

*How to cite?*

De Ville, Ferdi & Jan Orbie (2011): 'The European Union's Trade Policy Response to the Crisis: Paradigm lost or reinforced?', *European Integration online Papers (EIoP)*, Vol. 15, Article 2, <http://eiop.or.at/eiop/texte/2011-002a.htm>.

---

DOI: 10.1695/2011002

## **The European Union's Trade Policy Response to the Crisis: Paradigm lost or reinforced?**

*Ferdi De Ville*, Ghent University, Department of Political Science, Centre for EU Studies and Flemish Centre for International Policy

*Jan Orbie*, Ghent University, Department of Political Science, Centre for EU Studies

**Abstract:** This paper critically examines the European Union's (EU) trade policy response to the global financial and economic crisis. Contrary to what would be expected, we find that the EU's neoliberal trade paradigm, as frankly presented in the 2006 Global Europe strategy, has not been delegitimized. The neoliberal (dis-)course has even been reinforced. First, we theorize on the conditions for paradigmatic change and the importance of framing in the delegitimization phase. Second, we analyze the Commission's framing of the crisis, amounting to (i) a downplaying of the nature of the crisis to a crisis in the financial subsystem of global capitalism; (ii) an emphasis on the danger of protectionism that would worsen the crisis and lead to a 1930s "Great Depression" scenario; and (iii) advocacy for further trade liberalization as a contribution to European and global recovery. Third, we show that this has been translated in practice such as through the limited use of anti-dumping measures and ever more ambitious trade agreements as with Korea. Finally, we explain why the crisis has not led to a delegitimization of the existing trade paradigm, pointing to the absence of a workable alternative paradigm, the role of European social democratic parties and the labour movement, and the interests of transnational business.

**Keywords:** political science, trade policy, international trade, European social model, social democracy, trade unions, European Commission, protectionism, liberalization, globalization, discourse

## Table of Contents

Introduction .....	2
1. Economic crises, paradigmatic change, and framing strategies.....	5
2. Framing the crisis: trade as part of the solution, not the problem.....	9
3. Reality check: Anti-dumping practices and the FTA with South Korea.....	12
4. Explaining the persistent preference for free trade: absence of contestation, business support and link with internal market.....	15
Conclusions .....	18
References .....	18

## List of Tables

Table 1: EU anti-dumping and anti-subsidies measures (1992-2008) .....	22
--	----

## Introduction

There is a widespread consensus that the global financial and economic crisis (hereafter “crisis”) constitutes the heaviest global economic shock since the Great Depression (e.g. IMF 2008: 4)<sup>1</sup>. A common assumption in political science reads that major economic crises can lead to paradigmatic change, whereby the legitimacy of the existing order is being questioned and a new paradigm is introduced (e.g. Hall 1993). In this article we focus on the question if the recent crisis has given rise to a paradigmatic change on the trade front. In our examination of this question, we focus specifically on the European Union’s (EU) trade policy response to the crisis. The EU is the world’s largest and most integrated trading bloc. Therefore, EU decisions on the liberalization and protection of trade flows affect the lives of millions of people within and outside Europe. Although the EU has long been denounced as a protectionist actor, especially in agriculture, over the past fifteen years it has embraced a free trade agenda. This stance in trade matters can now even unequivocally be labelled neoliberal since the 2006 Global Europe strategy (2006a). Thus, two questions are central to this article:

---

<sup>1</sup> The authors thank Angela Wigger for the invaluable feedback on earlier versions, Henk Overbeek, Hubert Buch-Hansen and the other attendants of the panel ‘Political Answers to the Global Economic Crisis: Reaching the Political Limits of Neoliberalism?’ at the SGIR 7th Pan-European Conference, Stockholm, 9-11 September 2010 as well as two anonymous referees for extremely valuable comments. Needless to say, all errors remain the sole responsibility of the authors.

has the crisis paved the way for a different (more protectionist?) trade policy (dis-)course of the EU?; and why has such a paradigmatic change (not) occurred?

In order to develop our research puzzle, it should first be clarified why a paradigm shift in trade policy could be expected following a major financial and economic crisis. We believe that at least four factors legitimize such expectation. *First*, a protectionist turn in trade policy, including EU trade policy, had been anticipated by many observers and policy-makers in the wake of the crisis. Indeed, fears that the crisis would lead to a delegitimization of the neoliberal trade system and a resurgence of protectionist sentiments were widely present among policy-makers at the highest levels<sup>2</sup> as well as opinion makers<sup>3</sup> after the outbreak of the credit crisis in the United States (US). The dominant perception (or fear) since 2008 has been that the crisis would provoke a protectionist surge, especially during the height of the crisis at the end of 2008 and the beginning of 2009. As WTO Director General Lamy warned at the end of September 2008: '[a]s tempting as it is in moments of crises to give our producers comfort that we are shielding them from competition by shutting our borders to imported goods or services, this course of action must not be pursued'. As we will show infra, this expectation was also widely held in EU policy circles. *Second*, fuelling the expectations discussed in factor one, the two most severe economic crises of the 20<sup>th</sup> century, the 1930s "Great Depression" and the stagflation crises of the 1970s did entail trade (as part of wider economic policy) paradigm shifts, respectively from classical liberalism and mercantilism to embedded liberalism and from embedded liberalism to neoliberalism. The current crisis has been particularly compared over and over to the Great Depression. *Thirdly*, political economy models predict changes in trade policy, preferences and paradigms during and following a severe economic crisis. As the crisis drives firms out of business, especially in vulnerable and well-organized sectors as the automobile sector, and leads to redundancies, concentrated interests are expected to advocate protection. Moreover, the spill-over of the financial-economic crisis into a sovereign debt crisis, and thus fiscal and social crisis, implies that also other vulnerable groups as unemployed people and public sector workers are hurt. As fiscal stimulus measures have become more difficult in times of budgetary austerity (and for members of the euro area, expansionary monetary policies have become impossible), political actors are supposed to turn to protectionist steps to protect or generate employment. As Rodrik concludes '[p]rotectionism normally thrives in times of economic peril' (Rodrik

---

<sup>2</sup> For example: Lamy, P., "First Things First", Keynote Address by Mr. Pascal Lamy to the WTO Public Forum 2008 – Trading Into the Future – 24 September 2008; Lamy, P., 'Keeping Trade Open: Resisting Isolationism', Seoul, Korea, 23 February 2009. For examples within the EU, see the quotes in section three. While there was some uncertainty about Obama's trade policy stance when he was President-elect and in the first months of his term, Obama has spoken out consistently against protectionism since March 2009, thereto first spurred by the then British Prime Minister Brown, see Ward, A. & Dombey, D., 'Obama Backs UK on Crisis Co-ordination', *FT.Com*, published: 3 March 2009. Similar warnings against protectionism from other political leaders at the time can be found. In the Summit Declaration of the first G-20 meeting on 15 November 2008 in Washington the world leaders underscored 'the critical importance of rejecting protectionism' (G-20 2008: 4).

<sup>3</sup> For example: Wolf, M., 'Financial Crisis Tests Durability of Globalisation', *Financial Times*, 9 October 2008; Beattie, A., 'Trade: Protectionists Bark but Fail to Bite – So Far', *FT.com*, published: 7 November 2008; and Altman, R.C., 'Globalization in Retreat', *Foreign Affairs*, July/August 2009.

