

# An Evaluation of External Trade Policy of the European Union with Regard to the Doha Round

Alev ÖZER TORGALÖZ \*

## ABSTRACT

*In the first part of this study, the external trade policy of EU will be explored by elaborating the policy tools and decision-making procedures to reach an argument about whether EU is a unified actor on these bases. For this reason, a comparison of European external trade in goods and services will be specifically focused on in the second part to reach a conclusion about its unified structure on trade activities. Doha International Trade Round will be introduced as an example case to be studied in the final part, where the reflections of a possible unified structure within the EU will be examined.*

**Keywords:** European Union, Doha Round, external trade policy

**JEL Classification:** F1, F13, F15, F42

## Avrupa Birliği'nin Dış Ticaret Politikasının Doha Toplantısı Üzerinden Bir Değerlendirmesi

### ÖZ

*Bu çalışmanın ilk bölümünde, AB'nin dış ticaret konusunda bütünlük gösteren bir aktör olup olmadığına dair bir görüşe ulaşmak için, politika araçları ve karar verme prosedürleri detaylandırılarak AB'nin dış ticaret politikası incelenecektir. Bu nedenle Avrupa dış ticaretinin mal ve hizmet sektörlerindeki karşılaştırılmasına, bu ticari faaliyetler üzerindeki bütünlüğü ile ilgili bir sonuca ulaşmak için ikinci bölümde yer verilecektir. AB içinde bütünlük yapının yansımalarının inceleneceği son bölümünde de, Doha Uluslararası Ticaret Toplantısı örnek vaka olarak incelenecektir.*

**Anahtar Kelimeler:** Avrupa Birliği, Doha Toplantısı, Dış Ticaret Politikası

**JEL Sınıflandırması:** F1, F13, F15, F42

## INTRODUCTION

With its unique structure in terms of establishment and members as nation states, the European Union (the EU) has been a critical international organization to focus on in various aspects. Specifically, the extent to which its individual member states have succeeded to integrate and act collectively comprising a unified actor has become a major concern in the discipline of international relations. The integration process has been a wide-ranging issue including several fields to be observed at both internally and externally. As EU consists of different national states with differentiating interests and objectives, it is not surprising to approach doubtfully to the integration issue within the union. In order to measure the internal coherence of the EU, its stance in the international arena can be focused on in many perspectives. In general, the extent of collective behavior by member states on external relations can be an indicator of this internal coherence.

\* Dr. Öğr. Üyesi, İzmir Demokrasi Üniversitesi İşletme Bölümü email: alev.ozert@idu.edu.tr

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For this aim, international trade was chosen as the reference point of this study, questioning the extent to which EU is able to act as a unified actor in international trade. This is important taking EU's role in the international trade into account, as stated by Brühlhart and Matthews (2007: 924): "The EU constitutes the largest trading bloc in the world. Excluding intra-EU trade, exports of the Union accounted for 18.1% of world merchandise exports in 2004".

In the first part of this study, the external trade policy of EU will be explored by elaborating the policy tools and decision-making procedures in order to reach an argument about whether EU is a unified actor on these bases. For this reason, in order to go into details, a comparison of European external trade in goods and services will be specifically focused on in the second part for the sake of any conclusion related to its collectivity on these trade activities. In the third part, Doha International Trade Round will be introduced as an example case to be studied in the final part, where the reflections of a possible unified structure within the EU will be examined.

### **I. EUROPEAN UNION'S COMMON EXTERNAL TRADE POLICY**

International trade issues have become a very significant policy area for the international relations discipline, as they have been a major tool for countries to conduct their reciprocal relations. Usually, each country has a predominantly determined trade policy with regard to its trade partners and its domestic traders. However, European Union is different at this point, as it consists of individual member states, each with own trade interests in terms of the comparative advantage<sup>1</sup> in certain products and the necessity to import substantial ones from abroad.

