

O que aprendemos e como pode a política comercial da UE enfrentar novos desafios?

What have we learned and how is EU trade policy to cope with new challenges?

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Abstract—A UE está numa posição privilegiada no comércio, mas enfrenta um conjunto de desafios, nomeadamente uma ordem de comércio internacional enfraquecida, choques recentes com impacto no sistema económico internacional (a pandemia do Covid-19, a guerra na Ucrânia, as alterações climáticas), a geopolítica e a alteração dos padrões de globalização. Este artigo (e o número especial da revista) faz um balanço sobre o que aprendemos e resume a forma como a política comercial da UE enfrenta estes novos desafios. Analisa igualmente as principais questões da cooperação e do comércio globais, dos acordos comerciais aprofundados e dos acordos comerciais aprofundados da UE, as lições do CETA, o comércio da UE e os capítulos da sustentabilidade e o modelo europeu (económico, social, ambiental).

Palavras-Chave — Desafios para o sistema de comércio global, acordos de Comércio Aprofundados da UE; CETA; geopolítica; sustentabilidade.

Abstract—The EU is in a prime position in trade but faces an onslaught of challenges where a weakened open trading order, recent shocks with impacts on the international economic system (the Covid-19 pandemic, the Ukraine war, climate change), geopolitics and changing globalization patterns combine. This article (and special issue) takes stock of what we have learned and summarizes how EU trade policy copes with new challenges. It brings together the different perspectives on global cooperation and trade, deep trade agreements, EU deep trade agreements and the lessons from CETA, the EUs Trade and Sustainability Chapters, and the European (economic, social, environmental) model.

Keywords — Challenges to the international trade system, EU Deep Trade Agreements; CETA; geopolitics; sustainability.

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1 Introduction

The European Union (EU), as the European Commission contends, is in a prime position in regard to trade.¹ Its assessment is based on the EU being the world's largest economy and trading bloc, ranking first in inbound and outbound international investments, being the top trading partner for 80 countries (the US for about 20) and the most open economy to developing countries. It is deeply integrated in global markets, a fact to which modern transport and communication facilities have contributed.² Being one of the most open economies in the world and a defender of free trade, it does recognize the importance of the development of trade. Doing so is important due to the impact that external trade has on EU economic growth and prosperity but is furthermore to serve wider EU's objectives by leveraging the EU's weight in global trade to shape an open and fair global trading system and by making sustainable development central to trade policy. In our view, those EU objectives are very much in tune with current challenges to global trade.

The increasing global economic integration that the world economy has become accustomed to over the last decades has brought about substantial benefits but is being challenged on various fronts. To start with, multilateralism's institutional framework has weakened in this millennium, as illustrated by the failure of the Doha round or the blocked World Trade Organization (WTO) arbitration panel. More acutely, in recent years successive crises have impacted world trade, most notably the Covid-19 pandemic, which erupted in early 2020, and Russia's invasion of Ukraine in early 2022. Highlighting weaknesses of existing globalization patterns such as the energy and food dependency and the fragility of global supply chains in the face of shocks, those prompted a reappraisal of cost advantages versus resilience in light of risks and pushed geopolitics to the fore as a factor on the

trade agenda. In the process, issues that have arguably been lurking more in the background for long (benefits and costs of international trade and their distribution, labour and environmental issues, even climate change) have also surfaced. As Lagarde (2022) put it, a new global map of economic relationships started to take shape as of 2021, in which geopolitics increasingly influences the global economy.

2 What are the new challenges to today's globalized economy and how should the EU cope?

The contributions to this special issue can be grouped in three, if at times overlapping, categories. A first group of (four) articles frames the discussion, looking at the need for cooperation in global governance in the light of crises, the political difficulties of doing so, seeking to better understand what the observed shift from multilateralism to preferential trade agreements, more specifically, the emergence and proliferation of deep trade agreements, means, and how the latter affect the European model.

In "Europe in the World circa 2030" Gaspar and Amaglobeli (2022) set out the challenges for cooperation in today's global governance setting. They remind us that international trade calls for a stable world economic system, which in present times however requires multilateral coordination that goes beyond trade rules and the traditional trade agenda. Successive shocks to the world economy (such as the coronavirus pandemic or Russia's full-scale invasion of Ukraine) have further underscored the importance of and need for multilateral cooperation in various domains. Among the challenges that the EU and the world need to address within the decade, Gaspar and Amaglobeli single out pandemic preparedness, progress on the United Nations Sustainable Development Goals (SDG), and mitigation of and adaptation to climate change. A key takeaway is that important present challenges to international trade and the international economic system that need to be addressed collectively with some urgency reside beyond the traditional trade area, with the need

1. Source: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/eu-position-world-trade_en

2. Globalization here refers to the internationalization of markets that has taken place over the past three decades or so. Of course, globalization is not exactly a new phenomenon. Just recall the wide-ranging globalization that existed in Europe pre-WWI or the cultural globalization of Hellenism post Alexander the Great.

to factor in climate effects (carbon tax) being critical. In this regard, the EU, a staunch supporter of multilateralism (despite or rather because of its retreat, one may add), is well placed to play a role in multilateral coordination and has assumed a leadership role in combatting climate change.