2009). Finally, some observers recognize that '[t]he financial meltdown that spawned the Great Recession [i.e. the current crisis] was rooted in the record global current account imbalances that emerged over the last decade. These imbalances were, in part, a product of trade policies that served the world well for years' (Stokes 2010: 101). The reasoning here is that the US trade deficit and the equivalent flow back of cheap money from surplus countries provided the 'fuel' for the credit crisis, a conclusion that has also been recognized by Federal Reserve Chairman Bernanke<sup>4</sup>. This recognition of the role of open (and imbalanced) trade in the recent crisis may further contribute to (pleas for) trade paradigmatic change.

However, we come to the conclusion that paradigmatic departure of EU trade policy has not materialized. What is more, the European Commission (hereafter 'Commission') has advocated further free trade agreements (FTAs) as a contribution to European and global recovery. More trade liberalization is considered to be part of the solution, not of the problem. The EU has continued to staunchly defend its neoliberal trade paradigm and has even reinforced its liberalization agenda. This becomes clear not only from a discourse analysis of the EU's trade policy response to the crisis, but also from an examination of EU anti-dumping policies and of new trade agreements such as the EU-South Korea FTA. The main explanations for these findings are that an alternative trade paradigm is not available, not even among the European left political parties and the labour movement, and that transnational business support for free trade is still dominant in the EU.

This article is organized as follows. The first section will address the theoretical background of this research by summarizing the literature on the conditions for paradigmatic change, emphasizing the importance of framing strategies in the (de)legitimization of existing paradigms, and explaining the important role of the Commission in the context of EU trade policies. Also the EU's pre-crisis trade paradigm is presented as the bench-mark for our analysis. Section two subsequently analyses the extent to which this paradigm has been altered since the crisis, by studying the discourse of subsequent EU Trade Commissioners. It shows that the Commission has defended the neoliberal approach by framing the crisis as a crisis in the financial subsystem of global capitalism and by emphasizing the danger of protectionism that would worsen the crisis and lead to a 1930s "Great Depression" scenario. Moreover, further trade liberalization has been proposed as a contribution to European and global recovery. Section three will show that this discourse has been translated into EU trade policy practice: there are no signs of increased anti-dumping measures and the EU continues to conclude and negotiate ever more ambitious trade arrangements. Section four will propose a number of explanations for these findings. Section five summarizes our main findings and offers some suggestions for further research.

---

<sup>4</sup> See Andrews, E.L. 'Asia Said to Be Leading the Globe Out of Crisis', *NYTimes.com*, published: 19 October 2009.

## 1. Economic crises, paradigmatic change, and framing strategies

The theoretical angle of this article is that an economic crisis provides a unique momentum for paradigmatic change. We follow Hall's definition of a paradigm as 'a framework of ideas and standards that specifies not only the goals of policy and the kind of instruments that can be used to attain them, but also the very nature of the problems they are meant to be addressing' (1993: 279). Political scientists have elaborated on the process of paradigm shifts. Based on a brief review of authoritative studies, we identify four conditions for paradigmatic change: (1) the occurrence of a major event (a crisis) that gives rise to policy failures that are anomalous in terms of the prevailing policy paradigm (cf. Hall 1993: 285-291); (2) while such a crisis provides a window of opportunity for paradigmatic contestation, a causal link between the paradigm and the crisis should be attributed by political entrepreneurs, thereby actively delegitimizing the existent paradigm (cf. Goldstein 1993: 13-14;); (3) when the existing paradigm has been delegitimized following a crisis, an alternative paradigm should be available to replace the delegitimized one (cf. Hall 1993: 286; Goldstein 1993: 14); and, finally, (4) this alternative should be supported by powerful interests that have the means to replace the present paradigm at the centre of government (cf. Oliver and Pemberton 2004: 417).

Empirical support for this framework is convincingly provided by two major paradigm changes in the 20<sup>th</sup> century (cf. Blyth 2002: 4-7). The post-War economic order was established: (1) following the economic crisis as a result of the Crash of Wall Street of 1929 and the Great Depression of the 1930s; (2) which challenged the legitimacy of unregulated international capital markets (classical liberalism) as well as beggar-thy-neighbour protectionist policies (trade mercantilism); (3) proposing instead an international order of 'embedded liberalism' at home and abroad based on the ideas developed by John Maynard Keynes; (4) Keynesianism was supported by dominant interest groups in the United States and in Europe. Similarly, these conditions reflect the fall of Keynesianism and the neoliberal ascendancy in the 1970s well: (1) the economic crisis (stagflation) following the oil crises and the collapse of Bretton Woods in the industrialized countries provided a window of opportunity to contest post-war Keynesianism; (2) economists, transnational business elites, and (first reluctantly) politicians increasingly discredited the existing paradigm of embedded liberalism as being 'part of the problem' rather than 'part of the solution'; (3) the Chicago School, under the leadership of Milton Friedman, had been advocating neoliberal recipes for years, but until the crises of the 1970s was talking to a brick wall; and (4) the new paradigm of the Chicago school was taken up by the Republican Party in the United States and the Conservatives in the UK and enthusiastically supported by transnational capital.

For the purpose of this article, the model of paradigmatic change is not considered as a theory that needs to be tested, but rather as a heuristic tool which contributes to solving the main research question on the EU's response to the current crisis. Following commentators from diverse backgrounds (see introduction), we assume that the first condition has been met, since the global financial and economic crisis is widely considered to be the heaviest global economic shock since the Great Depression (e.g. IMF 2008: 4). We then go on to analyse if

this has led to a delegitimization (second condition) of the prevalent trade paradigm within the EU. In order to address this question, we will examine the Commission's discourse on the role of trade in the context of the crisis. More specifically, the framing strategies used by the Commission between 2008 and 2010 will be studied. Indeed, the extent to which new and complex events, such as a major crisis, are framed within or against the existing paradigm tells us something about the robustness or weakness of the latter.

The theoretical literature on framing emphasizes that frames help to understand complex realities and also guide us to act on it. Framing is traditionally understood as 'a way of selecting, organizing, interpreting, and making sense of a complex reality to provide guideposts for knowing, analyzing, persuading, and acting. A frame is a perspective from which an amorphous, ill-defined, problematic situation can be made sense of and acted on' (Rein and Schön 1993: 146). The framing process can be broken down into three categories: *diagnostic* framing, whereby the sources and nature of a problem are defined and causality, blame or culpability are attributed; *prognostic* framing, whereby a solution and strategy to solve the perceived problem is proposed; and *motivational* framing, whereby a "call to arms" is spread to *act* on the diagnosed problem in line with the proposed solution (Benford and Snow 2000: 615-7). In contrast with much of the sociological literature which emphasizes the progressive potential of framing by social movements, we focus on the conservative framing strategies used by policy-makers and their ramifications for power relations (cf. Daviter 2007: 656-7). If a complex reality has been successfully framed conservatively, leading to a consensus view, this does not foreclose the existence of differences of opinion. The important consequence is that if a particular group of actors has successfully framed an event within the prevailing frame, differences of opinion will be limited to "policy disagreements" (within a frame) and not amount to "policy controversies" (across frames) (Rein and Schön 1994: 151).

