and intent to promote trade liberalisation in new areas, including services, as well as investment liberalisation, in line with the thesis' previous findings on the GE. Additionally, the GE entails an aggressive, proactive approach towards the pursuit of the new trade agenda in the GE through a diverse focus over its choice of instruments, employing existing and future bilateral and trade agreements, in order to increasingly address rising issues in its markets abroad, as well as facilitate more efficiently the interest and growth of European firms abroad.

To a large extent, this shift of focus is driven by the significant changes in the political economy environment facing EU trade policy, in particular due to the rise of multinational firms, intra-industry trade and cross-boundary sourcing, and GVCs, which blurred the original distinction between EU import-competing and export-supplying firms, as well as eroded the competitive advantage and access of European firms abroad (Brenton, 2000, pp.1-2; Evennet, 2006, p. 401; Gstöhl, 2016, p.1). This has also largely been the result of poor IPR protection and IPR violations abroad, in particular in emerging

economies, leading to significant decreases in the value of markets abroad for EU businesses, as well as significantly reducing their revenue (European Commission, 2006, p.6). Additionally, the rise of GVCs has only further increased the relevance and importance of a welcoming investment environment for EU businesses abroad, and in particular in emerging economies (European Commission, 2006, p.6).

V. Relations with key trading partners

The GE strategy entails different insights into the EU strategy for its relation with key trading partners. More specifically, in the context of FTAs, it first identifies a number of countries and regions of strategic importance, namely the ASEAN region, South Korea, MERCOSUR, as well as India and Russia, largely as a result of their market potential in relation to GVCs, as well as protection levels (Evenett, 2006, p. 380; Gstöhl, 2016, p.2). The strategy also entails important insights into the EU's relations with the US and China. On the one hand, the GE places key focus on the US and the development of an even closer transatlantic trade relationship, highlighting the potential economic gains of transatlantic cooperation on new trade agenda issues, in particular IPR protection, as well as trade security, aiming to leverage the two parties' weight in the global economy as a response to the changing shift of power and balance in the WTO and global trade governance (Baru, 2015; European Commission, 2006, p. 10; Jacoby & Meunier, 2010, p.309; Rolland, 2012.). On the other hand, the GE also places significant focus on China. More specifically, the GE points to the delicate balance between the opportunities and challenges posed by China for Europe, and points to the subsequent, separate strategy published on China (European Commission, 2006, p. 10). Additionally, the GE also highlights the importance of China in EU trade policy in the context of a strong need for higher IPR protection and enforcement. Here, is particularly interesting to note here that neither China or Japan have been included in the GE's list of FTAs to be pursued, raising concerns regarding the full utilisation of the Asian market potential, in particular when taking into account the two countries' primacy in it (Evenett, 2006, p.399).

Indeed, the GE's identification of its key trading partners is strongly aligned with the findings of the preceding sections. Driven by the re-position towards bilateral FTAs, the GE entails a strong aggressive focus on trade liberalisation through its identification of the targeted markets based on economic criteria, as well as a strong prioritisation of making progress in the tackling of the new trade agenda, in particular IPR protection for its companies increasingly involved in GVCs, both with its advanced partners, as well as increasingly with emerging economies. In doing so, the GE strategy is highly proactive in terms of the particular selection of markets, as well as integration of the new trade agenda (Evenett, 2006, p. 401).

VI. Conclusion

The aim of the preceding sections has been to provide with an account of the 2006 GE strategy, with particular reference to the five analytical categories developed and applied across the thesis, namely *Commitment to the WTO and Multilateralism*, *Revised strategies and instruments*, *Review of TDIs*, *New trade agenda* and *Relations with key trading partners*. In doing so, the analysis has revealed that the GE strategy entails a very strong orientation towards trade liberalisation and beyond, as evident across the five categories, and its commitment to the WTO, redefinition of economic criteria for the pursuit of (regional FTAs), strong pursuit of the new trade agenda, and selective identification of key trading partners, in particular the ASEAN focus. This also holds particularly true also for the *Review of TDIs* provisions in the GE, where the aim is to address unfair subsidisation and improve the quality of TDI pursuit by third countries, as a means of promoting trade liberalisation and dampening trade protectionist measures employed by third countries, in particular emerging economies.

In terms of diplomatic strategy, the GE and its key orientation towards bilateral FTAs and the new trade agenda are largely developed in response to external events, including the stalling of the Doha Round at the WTO, re-orientation of US trade policy, as well as the increasing challenges faced by European firms and their competitiveness globally, largely as a result of their IPR and investment exposure in emerging economies and GVCs restructuring. Nonetheless, the GE strategy is strongly aggressive and proactive, introducing and amending a number of its trade promotion and in part trade defence instruments, through the renewed RMAS and FTAs focus, as well as TDI provisions, aiming to respond to the multifaceted challenges identified in the analysis, and further discussed in later sections of this thesis.

6.2.2 Trade, Growth and World Affairs, 2010 – 2014

Published in 2010, TGWA is considered to be an update to the 2006 GE strategy, developed in the context of the Europe 2020 strategy (European Commission, 2010; Gstöhl, 2016, p.2). More specifically, the TGWA sets out the contribution of the EU's trade and investment policy to the strategy's objectives, with a particular focus on the aftermath of the 2008 global financial crisis and the subsequent need for faster growth. Within the strategy, the EU's updated approach to its strategy departs from the GE outline and is organised along six main dimensions, namely

1. Context and basic orientations,
2. A trade and investment policy ready for tomorrow's challenges,
3. Updating the negotiating agenda to boost growth,
4. The enforcement and implementation agenda,
5. Public Consultations and impact assessment, and
6. Trade and external relations.

For the purpose of this analysis, these have grouped along the themes applied to the GE, with the relevant inclusion of new themes, and look as follows:

I. Commitment to Multilateralism and the WTO

The TGWA entails important insights into the EU's commitment and stance towards Multilateralism and the WTO, paralleled to the GE (Garcia-Duran, 2016, p.24). More specifically, the update of the EU's trade policy agenda is initiated by a re-iteration of the EU's commitment to the WTO, with the completion of the Doha Round cited as the policy's "top priority" due to its significant gains of an increase of over €300 billion a year in world trade and the possibility for the involvement and benefit of all players (European Commission, 2010, p.9). Indeed, in this regard the TGWA calls for the completion of the Doha Round latest by the end of 2011 (European Commission, 2010, p.16). Additionally, the TGWA outlines avenues to be pursued in connection with the WTO and its internal workings, with a particular focus on strengthening the WTO's monitoring capacity, enhancing multilateral scrutiny of trade policies to stem protectionist tendencies, prioritise further accessions and strengthening the WTO's dispute settlement system (European Commission, 2010, pp. 9-10).

It is particularly interesting to note the EU's desire in the TGWA to re-define its approach towards the new trade agenda, and the functioning of the WTO post Doha, most evident in the strategy's call for the setting up of a "group of eminent people from developed and developing countries to obtain independent recommendations to help sharpen our European view on the future agenda and functioning of the WTO post Doha" (European Commission, 2010, p.16), as a result of the WTO's lacking ability to address such issues (European Commission, 2010, p.4). This is of relevance to this analysis, as it is done in close connection with the EU's new focus on addressing a changing global trade regime, reflecting initial and growing concerns over the challenge presented by of emerging economies and the subsequent change of power balance and agenda (Baru, 2015, p.12).

On a more general level, this concern is also accompanied by a balancing act between the division between multilateralism and bilateralism within the TGWA, departing from the EU's strict commitment to multilateralism in previous decades and prior to the GE. More specifically, the TGWA calls also for the pursuit of bilateralism, arguing that "liberalisation fuels liberalisation" and re-diverting for that reason its key focus on delivering FTAs envisioned by the GE and beyond (European Commission, 2010, pp.3-4). In doing so, it can be argued that the TGWA adopts a proactive and aggressive position, with the ultimate strategic direction of trade liberalisation. Indeed, the TGWA entails a number of new initiatives on both the internal, external and WTO level, which aim to advance trade liberalisation and battle protectionist measures, as well as proactively address the issues arising from balances in power shifts and structural changes, including the rise of GVCs and changing nature of the international trade regime altogether.

II. Revised strategies and instruments

1. Free Trade Agreements (FTAs)

As mentioned above, the TGWA greatly builds upon and extends on the GE and its relevant provisions, including the launch of a new round of FTAs. Reflecting on this launch and the different results, the TGWA revises and sets new priorities for FTAs along different dimensions, including new trade issues, revised focus areas and external action priorities. More specifically, the TGWA confirms the orientation away from just import tariffs into areas more relevant for the new trade agenda, to include IPR, government procurement and sustainable development. Additionally, it applauds the successful completion of some GE inspired FTAs, including with South Korea, as well as the intense process underway with India, Canada and Singapore, whilst calling for new focus to be placed on the strategic region of East Asia (European Commission, 2010; Gstöhl, 2016). This is particularly important as it comes after the pause of regional negotiations with ASEAN countries in 2009 and leads into bilateral mandates, with a particular initial focus on Malaysia and Vietnam (see Appendix A). Lastly, the TGWA outlines the pursuit of Deep and Comprehensive Free Trade Agreements (DCFTAs) within two major EU level focus points, the Eastern Partnership and Euro-Mediterranean Partnership, aiming for "economic integration in the context of political association":

Dimension	Provisions
New trade agenda	- Focus on regulatory barriers in goods, services and investment, intellectual property rights, government procurement, protection of innovation, sustainable development
Completion of current agenda of FTAs	- Focus on India, Canada, Singapore, MERCOSUR
Area concentration	- Call for pursuit of strategic economic interests in East Asia, and relevant focus on bilateral negotiations with ASEAN countries
Neighbourhood issues	- Pursuit of DCFTAs within framework of Eastern Partnership and Euro-Mediterranean Partnership
New procedures and approaches	- Integration of impact assessments and evaluations, as well as civil society - Enhancement of EU delegations abroad for the development of business support functions

Revised strategies and instruments in the TGWA

Looking closely at the TGWA provisions for FTAs, it becomes apparent that the TGWA both builds upon and revises the qualitative change introduced in the GE, as well as focusing more on the non-economic FTAs called out in the GE strategy (Garcia-Duran, 2016, p.24). On the one hand, this can well be understood when taking into account the relative successes and failures of the GE inspired FTA round, as evident in the success of negotiations with South Korea, and relative failing of the regional approach (Gstöhl, 2016). Additionally, the growing importance of the East Asian region in connection with GVCs and European manufacturers and investors is an additional key driver for the EU's re-orientation. Whilst these are aligned and in same focus with the GE, the TGWA focus on DCFTAs stands in stark contract to the GE and can well be understood when taking into account the Lisbon Treaty and its relevant provisions in relation to advancing the overall ENP objectives (Bendini, 2015, p.13).