To overcome this problem, as in many fields such as agriculture and neighborhood policies, the Union has established certain decision-making procedures and rules to harmonize those individual trade policies. For this aim, the autonomy was required to be transferred to a supranational body to prevent any member's interest from dominating the whole policy. "The legal authority of EU institutions in trade policy is spelt out - with varying degrees of clarity - in the intergovernmental treaties signed by member states. The Treaty of European Community, which was signed in Rome in 1957 and established the European Economic Community, mandated in it Article 133 (originally Article 113) the creation of a Common Commercial Policy (CCP) to complement a Common External Tariff." (Aggarwal and Fogarty, 2004: 28). With this criterion, the consensus of the members was guaranteed to adopt a common policy necessary for a complete integration within the EU for its further success as a union. The significant point was, yet, to reflect all interests of members and thus these policies were designed to serve to this aim. Kettunen (2004: 85) also referred to this aspect arguing that: "the purpose of the EU's trade policy is to promote the economic and political interests of the Community, and with its large membership, the policy-

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<sup>1</sup> A country has a comparative advantage in producing good A if it can produce A at a relatively lower cost than other goods, even if it does not have an absolute advantage in producing any good. (Cohn, 2005: 435).

making involves a complex institutional setting among the EU institutions and the member countries”.

### **A. Process of Trade Policy Making**

In order to understand the extent of the unification, the voting procedure by member states in the field of common commercial policy should be made clear. As Leczykiewicz (2005:683) mentioned, “similar to Article 133 of the EC Treaty, the Constitutional Treaty envisages that the Council, in exercising its powers in the CCP, will act by qualified majority...Article III-315(4) treats agreements in the fields of trade in services and the commercial aspects of intellectual property, as well as foreign direct investment, differently. It requires unanimity where such agreements include provisions for which unanimity is required for the adoption on internal rules”. Article 133 goes further by stating that the Commission (and the so-called Directorate General Trade) is the sole negotiator and initiator in the name of EU, however not free from limitations. “Commission can only implement its rights within the limits of the Council mandates, in the consultation with a special committee of the Council, and in most cases, under the watchful eyes of the Union’s member states. It is granted the ultimate rights to conclude the trade agreements that the Commission has reached with non-EU countries in the negotiations. According to the Article 133, the final ratification of the trade agreements shall be taken by the qualified majority voting” (Huang, 2007: 39).

While these representation objectives were legally defined, there are also some problems within the trade policy making itself during the process. Aggarwal and Fogarty (2004: 29) referred to these conflicts stated by Neill Nugent in terms of the problematic ‘institutional architecture of EU trade policy’. They were listed as the power struggle between the Commission and the Council; the diversity in member states’ national interests reflected on the conflictual mandate by the Commission and the European Parliament’s desire for greater influence on trade policy making. It can be seen that it was no surprise to have conflictual moments between the member states on trade policy issues, as their problems were widely reflected on the inter-organizational relations.

While there was such a conflictual situation with regard to the policy making even between the institutions of the union, it would be no surprise to encounter problems during this process among the member states, which themselves build up those institutions. Brühlhart and Matthews (2007: 965) stated, that the possibility of any consensus on trade policy is threatened by the heterogeneity among EU member states, harming the idea of transferring all aspects of trade policymaking to EU for competence reasons. These member states would do anything to regain their influence on this process.

### **B. Trade Rules and Regulations**

The regulations imposed to the member states through EU’s external trade activities are stated by Peterson (Huang, 2007: 38) as being built on two pillars. They are the Common External Tariff, imposed on the imported foreign commodities and the Common Commercial Policy, established and integrated for negotiations with third countries. They seem to have been determined to serve to

the aim of a unification, and as Borbely (2006: 28) claims, they have a binding nature applied to all members. From this perspective, it can be expected from EU to act as a unified actor, having coordinated all members under legal observations.