We will analyze the framing strategies used by the Commissioners responsible for trade relations. While the member states retain substantial collective control over EU trade policy through the Council, it is the Commission that has the right to propose negotiations on trade agreements, that is the single voice of the EU during negotiations, and that communicates on the EU's general trade policy direction. On the other hand, the Commission's autonomy cannot be stretched too far because the member states (the 'principals') have various possibilities to monitor and sanction their 'agent' (cf. Kerremans 2004). From this perspective, it is not surprising that the Commission's neoliberal trade paradigm as outlined in the Global Europe document, which is central to our analysis, has not been contested by EU member states (see Meunier 2007). Thus, an analysis of the Commission's trade policy response to the crisis provides a relevant insight into the broader preferences within the EU. However, we will also consider alternative voices from the member states and socio-economic groups when this is relevant.

We will also partly depart from the actor-centred, instrumental definition of framing as a 'conscious strategic' act by actors who purposefully select, organize and interpret the causes and consequences of a complex situation to legitimate a specific solution and course of (re)action (McAdam et al. 1996: 6). From a critical social constructivist ontology, we rather assume that although there is some room for actors to engage in strategic framing, these actors

are also influenced by a structural context in which ideas and interests are embedded. In other words, the Commission cannot only be seen as an actor who pursues specific trade interests and ideas, but also as a structure of hegemonic ideas and interests on trade relations in Europe. In line with this ontological perspective, we do not attribute a direct causality between the Commission's framing activities and the dominant trade policy paradigm in Europe. However, a framing analysis can be useful to gain a deeper understanding of the second condition of paradigmatic shifts.

Specifically, this means that the (de)legitimization of the existing paradigm (condition two) cannot be considered as an autonomous finding, nor can it be explained completely by the framing of the crisis by the Commission. The latter should be embedded in both underlying ideas (e.g. the availability of counter-hegemonic ideas, see condition three) and interests (e.g. transnational capital and organized labour, see condition four). Condition three and four will be considered in a separate section. Mainstream EU integration studies have excessively focused on institutional and competence issues of EU trade politics, mainly addressing the relationship between the Commission and the member states from a rational choice institutionalist perspective (e.g. Meunier and Nicolaïdis 1999; Young 2002; Kerremans 2004; De Bièvre and Dür 2005). The constitutive rationale of EU trade policy and its underlying material and ideational structure have traditionally been neglected in the mainstream literature. Likewise, the critical political economy literature has been surprisingly indifferent towards EU trade policy. Most of its limited attention has gone to EU trade policy towards developing countries (e.g. Hurt 2003; Storey 2006; Langan 2009). While this is of course very important, it is puzzling that so little interest is being given to the rationale behind the EU's trade policies and its underlying interest structure and to trade relations with industrialized countries or emerging economies, in particular because the neoliberal inclination of EU trade policy contributes to pressurizing European social and fiscal policies. This article hopes to contribute to filling this lacuna.

Before analysing the EU's discursive and practical trade response to the crisis, we briefly discuss the EU's pre-crisis trade paradigm. A new EU trade strategy had been presented in 2006 by then Trade Commissioner Peter Mandelson in the Commission communication "Global Europe" (European Commission 2006a). The rationale behind this policy review was the need for an external component to the internal Lisbon Agenda in the era of globalization and in the context of the stalled Doha Round. Trade policy should stimulate growth and job creation in the EU by contributing to Europe's competitiveness. In the view of the Commission, this European competitiveness in the current era of globalization is dependent on a mix of the right internal and external policies. This means 'rejection of protectionism at home must be accompanied by activism in creating open markets and fair conditions for trade abroad' (European Commission 2006a: 6). The Global Europe paradigm thus has some clear mercantilist elements by emphasizing that economic interests abroad should be pursued more actively than before. But this external mercantilist disposition does not mean that the EU is taking a protectionist line internally. On the contrary, the central premise of the new EU trade policy strategy is undeniably that international competition is good for Europe. Because of the emphasis on opening markets in order to stimulate competitiveness within the EU, even if this

hurts vulnerable European industries, some suggest that the Commission follows a “proactive Schumpeterian approach” (Adriaensen and Kerremans 2010). Others have gone on to comment that the real rationale behind Global Europe is to discipline reform-averse EU member states into accelerating the ‘necessary’ process of structural reform contained in the Lisbon Agenda (Hay 2007: 32). We contend that the new strategy is in any case neoliberal in its belief in and absolute prioritization of efficiency gains arising from trade liberalization.

This neoliberal approach to EU trade policies did not come out of the blue. Rather, the 2006 Global Europe document represents the constitutionalization and frank admission of a strategy change that had started halfway the 1990s. This shift coincided with the ascendancy of a transnational capitalist class elite in Europe in the first half of the 1990s, that was itself spurred by structural changes in the European and world economy and European governance (cf. Van Apeldoorn 2000). While the EU had traditionally been a rather protectionist trade actor that mainly focused on its former colonies and near neighbourhood, it started to engage in a more global and free trade oriented approach (Smith and Woolcock 1999). In 1996, the then Trade Commissioner Sir Leon Brittan proposed a new “market access strategy”, which emphasized the benefits of further trade liberalization and competition for both European companies and citizens (European Commission 1996). By the end of the 1990s, the image of a “Fortress Europe” in trade had become more of a myth than a reality. Despite continuing instances of protectionism, most importantly in agriculture and textiles and clothing, the EU had enthusiastically embraced bilateral and multilateral free trade (e.g. Hanson 1998; Young 2004). To be sure, the EU’s trade policy discourse also emphasizes the need to take social, environmental and developmental factors into account. The idea of ‘harnessing globalization’ became the favourite motto of Trade Commissioner Pascal Lamy (1999-2004). However, in line with the dominance of Third Way politics at the time, this trade policy discourse was still very much inspired by the neoliberal paradigm, giving priority to free trade liberalization, economic competitiveness, and supply-side measures to deal with ensuing negative consequences. While thus in essence largely a continuation and concretization of a free trade orthodoxy established in the mid-1990s, Global Europe’s “competitiveness” discourse is more openly neoliberal than Lamy’s “harnessing globalization” slogan<sup>5</sup>. Interestingly, a similar evolution took place in internal market integration: with the relaunch of the Lisbon strategy in 2005, under the Orwellian label “Growth and Jobs Strategy”, the EU explicitly prioritized competitiveness over social cohesion and environmental sustainability and further downscaled ‘even Lisbon’s *discursive* commitment to embeddedness’ (van Apeldoorn 2009: 32, emphasis added). Also the latest EU trade strategy, introduced by Trade Commissioner De Gucht, is presented as a “Core Component of the EU’s 2020 Strategy” (European Commission 2010a). It sticks to the rationale of “Global Europe”, that open trade at home and abroad is the way for trade policy to contribute to the internal EU objectives of smart, inclusive and sustainable growth.

---

<sup>5</sup> For a discussion on whether Global Europe constitutes a continuation or a shift from the harnessing globalization discourse, see Meunier 2007.