2. New procedures and approaches

Whilst the TGWA doesn't entail major modifications to the different instruments and processes introduced in the GE, it is interesting to note that it entails an important addition to EU trade policy making. More specifically, building also on the RMAS, the TGWA explicitly makes reference to the

embedding of both impact assessment and evaluations, as well as the centrality of consultation with civil society, in particular along sustainability impact assessments (European Commission, 2010, pp.14-15). Whilst this isn't in direct alignment with the thesis' focus on the strategic direction of EU trade policy, it points to an important qualitative changes within EU trade policy, stemming to a large extent from the increasing pressure on the EU for greater transparency, largely due to the new provisions of the Lisbon Treaty (Bendini, 2015, p.20) . On a more general level, it is important to note that the TGWA also entails important initiatives for EU trade policy, including the enhancement of the EU delegations abroad as contact points for European businesses abroad and development of relevant and necessary business support functions abroad (European Commission 2010, p.14).

All in all then, the TGWA builds strongly and expands on the trade liberalising focus of EU trade policy, taking a proactive and aggressive approach towards addressing the issues that arose in the 2006 FTA round, integrating the new trade agenda issues in its instruments, establishing and developing leads in East Asia as a strategic locus for European firms and their investments, as well as enhancing its instruments and methods for assessments, largely as a result of the Lisbon Treaty requirements for higher transparency.

III. Review of TDIs

Within the TGWA, the EU's commitment to TDIs is re-iterated and further discussed (Vander Schueren, Mizulin & Gergondet, 2018). More specifically, the TGWA confirms the EU's intention to use TDI in compliance with WTO rules against both international trade distortions and disruptions, as well as new forms of distortions, including the subsidisation of strategic sectors by third countries. Additionally, the TGWA re-iterates the EU involvement for protection of businesses on the WTO level, as well as explicitly announcing work on the alignment between the Lisbon strategy provisions and a possible update and modernization of EU TDIs. Lastly, a twofold key priority is expressed within the TGWA to both aid exporters who face absent or ineffective competition and state aid in third countries, as well as to aid SMEs in their different TDIs related issues. More specifically, in relation to the former, the TGWA sets out to develop international rules that can protect European firms from unfair subsidisation of local companies and/ or from anticompetitive practices in third countries (European Commission, 2010, p. 14). This is to be achieved ideally on the WTO level, but is also to be pursued on a bilateral level as per the TGWA. Additionally, the TGWA sets the ambition of the EU to develop possible support measures

for SMEs wanting to develop their international activity, up against the often cost-intensive trade defence investigations they undergo (European Commission, 2010, p.14).

As a result of this, it becomes apparent that TGWA is strongly geared towards trade liberalisation, aiming to employ its TDIs to address and minimize protectionist tendencies. Additionally, in doing so, the TGWA employs a proactive and aggressive strategy, aiming to develop rules and international standards through multiple channels and preparing for emerging forms of subsidization. It is important to note at this point that the TGWA's renewed focus on TDIs is particularly interesting in light of the opposition it received in the aftermath of the GE strategy, and is largely the result of the stalemate in the Doha Round at the WTO (Vander Schueren, Mizulin & Gergondet, 2018., p.1). Indeed, under the TGWA framework, an extensive proposal was submitted by the Commission on the modernization of the anti-dumping and anti-subsidy rules, which however faced intense discussions, substantial amendments by the European Parliament in 2014, as well as led to significant division amongst member states (Vander Schueren, Mizulin & Gergondet, 2018, p.1).

IV. New trade agenda

The TGWA also entails a clear and important re-orientation for the agenda of EU trade policy. More specifically, it entails a clear shift away from a focus on industrial and agricultural goods, and calls for greater focus to be placed on issues, such as “market access for services and investment, opening public procurement, better agreements on and enforcement of protection of IPR, unrestricted supply of raw materials and energy, as well as overcoming regulatory barriers including via the promotion of international standards” (European Commission, 2010, p.3). Here, it is important to note that the TGWA is clear on the reasoning behind its focus on such matters, citing the profound changes that have taken place in the context of the world economy and world trade in recent years as driving factors behind these shift (European Commission, 2010, p.3). More specifically, as per the TGWA, the re-organisation of GVCs around intermediate inputs and European investments and IPR abroad and the subsequent need for protection are of paramount importance for the maintenance of the competitiveness and competitive advantage of European firms abroad (European Commission, 2010, p.3). Additionally, it ought to be highlighted that the TGWA's focus on the trade, investment and regulatory issues only increased in importance over the period, as evident in their re-iteration and emphasis in the 2013 Communication on the TGWA (Dee, 2015, p. 55). This is largely due to the increasing fragmentation and importance of global supply chains, raising altogether the importance of behind the border issues (Gstöhl, 2016, p.1),

as well as the introduction of investment as an exclusive competence of the CCP under the Lisbon Treaty and the significant increase of incoming FDI in the late 2000s (Bendini, 2015, p.4; European Commission, 2010, p.5; Gusty, 2017, p.148). Additionally, the key focus of the TGWA on the liberalization of public procurement markets abroad is strongly connected to significant competitiveness of European firms in this area, and the lack of access hereto for European firms abroad, lowering the otherwise significant value of public procurement contracts for developed countries, amounting to a near 10% of GDP (European Commission, 2010, p.6). Lastly, the TGWA's strong orientation towards energy and the unrestricted supply of energy and raw material can well be understood, when taking into account the January 2009 gas disruptions and the subsequent exposure of the high vulnerability of EU Member States, given the 20% reduction in the energy capacity of member states in nearly six days (Cameron, 2011, p.131).

Indeed, as discussed above, the TGWA's intense focus on and prioritization of the new trade agenda is in full alignment with its trade liberalising direction, as evident in the expansion of trade liberalisation in services, public procurement markets and across investment. Whilst the TGWA aims for an aggressive and significant trade liberalisation in regards to the new trade agenda, the strategy lacks some clarity in regards to the specific measures to be taken. Additionally, it can be argued that the TGWA's approach towards the new trade agenda is fairly reactive, reacting to the transformation of the global trade regime, and the challenge this presents to European competitiveness and subsequently trade and growth, largely due to restricted access to markets abroad by third countries.

V. Relations with key trading partners

An additional important theme discussed under *Updating the negotiating agenda to boost growth* is the EU's relations with its strategic partner, with a particular focus on the US, China, Russia, Japan, India and Brazil, on three issues: trade, investment and regulatory convergence. More specifically, the TGWA aligns its focus with the European Council's 2010 focus on enhancing trade with strategic partners through securing FTA's, greater access for European businesses, and deepening the regulatory cooperation between the EU and its trading partners (European Commission, 2010). Additionally, the TGWA departs strongly from the focus of the GE strategy, towards "heavy weights, like Canada, Japan, and United States (Gstohl, 2016, p.2)

In relation to the US, the TGWA identifies the US as its “largest trade and investment partner” (European Commission, 2010, p. 11), citing divergence in standards and regulations as the major obstacle (European Commission, 2010, p.11). Within this frame, the TTIP was also launched, to a large extent aiming to kick start WTO-negotiations and respond to a global changing order. Here, it is important to add that the TGWA entails stronger provisions regarding reciprocity, in particular vs emerging economies (Gstöhl, 2016, p. 2). Additionally, the TGWA reiterates the importance of China as the EU’s second largest trading partner. However, it is important to note here that the TGWA explicitly calls EU-China trade “well below potential”, largely due to different and significant market access issues, addressed both on the WTO level and bilaterally (European Commission, 2010, pp. 11-12). In regards to Russia, the TGWA outlines the different trade relations between EU and Russia along exports, imports and energy, and highlights the importance of Russia’s integration in the WTO, as well as of the removal of the 2007 Russian unilateral tariff increases. With regard to Japan, the TGWA notes Japan’s interest in economic integration and cites the particular high barriers that exist in relation to regulatory obstacles in connection to goods, services, investment and public procurement. Lastly, in relation to India and Brazil, the TGWA cites the importance of the FTA negotiations and re-launched EU-Mercosur Association Agreement respectively.

Whilst the TGWA entails different focus areas and issues for the different strategic partners, it is important to note here a twofold qualitative change taking place within EU trade policy between the GE and TGWA, namely a re-direction of focus and an increasing focus on regulatory convergence evident in the GE, investment and stronger provisions regarding reciprocity, in particular vs emerging economies (Gstöhl, 2016, p. 2), , as well as a redirection towards the US and many of the emerging markets. This reflects the strong orientation of the TGWA towards trade liberalisation and beyond, can be understood when taking into account the relatively limited success of the region to region focus introduced in the GE (Gstöhl, 2013, p. 2), as well as structural power shifts evident in preceding WTO negotiations and proceedings. Nonetheless, a common thread between the different strategic partners identified are the vast opportunities that these hold in terms of trade liberalisation, re-iterating the EU’s strategic focus on trade and other liberalisation to realise the potential gains from trade. Additionally, the introduction of investment and regulatory convergence constitutes a proactive and aggressive approach on part of EU trade policy, aiming to drastically alter and liberalise its relations to its key trading partners, as well as bolster and create growth and jobs within the EU (Dee, 2015, p. 55).

