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The Social Dimension of European Union Trade Policies

BART KERREMANS* AND JAN ORBIE**

Abstract. The European Union (EU) is widely considered as a formidable trade power. It represents about one fourth of worldwide trade flows and generally speaks with one voice in its common commercial policies. In addition, policy-makers and scholars often regard the Union as a distinctive, ‘normative power’ in the world. From this perspective, Europe tries to be at the forefront of promoting values such as human rights, democracy, sustainable development, and social justice, this with a clear preference for supporting international dialogue and cooperation in these areas, rather than for using trade sanctions. This special issue combines both aspects of the EU’s international role. More specifically, it concerns the social dimension of the EU’s trade policies. It raises the questions of how, why, and with what impact the EU has promoted social objectives through its common commercial policies. These three questions will be addressed in this introduction, followed by a brief summary of the way in which the different contributions of this special issue deal with them.

I European Union Trade *and* Social Objectives? Filling a Gap in the Literature

Trade liberalization and its social impact is a hot topic these days. Only recently, in June 2009, a ‘Trade Reform, Accountability, Development and Employment (TRADE) Act’ was introduced in the US House of Representatives which outlines a possible new trade and globalization agenda that fully takes into account social and environmental concerns. The bill boasts a list of 106 original co-sponsors out of 435 US House members. This reveals that the potential for political mobilization on trade policy is significant, and as such, that it can trigger support for protectionism even in a developed country like the United States. The European Union (EU) struggles with the same question, even if its reaction may be different.¹ This is reflected in its ongoing internal debate between notions of ‘managed globalization’ or ‘harnessing globalization’ on the one hand,² and on the other

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¹ Compare B. Burgoon, ‘The Rise and Fall of Labor Linkage in Globalization Politics’, *International Politics* 41 (2004): 201–204.

² Compare S. Meunier, ‘Managing Globalization? The EU in International Trade Negotiations’, *Journal of Common Market Studies* 45 (2007): 905–926; J. Orbie, ‘The European Union’s Role in World Trade: Harnessing Globalisation?’, in *Europe’s Global Role. External Policies of the European Union*, ed. J. Orbie (Aldershot: Ashgate, 2008), 46–55.

hand, the need for Europe to fully engage in global competition,³ to exploit its ‘design and quality premium’ (European Commission, 2004), and along the way, to experience the long-term (Schumpeterian) benefits of such an endeavour. In addition, external trade policy is one of the EU’s most important tools, if not the most important one, for its international presence.⁴ Trade however, as Holland observed, is a composite policy with numerous ramifications for other domains, and as such an area with lots of opportunities for entrepreneurial political actors.⁵ The potential for what Kelley calls ‘domain offence’⁶ – the expansion of activities that the organization already does well (or believes to do so) – is thus substantial, and with it, the roots of suspicion for those who oppose this.

In the past decade, the EU has committed itself to promoting the social dimension of globalization.⁷ European policy-makers’ discourse in this regard has mainly focused on the promotion of labour standards through EU trade instruments. Despite this explicit political commitment, the academic literature has barely examined the social dimension of the EU’s common commercial policies. An increasing amount of scholarly attention is being paid to the so-called ‘new trade agenda’ of the EU, going beyond at-the-border issues such as tariffs and quotas and considering behind-the-border issues such as services, investment, intellectual property rights, and competition rules.⁸ Within this debate however, the role of social standards and social objectives in the EU’s trade policies has been understudied. At the same time, there is an extensive literature on the linkage between international trade and social policies. Indeed, the debate on a ‘social clause’ in trade relations has been studied from political science, law, and economic perspectives.⁹ This body of research mainly looks at the theoretical debate, the economic consequences, and the perspectives of the United States, developing

³ H. Zimmerman, ‘Realist Power Europe? The EU in the Negotiations about China’s and Russia’s WTO Accession’, *Journal of Common Market Studies* 45 (2007): 813–832.

⁴ S. Meunier & K. Nicolaïdis, ‘The European Union as a Conflicted Trade Power’, *Journal of European Public Policy* 13 (2006): 912.

⁵ M. Holland, *The European Union and the Third World* (Houndmills: Palgrave, 2002), 140.

⁶ J. Kelley, ‘New Wine in Old Wineskins: Promoting Political Reforms through the New European Neighbourhood Policy’, *Journal of Common Market Studies* 44 (2006): 31.