Beside this unification determinants, the content of those rules and regulations and what purposes they comprise is important as well. Ahearn (2002: 2) clearly listed the points in Article 113 (later 133) as follows:

“\*the common commercial policy shall be based upon uniform principles, particularly in regard to tariff rates, the conclusion of tariff and other agreements, the achievement of uniformity in measures of liberalization, export policy, and measures to protect such as those to be taken in the event of dumping or subsidies; \*the Commission shall submit proposals to the Council for implementing the common commercial policy; \*where agreements with third countries need to be negotiated, the Commission shall make recommendations to the Council, which shall authorize the Commission to open negotiations; \*the Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue for it”.

These points make it clear by reminding the policymaking procedures, that the uniformity in the rules and regulations are concerned during this process by the same trade tariffs imposed on each member state.

### **C. The Extent of Compromise and Unified Coherence**

To begin, it should be noted, that the already determined common internal market system of EU make it automatically a kind of necessity to establish a kind of single entity within the global trade. Huang (2007: 38) referred to this as the “external face of the internal market”. “According to Article 131 of the Treaty of Nice, the main objective of the CCP is to ‘contribute, in the Common interest, to the harmonious development of world trade, the progressive abolition of restrictions on international trade and the lowering of customs barriers” (Borbely, 2006: 28). This harmonization objective has been encountered in all the procedures mentioned so far. The EU aims to build a common front in many perspectives by specifying the rules and regulations to be applied on international trade issues. Basing on this article, Borbely (2006: 28) further claims that EU can be considered as negotiating as a unified actor representing all member states internationally. According to Borbely, the trade relations within the World Trade Organization can be given as the best reference point to evaluate. This study, yet, aims to clarify whether these optimisms have a ground to be regarded as correctly realized. “Article III- 315(1) states that the common commercial policy shall be conducted in the context of the principles and objectives of the Union’s external action, which broadly include the principles which have inspired the creation of the Union, its development and enlargement, and other universal values” (Leczykiewicz, 2005: 1683). This article can be regarded as a legal attempt to provide a unified front for international trade issues, however, it might have remained only as an objective to be fulfilled later in the future. The extent of its realization is a little suspicious, taking the practices of external trade into account.

From a different perspective, the unified coherence at the EU level can be measured in terms of the extent to which member states have to give up some of their preferences for the sake of the consensus. However, taking the prestige to be represented by the EU institutions and to be able to make agreements, which they could not afford otherwise by only themselves, into account, the members have a significant advantage from the transfer of their so-called trade policy sovereignties to EU. Farrell (1999: 20) referred to this cost-benefit side as: “Concessions on internal policies could be compensated for by the overall economic gains to the European Union anticipated from multilateral trade liberalization”. Indeed, there is an additional point within the EU trade policy that, member states still can exercise their national regulations and standards in some instances, if there are no already established harmonized regulations for a specific situation related to international trade (Cremona in de Burca and Scott, 2001: 163).

However, the unified nature of the common trade policy is not free from controversies in general. As mentioned by Meunier and Nicolaidis (2006: 909), there were tensions observed between member states during the negotiations, unwilling to share their sovereignties with their counterparts in EU. Yet, they added that “by being divided internally, but united through the collective representation requirement, the EU has been able to obtain more in international trade negotiations than it might have if all decisions had been made through strict majority voting and with a lot of flexibility granted to European negotiators”. It was believed that no matter how internally divided, for the sake of international trade interests, the member states do succeed in the representation process. Differing from this perspective, Huang (2007: 40) noted at this point, that there are certain areas too sensitive for member states transfer the influence on, and thus they remain within the competences of member states, especially new trade issues as services, investment and intellectual property rights. According to Huang, this is a threatening point to the common external trade policy of EU, as it might spread to other trade issues and undermine the so-far unified nature of the EU as a trade actor. This research study in general agrees with Huang’s view and approaches to the case Doha Round with little suspicion on these grounds. However, whether Meunier and Nicolaidis or Huang are right can be observed at the final parts of the research.