Having addressed the five main analytical categories of the thesis, it becomes imperative at this point to include an additional, key category, whose importance has significantly arisen in the TGWA strategy, namely *Trade and external relations*.

VI. Trade and external relations

Whilst briefly addressed in the GE strategy, the TGWA entails a section on the link between trade and external relations, re-iterating the EU's focus on devising its role in foreign affairs and global management, so that it corresponds and is aligned to its economic weight (European Commission, 2010, p.15). It is interesting to note here that in doing so, the TGWA reiterates the GE's focus on development policy and UB sanctions, but also introduces the possibility and importance of using trade mechanisms, including the General System of Preferences (GSPs) or FTAs, to encourage the EU's partners "to promote the respect of human rights, labour standards, the environment, and good governance, including in tax matters." (European Commission, 2010, p. 15; Gstöhl, 2016, p.2). Additionally, focus is placed on the further development of the EU's export control system for dual-use goods, which is in line with relevant reforms by the US and other EU partners, and serves as per the TGWA a foreign security policy goal (European Commission, 2010, p.15). In doing so, it is important to note that the TGWA departs majorly from the GE, creating and clarifying particular links between EU trade policy and external relations, which largely fall outside the dichotomy of trade liberalisation and protectionist tendencies. To the contrary, this reflects a qualitative change and addition to EU trade policy, geared relatively aggressively and proactively to the development of standards in third countries through the use of trade instruments.

VII. Conclusion

The aim of the preceding sections has been to provide with an account of the 2010 TGWA strategy, with particular reference to the five analytical categories developed and applied across the thesis, as well as additional categories developed to capture new key issues emerging in the TGWA. The analysis has revealed that on an overall level, the TGWA has maintained the EU's strong commitment to the trade liberalisation and beyond. However, the analysis has also revealed changes in the EU's trade policy between 2006 and 2010, in particular in relation to its choice of instruments.

More specifically, whilst the TGWA maintains the GE's commitment to multilateralism and the WTO, it departs from the GE strategy in two ways, namely by pointing to possible avenues for the reinvigoration of the WTO, as well as by calling on the WTO's inability to address many of the pertinent new trade agenda issues discussed in the strategy. Similarly, the TGWA extends the importance of new trade agenda issues to the FTAs to be pursued, as well as re-directing their focus away from the regional approach envisioned in the GE, towards more heavy weight countries, such as the US and Canada, as well as bilateral agreements, with ASEAN countries. Furthermore, in line with the Lisbon Treaty's provisions for the ENP and transparency, the TGWA also entails the pursuit of DCFTAs and the embedding of civil society, impact assessment and evaluation in EU trade policy. Similarly, the TGWA also entails more provisions for the relationship between EU trade policy and foreign policy, through the establishment of linkages between EU trade policy instruments and the pursuit of social and environmental standards in third countries. In doing so, the TGWA entails significant amendments to the instruments for trade promotion employed in the strategy, amending and expanding their reach in an efficient and proactive manner, aiming for both trade liberalisation and beyond, as well as greater transparency and impact. This holds also true for developments along the TGWA's trade defence instruments, through its focus on developing rules and international standards through multiple channels and preparing for emerging forms of subsidization, as a means of enabling greater international liberalisation. Lastly, it is important to note that investment also increases in importance within the TGWA, in relation to the GE, rendering the integration of investment into the EU's trade policy a likely probability.

6.2.3 Trade for All, 2015 – 2019

6.2.3.1 Trade for All, 2015 – 2019

Published in 2015, Trade for All (TfA) is the EU's current trade and investment policy. Developed in the context of the Europe 2020 strategy and its focus on the aftermath of a particularly long and costly recession (European Commission, 2010b), the TfA identifies trade as a key instrument in Europe's recovery. More specifically, trade is perceived as one of the few instruments that can boost the economy without additional state burdening (European Commission, 2015, p. 7), with the TfA aspiring to additionally address a number of issues and challenges that have arisen within EU trade policy recently, not least in response to calls for greater transparency and sustainability (Gstöhl, 2016, p.3).

The TFA strategy presents a different structure to both the GE and TGWA strategies and is divided amongst the following categories:

1. Trade and Investment as powerful engines for growth and job creation,
2. An effective policy that tackles new economic realities and lives up to its promises,
3. A more transparent trade and investment policy,
4. A trade and investment policy based on values, and
5. A forward looking programme of negotiations to shape globalization (European Commission, 2015).

Interestingly, the TFA is presented and structured by the European Commission also along themes that differ significantly to both the GE and TGWA, namely Effectiveness, Transparency and Values. Despite such differences, many of the strategy's insights can be considered and included under the thematic categories identified and applied to the GE and TGWA respectively, with the necessary inclusion of additional categories to reflect and include the newly emerged themes. Indeed, in the discussion that will follow, a closer consideration of the aforementioned themes will be provided, along with an account of the drivers behind such a change of focus and communication.

I. Commitment to Multilateralism and the WTO

The reinvigoration of the multilateral trading system is a key feature of the TFA strategy, with the strategy re-iterating the EU's commitment that the WTO is the "foundation of the world trading order" (European Commission, 2015, p.27). Additionally, the TFA explicitly identifies on the one hand the Doha Round stalemate, and on the other hand member states' diversion of focus elsewhere as the two key contributing factors behind the inability of the WTO to change and adapt over the past two decades (European Commission, 2015, p. 27). Contrary to the GE and TGWA, the TFA accepts and builds on the Doha Round and overall WTO stalemate, and develops a structured approach towards the reinvigoration of the WTO (Garcia-Duran, 2016, p.26; de Laroussilhe, 2019, p.5). More specifically, the strategy is comprised of six main focus areas, namely

1. Delivering results in the 2015 Nairobi meeting,
2. Entrusting the WTO with the development and enforcement of global trade rules (including on intellectual property and digital trade),

3. Reconsidering the single undertaking towards issued based negotiations,
4. Strengthening the WTO's role in fostering exchange information and monitoring policy developments,
5. Allowing for plurilateral agreements, as well as
6. Rebalancing the relative contribution of developed countries and emerging economies (European Commission, 2015, p. 28; Gstöhl, 2016, p.3).

This is a particularly interesting finding, as it constitutes a significant increase in the EU's display of an aggressive and proactive approach strategy aimed at trade liberalisation, comprising of a number of initiatives spanning across the WTO and involving the re-consideration of both current practices and the role of the different member states, including the emerging economies. In doing so, the TFA strongly confirms the commitment of the EU to trade liberalisation and multilateralism, developing a particular set of mechanisms to address the different challenges and barriers to the realisation of these goals.

More specifically, the impact of the rise of emerging economies on the WTO and its effectiveness during the Doha Round is a key important driver behind the concrete content of the EU's WTO level strategy (Baru, 2015, p.12), as evident in both the third and sixth element of the renewed strategy. Here, the strategy's focus on reconsidering the single undertaking approach is largely the result of the significant reliance of emerging economies on the single undertaking during the Doha Round negotiations, in order to amongst others strategically couple their agriculture liberalisation agenda to the interests and demands expressed by the EU and other developed countries (Daugbjerg & Swinbank, 2009, p.175 ; Rolland, 2012, p.227). This is a key reason for the stalling of the current Doha Round due to the single undertaking's requirement that "Nothing is agreed until everything is agreed" (World Trade Organization, 2017). Here, it is additionally interesting to note that the new trade agenda and its focus on amongst others services, IPR and digital trade is also embedded in the EU's revised account of the WTO role, pointing to the overall impact of this agenda on EU trade policy making (Gstöhl, 2016, p.3). However, this will be addressed further and in greater details in the proceeding sections devoted to the discussion of the new trade agenda across the three different EU strategies.

II. Revised strategies and instruments

Similarly to the TGWA strategy, the TFA builds on the GE's intended focus on FTAs, albeit with certain modifications, as well as introduces altogether a new focus on plurilateral and other agreements. More

specifically, in regards to FTAs, the TFA strategy entails important insights regarding FTAs, highlighting the EU's long-stated intention to develop an ambitious bilateral agenda, which can complement the Union's presence at and focus on the WTO (European Commission, 2015, p.9). Indeed, the TFA highlights the importance of enabling a possible return to the WTO system through FTAs, calling for the inclusion of relevant mechanisms for that end in FTAs, as well as the introduction and reliance on cumulation of origin to enable greater reach and interconnectivity between partners amongst others (European Commission, 2015, p. 29). Additionally, whilst aligned to the line of argument in both the GE and TFWA strategy, the TFA strategy makes a further step and more clear and concrete link between its pursuit of bilateral FTAs and the potential of such FTAs in relation to the WTO and multilateral order. In contrast to the GE and TGWA, TFA insights are provided only in the context of the different geographical focus areas and thus will be discussed in detail under later sections revolving around the TFA's provision for Relations with key trading partners. Additionally, in line with the its focus on the new trade agenda and plurilateral agreements, the TFA also entails the introduction and conclusion of key plurilateral agreements, including the ones on *Trade in Services Agreement* (TiSA), and the *Environmental Goods Agreement* (EGA), aiming to expand into new issues and thereby ensure that the global trade rules maintain an alignment to global developments and needs (Schweinfurth, 2016, p. 57). Lastly, the TFA strategy presents on an overall level some interesting departures from the TGWA strategy, in particular in terms of the relationship between EU trade policy and external relations. More specifically, the strategy acknowledges the geopolitical implications of its FTAs, learning from the consequences of its pursuit of DCFTAs with Ukraine and the subsequent competition and crisis triggered by this amongst the triangle of the EU, Russia and Ukraine (Gstöhl, 2016, p.4; Haukkala, 2015; Ross Smith, 2018, pp.196-200).). In doing so, the TFA re-iterates its commitment to a multifaceted trade liberalisation, developing a highly aggressive and proactive strategy of utilizing numerous bilateral and plurilateral agreements across sectors and focus areas to promote its trade policy content ambitions, in spite of the stalling of the Doha Round on the WTO.