⁷ European Commission, ‘Promoting core labour standards and improving social governance in the context of globalisation’, COM (2001) 416; European Commission, ‘The Social Dimension of Globalisation – the EU’s policy contribution on extending the benefits to all’, COM (2004) 383; J. Orbie & L. Tortell (eds), *The European Union and the Social Dimension of Globalization: How the EU Influences the World* (London and New York: Routledge, 2008).

⁸ A.R. Young & J. Peterson, ‘The EU and the New Trade Politics’, *Journal of European Public Policy* 13 (2006): 795–814.

⁹ E. Lee, ‘Globalization and Labour Standards: A Review of Issues’, *International Labour Review* 136 (1997): 173–189; OECD, *Trade, Employment and Labour Standards: A Study of Core Workers’ Rights and International Trade* (Paris: OECD, 1996); S. Charnovitz, ‘The Influence of International Labour Standards on the World Trading Regime: A Historical Overview’, *International Labour Review* 123 (1987): 565–585; Burgoon, *supra* n. 1.

countries, and the World Trade Organization (WTO); but the role of the EU and its Member States has largely been neglected.

The special issue tries to fill this gap in the scholarly research by examining the social dimension of EU trade policies from a multidisciplinary perspective. We use a building-block approach whereby the various articles each provide different parts of the puzzle. This research puzzle consists of three questions and research objectives that run through the issue: how, why, and with what effect has the EU promoted social objectives through its common commercial policies?¹⁰

The first aim of this special issue is a descriptive one, namely providing a comprehensive and insightful overview of the subject area. It asks what the social elements in the EU's trade policies are. More specifically, various sub-questions emerge: How has Europe's position on a social clause in international trade evolved over the years? How are 'social objectives' defined by European policy-makers in the context of trade? What are the preferences of the European actors (e.g., Commission, Member States, European Parliament, civil society, and economic groups) in this area? What is the institutional framework of trade arrangements where traces of attention for the social dimension of trade policy can be found (at unilateral, bilateral, and multilateral levels, and with regard to corporate social responsibility schemes)? What is the substantive content of these arrangements (punitive or incentive; labour rights, and/or human rights; extent to which social issues are included)? What is the EU's position on this issue within multilateral institutions (WTO and International Labour Organization (ILO)) and towards its trading partners (in particular developing countries)? To what extent does the EU have a distinctive and pro-active approach compared with other trading powers such as the United States?

The second aim of this special issue is explanatory. It tries to account for the social content of the EU's external trade policies. Three lines of explanation can be identified: the economic motives behind a social clause (interests), the bureaucratic dynamics inside the EU bodies, including the Commission and the Council (institutions), and the Union's normative objectives (ideas). More specifically, it concerns the impact of trade liberalization and the countervailing pressures it generates to expanding trade policy-making into the social field; the institutional interest to expand the EU's international presence, the entrepreneurial opportunities that the social impact of trade liberalization generates for such an expansion, and the normative ambition to use such presence for ethical purposes ('to make the world a better place'). In what follows, we will briefly present the EU's approach to the social dimension of its trade policies. In the subsequent and final part of the

¹⁰ This special issue is part of a wider research project on the EU and the social dimension of globalization (see also <www.eu-sdg.ugent.be>; Orbie & Tortell, *supra* n. 7; and J. Orbie & L. Tortell (eds), 'Symposium: Europe's Global Social Role', *Journal of European Social Policy* 19 (2009): 99–104.

article, we will outline the theoretical background of each of the above-mentioned perspectives, with cross-references to the contributions to this special issue.

II The Evolving Attention of the EU for the Social Dimension in Its External Trade Policies

The EU's attention for the social dimension of its external trade policies has evolved in an interesting way. Although the increasing contestation of globalization brought with it an increased attention for the multilateral trade-related instruments that could be used for social protection purposes, the backlash of that approach at the multilateral level – specifically in the context of the WTO – resulted in the emergence of an EU preference away from trade sanctions, core labour standards (CLS), and the WTO, and to a focus on a broader and more ambitious international social agenda, including through increased collaboration (even partnership) with the ILO.¹¹ This preference manifested itself especially in the European Commission, confronted as it was with contradictory pressures from the EU Member States with regard to the social dimension of international trade. This was not only visible in the EU's approach to multilateral trade, but equally in its bilateral trade agreements with numerous countries.