## 2. Framing the crisis: trade as part of the solution, not the problem

Would the Commission hold onto its view that ‘European economic openness is vital for creating jobs and growth in Europe and for our international competitiveness’ (European Commission 2006a: 5), following a crisis that started in the United States but quickly spilled over to the rest of the world –not least to Europe– thereby showcasing the vulnerability of hyper-interdependent economic globalization? How has the crisis been framed by the Commission and why has it been framed in that way?; and what is the role of trade in the Commission’s diagnosis, prognosis, and suggested (re-)action? In order to examine these questions, we have systematically analyzed the EU Trade Commissioners’ speeches and interviews since the crisis until present<sup>6</sup>. We argue that the Commission has successfully framed the diagnosis of the crisis as a crisis in the *financial* sub-domain of the globalized capitalist system. Culpability has been attributed to a lack of financial regulation, to irresponsible behaviour of investment bankers and failure of oversight institutions. In this way, the origin of the crisis has been narrowed down to the financial subsystem and even to individuals within this sub-domain. As a consequence, the global capitalist system is kept out of range (Jessop 2009). The Commission’s framing strategy has not only shielded the trade sub-sphere from a verdict of guilty, but it also argued consistently that any challenge to the open trading system would further worsen the crisis. In defending the crucial importance of trade openness, the Commission continuously referred to the dramatic consequences of the “protectionist backlash” of the 1930s. In this context, “protectionism” and “nationalism” are presented as two sides of the same coin, confirming the common sense interpretation of the Great Depression of the 1930s, and suggesting that this was one of the major causes of World War II. When the worldwide consequences of the crisis started to materialize, the Commission shifted into higher gear and started with prognostic framing, whereby more trade liberalization was presented as a solution for the European and global economic recession, a non-inflationary contribution to European and global recovery. In line with its diagnosis and the fear of repeating the mistakes of the 1930s, the Commission made resistance against protectionism and promotion of free trade cornerstones of its proposed solution to the crisis, and early economic recovery in 2009-10 was attributed to this strategy. At the same time, it was emphasized that free trade is part of the “European social model”. Finally, some concrete actions to implement this strategy were proposed: increased commitments to finalize the ongoing Doha Round of trade liberalization, accelerating the bilateral trade negotiations with Latin America and Asia, and concluding and starting FTAs with industrialized countries.

---

<sup>6</sup> Twenty public speeches since 1 January 2008 by successive Trade Commissioners Peter Mandelson, Catherine Ashton and Karel De Gucht until June 2010 have been analyzed. In addition, numerous written and oral declarations related to the crisis by them before the European Parliament have been taken into account. All speeches and declarations are on file with the authors.

### **The diagnosis: trade liberalisation is not to blame but to be sheltered**

There are two messages that always stood together in the Commission's framing of the crisis. First, that the crisis has not been caused by trade liberalization and, second, that those who make such claims are irresponsibly willing to risk pushing the recession into a new Great Depression through the mechanism of beggar-thy-neighbour protectionism.

Commissioner for Trade Peter Mandelson was quick to warn against a 'popular backlash against the openness that underpins our prosperity' when the credit crisis was aggravating in the US in February 2008<sup>7</sup>. He repeated his message more strongly shortly after the collapse of Lehman Brothers, warning that '[t]here will be some who will blame this financial crisis on globalisation itself. Or who will want to use it as a pretext for economic nationalism, or protectionism'<sup>8</sup>. The Trade Commissioner provided a different diagnosis of the crisis and consequently proposed different solutions: '[p]recisely because irresponsible risk-taking has been able to destroy so much value on global markets, and knock public confidence, this is the moment when we need to be reasserting the value of financial globalisation'<sup>9</sup>.

This message could not be repeated enough. Also Mandelson's successor Baroness Catherine Ashton warned that '[a] protectionist backlash [...] could potentially worsen this downturn. In a worst case scenario where WTO [World Trade Organization] members raise tariffs to the maximum levels currently allowed by the WTO, estimates see a loss in global income of more than EUR 200 billion'<sup>10</sup>. So does Karel De Gucht who replaced Ashton when she became High Representative. He argued that trade has to be seen not as a culprit of the crisis but rather as a high-ranking casualty: '[...] look at the recent economic crisis resulting from the financial imbalances and you will see that as soon as trade halts you get into very difficult economic problems as well'<sup>11</sup>. During De Gucht's first months in office, hopes that the worst of the storm of the crisis was behind have been soaring. The EU economy started to grow again in the third quarter of 2009. According to De Gucht, speaking at the World Economic Forum in Davos, this was in large part thanks to the openness of markets internally and internationally. While the internal market rules were upheld and the EU remained one solid single market, the WTO has '[...] shielded us from the kind of protectionist tsunami that engulfed the world in the 1930s'<sup>12</sup>. Later he phrased this history lesson like this: '[t]he challenge for policy makers around the world in the months to come is therefore clear: at a time when free trade is seen as one of the things that got us *into* the crisis, we have to support international trade to get *out* of it'<sup>13</sup>.

---

<sup>7</sup> Peter Mandelson, The Alcuin Lecture, Cambridge, 8 February 2008.

<sup>8</sup> Peter Mandelson, Speech to the European Chamber of Commerce in China, Tianjin, 26 September 2008.

<sup>9</sup> Ibid.

<sup>10</sup> Catherine Ashton, Speech at *Conférence de Montréal*, Montreal, 10 June 2009.

<sup>11</sup> International Trade Committee, Hearing of Karel De Gucht, Commissioner-Designate Trade, Brussels, Tuesday 12 January 2010.

<sup>12</sup> Karel De Gucht, Speech at the World Economic Forum, Davos, 29 January 2010.

<sup>13</sup> Karel De Gucht, Speech at the College of Europe, Bruges, 4 February 2010.

### **The prognosis: further liberalization**

Indeed, while the Commissioners have time and again emphasized that the crisis was not caused by trade, liberalization and protectionism was a dangerous shaman's palliative once the patient was stabilized they began advocating their preferred remedy. In a speech delivered in Montreal Commissioner Ashton reiterated the EU's adherence to the G20 pledge to refrain from raising new barriers to trade and investment. But, she declared, '[...] it is not enough to simply resist protectionism: we must also continue to open up markets to trade and investment'<sup>14</sup>.

### **The call to arms: concluding the Doha Round and new ambitious bilaterals**

The precise way to put this prognosis into practice according to the Commissioners for Trade was the swift conclusion of the Doha Round as well as negotiations and conclusion of new, ambitious bilateral trade agreements. According to Commissioner Ashton, the best way to defend ourselves against protectionism is to conclude the Doha Round, because this will lock in the openness of the international economy: '[there is] no more powerful trade instrument ready to be put at the service of global recovery than the Doha Development Round'<sup>15</sup>. However, completing the WTO round is not enough. As it is outlined in "Global Europe", stepping up the EU's engagement with the emerging economies, particularly in Asia through FTAs with India, Korea and South East Asian countries, and tackling new issues that impede world trade should remain a critical component of European trade policy. In Montreal Ashton brought this credo into practice by kicking off negotiations for an EU-Canada comprehensive trade and economic agreement, which will send '[...] a clear signal that open trade and investment are drivers of economic recovery'. Besides the agreement with South Korea concluded in 2009 (see *infra*), this would be the EU's second FTA with an industrialized country. This is a remarkable evolution because the impact of tariff and non-tariff concessions (e.g. in relation to services, investment and competition) for the EU are much more far-reaching than in agreements with developing countries.