III. *Review of TDIs*

It is interesting to note at this point that the TFA only entails minor references to TDIs, with no reference to their review, only highlighting the importance of standing “firm against unfair trade practices through anti-dumping and anti-subsidy measures”, and calling for more transparency in the process (European Commission, 2015, pp. 16-19). Whilst the insights of the TFA on TDIs are limited, it is interesting to note that at the time of the strategy's publication, an EU wide level discussion on TDIs was taking place,

culminating into the 2017-2018 amendment of EU trade defence legislation. Whilst outside the direct scope of the TfA, this change will be discussed and related back to the TfA and the greater environment facing EU trade policy in later sections of this thesis.

IV. New trade agenda

The new trade agenda is a foundational theme for TFA which aims to re-design trade policy in response to a changing world economy that has become global and digital, with GVCs playing a role of paramount importance, and further raising the importance of services (European Commission, 2015, p.7). As a result, the TFA strategy aims to take a more holistic approach, covering issues, such as public procurement, subsidies, sanitary and phytosanitary barriers, as well as repositioning and strengthening the position of European companies in the GVCs, supporting all relevant economic activities and their requirements amongst others along trade in services, digital trade and professional's mobility (European Commission, 2015, p. 10; Gstöhl, 2016, p.3). Indeed, the TfA also entails a strong orientation towards the new trade agenda, with a primary focus on non-tariff barriers, IPR, regulatory convergence and investment, largely due to the centrality of these issues for of European firms abroad, in particular within services and public procurement, as well as for the re-positioning of European firms in the global supply chains (Schweinfurth, 2016, p. 56).

The TfA's focus on services can well be understood when taking into account the changing contributions of the different sectors to EU GDP over the recent years. More specifically, quantitative studies (Ambroziak, 2015; Gustyn, 2017; Hoekman & Mattoo, 2013) reveal an important decrease in the contribution of the manufacturing sector to the GDP of developed countries. Largely the result of increased competitiveness and productivity in the manufacturing sector, this trend is expected to continue, with services holding the potential to partially offset this decrease (European Commission, 2013; Gustyn, 2017, p. 160). As a result, the incomplete progress made by many emerging economies in the field of the liberalisation of their services markets (Ambroziak 2015, p. 74; Hoekman & Mattoo 2013), constitute an important barrier for the EU's competitiveness, largely driving the EU's aggressive and proactive pursuit of the new trade agenda, and broader liberalization, including in services, as identified in the preceding analysis.

Additionally, in relation to investment, the TfA strategy entails concrete steps that have to be taken, namely the:

1. Inclusion of modern provisions for the state's right to regulate in bilateral agreements
2. Reform of the existing investor- state dispute settlement system
3. Engagement of partners for the development of a IIC of a permanent nature in the future
(European Commission, 2015, p.22; Gstöhl, 2016, p.2; Pérez, 2016, p. 66)

In doing so, the TFA places a very strong focus on investment, unparalleled in the GE and TGWA, due to its limited coverage within WTO rules, propelling investment to the top of the EU's agenda due to its centrality for the success of EU investments abroad, as well as the boosting of EU exports, in particular after the incorporation of investment as an EU competence under the Lisbon Treaty (Bendini, 2015, p.4; Gustyn, 2017, p.148; Schweinfurth, 2016, pp. 56-58). Additionally, the TFA is clear on its intention to redesign trade policy and bring citizens, consumers, workers, the self-employed and SMEs and large enterprises to the forefront. (European Commission, 2015, p.7; Gstöhl, 2016, p.2). As a result, the TFA entails important provisions for the inclusion of SMEs and their specificities in negotiations and trade and investment negotiations respectively. Interestingly, the TFA strategy also entails provisions for future trade agreements to include chapters on both energy and raw materials, building on an increasing preoccupation of EU trade policy within this subject since the GE (Gstöhl, 2016, p.3), driven to a large extent by the ensuing EU debate on energy security since the Ukraine crisis (Ross Smith, 2018).

Altogether, the TFA strategy exhibits a strong orientation towards both a proactive and liberalising strategy; on the one hand, it introduces a number of proactive initiatives to better accommodate the needs of the different stakeholders impacted by EU trade policy, as well as aiming content wise for a far-reaching and foundational liberalisation of the trade and investment agenda, reflecting a strong proactive aggressive and inclusive trade and investment liberalisation.

V. Relations with key trading partners

Relations with key trading partners is an additional important theme within the TFA strategy, and is primarily executed through the TFA's focus on bilateral relationships. More specifically, the relevant provisions of the TFA are divided along seven different areas of interest, namely the US and Canada, Asia and the Pacific region, Africa, Latin America and the Caribbean, Turkey, EU Neighbourhood and Russia. This is particularly interesting for this thesis, as the TFA's amended geographical focus is accompanied by a diverse agenda to be pursued in each region, enabling this report to derive significant insights

regarding both the policy's trajectory and drivers. As a result, a condense overview of the TfA's aspirations and focus will be provided and discussed in this section, enabling the report to draw parallels to the preceding findings in relation to the GE and TGWA strategies, as well international developments in the period in question.

The first region of focus in the TfA strategy are the US and Canada, with the TfA placing emphasis on and prioritising the Transatlantic Trade and Investment Partnership (TTIP) and its completion, whilst also praising the reach of the Comprehensive Economic and Trade Agreement reached between the EU and Canada (CETA) on the fronts of both trade and investment (European Commission, 2015, p.30). In doing so, the TfA re-iterates and further expands on the TGWA's focus on the US and Canada, largely as a result of the unsuccessful focus of the GE strategy on the region to region focus (Gstöhl, 2011, p.2). Additionally, it is interesting to note that the TfA strategy was published amid great controversy over the TTIP negotiations; whilst not impacting the strategy's focus on the US, this entailed important implications for the content of EU trade policy, which will be considered and discussed in later sections (Gstöhl, 2016, p.2).

The second geographic focus of the TfA strategy is Asia, re-iterating the TGWA's focus on Asia as a region of strategic importance (Gstöhl, 2016, p.3). As with the previous category, the TfA develops and formalizes a strategy for its pivot to Asia along four components:

1. the EU-South Korea agreement,
2. the individual ASEAN agreements for building an approach towards an EU-ASEAN regional framework,
3. the FTA negotiations between the EU and Japan, and
4. lastly the investment negotiations between the EU and China and Myanmar respectively.

In relation to China, TfA places great importance on the ongoing process of deepening and rebalancing EU-China relations, in particular also in the context of the ongoing negotiation of an investment agreement between the two parties (European Commission, 2015, p.31). Additionally, taking into account the importance of increasingly integrated supply chains, the TfA calls for the consideration pursuing investment agreements with Hong Kong and Taiwan in direct alignment with the respective focus of EU investors in east Asia (European Commission, 2015, p. 31). Similarly, the TfA expresses the EU's intent to resume negotiations with both Malaysia and Thailand, to conclude negotiations with Myanmar on

investment, as well as with the Philippines and Indonesia (European Commission, 2015, p.32). Lastly, the TFA re-iterates the EU's interest in resuming negotiations on an ambitious FTA with India, as well as pursuing economic ties with Australia and New Zealand, with the aim of enabling “deeper integration with wider Asia-Pacific value chains” (European Commission, 2015, p.31).

In relation to Africa, the TFA only entails limited references, pointing to the 2014 three regional Economic Partnership Agreements (EPAs) pursued, as well as future prospect of extending these EPAs into areas, such as services and investment (European Commission, 2015, pp.32-33). Additionally, with regard to Turkey, the TFA expresses the EU's interest in a reformed customs union. Interestingly, the TFA also entails important provisions in relation to the Neighbourhood, focusing in particular on Ukraine, Moldova, Georgia, Morocco and Tunisia, in line with of the different “major developments of recent years” in relation to the European Neighbourhood Policy (ENP) (European Commission, 2015, p.34). Lastly, whilst re-iterating the EU's interest in economic ties with Russia, the TFA explicitly refers to the missing developments within Russia's domestic and foreign policy that could enable cooperation with the EU (European Commission, 2015, p. 34), pointing to the troubling state of the two actors' relations since the Ukraine crisis. Indeed, Additionally, the TFA doesn't account for the future engagement of the EU with both China and Russia, despite their importance as the EU's second and largest partner in trade respectively (Gstöhl, 2016, p.3), acknowledging amongst others the political and the foreign policy implications of their relationship (Gstöhl, 2016, p.4; Haukkala, 2015; Ross Smith, 2018, pp.196-200).

Dimension/Region	Provisions
US, Canada	Focus on TTIP and CETA
Asia and Pacific region	Focus on conclusion of EU-Japan FTA, Rebalancing and redefining EU relation to China, Possible negotiations with Hong Kong and Taiwan, Focus on Thailand, India, Australia and New Zealand
Africa	Focus on the three regional EPAs entered into in 2014
Latin America and the Caribbean	Focus on MERCOSUR directive, Possibility of modernising FTAs with Mexico and Chile, Consideration of Investment Agreements with Latin American countries
Turkey	Focus on reformed customs unions and subsequent consideration of FTA

EU Neighbourhood	Focus on implementation of DCFTAs with Georgia, Moldova and Ukraine, Focus on concluding DCFTAs with Morocco and Tunisia
Russia	Depends on developments within Russia's domestic and foreign policy

Account of TFA's key trading partners focus, with geographical division

At this point, it is interesting to note that the TFA departs majorly from both the GE and TGWA strategies in its approach to relations with key trading partners. More specifically, the TFA entails a significantly more broadened geographical focus area, moving away from the previous strategies on particular countries. Linked to this is an additional broadening of the thematic focus area of the TFA, in relation to both GVCs in particular in Asia, investment and geopolitical developments and concerns. In doing so, the TFA is a particularly proactive and aggressive strategy, focused on both trade and investment liberalisation. More specifically, the outline of a long term horizon for the development of different key trade and investment relationships is an important strategic initiative on part of the EU, with the aim to liberalise trade in goods, and more importantly services and investment.