Indeed, one can identify the emergence of the discussion on trade-related social clauses in the EU in the context of the conclusion of the Uruguay Round Agreements in Marrakech in 1994, and the politicization of that discussion in the context of the rising contestation of globalization between 1997 and 1999. However, the EU was internally divided on the strategy to follow (see also Burgoon in this issue). Even if its Member States entertained a general preference for the rewarding of countries that respect the ILO's CLS, divergence of opinion rapidly emerged on the role that the WTO had to play in this, and thus on the extent to which the CLS needed to be integrated in the multilateral trade regime. In this debate, the Commission and the European Parliament, and EU Member States like France and Belgium were pitted against Germany and the United Kingdom. The latter particularly stressed that, as the WTO is 'a trade organization, not a social organization', there was no room for integrating the respect for CLS in the WTO's agenda or in the WTO's agreements. The ultimate intra-EU compromise – a permanent joint forum between the WTO and the ILO where the issue of social clauses in trade agreements could be discussed – fell flat in the context of the failed WTO Seattle Ministerial in 1999, and the clear opposition of the WTO's increasing number of developing members against social clauses, let alone social-clause-related trade sanctions, in the WTO's multilateral trade agreements. As Orbie and

¹¹ Cf. J. Orbie & O. Babarinde, 'The Social Dimension of Globalization and European Union Development Policy: Promoting Core Labour Standards and Corporate Social Responsibility', *Journal of European Integration* 30 (2008): 459–477; Orbie & Tortell, *supra* n. 7.

Tortell indicate,¹² the Commission needed (and largely succeeded) in bending its approach to external social issues away from the social clause and CLS, and to the larger question of social governance. The Commission's motives were clear: it feared that attempts to include labour standards in the WTO would jeopardize the launch of what became the Doha Development Agenda (DDA). In the setting and launching of that agenda, it had indeed, become crystal-clear that the support of a wide range of developing countries had become necessary, and that dropping the idea of a social clause in the WTO was a necessary condition to get it. The venue shift from the WTO to the ILO was a logical corollary here, as the Commission's 2001 communication on 'Promoting CLS and Improving Social Governance in the Context of Globalization' shows.¹³ Moreover, it also implied an upgrading of the relationship between the EU and ILO. As such, 'the European debate on a social clause through trade (...) effectively disappeared within a comprehensive set of alternative instruments and objectives',¹⁴ or rather, was integrated in a larger more comprehensive set of alternative instruments and approaches. And the linkage with the ILO is clear in almost any of them. Examples are the GSP+ system created with the EU's Generalized System of Preference (GSP) reform (see Orbie and Tortell in this issue), and the increased attention for social cooperation and social governance – largely through positive sanctions – in the EU's ever growing network of bilateral trade agreements (see Kerremans and Gistelincx in this issue). In some of these, however, clear reference is made to the CLS. Examples are the Trade and Development Cooperation Agreement (TDCA) with South Africa, the Association Agreement with Chile, and more recently, the Economic Partnership Agreement with Cariforum. The European Commission wants to insert even more explicit language on social issues in the 'new generation' of free trade agreements that are currently being negotiated with Latin American and Asian developing countries (see Bossuyt in this issue). Moreover, the EU's recent free trade agreements refer to schemes on corporate social responsibility, thereby involving the private sector in the promotion of the social dimension of globalization (see Voiculescu in this issue).

III Explaining the EU's Policies: Interests, Institutions, and Ideas

1. Trade Liberalization and Countervailing Pressures

Liberalizing trade raises questions about competitiveness, comparative advantages, and ultimately jobs. Among these, the question whether international trade creates or destroys jobs is most prominent, and with it questions about the conditions of international trade that entail such creation or destruction. Here, the absence of an

¹² Orbie & Tortell, *supra* n. 7, 8.

¹³ Orbie & Tortell, *supra* n. 7.

¹⁴ *Ibid.*, 10.

international social level playing field is seen by many as particularly problematic. Jobs in the EU are destroyed, it is claimed, because trade liberalization puts them in direct competition with lowly paid and lowly regulated jobs elsewhere. On the other hand, trade liberalization may create export opportunities as well, especially when it takes place on a reciprocal basis. As such, it may lead to the creation of new jobs inside the EU, jobs that tend, several economists claim, to be better paid on average, than jobs in sectors that exclusively focus on production for the domestic market. In other words, when it comes to trade liberalization and social regulation, countervailing pressures are at work. Those that fear job losses believe that the creation of a social level playing field may lead to fairer competition. Those that see the export opportunities tend to perceive such a creation as a disguised form of protectionism or at least entertain suspicions in that sense. Similar suspicions exist in lots of developing countries who fear that a social level playing field would erase the comparative advantages they now have in large parts of the products they produce for export to developed economies such as the EU Member States (see Gonzalez in this issue). For them, the opportunity costs of international social regulation may be substantial if not, as some fear, prohibitive.