Also De Gucht advocated and acted on the remedy of further liberalisation. The Trade Commissioner decided to abandon the bi-regional free trade negotiations in favour of bilateral agreements both towards Asia (separate negotiations started with Singapore and Vietnam in 2009, replacing EU-ASEAN negotiations) and Latin America (separate agreements with Colombia and Peru were concluded in 2010, replacing the negotiations with the Andean Community).

This persistent belief in free trade seems remarkable, given that major economic crises often herald a de-legitimization of prevailing paradigms. In addition, there are reasons to question the empirical validity of the Commission's particular framing of the crisis. Although this is

---

<sup>14</sup> Catherine Ashton, Speech at *Conférence de Montréal*, Montreal, 10 June 2009.

<sup>15</sup> Catherine Ashton, Statement by Ms Catherine Ashton European Union Trade Commissioner at the WTO 7<sup>th</sup> Ministerial Conference, Geneva, 30 November 2009.

not the central focus of this article, we briefly outline some problematic aspects of this discourse, highlighting its biased nature. First, the consistent underlining of the danger of protectionism that, if given into, would tip ‘recession into depression’ as it did in the 1930s. This widespread belief in the impact of the U.S. Smoot-Hawley Tariff Act of 1930, allegedly deepening and prolonging the Great Depression, has been seriously questioned (see Eichengreen 1988). It was a world slump that drove trade contraction rather than the other way around. This conclusion is corroborated by the finding that during the first year of the current crisis, trade fell much more than was the case in the Great Depression, even though this time there were no major protectionist initiatives (Eichengreen and O’Rourke 2010; Krugman 2010). Moreover, what has been termed ‘a worst case scenario’, namely raising tariffs to their bounded level, would in fact, at worst, mean a return to the situation after the Uruguay Round at the mid-1990s, not particularly a period that represents the nadir of global economic relations. Second, the Commission not only links protectionism to the Great Depression, but also to nationalism. In doing so, it not only raises the spectre of worsening the economic downturn but also insinuates the possibility of ensuing war. Third, the Commissioners all appeal to protectionist and anti-globalization sentiments with the public to advocate the conclusion of the Doha Round as an insurance policy. However, we do not find proof of significant growing protectionist or anti-globalization sentiments with the European public.<sup>16</sup> It seems that the Commission uses the fear of a popular protectionist backlash –even in the absence of indications in that direction– as part of its crisis discourse to try to restore forward momentum in the liberalisation process (see Wilkinson 2007). Fourth, the assertion that ‘we will need trade, and more trade, to preserve our social system of protection in Europe’<sup>17</sup> is an example of what van Apeldoorn calls the ‘core of the contradictions of the embedded neoliberal European project’ (2009: 22), namely the impracticable linking of social security –or social cohesion– with competitiveness defined in neoliberal terms.

While in this section we have looked at the discursive response of the EU to the crisis in the trade domain, in the following part we provide evidence that the prognostic and motivational framing has been put into policy practice.

### **3. Reality check: Anti-dumping practices and the FTA with South Korea**

Of course, the Commission’s neoliberal response to the crisis may have been mere window dressing, while in practice it has been implementing measures to protect European industries and workers to the detriment of foreign companies. To control for this possibility of misleading rhetoric, we analyse the EU’s post-crisis trade policy response in two domains: the

---

<sup>16</sup> Subsequent Eurobarometer (Standard EB 67, 2007 and Standard EB 71, 2009) polls show that a majority of Europeans held a positive view of ‘globalisation’ and ‘free trade’. A recent Eurobarometer survey (Standard EB 73, 2010) concludes that most Europeans see themselves as benefiting from international trade.

<sup>17</sup> International Trade Committee, Hearing of Karel De Gucht, Commissioner-Designate Trade, Brussels, Tuesday 12 January 2010.

EU's anti-dumping measures and the trade agreement with Korea. From these exemplary cases it becomes clear that protectionist forces have not come to dominate the European trade agenda. On the contrary, the commitment to a neoliberal trade agenda seems to be firmly put in practice.

### **‘Vigilant with ourselves’: the use of trade defence instruments**

When assessing the EU's trade policy response to the crisis, and more specifically the question of whether it has taken a more protectionist approach, it is relevant to consider trade defence instruments. Anti-dumping, countervailing duty (anti-subsidy) and safeguards are often believed to (partly) counterbalance the liberalization of tariff levels (Hoekman and Kostecki 2009: 440). They are usually instigated by domestic industries which claim to be damaged by ‘unfair’ competition from third country imports. Each country has its own regulations on trade defence, although they have to be in line with the principles of the WTO Agreements.

Although such measures are of all times, their use seems to have increased globally since the crisis (WTO 2009; Vandebussche and Zanardi 2009; Bown 2010). Has the EU also stepped up its anti-dumping, anti-subsidy and safeguard measures in order to shield domestic firms from foreign competition? A definitive answer to this question cannot be given because of lack of recent and relevant data<sup>18</sup>, and because there is a time lag between the industry complaints and the eventual government measures. However, there are several indications that the crisis has not affected significantly the number and the gravity of EU defence instruments. In 2008 and 2009, only *0.6% of total imports* into the EU were affected by anti-dumping or anti-subsidy measures (European Commission 2009, 2010b). Thus, the overall economic impact of EU trade defence measures has not increased. Although this figure was lower between 1997 and 2005, it is similar to the 2006-2007 and the 1992-1996 periods (see Table 1).

These provisional findings seem to be confirmed by a study by Bown (2010) that examines the use of trade defence instruments by the G20 countries during the crisis. The author analyses the number of product lines affected by such measures in 2008-2009 compared with 2007<sup>19</sup> as well as the impact of these measures on the imposing countries' total 2007 imports. While there is a combined 25% increase in products covered by trade defence instruments used by the world's major economies, the EU figure has actually decreased by 5% compared with the pre-crisis period. In addition, the EU's measures in 2008-2009 only affect about 2% of the total 2007 imports, which is again lower than most other countries. Only Mexico, South

---

<sup>18</sup> Although the Commission's annual report on anti-dumping, anti-subsidy and safeguard activities to the European Parliament and its semi-annual report to the WTO Anti-Dumping Committee contain plenty of detailed information, only little aggregated data are provided on the relative value of products affected by EU trade defence instruments.

<sup>19</sup> The author examines the ‘stock’ of measure in place over time, not the flow of products subject to newly imposed measures.

Africa and South Korea are performing “less defensively” than the EU on both indicators (Bown 2010: 42).

### **‘It is not enough to simply resist protectionism’: the pioneering EU-Korea FTA**

As explained above, an important part of the ‘new’ EU trade strategy “Global Europe” was the decision to pursue FTAs with some important trading partners in Asia that were selected on economic criteria. Swiftly, in April 2007, the Council mandated the Commission to start negotiations with Korea, India and the Association of South East Asian Nations (ASEAN). While the negotiations with India and ASEAN are still creeping along, those with Korea progressed more smoothly. Although the issues of duty drawback and rules of origin delayed the finalisation of the negotiations, the agreement was eventually signed on 15 October 2009 by EU Trade Commissioner Catherine Ashton and South Korean Trade Minister Kim Jong-hoon.