VI. New focus on transparency and values

Having reflected on the main five analytical categories applied across the GE, TGWA and TFA strategies, it is important to consider the aforementioned additional topics that emerge in the TFA, before proceeding to consider developments in the fields of trade promotion, trade defence and overall EU trade policy in the period between 2015 and 2019. More specifically, whilst outside the direct scope of this thesis, the TFA entails a strong focus on transparency, values, as well as the protection of consumers and of the EU social and regulatory system (European Commission, 2015). More specifically, the TFA sets out to increase the cooperation between member states, the European Parliament and civil society, as well as further embed impact assessments in all significant initiatives within EU trade policy (European Commission, 2015, p.18). In terms of transparency, the TFA entails provisions for greater transparency in both trade promotion and trade defence, through the publication of the different negotiating directives, including of TTIP and TiSA, and the higher involvement of interested parties in trade defence cases respectively (European Commission, 2015, p.19). An additional key theme within the TFA strategy is its focus on the protection of consumers, pledging to maintain the social and regulatory model at home, in response to growing attention to this since the early 2000s (European Commission, 2015), with the additional inclusion and incorporation of key themes, such as transparency, sustainable development, and human rights in the TFA due to demands from EU civil service in recent years (Schweinfurth, 2016,

p. 55). Additionally, this qualitative change towards higher transparency and a more democratic trade policy is also driven by the Lisbon Treaty, and its focus on the integration of public opinion, as a means of explaining and securing “acceptance for the broad outlines of the economic integration process currently under way.” (Bendini, 2015, p.20).

6.2.3.2 Developments post the publication of the 2015 TfA strategy

6.2.3.2.1 Review of the EU’s TDIs apparatus

In line with the thesis’s twofold focus on the EU’s choice of instruments and trade defence developments, it becomes highly insightful at this point to introduce and discuss the changes made in the EU’s trade defence legislation in the period in question. Indeed, whilst trade defence measures and their review was only briefly considered in the TfA, in stark contrast to both the GE and TGWA, significant developments have taken place in this area since 2015.

More specifically, in the period in question, the first modernization of EU TDIs - since the adoption of relevant legislation in 1995- took place, through the 2017 provisional agreement on the modernization of the *Basic Anti-dumping* and *Anti-Subsidy* Regulation, as well as through the adoption of a renewed dumping methodology (Vander Schueren, Mizulin & Gergondet, 2018, p.1). With the aim to “face today's challenges in global trade [and] defend European producers and workers when others distort the market or don't play by the rules.” (European Commission, 2018a), the amendments entail significant changes and updates to European TDIs. Here, the different changes can be re-grouped along some key main themes of relevance to this analysis (Mayer Brown, 2018; Vander Schueren, Mizulin & Gergondet, 2018) namely the

1. Integration of social and environmental considerations in the construction of the target price of EU industry,
2. Higher predictability and transparency for EU exporters and importers,
3. Inclusion of SMEs in TDI investigations,
4. Inclusion of trade unions in proceedings relating to TDI through amongst others involvement in preparation of complaints,
5. Extension of reporting obligations for the Commission, including on the pursuit of different TDI by other countries.
6. Shortening of investigation periods, in particular for anti-dumping, and

7. Ability for the Commission to impose higher duties.

Whilst it is out of the scope and expertise of the thesis to undertake an extensive analysis of such changes, a high level consideration of such changes can provide interesting insights regarding the trajectory of EU trade policy and its interdependence with EU level and international developments. More specifically, it becomes evident in the preceding ranking that the renewed TDIs bear significant similarities to the strong concerns regarding the inclusion of social and environmental considerations, transparency and the involvement of SMEs echoed in the TFA strategy, largely as a response to the growing demands within the EU for these (European Commission, 2018b). Additionally, the revised TDIs entail a number of key benefits for European firms in light of an increasingly unfair and competitive global environment, namely timely and faster relief to EU industries exposed to unfair imports through the shortening of anti-dumping investigation periods, as well as revised and more efficient quantification of the harm incurred by EU industry, as well as higher level of protection for EU firms against fear of retaliation through the Commission's right to self-initiate investigations (European Commission, 2018a, p. 1)

It thus becomes evident that the significant review of TDIs in the period 2015-2019 is strongly geared towards addressing many of the issues discussed in the preceding sections, reflecting a strong interest in the EU's ability to pursue its trade and other liberalisation, without unfair trade practices. Indeed, this is also evident in President Juncker's opening words to the publication of the renewed TDIs, namely *"The EU believes in open and fair trade but we are not naïve free traders. We have shown our teeth when we had to by adopting anti-dumping and anti-subsidy measures. And now we have new and improved trade defence rules in our arsenal to face down some of today's challenges in global trade. Make no mistake – we will do whatever it takes to defend European producers and workers when others distort the market or don't play by the rules."* (European Commission, 2018b). Indeed, this renewed approach has largely been driven by the significant trade barriers, limiting regulation, unfair trade practices and overcapacities in the international trading system, as also evident in Malmström's account of the goal of the renewed TDIs to *"ensure that our European industry will be well equipped to deal with the unfair competition they face from dumped and subsidised imports now and in the future."* (European Commission, 2017). This is particularly interesting when taking into account many of the preceding discussions, including on the impact of China in this. More specifically, as evident in both Appendix B and Appendix C, China is the primary recipient of both EU anti-dumping and anti-subsidy measures, significantly overtaking all other countries and constituting a near 64% of all EU anti-dumping measures and 50% of all EU anti-subsidy measures in 2019 (European Commission, 2019c, pp.20-25).

This introduced interesting insights, in relation to both the trajectory of EU trade policy, as well as the impact of and interaction between the different drivers identified in the preceding sections of this analysis.

6.2.3.2.2 Investment Screening Mechanism

At this stage, it becomes important to introduce the 2018 agreement between the European Parliament, Council and European Commission on the establishment of a framework for the screening of FDI into the EU, based on the relevant 2017 proposal by the European Commission (Vander Schueren, Mizulin, Geraets & Gergondet, 2018). Driven to a large extent by increasing concerns globally on the negative aspects of FDI, in particular into strategic sectors, the new Mechanism proposed allows for individual Member States to - upon national discretion - develop screening mechanisms on a national level, compliant with the following key requirements: transparency, judicial review and non-discrimination, in particular vs. third countries (Vander Schueren, Mizulin, Geraets & Gergondet, 2018). Interestingly, the scope of the application has broadened, including critical infrastructure, such as energy, transport, aerospace and defence, and critical technologies, such as artificial intelligence and gas storage, as well as energy, raw material, and energy security (Vander Schueren, Mizulin, Geraets & Gergondet, 2018). Even more interestingly, the EU' Screening mechanism now entails a key determinant, namely the direct or indirect control of foreign investor by foreign governments, building a strong link to the state-owned and state-funded investments coming in from China.

6.2.3.2.3 Conclusion on TFA period, 2015 – 2019

The aim of the preceding sections has been to provide with an account of the 2015 TFA strategy, with particular reference to the five analytical categories developed and applied across the thesis, as well as additional categories developed to capture new key issues emerging in the TFA. In doing so, the analysis has revealed a number of key insights regarding the TFA, as well as its link to the preceding trade strategies, namely the 2006 GE and 2010 TGWA strategies. More specifically, the analysis has identified a twofold focus in the trade policy direction of the TFA, namely a strong commitment to the liberalisation of trade and investment, and the remaining new trade agenda, as well as an unprecedented focus on transparency and values within the conduct of EU trade policy. In relation to the former, the TFA's strong aggressive and proactive pursuit of extensive liberalisation is evident in its its pursuit and reform of key trade promoting instruments, including its highly reforming intentions for the WTO, under amongst others the single undertaking and balance between developed and emerging economies, the inclusion of

mechanisms in bilateral FTAs and plurilateral agreements for the return to the WTO, the fundamental reform intentions for investment, as well as a targeted FTA approach of different regions with different advantages and relevance for EU trade and investment policy. In doing so, the TFA also builds upon, as well departs from different elements of the GE and TGWA strategies in relation to the interdependence between trade and foreign policy, as well as level of dependence on and inclusion of investment, and concerns arising from civil service.

Interestingly, the TFA only entails limited references regarding its choice of trade defence measures, maintaining an overall commitment to the reliance on TDISs as a means of addressing trade distorting practices pursued by third countries, with the ultimately aim of trade liberalization. However, the overall TFA period, namely 2015-2019, have been marked by landmark legislation, amending EU TDIs, in a manner enabling EU companies to better cope with challenging circumstances in foreign markets, as well as increasing the level of protection available to the EU as a whole. Indeed, these developments reflect the worsening and increasingly uncertain global trade environment, with the TFA transforming EU trade and investment policy with a twofold input, namely far reaching liberalisation and a sharpening of TDIs to address a changing world.

7 Discussion: Assessing and explaining the trajectory of EU trade policy in the period 2006 – 2019

7.1 Introduction

The aim of the preceding analysis has been to provide with an informed account of the trajectory of EU trade policy across and beyond its three main strategy publications in the period 2006 – 2019, as well as to provide with an initial account of the different and dispersed drivers behind this development. In regards to the former, the aim of this section is to conceptualise the findings of the preceding analysis through the lens of an amended account of first, second and third order change borrowed from Hall's (1993) work, in order to depict whether and how EU trade policy has changed on aggregate across the 2006 GE, 2010 TGWA and 2015 TtA strategies. More specifically, the analysis will now undertake a high level discussion of the findings, aiming to identify whether these reflect a first, second or third order change in EU trade policy.