These fears and suspicions on both sides of the debate make it difficult to disconnect the debate on the social impact of the EU's external trade policy from the question of commercial interests. What may be presented as a question of fairness is easily perceived therefore, as a question of economic self-interest. This may be rightly or wrongly. But at least it points at the fact that pleas for international social regulation because of reasons of fairness are difficult to disentangle from pleas that are inspired by material self-interests (see, however, Burgoon in this issue). The latter does not need to surprise. As indicated by endogenous tariff theory,¹⁵ the costs from trade liberalization are often concentrated either in a number of sectors or with the owners of the production factor that is relatively scarce (in case of the EU: labour). As such, these losers experience a strong incentive to mobilize politically against liberalization and in favour of protection. Even if this does not mean that they are by definition successful, mobilization itself may be sufficient to raise suspicions about the motives behind pleas for an international social level playing field and about the receptivity of public policy-makers to such pleas.

This raises the questions why and to what extent such fears have indeed mobilized policy-makers in the EU and its Member States, influencing the EU's position on a social clause in international trade (see Burgoon in this issue). It equally touches on the question whether the EU has resorted to trade sanctions based on labour standard violations in third countries, in contrast with an incentive-based and developmental approach (see Orbie and Tortell in this issue). In order to examine these issues, we should also gain insight into the economic impact (if any) of

¹⁵ F. McGillivray, 'Party Discipline as a Determinant of the Endogenous Formation of Tariffs', *American Journal of Political Science* 41 (1997): 596.

the social clauses in EU unilateral and bilateral trade instruments, and thus, their potential for protectionist exploitation. The latter question will not be examined in this special issue but requires attention in future research.

2. Entrepreneurial Opportunities for an Expanded International Presence

As the debate on the social impact of trade policies has become increasingly prominent in the EU, opportunities have emerged for the Commission to expand the EU's international presence, and in doing so, its own role. Part of the motivation to do so is related to the question of legitimacy. Rising concerns about globalization and its impact have eroded the legitimacy of the EU's external trade policy – particularly its multilateral trade policy – and have attracted the attention of relatively new actors in the trade policy field such as non-governmental organization (NGOs), national parliaments, and ministries previously unconcerned about trade but whose responsibilities are now affected by the consequences of trade policies. And as Young and Peterson observe: 'Once mobilised over trade policy, these new trade actors often become pro-active, seeing trade rules not only as a threat to their policy objectives, but also as a possible tool for realizing them.'¹⁶ As such, these new actors contributed to the politicization of trade policy-making. The Commission has been the main target in this delegitimization and of this politicization. With it, an inherent interest emerged for the Commission to try to counter this dynamic by paying more attention to the ways in which the legitimacy of the EU's external trade policies could be restored. Commission attention for the social dimensions of globalization, and the ways to manage these could thus be expected.

As such, one could claim that among the drivers of the debate on these topics, the Commission has been particularly prominent, if not the most prominent institutional actor. This has been most visible in the Commission's role in the framing of the EU's approach to globalization as pointed out by Meunier.¹⁷ As such, the possibilities for the Commission to engage in such an endeavour can be significant, albeit often severely constrained. As Meunier observes, there is a potential for the Commission to repackage – through framing – the goals of the Member States 'into a coherent, single EU position and, in the process [to] tweak their preferences at the margin'.¹⁸ The opportunity to do so grows whenever the politicization level of the Member States' preferences is relatively low on the one hand, and whenever the Member States are anxiously searching for solutions to problems with which they are confronted through societal pressure on the other hand. In such cases, opportunities for the Commission arise to provide and 'pilot' focal points for the

¹⁶ *Supra* n. 8, 801.

¹⁷ *Supra* n. 2.