## **II. COMPARISON OF TRADE IN GOODS AND TRADE IN SERVICES**

Before introducing the Doha Round as a case study, it would be beneficial to provide a comparison of EU external trade in goods and services, which both were included to the round as usual. “Representing the interests of 27 nations and 450 million people, the European Union is the world's largest exporter of good and services and the second largest importer. Given the clout that this gives the European Commission in trade negotiations, one might have expected a string of successes in trade policy over the past ten years. Instead, despite the fact that numerous trading schemes were negotiated or created by the EC, approximately three-quarters of imports by the EU still enter on non-preferential terms” (Evenett).

As the reasons of those non-preferential terms are not within the research area, due to the limited space, such an investigation was left without any further analysis.

#### **A. EU External Trade in Goods**

“The EU is the largest trader of both goods and services--accounting for approximately 19 percent of world trade in goods and about 24 percent of world trade in services” (Reichert and Jungblut, 2007). With such a place in the world trade, it would have certain preferences in trade, be it goods and services. These preferences would inevitably reflect the resulting international trade agreements and specifically lead to more determined consensus among member states taking the possible consequences of common policies into account. “While the EU-25 represents just 7 % of the world’s population, the 25 Member States account for around one fifth of global imports and exports of goods. The EU-25 exported EUR 1 070 000 million of goods in 2005 to non-member countries, while importing goods to the value of EUR 1 180 000 million. The EU-25 exports considerably more goods than the United States, but imports slightly less” (Eurostat Yearbook, 2006: 195). As it can be derived from the table of trade in goods, the highest rates of balance among EU members were realized in 2005 by Germany, Netherlands and Ireland, while the lowest was observed by Britain, Spain and France. These findings might represent a later interpretation about the specifically chosen member states France, Britain and Spain in case, that they would indeed do care most about the agreements related to trade in goods, as they have negative balances in this trade field. In fact, it would be clearer to reflect the situation in terms of the specific goods and see the results observed on these three countries. However, due to the limited space, this observation was left to further researches.

#### **B. EU External Trade in Services**

“Services differ from goods in a number of ways, most commonly in the immediacy of the relationship between supplier and consumer. Many services are non-transportable, in other words, they require the physical proximity of supplier and customer” (Eurostat Yearbook, 2006: 203). Deriving from this nature of services, trade agreements aiming this field would have certain conditions. In the Uruguay Round 1994, it was determined, that the trade in services would be left to competence of the EU member states in general, and that “services were the EU’s competence only when there was a cross-border supply of services, or when the labor associated with the provision of a service crossed a border” (Huang, 2007: 40).

The importance of service sector for Europe is without doubt, as far as their significance for other economic areas is concerned. “The services sector is accounting for some three-quarters of the gross domestic product (GDP) for the EU... Additionally, over three-quarters of EU jobs are in the services sector. No country can prosper today without an efficient service infrastructure... The EU pursues a gradual liberalization of the global trade in services both at multilateral level through the GATS negotiations in the WTO and at bilateral/regional level” (European Commission (b)). For example, the private financial auditing is one of these service sectors, which serves for better economic activities to be conducted

and indeed where standardization is a pre-requisite. Thus, this area is specifically important to have established an internally coherent unit with regard to the international activities. This audit sector was only one slight example, while “approximately three quarters of the EU-25’s international trade in services (for both credits and debits) was accounted for by the three categories of transportation, travel, and other business services. However, in 2004 the highest net credits among services for the EU-25 were recorded for financial services and for computer and information services” (Eurostat Yearbook, 2006: 204). The importance of service sector in EU’s general economic situation is also striking. “In 2006, EU27 external trade in services recorded a surplus of 68.5 billion euro, an increase compared with 52.9 bn in 2005 and 46.4 bn in 2004. The increased surplus in 2006 was mainly due to an improved balance in insurance services” (Eurostat, 2007).