Commissioner Ashton declared after signing the deal that this ‘most important [bilateral EU trade agreement] ever’<sup>20</sup> is ‘particularly important in the current economic climate, helping to fight the economic downturn and create new jobs’. The EU-Korea FTA is indeed historical. It is the first time the EU has signed a FTA with a developed country outside Europe. It may therefore provide a precedent or blueprint for bilateral FTAs of the EU with other advanced economies (e.g. with Canada). The EU-Korea FTA has been controversial however. Especially European automakers (united in the European Automobile Manufacturers’ Association ACEA) oppose the agreement, arguing that it will worsen the EU’s trade deficit with Korea and especially the imbalance in automobiles trade. The most important thorn in the carmakers’ side is the “duty drawback clause”, which allows Korean manufacturers to use cheap Chinese parts without paying associated tariffs. Cheap outsourcing will further be facilitated because the normal rules-of-origin threshold has been lowered by five percentage points. Moreover, European car manufacturers fear that their access to the Korean market will remain restricted due to technical regulations and cultural bias. Besides ACEA, several other associations have objected to the FTA, including the European Metalworkers Federation (EMF), the European Confederation of Iron and Steel Industries (EUROFER) and the European Trade Union Federation of Textiles, Clothing and Leather (ETUF-TCL).

During the plenary session debate of the European Parliament on 10 February 2010, some criticisms towards the EU-Korea trade deal were also voiced. These were sometimes directed towards the general EU trade policy approach during the crisis. Gianluca Susta (S&D) asked rhetorically ‘[c]ould it be that Europe, even with the crisis we are in today, is yet again choosing the financial option for its development?’. However, most criticisms did not target the principle of FTAs as such, but were critical about the consequences of this particular FTA

---

<sup>20</sup> European Commission, Trade, EU and South Korea Initial Free Trade Deal, Press Release, Brussels, 15 October 2009.

for some specific sectors. Despite the sometimes harsh tone, there is not much proof of contestation of the Commission's neoliberal trade paradigm within the EP<sup>21</sup>.

Thus, the Commission has finalised the EU–Korea FTA, its first real 'success' since the Global Europe Communication. It has not departed from its course because of the crisis or the sometimes fierce criticisms from different sides. These criticisms were more prominent than usual because, while free trade always brings winners and losers, for the first time an EU FTA would cause significant detriments to well-identifiable groups. This is even more controversial because it happens in the context of a severe crisis that causes massive job losses, not the least in the sectors that will be negatively affected by this agreement. However, with some small exceptions, these critical points are targeted at the specificities of the content of this particular FTA, not at the principle of the EU trade strategy as such.

#### **4. Explaining the persistent preference for free trade: absence of contestation, business support and link with internal market**

Both the discourse analysis of how the Commission has framed the role of trade in the present crisis and the focus on two case studies show that the neoliberal trade paradigm has not been de-legitimized, as would be expected under condition two of the model of paradigmatic shifts. The crisis has reinforced the EU's free trade orientation, rather than undermining it. How can we account for these findings? In line with our critical approach to EU trade relations, this section will focus on conditions three and four of paradigmatic change, namely the lack of a (perceived) alternative paradigm and the persistence of business support for the neoliberal course respectively. Together, these two factors explain why we are in a situation in which 'the old is dying but the new cannot yet be born'<sup>22</sup>. We briefly discuss why this is also consistent with the Commission's own self-perceived interests.

The Commission's strategy has been hardly contested within Europe. Not surprisingly, little or no dissidence can be found with EU member states. Ahead of the G20 summit in Washington on 15 November 2008, the European Council declared that the summit 'must be the occasion to integrate this reform of the international financial system into the larger series of 21<sup>st</sup> century challenges which we remain determined to tackle: [...] the promotion of free trade through the rapid conclusion of the Doha Round'. Even the most critical voice against neoliberal globalization among European leaders, the French President Nicolas Sarkozy, has not challenged the Commission's framing of trade policy in the context of the crisis. In a remarkable speech on 25 September 2008 in Toulon Sarkozy did criticize the excesses of

---

<sup>21</sup> Perhaps with the exception of the more fundamental criticism of the European United Left/Nordic Green Left (GUE/NGL).

<sup>22</sup> Quote from Gramsci in Buch-Hansen and Wigger (2011: 142) and Hay (2011: 3). Both studies come to similar conclusions as this article, based on analyses of the EU's competition policy and the British approach to the crisis respectively.

finance capitalism that have been tolerated in the years before the crisis<sup>23</sup>. However, he keeps the capitalist system as such out of range. Consequently, Sarkozy concurs with the Commission's framing of the crisis by proposing adjustments in the financial system, more specifically in the fields of manager's bonuses, banking regulation, short selling, fiscal paradises, etc. The French President also mentioned the problem of monetary policy, more specifically monetary dumping by China and the US, which if left unaffected risks inducing extremely violent trade wars and opens the door for the *ill* of protectionism. Sarkozy was the driving force behind the G20 Washington summit where the lessons from the financial crisis should have been drawn and responses coordinated. This should lead to a restoration of the *financial and monetary* systems that were established at Bretton Woods. We can conclude that Sarkozy is only being the current exponent of the French tradition of calling for a *mondialisation maîtrisée* while acknowledging the benefits that it can bring (Gordon and Meunier 2001: chapter five).

No greater critique or counter-hegemonical ideas can be found where we would expect to find them: with social democratic political forces or the European trade unions. However, European Social Democracy has since its third way reconversion in the mid-1990 embraced neoliberalism and implemented such recipes when in government. Consequently, it was not in a position to vehemently attack this paradigm and lacked the intellectual ammunition to do so, let alone to advocate a credible and attractive alternative. At the same time, European trade unions have also become more accommodating towards trade liberalization. In November 2009 European Trade Union Conference (ETUC) General Secretary John Monks said that 'the current recession is proving the virtues of social Europe', while praising ETUC's agreement with Business Europe on the concept of flexicurity<sup>24</sup>. Earlier, during a Civil Society Dialogue seminar John Monks repeated the Commission's discourse by saying: '[t]he current crisis brings with it pressures for protectionism and that in turn impacts on the international trade agenda. That is not the route we want to follow. We remember the 1930's'<sup>25</sup>. As van Apeldoorn contends with regard to the Lisbon Agenda, it may also apply to EU trade policy that 'ETUC seems still too much wedded to the current European project to take this radical step of disowning [the EU's trade policy]' (van Apeldoorn 2009:36). Of course, through such salonfähig discourse, the ETUC is laying different accents on the lessons to be learned from and the way out of the crisis than business or the Commission itself. In another speech adjustments to the multilateral trading system are proposed: '[t]he WTO is much criticised. But in our view we need more of it. Not less. Multilateralism is the way forward. The WTO, properly adapted and democratically controlled, can be the instrument to advance it'<sup>26</sup>. Reformist changes to the EU's trade policy are advocated. The Commission's

---

<sup>23</sup> Nicolas Sarkozy, Discours de M. le Président de la République à Toulon, 25 Septembre 2008.