The economic case for international economic integration to deliver public goods leads to the question as to the prospects for realization. It is where political economy factors come in.

In his article entitled "Global trade in the Age of Populism", Frieden (2022) discusses the future of international economic cooperation in the light of the politics of trade, calling attention for the domestic and international political factors to be reckoned with. The 2007-09 global financial crisis had ended a period of stability in globalization that many had come to take for granted.³ Still, Frieden points out that this shock had less of a lasting effect on global trade (tellingly, discriminatory measures hardly rose) whereas it did cause perduring socio-economic impacts. The effects of globalization (notably an unequal distribution of benefits and costs along various dimensions) pushed the politics of trade to the forefront at a domestic level. The subsequent development of populist movements - anti-globalization, in Europe anti-EU - over the past 15 years, opposing economic and political integration, fed through into parties, governments and countries trade policy. As a result, domestic politics has become an important factor for the feasibility of international economic cooperation.⁴ At the same time, recent shocks to the international economic system - the global Covid-19 pandemic, Russia's full-scale invasion of Ukraine, the rise of China and the evolution of climate policy - nevertheless differed from the global financial crisis in that they have also had important impacts on trade openness

3. As Frieden reminds us, ours is the second period of globalization. The first period of globalization was prior to WWI, the second globalization period took off in the 1980s. Both achieved comparable trade openness. Democracy added additional challenges for the functioning of international institutions (for instance, in operating the gold standard austerity was not an issue). Rodrik (2011) has long argued that there exists a delicate balance between democracy and globalization.

4. The article argues that populist movements tend to share a dislike of 'globalism' and the international collaboration and integration framework, which has been the norm since the 1940s.

(discriminatory measures went up sharply, global trade integration decreased for the first time). Thereby, those shocks cumulatively contribute to uncertainty about the future of world trade and investment. Frieden argues that existing economic and political trends have called cooperation on trade among the principal economic centres, which would be critical to uphold and develop the open trade system, into question.⁵ The article concludes that overcoming opposition to international economic integration within major Western powers presupposes addressing the domestic reasons for opposition.

The articles by Gaspar and Amaglobeli and by Frieden cumulatively highlight the (economic) need for and the (political) difficulties to address challenges for the international economic system by means of international cooperation. Those challenges encounter a global governance system in trade where multilateralism and support for the global open trading order have become weaker. They are also in large part beyond the traditional trade domain. The rise of preferential trade agreements in general, and within those of deep trade agreements in particular, may hence be seen as an attempt to overcome perceived shortcomings of multilateral trade coordination. A better understanding of the nature and features (scope, depth) of deep trade agreements is however a precondition also for evaluating their consequences.

In their article "The Evolution of Deep Trade Agreements", Mattoo, Rocha and Ruta (2022) provide that important base, which is fundamental for shedding light on the nature and contents of deep trade agreements as compared to conventional preferential trade agreements and on their effects on trade. Its importance also for this special issue warrants a more detailed account.

The authors zoom in on international trade and globalization in a changed global governance system, in which regionalism has grown at the expense of multilateral governance, and where deep trade agreements emerged in the 2000s and have risen since within the preferential trade agreements notified to the WTO. Mattoo et al. clarify that while those preferential trade agreements

5. As pointed out, in the US, the Biden administration's trade policies have not varied much from Trump's.

are based on WTO rules, they drove the trade agenda beyond in terms of issue areas and towards regionalization. Two underlying causes are presented. First, because even traditional trade policy areas (tariff reduction, services liberalization) have become more frequently negotiated in a regional context than under the WTO umbrella and second, preferential trade agreements have often gone further than countries' WTO commitments, augmenting their scope.