¹⁸ *Ibid.*, 909.

solution to these problems.¹⁹ The potential to do so increases as the debate can be initiated and framed in terms of general principles. Such principles can be more readily used as focal points.²⁰ As such, the Commission can drive the debate on the problems at stake, and can act as a first mover by proposing solutions. With regard to the social impact of globalization and the needed response by the EU, the Commission has exactly played this role. Here, solutions have been looking for a problem and problems have been looking for a solution.

At the same time, the limits of such a role have become visible as well. The Commission's leeway has indeed been constrained as a consequence of Member States' suspicions about a possible hidden agenda, namely efforts by the Commission to expand its role, and to encroach upon Member State legal competences in the area of social policy. The formal competences of the European Community to promote international labour rights and to develop EU policies in the ILO are indeed limited.²¹ The Commission's capacity to act has also been constrained by internal suspicion and opposition, especially from the part of DG Trade inside the Commission. Indeed, as Van den Hoven points out, when studying the role of the Commission in trade policy-making, one needs to pay attention to the fact that the Commission itself is an institution that is affected significantly by internal bureaucratic competition.²² Divergent opinions within the Council of Ministers *and* the European Commission can explain why the EU seems to be hesitating between an export-oriented, competitive 'Global Europe' strategy based on the principles of free trade, and a more balanced and interventionist strategy aiming for human rights and gender equality (see True in this issue).

This line of explanation raises several questions that will be addressed in the special issue. To what extent has the European Commission indeed taken the lead, both within the EU and internationally, in arguing for a social clause in trade relations? Has the Commission managed to frame the EU's approach in a way that its legitimacy and interests can be advanced, or has it been confronted by political and legal obstacles in doing so? For example, Bossuyt's analysis in this issue points to both the Commission's entrepreneurial role in arguing for a social clause in the name of 'coherence', *and* the limits it experiences in doing so. True's analysis of the EU's pursuit of gender equality through trade also points at the constraints

¹⁹ M. Elsig, *The EU's Common Commercial Policy. Institutions, Interests and Ideas* (Aldershot: Ashgate, 2002), 130; M.A. Pollack, *The Engines of European Integration. Delegation, Agency, and Agenda Setting in the EU* (Oxford: Oxford University Press, 2003), 50.

²⁰ D.A. Lax & J.K. Sebenius, *The Manager as Negotiator. Bargaining for Cooperation and Competitive Gain* (New York: The Free Press, 1986), 73.

²¹ T. Novitz, 'Promoting Core Labour Standards and Improving Global Social Governance: An Assessment of EU Competence to Implement Commission Proposals', *European University Institute Working Papers*, RSC 59 (2002).

²² A. Van den Hoven, 'Bureaucratic Competition in EU Trade Policy. EBA as a Case of Competing Two-Level Games?', in *European Union Trade Politics and Development. 'Everything but Arms' Unravelling*, eds G. Faber & J. Orbie (London: Routledge, 2007), 60–73.

faced by the Commission. More generally, the question emerges what the impact is of the institutional architecture of the EU on the role that the Commission and other actors can play – e.g., compared with the political system in the United States and other developed countries. In this respect, Kerremans and Gistelinck (in this issue) emphasize the aggregative role of political parties in explaining why in the debate on a social clause in EU Member States the sectoral, more locally based interests are ‘superseded’ by more general, national interests.

3. Norm Entrepreneurship and Normative Ambitions

Rights-talk is empowering in that it affirms the inherent dignity of rights-bearers and awards political legitimacy to their demands for the satisfaction of their, otherwise overlooked, material needs.

With this reference to the political legitimacy potential of the framing of issues in terms of rights, most prominently human rights,²³ one can see what potential this can generate for norm entrepreneurs with institutional ambitions. But apart from this, a tremendous potential also exists with regard to the substantive concerns and ambitions a norm entrepreneur may have, especially in the context of a political system that is highly receptive to such concerns and ambitions. That is exactly the case with the EU and the way in which it tends to define its role in the international system. In this definition, the ‘ethics of responsibility’ towards others plays a significant role.²⁴ As such, the EU can be seen as ‘a self-proclaimed ethical power’.²⁵ This self-proclamation is partly rooted in the sense of community the EU itself represents,²⁶ and the kind of substantive values that this community wants to reflect (internally) and transpose externally.