In line with Hall (1993) and the relevant application of his framework, first order change will here manifest itself in adjustments to the existing policy instruments of EU trade policy, with second order change relating to changes in the techniques and policies employed by the EU to achieve the objectives of its trade, and subsequently investment policy (Hall, 1993). Lastly, third order change will reflect changes in the goals pursued by EU trade policy, as well as changes in the nature of the different problems addressed by EU trade policy (Kroll & Blomberg, 2004). In doing so and approaching this in a chronological order, this section will also be able to generalise, aggregate and discuss its findings regarding the different drivers behind such developments, enabling the thesis to provide with a more structured and interdependent account of the drivers behind the trajectory of EU trade policy, inspired by the theoretical prepositions provided in the theoretical framework of this thesis.

7.2 Global Europe

By relying on Mortensen's focus on the aspect of *trade policy content*, the preceding analysis has - to begin with - been able to consistently and coherently investigate the overall trade policy orientation envisaged in the three different EU trade policies strategies. The findings of this analysis, as summarised also in the preceding sections, reveal a significant EU commitment to the liberalization of trade, services and investments, which spans across the three strategies, and resists the protectionist tendencies that have

emerged globally in recent years, as well as a varying commitment to the pursuit of foreign policy objectives. Nonetheless, the analysis has revealed differences along the ways, in which the pursuit of said liberalisation takes places across the three strategies. More specifically, compared to EU trade policy prior to 2006, the GE strategy introduces some significant changes in its pursuit of liberalization through the modification of its existing instruments along both trade promotion and trade defence. On the front of trade promotion, the GE introduces significant changes in its instruments by replacing multilateralism as the primary source of negotiations, and significantly expanding the content and reach of FTAs, as well as introducing a Renewed Market Access Strategy (European Commission, 2006, pp. 6-8). Similarly, on the front of trade defence, the GE strategy entails calls for a significant review and modification of EU TDIs, aiming to update the existing instruments at the disposal of the EU to better match the changing needs of and challenges for the EU and European firms abroad (European Commission, 2006, p. 11-12). As a result, the GE entails multiple and significant changes in the instruments employed by the EU to pursue its liberalization strategy abroad, with the significant reach and volume of these changes reflecting on aggregate an important second order change within EU trade policy.

As the preceding analysis has revealed, the second order change present in the GE strategy is largely driven by the combination of key factors, including external and internal drivers. More specifically, looking first at external drivers, the qualitative change in the EU's pursuit of FTAs has been identified as the result of the stalled Doha Development Round and WTO downturn in 2004, in combination with the 2005 renewed US Trade Policy Agenda and ensuing competition for bilateral liberalisation (Bartels, 2007; Bendini, 2015, p.5; Elsig, 2007; Evennet, 2007; Dee, 2015, pp. 52-53; Gstöhl, 2016, p.1; Heydon & Woolcock, 2009; Jara, 2006, p. 13; Koeth, n.d, p.2; Mastel, 2004, p.43). Similarly, the development of the Renewed Market Access Strategy is driven by a mix of external and internal drivers, namely the changing nature of trade barriers and shift of locus to emerging economies with poor IPR protection, and the subsequent impairing of the access and competitiveness of European firms in foreign markets (European Commission, 2008, pp.5-6; Jara, 2016, p.5; Schweinfurth, 2016, p. 56). Lastly, the review of the EU's TDIs is largely the result of external drivers, namely responding to unnecessarily high trade barriers put forth by emerging economies, as well as to the rise of GVCs, and the subsequent exposure of EU companies to TDIs originating from the EU due to their involvement in the trade of intermediate goods (European Commission, 2006; European Commission, 2016; Jara, 2016). Consequently, it becomes apparent that the GE strategy presents an interesting departure from preceding EU trade policies, attempting to navigate the external pressures arising from the WTO stalemate, structural changes in the world economy, such as the rise of emerging economies and their protectionist tendencies, as well as the

rise of GVCs and the complications and challenges that these entail for European firms and internally the EU as a whole.

7.3 Trade, Growth and World Affairs

Moving to the TGWA strategy, it is important to first highlight the relative continuity between the GE and TGWA strategy, in relation to the commitment to FTAs as drivers of liberalisation. Indeed, whilst the two strategies present increasing agreement over the centrality of FTAs as the instrument promoting liberalisation, it is interesting to note that the TGWA within trade promotion moves the focus of FTAs away from the regional approach envisioned in the GE strategy towards a great focus on bilateral FTAs, with a particular focus on the ASEAN countries, as well as on the US and Canada (European Commission, 2010). This presents an important first order change between the two trade policies. Additionally, the TGWA's focus on the US and Canada with the aim to promote both trade and investment liberalisation, as well as greater cooperation in the fields of IPR protection (European Commission, 2010; Gstöhl, 2016, p.2) constitutes an additional change within EU trade policy, through the introduction of new and concrete approaches for the achievement of its aspirations within the new trade agenda, thereby reflecting a concrete second order change. Within trade defence, the TGWA reiterates the importance of the reviewed TDIs, culminating in the development of a proposal for renewed anti-dumping and anti-subsidy measures, reflecting the TGWA's ambitions for further first order changes to EU trade policy (Vander Schueren, Mizulin & Gergondet, 2018).

Lastly, the TGWA's reliance on existing and the introduction of new techniques to achieve foreign policy objectives through the TGWA, as evident in the pursuit of DCFTAs, and the inclusion of GSPs and the EU's export control system for dual-use goods respectively (European Commission, 2010, p. 15; Gstöhl, 2016, p.2) constitute an additional theme within the TGWA and its trade promotion, and present high interest in the context of Hall's framework. More specifically, the respective instruments reflect a first and second order change respectively in EU trade policy, thereby departing starkly from the framework set forth in the GE strategy. In regards to the latter, it is particularly interesting to note here an initial EU interest in the pursuit of social and environmental standards in third countries through EU trade policy, hinting to a possible addition to the EU trade strategy's objectives (European Commission, 2010, p.15; Gstöhl, 2016, p.2).

The preceding section identifies a number of different changes within the TGWA strategy, on both a first, second and potentially third order of change. As a result, it becomes insightful at this point to provide an account of the different external and internal drivers behind these changes, in an attempt to better depict the interdependencies between and multiple influences impacting the development of the TGWA strategy.

To begin with, the TGWA's redirected focus towards the bilateral level in Asia, as well as the US and Canada is largely the result of key external and internal drivers. More specifically, the TGWA's bilateral focus on the ASEAN region is largely the result of an unsuccessful regional round launched in the GE strategy, compensated for by a new bilateral focus on Asia. This re-direction of focus is key and is largely due to the strategic prominence of Asia for European firms positioned in GVCs and dependent on access to imports from low cost sources in Asia (Eeckhardt & Poletti, 2016; Gstöhl, 2016).

Secondly, the TGWA's focus on the US and Canada is largely the result of the EU's increasing focus on new trade agenda issues, and in particular IPR protections, driven by the EU's focus on pursuing global regulatory convergence, in order to facilitate and enhance the –otherwise restricted- presence and competitiveness of European firms abroad, and in particular in emerging economies (European Commission, 2010, pp.3-6; Dee, 2015, p.55). This is also the key driver behind the TGWA's provisions for the review of TDIs, in order to better account for and enhance European competitiveness in the face of unfair and trade distorting practices globally, including in emerging economies (European Commission, 2010, p. 14). In relation to the pursuit of the DCFAs and social and environmental standards, this can largely be attributed to internal drivers and more concretely the provisions of the Lisbon Treaty, in relation also to the ENP objectives, obscuring the theoretical distinction between trade and foreign policy (Garcia-Duran, 2016, p.24; Gstöhl, 2013, p.18). All in all, it becomes apparent that – just like the GE- the TGWA strategy is impacted by a number of increasingly important external drivers, namely the rise of GVCs and the subsequent internal need for the repositioning and strengthening of EU firms, their access and competitiveness, as well as the institutional challenge presented by the emerging economies and in this case, the internal requirements for EU trade policy arising from changing EU legislation.

7.4 Trade for All

Moving to the TFA strategy, as well as subsequent developments in trade defence and investment, the analysis has revealed a number of important insights. More specifically, whilst the TFA shares the commitment of both the GE and TGWA strategies to trade liberalisation, it introduces a major and new threefold objective for EU trade policy, revolving around the interplay between transparency, values and effectiveness (European Commission, 2015). In doing so, it introduces an important qualitative change in and addition of a new objective to EU trade policy, reflecting in this way an addition equivalent to a third order change.

Secondly, the TFA additionally introduces new and concrete mechanisms for the pursuit of trade liberalisation and return to the WTO system, through amongst others the reconsideration of the single undertaking, balance between developed and emerging economies, as well as introduction of new mechanisms in bilateral FTAs and increasingly reliance on plurilateral agreements. (European Commission, 2015, p.28; Garcia-Duran, 2016, p.26; Gstöhl, 2016, p.3; de Laroussilhe, 2019, p.5). This constitutes a potential second order change, largely due to the focus on the reconsideration and the introduction of new, and fundamentally different instruments for the pursuit of the re-invigoration of the WTO system and multilateral trade governance. Furthermore, building on the TGWA's interest in investment, the TFA introduces important aspirations for qualitative changes in relation to Investment, which would require significant reforms of existing instruments, as well as the development of new instruments to realise the TFA's investment objectives, thereby enabling the realisation of a second order change. Turning to trade defence developments, it is important to note here that the TFA strategy in itself contains little information. Nonetheless, the TFA period is characterised by the EU's revised TDIs, reflecting both a first and second order change, as well as the new Investment Screening Mechanism, indicating an additional, important second order change.

The preceding analysis reveals that the TFA has entailed a number of first, second and potential third order changes for EU trade policy across the fields of trade liberalisation, investment and TDIs. To a large extent, these are driven by internal factors, namely the increasing EU calls for and criticism for lack of transparency and fairness, as well the incorporation of investment in the Treaty of Lisbon. Nonetheless, it is important to note here that the TFA has entailed major changes in terms of TDI and the Investment Screening Mechanism, driven to a large extent by the imposition of unfair trade practices from emerging economies, such as China, as well as the increasing Chinese investment in Europe in early 2015, under the Belt Road Initiative and the Made in China 2025 strategy.