<sup>24</sup> John Monks, Speech held by ETUC General Secretary John Monks at European Business School London, 24 November 2009.

<sup>25</sup> John Monks, Basis of Remarks given by ETUC General Secretary John Monks at the Civil Society Dialogue Seminar, 26 March 2009.

<sup>26</sup> John Monks, Intervention on Globalisation and Social Justice at the International Symposium 'New World, New Capitalism, 8 January 2009.

“Global Europe” rationale of the interconnection between internal and external policy is reframed to advocate a more ambitious social internal agenda in the EU that will have positive repercussions on that for external trade. ETUC thus applies a strategy of hitching on to the dominant frame, expressing ‘policy disagreement’ *vis-à-vis* certain aspects of EU trade policy while eschewing ‘policy controversy’, ‘hoping to purchase legitimacy for a course of action actually inspired by different intentions’ (Rhein and Schön 1994: 151), namely a more ambitious social internal agenda in the EU.

Not surprisingly, the Commission’s position on the role of trade in the current crisis has been supported by EU transnational business. European multinationals that have sliced up their supply chain internationally in recent decades have much to lose from a turn to protectionism. What is more, because of anticipated intra-European demographic evolutions as well as global macro-economic developments, they think that future growth will increasingly have to come from exports outside Europe, a position that is also taken by the Commission’s recent trade strategy (European Commission 2010: 4). In February 2009, Business Europe sent a letter to Trade Commissioner Ashton to urge her to: monitor and react to protectionist measures; cooperate with major trading partners to avoid beggar-thy-neighbour policies; avoid major regulatory divergences; and pursue ambitious trade negotiations<sup>27</sup>. The last should include: the translation of the G20 statement against protectionism into a binding and enforceable WTO commitment; working together with the US and China to finalise the Doha Round; and press for the ambitious conclusion of bilateral free trade negotiations with key partners. In a message to the informal European Council meeting of 1 March 2009, the European Round Table of Industrialists asked, besides an accelerate implementation of the Lisbon Agenda, the reduction of the cost of doing business in Europe, the vigorous fight against competition distortion and economic protectionism within the EU and for the completion of the WTO Doha Development Agenda<sup>28</sup>.

Finally, we point to the Commission’s own vested interest in this continuation. As the EU’s representative in external trade negotiations, the Commission has a bureaucratic interest in keeping liberalization going (see Meunier 2005: 8-9). Moreover, as the custodian of the internal market, it is also wary of keeping protectionist tendencies within the EU at bay. By framing the crisis as a financial crisis, also internally the problems could be depicted as of financial (and fiscal following the Greek debt crisis) nature, thereby guarding the internal market against criticisms directed at intra-European trade imbalances. However, from our theoretical framework on paradigm change, we assume that the absence of an alternative ideological vision and the continuing business support for external trade liberalization would be more fundamental to explaining the EU’s (including the Commission’s) neoliberal course.

---

<sup>27</sup> BusinessEurope, Letter to the Rt. Hon. Baroness Catherine Ashton, Commissioner for Trade, 24 February 2009.

<sup>28</sup> European Round Table of Industrialists, ERT Message to the Informal European Council Meeting, 24 February 2009.

## Conclusions

This paper has critically analyzed the EU's trade policy response to the current crisis. Based on a model of paradigmatic change, our starting point was that the financial-economic crisis could provide the breeding ground for a delegitimization of the neoliberal paradigm that has increasingly informed EU trade relations over the past decade. However, we found that this has not taken place. Our analysis of the Commission's discourse shows that the crisis has been framed as a crisis within the financial subsystem of globalization, completely unrelated to the free trade subsystem. Challenges to the neoliberal trade system are depicted as dangerous recourse to protectionism.

Even more so, free trade is not presented as part of the problem but rather as part of the solution. A crucial element of the EU's response to the crisis is the completion of the WTO Doha Round, the intensification of ongoing bilateral trade negotiations with developing countries, and the initiations of new free trade negotiations with industrialized countries. Rather than delegitimizing the neoliberal trade paradigm spelled out in the EU's "Global Europe" strategy, the crisis has apparently reinforced Europe's trade policy course. Tentative examples from the pioneering EU-South Korea agreement and the EU's anti-dumping practices confirm that this paradigmatic stance is also reflected in policy praxis.

Finally, drawing from the literature on the mechanisms of paradigmatic change, as well as insights from critical political economy, we argue that the existing trade paradigm has not been challenged –even though several of its elements seem problematic– because an alternative paradigm is wanting and because trade liberalization is still supported by powerful interests within the EU. Further theoretical and empirical research should expand our puzzling conclusion that the crisis has led to a reinforcement rather than a demise of the neoliberal paradigm.

## References

Adriaensen, J. and Kerremans, B. (2010) The Commission-as-Agent and Schumpeterian Player in the EU's External Trade Policies: Why Schumpeterian Inclinations in the Commission's Trade-Related Behaviour Should be Taken Seriously, Paper presented at the ISA Conference, New Orleans, 17 February.

Benford, R.D. and Snow, D.A. (2000) Framing Processes and Social Movements: An Overview and Assessment, *Annual Review of Sociology*, 26, pp. 611-639.

Blyth, M. (2002) *Great Transformations: Economic Ideas and Institutional Change in the Twentieth Century*, New York (N.Y.): Cambridge University Press.

Bown, C.P. (2010) Assessing the G20 Use of Antidumping, Safeguards and Countervailing Duties During the 2008-2009 Crisis, available online at [http://www.globaltradealert.org/sites/default/files/GTA6\\_Bown.pdf](http://www.globaltradealert.org/sites/default/files/GTA6_Bown.pdf).

Buch-Hansen, H., Wigger, A. (2011) *The Politics of European Competition Regulation: A Critical Political Economy Perspective*, Abingdon and New York: Routledge.

Daviter, F. (2007) *Policy Framing in the European Union*, *Journal of European Public Policy*, Vol 14, No 4, pp. 654-666.

De Bièvre, D. And Dür, A. (2005) *Constituency Interests and Delegation in European and American Trade Policy*, *Comparative Political Studies*, Vol. 38, No. 10, pp. 1271-1296.

Eichengreen, B. (1988) *Did International Economic Forces Cause the Great Depression?*, *Contemporary Economic Policy*, Vol. 6, No. 2, pp. 90-114.

Eichengreen, B. (2010) *A Tale of Two Depressions: What Do the New Data Tell Us?*, *VOX*, 8 March 2010, available at <http://www.voxeu.org/index.php?q=node/3421>.

European Commission (1996) *The Global Challenge of International Trade: A Market Access Strategy for the European Union*, Brussels, 14.2.1996, COM(1996)53final.

European Commission (2006a) *Communication from the Commission: Global Europe: Competing in the World: A Contribution to the EU's Growth and Jobs Strategy*, Brussels.

European Commission (1993-2010b) *Annual report from the European Commission to the European Parliament on the European Union's Anti-dumping, Anti-subsidy and Safeguard Activities*, various issues.

European Commission (2010a) *Trade, Growth and World Affairs: Trade Policy as a Core Component of the EU's 2020 Strategy*, Brussels, 9.11.2010, COM(2010)612.