This also links up with the notion of Europe as a normative power in the world, which was pioneered by Ian Manners in 2002 and has since become a pervasive (if contested) concept in research to the EU’s international policies as well as in policy-makers’ discourse on Europe’s global role. This concept encompasses three features, each of them suggesting that the EU is normatively different and that material interests alone cannot adequately account for Europe’s external action: the EU itself is a normatively constructed polity, which predisposes it to act in a normative way in the world, and this norm diffusion is realized in a non-coercive way by shaping the conceptions of ‘normal’ in international relations.²⁷ This corresponds

²³ M. Pieterse, ‘Eating Socioeconomic Rights: The Usefulness of Rights Talk in Alleviating Social Hardship Revisited’, *Human Rights Quarterly* 29 (2007): 797.

²⁴ S. Lucarelli, ‘Introduction’, in *Values and Principles in European Union Foreign Policy*, eds S. Lucarelli & I. Manners (London: Routledge, 2006), 1–18.

²⁵ A. Hyde-Price, ‘A “Tragic Actor”? A Realist Perspective on “Ethical Power Europe”’, *International Affairs* 84 (2008): 30.

²⁶ T. Dunne, ‘Good Citizen Europe’, *International Affairs* 84 (2008): 19.

²⁷ I. Manners, ‘Normative Power Europe: A Contradiction in Terms?’, *Journal of Common Market*

with the EU's stated objective of 'exporting the European social model' from the intra-EU realm to the international scene. Interestingly, Manners considers 'social solidarity' as a minor norm whereas 'human rights' are considered a 'core norm' of the EU.²⁸ Applied to the topic of this issue, the question is what the status is of the social objectives advanced through EU trade policies, particularly in relation to the EU's promotion of human rights in the world. Some researchers suggest that the EU's external policies have prioritized the first generation of human rights (civil and political rights) over the second generation (social and economic rights)²⁹ but this claim has not been examined in detail by studies of the Union's external trade policies. In his concluding reflections to this special issue, Manners argues that 'a clear-cut distinction between civil-political and economic-socio-cultural rights is increasingly difficult to maintain'. He suggests that the EU's policies favouring the social dimension of globalization may take a step towards squaring this circle.

With regard to those values in the context of trade and economics, and the so-called 'European social model', a strong emphasis is being put on the notion of distributive justice that – as Van den Hoven observes – is rooted in 'a general distrust of the market to deliver "justice" or a fair distribution of the economic gains'.³⁰ In the same vein, but with more emphasis on the ways in which distributive justice has to be achieved, Dunne observes:

Europeans have a relatively large amount of trust in the organizational and steering capacity of the state, while remaining sceptical toward the achievements of the markets (...) They maintain a preference for the welfare state's guarantees of social security and for regulations on the basis of solidarity (...).³¹

Inherent to such a notion of distributive justice is the idea of rights and entitlements and thus the conviction that all human beings are entitled to a minimum level of prosperity and economic security, irrespective of the outcomes of market-driven processes. Intricately linked to these substantive entitlements is the notion of associative rights, both as a value in itself,³² and as a way to promote the respect for substantive rights. This brings us of course in the area of socio-economic human rights and their relation with the EU's trade and development policies. The linkage between human rights and the social impact of trade is strongest with regard to

Studies 40 (2002): 235–258.

²⁸ *Ibid.*, 242–243.

²⁹ E. Fierro, *The EU's Approach to Human Rights Conditionality in Practice* (The Hague/London/New York: Martinus Nijhoff, 2003), 43; A. Clapham & J.B. Martignoni, 'Are We There Yet? In Search of a Coherent EU Strategy on Labour Rights and External Trade', in *Social Issues, Globalisation and International Institutions*, eds V.A. Leary & D. Warner (Leiden: Martinus Nijhoff, 2006), 291.

³⁰ Van den Hoven, 'The European Union Regulatory Capitalism and Multilateral Trade Negotiations', in eds Lucarelli & Manners, *supra* n. 24, 195.

³¹ Dunne, *supra* n. 26, 20.

³² I. Manners, 'The Constitutive Nature of Values, Images and Principles in the European Union', in eds Lucarelli & Manners, *supra* n. 24, 34–35.

the CLS of the ILO (see Orbie and Tortell in this issue). The position is then that because it concerns human rights, they should apply in all countries, whatever their level of economic development. Among these are the elimination of exploitative child labour, the prohibition on forced labour, non-discrimination in employment, the freedom of association, and the right of collective bargaining. Beyond these standards, defining a trade-related social policy proves to be much more difficult not least because of the fierce resistance of several developing countries,³³ suspicious as they are about the real (protectionist) intentions that may be disguised by a human rights discourse and Western or European notions of distributive justice (see Gonzalez in this issue).