When taking the countries as a basis, it can be observed from the table2 in Eurostat Yearbook (2006: 204), that the highest net amounts in trade in services were realized by Spain, Britain and Greece, while the lowest levels were by Germany, Ireland and Finland. This might be an indicator to assume, that Spain and Britain would be among the most enthusiastic members to agree upon the criteria about trade in services, either during the Doha Round. European Commission(b) stated the evolution of those negotiations on trade in services:

“The inclusion of services in the Uruguay Round of trade negotiations led to the General Agreement on Trade in Services (GATS) that entered into force in January 1995. The GATS aims at ensuring increased transparency and predictability of relevant rules and regulations, and promoting progressive liberalization through successive rounds of negotiation. The first such round, the Doha Round, started in January 2000 in Qatar. Negotiations take place through an exchange of requests and offers bilaterally and plurilaterally (through collective requests by Members with shared interest in certain sectors/modes and markets). The EU submitted bilateral requests in 2002 and revised requests in 2005, and joined other co-sponsors of plurilateral requests covering 13 sectors/modes of supply in 2006. The EU followed the timetable agreed by WTO Members and submitted offers in 2003 and 2005. Negotiations cover market access in services sectors as well as domestic regulation and GATS rules on public procurement, subsidies and the issue of emergency safeguard mechanisms”.

### **III. CASE OF DOHA ROUND**

The reason why Doha Round was chosen as the main focus of this research was to display the EU trade policies in the international arena in a practical way. The real title of this round was The Doha International Trade Round. However, it is also referred in some circles as “Doha Development Round”, because the main issues dealt with under this round were related to the development issues and particularly the trade relations with the developing countries. The reason why this was emphasized at the round would be the increasingly negative globalization

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<sup>2</sup> The detailed numbers related to the table can be found on the mentioned Eurostat Yearbook 2006-2007 webpage.

effects on the developing countries and their development levels. From a liberal point of view, in order to provide a win-win situation, it would be necessary to provide some sense of welfare to the developing part of the world, so that oppositions towards the new global system would be reduced to lower levels.

In fact, the Doha Round was a continuous process having started in 2001. “On 14 November 2001, the 142 members of the WTO concluded the fourth ministerial conference with a decision to launch a new round of world trade talks. Called the ‘Doha Development Agenda’, this round will include both further trade liberalization and a review of trade rules” (European Commission, 2003: 18). Thus, Doha Round was participated by the WTO members to make certain necessary arrangements for the trade liberalization system, of which they had already become a part. Bouet and Laborde (2017) stated that the Doha Declaration laid out an ambitious negotiating program with specific emphasis on various topics as agriculture, services, market access for nonagricultural products, intellectual property, investment, competition policy, government procurement, trade facilitation, WTO rules for regional trade agreements, the Dispute Settlement Understanding, environmental issues, and electronic commerce.

#### **A. EU’s Stance within the WTO**

European Union member states are automatically signatory parties to the World Trade Organization (WTO) following its predecessor General Agreement on Tariffs and Trade. The common commercial policy requires the European Commission to act as the negotiating body with regard to the relations with the WTO. (Atkinson in Cosgrove-Sacks, 1999: 306). “The Doha World Trade Round has explicitly linked further trade liberalization with development. However, it is not at all clear whether the EU has a coherent strategy towards global development...European trade policies block exports in crucial sectors for European surpluses – in sugar and wheat, beef and barley” (Wallace in LaGro, 2004: 34). This uncertainty might have resulted from the internal conflicts deriving from problems of common market within the EU, that the members could not be able to manage those surpluses in an effective way. There would be some member states still in need of those surplus products, but not able to get them as a result of some conflictual points.

The reason of a possible strong adherence of EU members to a common external trade policy can be attributed to the statements made by Messerlin (Memedovic et al, 1999: 52). According to Messerlin, a country’s trade policy is highly related to its foreign policies and security issues. Regarding the EU as an ‘incomplete state’, it can be assumed, that it would be to the advantage of EU to act in accordance to unified trade policies, so that its status as an international actor can be sustained especially in front of the major trade actors as the United States. On the other hand, Van den Hoven (2004:265) holds a different view, stating that “The EU has a fairly coherent strategy at the WTO level that is based on cooperation with developing countries and competition with the US. To develop such a coherent strategy at the multilateral level, the EU needs to reach a high degree of internal consensus”.