8 Conclusion

The aim of this thesis has been to identify, assess and explain the trajectory of EU trade policy in the period between 2006 and 2019, across the 2006 GE, 2010 TGWA and 2015 TfA strategy. Building on the Mortensen's work along the fronts of trade policy content and diplomatic strategy, the thesis has carried out an in depth analysis of three trade strategies, organising the different findings on both the trajectory and its drivers across the five categories of Commitment to multilateralism and the WTO, Revised strategies and instruments, Review of TDIs, New trade agenda issues, as well as Relations with key trading partners. In doing so, the analysis has revealed an overall strong commitment of EU trade policy to trade liberalisation and beyond across the three strategies, with differences arising amongst the different strategies in the more operational elements of the strategy, including on the selected key trading partners, integration of foreign policy considerations in the pursuit of FTAs, as well as degree of focus on the new trade agenda, with an increasing parallel amongst the three categories. Additionally, the analysis has also taken an in-depth assessment of the aggressive, proactive and defensive, reactive elements of EU trade policy along the five themes across the three strategies, revealing varying degrees of responses to different internal and external developments facing the EU and the development of its EU trade policy.

On a more high level, the analysis has also relied on an amended version of Hall's first, second and third order change, as well as its theoretical propositions to provide with an assessment of change within EU trade policy, as well as a concrete account of the drivers behind it. Here, the analysis has revealed varying degrees of changes across the three strategies and other key developments, driven to a large extent by the rise of emerging economies and their use of high trade barriers, the predominance of GVCs and the subsequent challenges to European growth and competitiveness, the increasingly importance of the new trade agenda, as well as more recently the challenges posed by China along both the trade promotion and incoming FDI front.

Whilst outside the scope of this analysis, it becomes highly relevant to build on the findings of this thesis, and address the ways, in which the new Commission will manage its conflict pressures along trade promotion and trade defence, in the short and long term, in particular in relation to Brexit, the increasingly unilateral, protectionist approach of the Trump administration, the higher involvement of the European Parliament, as well as the stalemate of the WTO on both the multilateral and Dispute Settlement front.

9 Reference List

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10 Appendixes

Appendix A: Themed EU trade policy action, based on author's work with European Parliament (2019b)

A.1: Free Trade agreements

- 1999: MERCOSUR negotiating directive
- 2007: Negotiating directive for “ambitious and broad based FTA” with India
- 2007: Negotiating directive for ASEAN countries
- 2009 (March): Pause of ASEAN regional negotiations & instead pursuit of FTA negotiations bilaterally with
- 2009 (April): Negotiating directive for EU-Canada launched
- 2010: Bilateral negotiations between EU-Singapore launched (ASEAN focus)
- 2010: Bilateral negotiations between EU-Malaysia launched (ASEAN focus)
- 2010: Bilateral trade and investment negotiations with Singapore launched (ASEAN focus)
- 2012: Bilateral negotiations between EU-Vietnam launched (ASEAN focus)
- 2012: Completion of trade and investment negotiations with Singapore, excluding an agreement on Investment Protection (ASEAN focus)
- 2012: Negotiations with Malaysia put on hold after 7 rounds at the request of Malaysia
- 2012 (November): Negotiating directive for EU-Japan
- 2013 (March): Bilateral negotiations between EU-Thailand launched (ASEAN focus)
- 2013 (summer): Standstill in negotiations between the EU- India; with 12 formal rounds and technical meetings due to a mismatch in ambitions
- 2014: Negotiating directives for IPA with Myanmar; four rounds since, but no new date agreed on since 2017
- 2014: Pause of negotiations with Thailand after four rounds due to military takeover; EU has expressed interest in continuing discussions under a democratically elected government
- 2014: Finalisation of IP chapter on Agreement with Singapore (ASEAN focus)
- 2015: Completion of Trade and Investment negotiations with Vietnam; following CoJ EU opinion 2/15 separation of agreement to FTA and IPA, awaiting ratification in 2019
- 2016: Bilateral negotiations between EU-Philippines launched (ASEAN focus); after 2 rounds, no new date agreed on since 2017
- 2016: Bilateral negotiations between EU-Indonesia launched (ASEAN focus); negotiations continue in 2019

- 2016: Negotiating directive between EU-Mexico to update EU-Mexico Global Agreement
- 2017: Provisional entry into force of EU-Canada
- 2017: Amendment of IP chapter of EU-Singapore Agreement due to revised EU approach to investment protection and dispute resolution (ASEAN focus)
- 2017: Negotiating directive between EU-Chile; rounds in progress and ongoing
- 2017: CoJ opinion 2/15 results on separation of FTA and IPA with Singapore
- 2018: Launch of negotiations between EU-New Zealand
- 2018: Launch of FTA negotiations between th EU-Australia
- 2019 (February): EU-Japan Economic Partnership Agreement into force
- 2018: Agreement reached between EU-Mexico
- 2019 (April): Mandates for US Agreement on elimination of tariffs for industrial goods, and conformity assessment
- 2019 (June): Agreement reached on trade part between EU-MERCOSUR

4.2 Association Agreements (AA) overview

- 1995: EU-Tunisia AA signed
- 1996: EU-Morocco AA signed
- 1998: EU-Tunisia enters into force
- 2000: EU-Morocco AA enters into force
- 2009: Agreement on Dispute Settlement between EU-Tunisia signed
- 2011: Agreement on Dispute Settlement between EU-Tunisia enters into force
- 2011: Negotiating directives for EU-Tunisia DCFTA
- 2011: Negotiating directives for EU-Morocco DCFTA
- 2012: Revised AA between EU-Morocco, with dispute settlement provisions and further agreement on trade liberalisation within agricultural products
- 2013: Launch of negotiations for a Deep & Comprehensive Free Trade Area (DCFTA) between EU-Morocco; negotiations have been paused since 2014
- 2014: Council authorisation for one or more AAs with Andorra, Monaco, San Marino (ASM)
- 2015: Launch of negotiations for DCFTA between EU-Tunisia, with trade in services and agriculture becoming integrated in the DCFTA; process continues
- 2016: Launch of ASM negotiations

Appendix B: EU definitive anti-dumping measures in force on 31 March 2019 (European Commission, 2019c, pp. 20-24)

Cases	Country	Regulation
Acesulfame potassium	P.R. China	L 125, 21.05.2015, p. 15 L 287, 31.10.2015, p. 52
Aluminium foil	P.R. China	L332; 18.12.2015, p.63 Extension (circum.) L 40; 17.02.2017, p.51
Aluminium foil	Russia	L 175, 04.07.2015, p. 14 L 332; 18.12.2015, p.91
Aluminium foil (rolls of less than 10 kg)	P.R. China	L 251, 18.09.2012, p. 29 L 69, 13.03.2013, p. 11
Aluminium radiators	P.R. China	L 124, 11.05.2012, p. 17 L 310, 09.11.2012, p. 1
Aluminium road wheels	P.R. China	L 12; 15.01.2019, p.22 L 18; 24.01.2017, p.1
Ammonium nitrate	Russia	L 280, 24.09.2014, p. 19 L41; 18.02.2016, p.13
Aspartame	P.R. China	L 50; 26.02.2016, p.4 L 204; 29.07.2016, p.92
Barium carbonate	P.R. China	L 27; 28.01.2005, p.4 L189; 18.07.2005, p.15 L 250; 28.09.2017, p.34
Bicycles	P.R. China	Amendment ((partial) interim review) L 153, 05.06.2013, p. 17 Amendment L 47; 24.02.2017, p.13
Biodiesel	USA	L 239, 15.09.2015, p. 69 Amendment L 116; 30.04.2016, p.31
Bioethanol	USA	L 49, 22.02.2013, p. 10
Cast iron articles	P.R. China	L 211; 17.08.2017, p.14 L 25; 30.01.2018, p.6
Ceramic tableware and kitchenware	P.R. China	L 318, 15.11.2012, p. 28 L 131, 15.05.2013, p. 1 Amendment L 314; 30.11.2017, p.31
Ceramic tiles	P.R. China	Amendment ((partial) interim review) L 67, 12.03.2015, p. 23 L 307; 23.11.2017, p.25
certain corrosion resistant steels	P.R. China	L 207; 10.08.2017, p.1 L 34; 08.02.2018, p.16

Chamois leather	P.R. China	L 334, 06.12.2012, p. 31 L 50; 21.02.2019, p.5
Citric acid	P.R. China	L 15, 22.01.2015, p. 15
Citrus fruits	P.R. China	Reopening L 49, 22.02.2013, p. 29 L 354, 11.12.2014, p. 17
Coated fine paper	P.R. China	L 299; 16.11.2010, p.7 L 128; 06.05.2011, p.1 L 171; 04.07.2017, p.168
cold-rolled flat steel products	Russia	L 37; 12.02.2016, p.1 L 210; 04.08.2016, p.1
cold-rolled flat steel products	P.R. China	L 37; 12.02.2016, p.1 L 210; 04.08.2016, p.1
E-bicycles	P.R. China	L 181; 18.07.2018, p.7 L 16; 18.01.2019, p.108
Ferro-silicon	Russia	L 107, 10.04.2014, p. 13
Ferro-silicon	P.R. China	L 107, 10.04.2014, p. 13
Filament glass fibre products	P.R. China	L 243; 16.09.2010, p.40 L 67; 15.03.2011, p.1 L 107; 25.04.2017, p.4
Grain oriented flat-rolled products of silicon-electrical steel	USA	L 120, 13.05.2015, p. 10 L 284, 30.10.2015, p. 109
Grain oriented flat-rolled products of silicon-electrical steel	Russia	L 120, 13.05.2015, p. 10 L 284, 30.10.2015, p. 109
Grain oriented flat-rolled products of silicon-electrical steel	Korea (Rep. of)	L 120, 13.05.2015, p. 10 L 284, 30.10.2015, p. 109
Grain oriented flat-rolled products of silicon-electrical steel	Japan	L 120, 13.05.2015, p. 10 L 284, 30.10.2015, p. 109
Grain oriented flat-rolled products of silicon-electrical steel	P.R. China	L 120, 13.05.2015, p. 10 L 284, 30.10.2015, p. 109
Graphite electrode systems	India	L 64; 10.03.2017, p.46
Hand pallet trucks and their essential parts	P.R. China	Amendment ((partial) interim review) L 112, 24.04.2013, p. 1 Amendment (newcomer) L 265, 05.09.2014, p. 7 Extension (circum.) L 214; 09.08.2016, p.1
heavy plate of non-alloy or other alloy steel	P.R. China	L 50; 28.02.2017, p.18
High fatigue performance steel concrete reinforcement bars	P.R. China	L 23; 29.01.2016, p.16 L 204; 29.07.2016, p.70
hot-rolled flat products of iron, non-alloy or other alloy steel	Ukraine	L 258; 06.10.2017, p.24
hot-rolled flat products of iron, non-alloy or other alloy steel	Russia	L 258; 06.10.2017, p.24