Given such resistance, the question rapidly emerges what price the EU is prepared to pay for its trade-related external social policies. The answer to that question is largely affected by the level of agreement on this matter among the Member States. Overall, it seems that as soon as the EU departs from general principles in its search for more concrete policy measures, the Member States face difficulties in getting beyond a minimalist lowest common denominator. This is not only visible in the EU's approach to labour standards in the WTO, but equally in the way in which it approaches labour standards in its bilateral preferential trade agreements. Despite its normative ambitions therefore, there seem to be clear limits in what the EU is able (and willing) to deliver. Although expectations for a global social Europe may be high among the EU institutions, several civil society actors and some Member States, the EU's capability to impact normatively in this area seems to be limited by its nature as a regulatory state (see Bossuyt in this issue).

Some articles in this special issue will shed more light on this. The contribution by Brian Burgoon will specifically focus on the normative dimension in the European debate on a social clause. Based on public opinion data in fifteen EU Member States, he argues that political support for the trade-labour linkage is determined by left-oriented ideological beliefs rather than defensive economic interests which are more prevalent at the right of the ideological spectrum. It seems that the European social clause debate is affected by politics that are distinct from those in relation to general trade protectionism. More generally, Burgoon suggests that the academic literature on EU trade politics mainly looks at interests and institutions with a view to explaining the level of 'protectionism' or 'free trade', while ideational factors that cannot be subordinated to the protectionism – free trade pendulum have been underexplored.

As such, the three lines of explanation will be assessed in this special issue, one against the others, this especially in the concluding article where Ian Manners applies his tripartite analytical method in reviewing the findings of this special issue. Are the EU's actions with regard to the social dimension of trade policies always determined by the limits imposed on it by the economic self-interests of each of its Member States? Or is it possible that more is going on, that despite the role that economic

³³ Compare Burgoon, *supra* n. 1, 204.

self-interest plays, the EU has still been able to find a way to deal with social policy issues in its external trade policies with normative objectives in mind?

IV Ambiguous Outcomes?

Apart from describing and explaining the social dimension of the EU's external trade policies, some important considerations need to be made with respect to this issue. What are the consequences of the Union's initiatives? Since the explanations behind the EU's policies in this area are complex and divergent, and the EU's capacity to act is both facilitated and constrained by several factors, we can expect that the results will be equally multifaceted and perhaps ambiguous. As such, analysing the outcomes of the EU's policies can enhance our insight into the underlying motives behind its attempts to include social considerations in trade relations. However, it should be noted that the EU's policies in the trade-social nexus have only recently been established and are still being developed today. Therefore, any assessment of the EU's sustainable influence in this domain will inevitably be tentative. A distinction could be made between the direct trade impact, the influence on domestic social policies, the consequences for the internal and external legitimacy of the EU, and ultimately the impact on the role that the 'social issue' plays in global governance on trade.

First, the impact in terms of trade flows could be measured. The question is whether, and in which direction, the social provisions in the Union's trade policies have affected trade figures between the EU and its trading partners. Social conditionality could hinder trade in the case of sanctions, but social incentive regimes could also facilitate trade flows. The impact of the EU's policies in this area could also be negligible. Another possible outcome is that the social elements in European trade policies have neither a facilitating nor a restrictive impact on trade flows, as they are mainly deployed in the form of development cooperation and/or political dialogue. This would mean that, in effect, the EU's 'social clauses' are mainly part of its foreign and development policies, not its trade policies, even if they are introduced through its trade instruments. Although the direct impact on trade figures will not be gauged in this special issue, most articles analyse to what extent the EU has been using positive and negative trade conditionality, or other practices of foreign policy through trade. As for the GSP+ system, it will become clear that the EU has barely resorted to trade sanctions (see Orbie and Tortell in this issue) while its incentive system has been expanded. The EU's bilateral trade agreements (see Kerremans and Gistelinck), including the new generation (see Bossuyt), also rely on information exchange and technical incentives rather than on enforcement. In its corporate social responsibility strategy, it appears that the EU combines a hard core set of principles with relatively soft implementation mechanisms (see Voiculescu in this issue).