## **B. Aims and Framework of the Doha Round**

“The Doha Round is revising the WTO’s rulebook for customs procedures and trade defense instruments such as anti-dumping and anti-subsidy measures. As well as seeking to tighten the rules relating to the use of anti-dumping the EU is seeking to creating a new set of international rules on ‘trade facilitation’ – the rules that govern customs services” (European Union, 2006). The main points to be determined at the Doha Round<sup>3</sup> were: implementation-related issues, agriculture, services, market-access for non-agricultural products, trade-related aspects of intellectual property rights, relationship between trade and investment, interaction between trade and competition policy, transparency in government procurement, trade facilitation, basic WTO rules dispute settlement, trade and environment, electronic commerce, small economies, trade and technology transfer, technical cooperation and capacity building, least developed countries and special treatment (World Trade Organization, 2001).

Since the Doha Round was aiming to deal with the developing countries and to concern for their economic development via trade issues, it would be definitely against some interests of the member states, especially the post-colonial ones. To what extent those major members, France, Britain and Spain in this case of research, would favor to care for the developing part would be doubtful.

On the other hand, the unwillingness of the WTO developed members to give concessions towards the development of the least developed countries made it hard for the Doha Round to successfully continue. “There is an urgent need for fairer trade rules that more evenly benefit developing countries. However, what is on offer at the moment looks very unlikely to deliver this, and could actually make things worse. Unless rich countries fundamentally alter their approach to the talks and withdraw many of the demands they are making on the poorer members, there can be no deal this year that helps to reduce poverty” (Oxfam Briefing Study, 2006: 3). Taking the fact into account, that most of the EU members could be regarded as being among those developed countries, it would be fair to argue, that the EU front was one of the impediments to a possible Doha success, whether there was a consensus among its members or not. It was further stated in the Oxfam<sup>4</sup> briefing study, that agriculture was one of the most important issues of the Doha Round, as it was usually the case. While most of the developing countries were largely depending on their agricultural production, “the reluctance of rich countries to reduce the trade-distorting support, that they give to their (mostly big) farmers and agribusinesses, or to lessen the tariff protection that they provide for the agricultural community” was also an obstacle for the Doha Round.

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<sup>3</sup> A detailed information of those points can be found on [http://www.wto.org/english/tratop\\_e/dda\\_e/dohaexplained\\_e.htm](http://www.wto.org/english/tratop_e/dda_e/dohaexplained_e.htm)

<sup>4</sup> Oxfam is a development, relief, and campaigning organisation that works with others to overcome poverty and suffering around the world.

### **C. EU through the Doha Round**

Having introduced the main framework of this international trade round, it would be necessary to turn to analyze EU's position during the round. "The EU had four stated objectives at the time of the launch of the Doha Round: (i) to further liberalize access to markets for goods and particularly services; (ii) to strengthen coverage in the areas of investment, competition, transparency in government procurement, intellectual property and trade facilitation; (iii) to ensure that more assistance is provided to developing countries to help with their integration into the global economy; (iv) to get the WTO to focus more on issues of public concern such as the environment, animal welfare and food safety, ensuring that trade rules are compatible with the wider interests of society as a whole" (Brühlhart and Matthews, 2007: 954). As EU could be able to list its objectives in such a manner, it can be far from doubt that the members also agreed upon those points and thus a sense of common front was established. The hopeful stance of EU with regard to the round was also a stimulating effect on creating such a consensus. According to the European Commission (2003: 18), it was believed by the EU, that this new round would provide a balance between economic growth, social equality and environmental protection. Wallace (LaGro, 2004: 34) also referred to the optimistic stance of EU as a unified actor arguing that:

"The EU is a coherent key player in global trade negotiations. We have all noted the role that Commissioner Pascal Lamy has played in the Doha Development Round and in the efforts since the stalemated negotiations in Cancun to keep this trade round moving forward. Here the EU operates as an equal partner with the United States, accepted as such in successive trade negotiations over the past 40 years".