hot-rolled flat products of iron, non-alloy or other alloy steel	Iran	L 258; 06.10.2017, p.24
hot-rolled flat products of iron, non-alloy or other alloy steel	Brazil	L 258; 06.10.2017, p.24
hot-rolled flat products of iron, non-alloy or other alloy steel	P.R. China	L 272; 07.10.2016, p.33 L 92; 06.04.2017, p.68
Ironing boards	P.R. China	L 338; 20.12.2010, p.22
Ironing boards	P.R. China	Reopening L 297, 26.10.2012, p. 5 L 198, 23.07.2013, p. 1
Lever arch mechanisms	P.R. China	L 238, 04.09.2012, p.5 L 279; 09.11.2018, p.17
Melamine	P.R. China	L 298; 15.11.2010, p.10 L 124; 10.05.2011, p.2 L 170; 01.07.2017, p.62
Molybdenum wires	P.R. China	Extension (circum.) L 243, 12.09.2013, P. 2 Extension (circum.) L 284, 30.10.2015, p. 100 L 170; 19.06.2016, p.19
Monosodium glutamate	P.R. China	L 15, 22.01.2015, p. 31
Monosodium glutamate	Indonesia	L 246, 21.08.2014, p. 1 L 15, 22.01.2015, p. 54
New and retreaded tyres for buses or lorries	P.R. China	L 116; 07.05.2018, p.8 L 263; 22.10.2018, p.3
Okoumé plywood	P.R. China	L 181; 17.05.2004, p.5 L 336; 02.11.2004, p.4 L 92; 06.04.2017, p.48
Open mesh fabrics of glass fibres	P.R. China	L 204; 09.08.2011, p.1 Expiry review L 288; 07.11.2017, p.4
Organic coated steel	P.R. China	L 252, 19.09.2012, p. 33 L 73, 15.03.2013, p. 1
Oxalic acid	P.R. China	L 106, 18.04.2012, p. 1 L 321; 29.11.2016, p.48 L 165; 02.07.2018, p.13
Oxalic acid	India	L 106, 18.04.2012, p. 1 L 165; 02.07.2018, p.13
Peroxosulphates	P.R. China	L 338, 17.12.2013, p. 11
Polyester high tenacity filament yarn	P.R. China	L 49; 25.02.2017, p.6
PSC wires and strands	P.R. China	Amendment ((partial) interim review) L 297, 26.10.2012, p.1 L 139, 05.06.2015, p. 12
Rebars	Belarus	L 345; 20.12.2016; p.4 L 155; 17.06.2017, p.6
Ringbinder mechanisms	P.R. China	L 122; 12.05.2016, p.1
Seamless pipes and tubes of iron or steel	Ukraine	L 174, 04.07.2012, p. 5 Amendment ((partial) interim review) L 238, 04.09.2012, p. 1
Seamless pipes and tubes of iron or steel	Russia	L 174, 04.07.2012, p. 5 L 357, 28.12.2012, p. 1
Seamless pipes and tubes of iron or steel	P.R. China	L 322, 08.12.2015, p. 21
Seamless pipes and tubes of stainless steel	P.R. China	L 169; 27.06.2011, p.1 L 336; 14.12.2011, p.6 L 63, 06.03.2018, p. 15
Seamless pipes, of iron or steel, external diameter exceeding 406.4 mm	P.R. China	L 305; 12.11.2016, p.1 L 121; 12.05.2017, p.3
Silicon metal (silicon)	P.R. China	L 179; 05.07.2016, p.1
Sodium cyclamate	P.R. China	L 192; 16.07.2016, p.23
Sodium cyclamate	P.R. China	Amendment ((partial) interim review) L 124, 11.05.2012, p. 1 L 192; 16.07.2016, p.49
Sodium cyclamate	Indonesia	L 192; 16.07.2016, p.49
Sodium gluconate	P.R. China	L 16; 20.01.2017, p.3
Solar glass	P.R. China	L 316, 27.11.2013, p. 8 L 142, 14.05.2014, p. 1 Amendment L 98, 15.04.2015, p. 6 Amendment (absorption reinvestigation) L 215, 14.08.2015, p. 42
Stainless steel cold-rolled flat products	Taiwan	L 79, 25.3.15, p. 23 L 224, 27.08.2015, p. 10
Stainless steel cold-rolled flat products	P.R. China	L 79, 25.3.15, p. 23 L 224, 27.08.2015, p. 10
Stainless steel tube and pipe butt-welding fittings	Taiwan	L 22; 27.01.2017, p.14
Stainless steel tube and pipe butt-welding fittings	P.R. China	L 22; 27.01.2017, p.14
Steel ropes and cables	P.R. China	L36, 09.02.2012; p. 1 L 101; 20.04.2018, p.40
Sulphanilic acid	P.R. China	L 363, 18.02.2014, p. 82
Sweet corn (prepared or preserved in kernels)	Thailand	L 244, 13.09.2013, p. 1 Amendment ((partial) interim review) L 91, 27.03.2014, p. 1

		Amendment ((partial) interim review) L 108, 20.04.2012, p. 1 L 110, 24.04.2012, p. 3 Amendment ((partial) interim review) L 182, 13.07.2012, p. 1 L 164; 29.06.2018, p.14
Tartaric Acid	P.R. China	
Thermal paper	Korea (Rep. of)	L 310; 17.11.2016, p.1 L 114; 03.05.2017, p.3
Threaded tube or pipe cast fittings of malleable cast iron	Thailand	L 318, 15.11.2012, p. 10 L 129, 14.05.2013, p. 1
Threaded tube or pipe cast fittings of malleable cast iron	P.R. China	L 318, 15.11.2012, p. 10 L 129, 14.05.2013, p. 1
Trichloroisocyanuric acid (TCCA)	P.R. China	Amendment (newcomer) L 157, 27.05.2014, p. 80 L 319; 05.12.2017, p.10
Tube and pipe fitting, of iron or steel	Turkey	L 203, 31.07.2012, p. 37 L 27, 29.01.2013, p. 1
Tube and pipe fitting, of iron or steel	Russia	L 203, 31.07.2012, p. 37 L 27, 29.01.2013, p. 1
Tube and pipe fitting, of iron or steel	P.R. China	L 282, 28.10.2015, p. 14
Tube and pipe fitting, of iron or steel	Malaysia	L 347, 03.12.2014, p. 17 Amendment ((partial) interim review) L58; 04.03.2016, p.38
Tube and pipe fitting, of iron or steel	Korea (Rep. of)	L 347, 03.12.2014, p. 17 Amendment ((partial) interim review) L58; 04.03.2016, p.38
Tubes and pipes of ductile cast iron	India	L 244, 19.09.2015, p. 25 L 73; 18.03.2016, p.53
Tungsten carbide and fused tungsten carbide	P.R. China	Initiation C 322; 15.12.1988, p.7 L 395; 31.12.2004, p.56 L 78; 24.03.2011, p.1 L 142; 02.06.2017, p.53
Tungsten electrodes	P.R. China	L 150, 04.06.2013, p. 1
Welded tubes and pipes of iron or non-alloy steel	Russia	L 20, 27.01.2015, p. 6
Welded tubes and pipes of iron or non-alloy steel	P.R. China	L 20, 27.01.2015, p. 6
Welded tubes and pipes of iron or non-alloy steel	Belarus	L 20, 27.01.2015, p. 6
Wire rod	P.R. China	L 268, 15.10.2015, p. 9

Appendix C: EU definitive anti-subsidy measures in force on 31 March 2019 (European Commission, 2019c, p. 25)

Cases	Country	Regulation
Biodiesel	USA	L 239, 15.09.2015, p. 99 Amendment L 116; 30.04.2016, p.27
Biodiesel	Argentina	L 40; 12.02.2019, p.71
Coated fine paper	P.R. China	L 128; 06.05.2011, p.18 L 171; 04.07.2017, p.134
E-bicycles	P.R. China	L 16; 18.01.2019, p.5
Filament glass fibre products	P.R. China	L 367, 23.12.2014, p. 22
Graphite electrode systems	India	L 64; 10.03.2017, p.10
hot-rolled flat products of iron, non-alloy or other alloy steel	P.R. China	L 146; 09.06.2017, p.17
New and retreaded tyres for buses or lorries	P.R. China	L 283; 12.11.2018, p.1
Organic coated steel	P.R. China	L 73, 15.03.2013, p. 16
Polyethylene terephthalate (PET)	India	L 208, 05.08.2015, p. 10
Rainbow trout	Turkey	L 319, 06.11.2014, p. 1 L 56, 27.02.2015, p. 12
Solar glass	P.R. China	L 142, 14.05.2014, p. 23
Stainless steel bars	India	Amendment ((partial) interim review) L 202, 27.07.2013, p. 2 L 165; 28.06.2017, p.2
Tubes and pipes of ductile cast iron	India	L 73; 18.03.2016, p.1