Second, the transformative impact on the social policies in Europe's trade partners will be considered. This kind of impact is most closely related to the stated

objective of the EU, to advance the social dimension of globalization through the use of its trade leverage internationally. More specifically, the question will be raised whether the Union's policies in this area – by affecting trade flows, political dialogue, or development policies – have impacted on the observance of (core) labour standards in the targeted countries. In this respect, Europe's influence on the ratification and implementation of the ILO core conventions in its trading partners will be particularly relevant. The analysis of Orbie and Tortell in this issue makes clear that the EU's GSP+ system has spurred on the ratification of ILO conventions in a number of countries, although the link with effective implementation remains debatable. Possible changes in the conduct of European businesses in developing countries, influenced by the EU's corporate social responsibility schemes, will also be analysed (see Voiculescu in this issue). The relevance of the EU's Sustainability Impact Assessments (SIAs) will also be examined in this special issue, in particular in True's article on gender equality as a global social objective of the EU.

Less tangible outcomes concern the internal and external legitimacy of the EU, and more specifically of the European Commission as the main European voice in trade issues. Bossuyt's analysis in this issue makes an explicit link between the Commission's pursuit of an ambitious social clause and its legitimacy. The question emerges whether and to what extent the Union's activities in the trade-social nexus, as well as the Commission's framing of commercial policies as part of a broader and normative foreign policy agenda, have indeed influenced its legitimacy inside the EU. Have the Union's policies in this area been contested by political parties in the Member States and by the European Parliament, or can they count on a broad level of support from the political scene? Are they considered as a substantial part of the EU's external trade strategy, or merely as a redundant aspect that is subordinated to other trade policy goals? Similarly, the impact on Europe's external legitimacy will be assessed. How are the EU's initiatives in this area perceived 'from the outside' and how does this constitute the EU's international role?³⁴ Are EU initiatives in relation to a social clause still regarded as veiled protectionism, are they seen as empty commitments, or has the Union managed to convince developing countries of the merits of an incentive-based, developmental approach? A positive answer to the last part of this question would contribute to breaking the impasse in the debate on a social clause and to re-establishing the idea that trade and social issues should be addressed together. If the EU indeed manages to present the trade-social nexus as something 'normal' in international relations, without provoking fears of hidden protectionism, it would truly have asserted itself as a normative power in the world.

³⁴ See Gonzalez in this issue; and N. Chaban, O. Elgström & M. Holland, 'The European Union as Others See It', *European Foreign Affairs Review* 11, no. 2 (2006): 245–262; S. Lucarelli (ed.), 'Beyond Self Perception: The Others' View of the European Union', *European Foreign Affairs Review* 3, special issue (2007).

AIMS

The aim of the *Review* is to consider the external posture of the European Union in its relations with the rest of the world. Therefore the *Review* will focus on the political, legal and economic aspects of the Union's external relations. The *Review* will function as an interdisciplinary medium for the understanding and analysis of foreign affairs issues which are of relevance to the European Union and its Member States on the one hand and its international partners on the other. The *Review* will aim at meeting the needs of both the academic and the practitioner. In doing so the *Review* will provide a public forum for the discussion and development of European external policy interests and strategies, addressing issues from the points of view of political science and policy-making, law or economics. These issues should be discussed by authors drawn from around the world while maintaining a European focus.

EDITORIAL POLICY

The editors will consider for publication unsolicited manuscripts in English as well as commissioned articles. Authors should ensure that their contributions will be apparent also to readers outside their specific expertise. Articles may deal with general policy questions as well as with more specialized topics. Articles will be subjected to a review procedure, and manuscripts will be edited, if necessary, to improve the effectiveness of communication. It is intended to establish and maintain a high standard in order to attain international recognition.

SUBMISSION OF MANUSCRIPTS

Manuscripts should be submitted to the Editorial Assistant at the Editorial Office. The manuscript should be accompanied by a covering letter stating that the article has not been published, or submitted for publication, elsewhere. Authors are asked to submit two copies of their manuscript as well as a copy on computer disk. Manuscripts should be 6,000-8,000 words and be typed, double spaced and with wide margins. The title of an article should begin with a word useful in indexing and information retrieval. Short titles are invited for use as running heads. All footnotes should be numbered in sequential order, as cited in the text, and should be typed double-spaced on a separate sheet. The author should submit a short biography of him or herself.

BOOK REVIEWS

Copies of books sent to the Editorial Assistant at the Editorial Office will be considered for review.