G-20 (2008) *Declaration Summit on Financial Markets and the World Economy*. Washington, 15 November 2008.

Goldstein, J. (1993) *Ideas, Interests and American Trade Policy*, Ithaca (N.Y.): Cornell University.

Gordon, P.H., Meunier, S. (2001) *The French Challenge: Adapting to Globalization*, Washington (D.C.): Brookings Institution Press.

Hall, P.A. (1993) *Policy Paradigms, Social Learning and the State: The Case of Economic Policy Making in Britain*, *Comparative Politics*, Vol. 25, No. 3, pp. 275-296.

Hanson, B.T. (1998) *What Happened to Fortress Europe?: External Trade Policy Liberalization in the European Union*, *International Organization*, Vol.52, No.1, pp. 55-85.

Hay, C. (2007) *Keynote Article: What Doesn't Kill You Can Only Make You Stronger: The Doha Development Round, the Services Directive and the EU's Conception of Competitiveness*, *Journal of Common Market Studies*, Vol.45, No.1, pp. 25-43.

Hoekman, B.M., Kostecki, M.M. (2009) *The Political Economy of the World Trading System*, Oxford: Oxford University Press.

Hay, C. (2011) Pathology Without Crisis? The Strange Demise of the Anglo-Liberal Growth Model, *Government and Opposition*, Vol.46, No.1, pp. 1-31.

Hurt, S.R. (2003) Co-operation and Coercion? The Cotonou Agreement Between the European Union and ACP States and the End of the Lomé Convention, *Third World Quarterly*, Vol.24, No.1, pp. 161–176.

IMF (2008) *World Economic Outlook: Housing and the Business Cycle*, April 2008, Washington, D.C.: International Monetary Fund.

Jessop, B. (2009) A Return to “Business as Usual? ASA Globalog, 14 December 2009, available at <http://blog.theasa.org/?p=226>.

Kerremans, B. (2004) What Went Wrong in Cancun? A Principal-Agent View on the EU’s Rationale Towards the Doha Development Round, *European Foreign Affairs Review*, Vol.9, No.3, pp. 363-393.

Krugman, P. (2010) Hayek, Trade Restrictions, And The Great Depression, *The Conscience of a Liberal*, 10 July 2010, available at <http://krugman.blogs.nytimes.com/2010/07/10/hayek-trade-restrictions-and-the-great-depression>.

Langan, M. (2009) ACP-EU Normative Concessions from Stabex to Private Sector Development: Why the EU’s Moralised Pursuit of a ‘Deep’ Trade Agenda is Nothing ‘New’ in ACP-EU Relations, *Perspectives on European Politics and Society*, Vol. 10, No. 3, pp. 416-440.

McAdam, D., McCarthy, J.D., Zald, M.N. (1996) Introduction: Opportunities, Mobilizing Structures, and Framing Processes – Towards a Synthetic, Comparative Perspective on Social Movements, in D. McAdam, J.D. McCarthy and M.N. Zald (eds) *Comparative Perspectives on Social Movements: Political Opportunities, Mobilizing Structures, and Cultural Framings*, Cambridge: Cambridge University Press, pp. 1-20.

Meunier, S. and Nicolaidis, K. (1999) Who Speaks for Europe? The Delegation of Trade Authority in the EU, *Journal of Common Market Studies*, Vol.37, No.3, pp. 477-501.

Meunier, S. (2005) *Trading Voices: The European Union in International Commercial Negotiations*, Princeton, N.J.: Princeton University Press.

Meunier, S. (2007) Managing Globalization? The EU in International Trade Negotiations, *Journal of Common Market Studies*, Vol.45, No.4, pp. 905-926.

Oliver, M.J. and Pemberton, H. (2004) Learning and Change in the 20th-century British Economic Policy, *Governance: An International Journal of Policy, Administration and Institutions*, Vol.17, No.3, pp. 415-441.

- Rein, M. and Schön, D. (1993) Reframing Policy Discourse, in F. Fischer and J. Forester (eds) *The Argumentative Turn in Policy Analysis and Planning*, London: UCL Press, pp. 145-166.
- Rodrik, D. (2009) *The Myth of Rising Protectionism*, Project Syndicate, 12 October 2009, available at <http://www.project-syndicate.org/commentary/rodrik36/English>.
- Smith, M. and Woolcock, S. (1999) *European Commercial Policy: A Leadership Role in the New Millennium?*, *European Foreign Affairs Review*, Vol. 4, No. 4, pp. 439-62.
- Stokes, B. (2010) *The G-20 after the Great Recession: Rebalancing Trade*, in F. Lehmann and J.-P. Lehmann (eds) *Peace and prosperity through world trade*, Cambridge: Cambridge University Press, pp. 101-104.
- Storey, A. (2006) *Normative Power Europe? Economic Partnership Agreements and Africa*, *Journal of Contemporary African Studies*, Vol. 24, No.3, pp. 331–346.
- van Apeldoorn, B. (2000) *Transnational Class Agency and European Governance: The Case of the European Round Table of Industrialists*, *New Political Economy*, Vol.5, No.2, pp. 157-181.
- van Apeldoorn, B. (2009) *The Contradictions of ‘Embedded Neoliberalism’ and Europe’s Multi-Level Legitimacy Crisis: The European Project and its Limits* in B. van Apeldoorn, J. Drahokoupil and L. Horn (eds), *Contradictions and Limits of Neoliberal European Governance: From Lisbon to Lisbon*, Houndmills: Palgrave Macmillan.
- Vandenbussche, H. and Zanardi, M. (2009) *The Chilling Trade Effects of Antidumping Proliferation*, Unpublished paper on file with the authors, October.
- Wilkinson, R. (2009) *Language, Power and Multilateral Trade Negotiations*, *Review of International Political Economy*, Vol.16, No.4, pp.597-619.
- WTO (2009) *WTO Secretariat Reports Increase in New Anti-dumping Investigations*, PRESS/556, 7 May 2009.
- WTO (2010) *World Trade Report 2010: Trade in Natural Resources*, Geneva.
- Young, A.R. (2002) *Extending European Cooperation: the European Union and the 'new' international trade agenda*, Manchester: Manchester University Press.
- Young, A.R. (2004) *The Incidental Fortress: The Single European Market and World Trade*, *Journal of Common Market Studies*, Vol.42, No.2, pp. 393-414.

## Annex

**Table 1: EU anti-dumping and anti-subsidies measures (1992-2008)**

	Number of measures in force	% of imports affected	New investigations	Provisonal + Definitive duties imposed
1992	158	0.60%	39	34
1993	150	0.60%	21	35
1994	151	0.71%	43	44
1995	147	0.83%	33	34
1996	146	0.60%	25	34
1997	141	0.30%	45	57
1998	142	0.30%	29	58
1999	156	0.40%	86	38
2000	192	0.50%	31	100
2001	191	0.50%	33	30
2002	193	0.50%	23	45
2003	173	0.30%	8	15
2004	156	0.30%	29	17
2005	147	0.45%	26	34
2006	146	0.60%	36	26
2007	136	0.73%	9	24
2008	136	0.60%	20	21
2009	143	0.60%	21	21

Source: Based on annual reports from the Commission to the European Parliament, 1993-2009; two semi-annual reports 2009 to the WTO