It can be argued, that Doha Round was a more hopeful one with regard to the harmonization of interests. The aforementioned objectives of environmental issues and development levels were obviously in the interests of the member states. However, according to Van den Hoven (2004: 272), the Doha Round was also not free from conflicts at all. "Although most EU member states have fairly similar interests in trade policy, there are five states that are strong advocates of a new round (the UK, the Netherlands, Sweden, Finland, Ireland) and four states that are less unenthusiastic (France, Italy, Portugal and Spain). This is linked to the fact that a new round will require the latter to reform their agriculture and textile sectors, while opening up new markets in services for the pro-round states. Therefore, member states are almost certain to be dissatisfied with whatever the Commission negotiates at the multilateral level because they are divided. Commissioner Lamy's focus on development was important because this enabled him to strengthen the voice of the pro-round states in the Council of Ministers". Such representation problems would be an impediment, however, when looking to the consequence, in the end, Doha Round was suspended in 2006, not because of the conflicting interests between the EU member states, but because of the US policies. "In contrast to the US, the EU had used the meeting to reiterate its offer to improve access significantly to its agricultural market by slashing tariffs by an average of 50% if

the US and others were willing to bear their fair share of the burden, in the US's case on farm subsidies. This was in addition to the EU's existing offer to eliminate 100% of its export subsidies and cutting trade-distorting domestic support by 75%" (EU Delegation of the European Commission to the USA, 60/06, 2006).

#### **D. EU's Policy at the Doha Round and the Resulting Decisions**

As it was mentioned before, EU had a more hopeful stance at the Doha Round with regard to possible consensus. How the members achieved this result will be elaborated under this heading. "The EU's trade policy has been described as a 'pyramid of preferences' because it provides differential access to its market based on geopolitical or historic links. (Van den Hoven, 2004: 261). EU Trade Commissioner Peter Mandelson stated at one of his speeches, that "Doha also shows, that in trade policy there are opportunities to build on what is put in place multilaterally. We can and should go further in pursuing the needs and interests of European businesses in particular parts of the world, or in particular areas of policy" (2006:8). This determination of the commissioner would have derived from the aforementioned hopeful situation and from the confidence to have already stated the commonly accepted objectives for this new round. It was stated in one project of European External Trade Commission, that EU was looking for greater market access for developing countries, increased targets of technical assistance, a substantial environmental agenda and implementing the objectives of article 31 of Doha Round on trade and environment, which was basically aiming to open trade for environmental goods and services. That would be a consensus point for the EU members, as the climate change has become a global issue, of which all countries are getting affected. Thus, including the most developed ones, member states would not oppose the increasing trade in those environmental goods. On the other hand, there is a point of diversification between developed and developing member states during any WTO round. This derives from the basic assumption, that the developed ones would always favor their interests, when the developing ones' development levels were not affecting their objectives. "Developed countries are trying to make minimal concessions in agriculture, while demanding that poor countries open their industrial and services markets to foreign competition" (Oxfam Briefing Study, 2006:6). For the trade in services issue, the relevant title can be looked for.

#### **E. The Extent of the Unified Action in the Light of Individual Interests**

There is an idea in Aggarwal and Fogarty (2003: 21), that common trade policies can be an important factor to stimulate the further integration within the EU, of which the necessity is felt by the European community in terms of creating a common European identity. In other words, it was believed by the authors that such a unification in terms of external trade has a high potential as it would help to meet the certain necessity of common identity by the member states' citizens. This was also attributed to the elites' decision making concerning to reflect the Europe-wide interests. Aggarwal and Fogarty further added that "this 'constructivist' hypothesis starts from the view that international trade occurs in a social context that both constitutes and is constituted by actors' identities and actions. Economic

interaction is not simply an objective, material exchange, but also involves the affective understandings of individuals and societies of the meanings of economic activity through their interpretation of available symbol”.

Simply referring to the statements of de Bandt and Villetelle (de Bandt et al, 2006: 41), it can be assumed that there is little chance for EU to perform as a unified actor in trade issues, deriving from the divergences between some specific member states. It was argued, that Germany, France and Italy created a sense of asymmetry in terms of external trade between the years 2000- 2005. The annual growth rate of exports of goods and services were stated for Germany, Italy and France respectively as 5.5 %, 3.0 % and 1.5% in value. The price competitiveness, geographic specialization and product specialization were listed as the key determinants<sup>5</sup> of this divergence. Interestingly, this period of 2000- 2005 highly converges with the supposedly increasing unification in trade policies of EU member states. Even such a result can be regarded as sufficient to critically approach to this ‘unified actor’ assumption for the EU.

In addition, there is the critical issue of enlargement at stake, which adds new problems in terms of integration of trade policies, given the increasing number of interests with each membership.

“Given the use of qualified majority voting and the differences in the levels of economic development between the first 15 members of the EU and the relatively newer Member States, one factor that may become more important over time is how aggressively the 12 new Member States encourage the European Commission to pursue their commercial policy interests over other interests that have received considerable attention in the past. For example, the new Member States may be less interested in supporting measures to strengthen intellectual property rights regimes abroad and to open foreign financial markets, preferring instead measures that bolster foreign direct investments and outsourcing in general and better access to the merchandise sectors of middle-income developing countries” (Evenett, 2007: 9).

With regard to this, Beghin (2015) stated that, “it seems unlikely that a new agricultural agreement can be obtained in the Doha Round, unless the United States and the European Union agree to move toward lower and less coupled support for their farmers. Ironically, the European Union is making such a move with a midterm review of their policies, while U.S. policy is moving in the other direction”.

## **CONCLUSION AND DISCUSSION**

The legal basis and the procedures applied to the common external policies of the EU were detailed through this study, with specific reference to the case of Doha International Trade Round. Taking the economic divergences between member states into account, it can be argued that it is a very difficult task for the union to harmonize all those interests under one policy reflecting a consensus with

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<sup>5</sup> A detailed explanation of each determinant can be found in de Bandt and Villetelle (de Bandt et al, 2006: 42-45).

regard t the international trade agreements. Although the treaty of EU aimed to establish a sense of integration in all fields as much as possible, it might have failed to obtain this under certain circumstances. Indeed, the enlargement process alone made it harder to reach a common point for different members, each time a new member with new preferences and interests enter the system. Different from the previous and also following international trade rounds, the Doha Round was specifically dealing with the development issue and concerning for the interests of the developing countries in terms of international trade. To what extent those post-colonial EU countries would be willing to transfer their sovereignty in these issues to a supranational body would be doubtful, as there would be no specific guarantee to pursue each individual state's interests, as well as no possibility at all. As each member state has its comparative advantage in different products, their preferences in export and import criteria would differ in line with the developing countries, to which they export or from which they import. The Doha Round, as far as it could be observed, displayed these assumptions in practical terms to some extent, supporting the view that a complete unification of external trade policies could not be exactly provided. However, there is no doubt, yet, that EU has had legal intentions to provide a unified basis with the articles of the treaty mentioned before. In addition, it can be argued that contrary to the expectations, it was not any EU conflicts but problems in US leading to the cancellation of the round. However, as in many fields of the integration process, it would take a longer time for the EU to meet the legal statements in real terms.

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## SUMMARY

As EU consists of different national states with differentiating interests and objectives, it is not surprising to approach doubtfully to the integration issue within the union. In order to measure the internal coherence of the EU, its stance in the international arena can be focused on in many perspectives. In general, the extent of collective behavior by member states on external relations can be an indicator of this internal coherence.

For this aim, international trade was chosen as the reference point of this study, questioning the extent to which EU is able to act as a unified actor in international trade. In the first part of this study, the external trade policy of EU will be explored by elaborating the policy tools and decision-making procedures to reach an argument about whether EU is a unified actor on these bases. For this reason, a comparison of European external trade in goods and services will be specifically focused on in the second part to reach a conclusion about its unified structure on trade activities. Doha International Trade Round will be introduced as an example case to be studied in the final part, where the reflections of a possible unified structure within the EU will be examined.