Mattoo et al. analyse deep trade agreements extensive and intensive margins (number of covered policy areas and specific commitments within a given policy area, respectively), drawing on new data on the content of preferential trade agreements up to the end 2017 that comprises 18 policy areas most covered in those preferential trade agreements. They shed light on two main issues - what are deep trade agreements and what are their main effects. As for the former, deep trade agreements are shown to aim at economic integration beyond trade. This deep integration sets them apart from traditional trade agreements that focus on market access.⁶ Economic integration envisages establishing five types of integration rights, namely free (or freer) movement of goods, services, capital, people and ideas. Deep trade agreements feature policy areas that can be classified according to three categories⁷: those that envisage establishing economic integration rights; those that aim at protecting economic integration rights (limiting government discretion to undo them), meaning enforcement provisions that limit the discretion of importing countries in these areas, as well as with provisions that regulate exporters' behaviour; and those that expand consumer rights and social welfare (obligations on exporters such as labour market regulations or environmental laws).

As for their effects, Mattoo et al. put forward five new stylized facts on preferential trade agreements that derive from their data. To start with,

6. By implication, the term trade agreement becomes somewhat misleading, given that coverage extends beyond trade into other policy areas (among which international flows of investment and labour, intellectual property right protection and the environment).

7. With a possible overlap between the second and third categories in the case of some areas (competition policy, state-owned enterprises, subsidies).

they lowered trade-weighted average tariff rates below WTO levels (to less than 5 percent for more than two-thirds of countries). The number of commitments in preferential trade agreements increased over time, particularly since the 2000s and in areas aiming at facilitating flows of services, goods and capital. Deepening commitments have been accompanied by an increase in regulatory requirements, namely on enforcement. As compared to developed countries, developing countries tend to have fewer commitments in preferential trade agreements, with larger gaps in areas such as labour and environment. Finally, preferential trade agreements are more similar within blocs although similarity can be significant even across blocs.

Looking at the case of the European Union (EU), it, too, first reluctantly but then increasingly so, turned to bilateral and new generation trade agreements to advance its international trade agenda. EU deep trade agreements have become a major embodiment of EU trade policy. But what does that mean for the EU and its integration project?

In their contribution entitled "EU trade dynamics and the European model in the context of new globalization patterns and global governance", Bongardt and Torres (2022) stress that new generation EU trade agreements, going into non-trade policy areas, feed back into and influence the European model, which aims at making compatible economic efficiency and social and environmental objectives. That is so because deep trade agreements imply a qualitative change in EU trade, where external trade and EU regulation interact and impact on the European model (important for the EU's identity), potentially either strengthening or weakening it. Tellingly, EU deep trade agreements, unlike conventional trade agreements before, have been subject to contestation, with fears voiced that higher European standards could be undermined or pre-empted. Bongardt and Torres draw attention to the fact that the EU has to balance economic integration rights granted to third countries via deep trade agreements and ensuring the acceptability of domestic EU economic integration. In the EU, regulation recurs to harmonization provided that there is preference convergence, otherwise, by default, to

mutual recognition (systems competition). However, and critically, the notion of similarity that makes mutual recognition possible and politically acceptable is already stretched within the EU (Bongardt and Torres, 2017).

A second group of articles looks at the EU's new generation trade agreements with respect to the evolution of EU free trade agreements in terms of competences and the specific case of the EU-Canada Comprehensive Economic and Trade Agreement (CETA). CETA's importance derives not least from the fact that it has served as a blueprint for successive EU deep trade agreements and offers lessons. This bilateral new generation trade agreement, which had already been signed in 2016, is since 2017 in force but only provisionally as it is still awaiting ratification by all member states and some regions. The analysis of CETA - its nature, reach, enforcement and ratification - is hence of particular interest for getting a better understanding of issues surrounding EU deep trade agreements.

In her article "EU FTAs and divided sovereignty: Transformative shifts in trade authority", Guimarães (2022) points out that it is efficiency reasons that underlie the expansion in terms of policy areas of EU trade agreements. Trade became an exclusive competence of the European Community in the founding Treaty of Rome (1957). Yet, it was only fifty years later, under the Lisbon treaty (2007), that additional areas were added to that EU-exclusive trade competence. The author puts forward that there had been competence creep on the part of the EU in trade pre-2007 and that there continued to be competence creep thereafter, only that it has come to face limits in terms of member state or sub-state competences.⁸ Guimarães concludes that, as a result of the impact of the 2017 Singapore decision by the Court of Justice of the EU and of the engagement of subnational entities in trade policy (in federal systems), there have been transformative shifts in the locus of trade policymaking from centralized competences to divided sovereignty with national and subnational entities. Questioning or contestation in areas of

the latter's competence has slowed down the Commission's activeness in trade-related regulatory provisions in second and third generation agreements, aimed at regulatory approximation.

Coutinho's (2022) article "On the Legal Nature of New Generation Trade Agreements: Lessons from the CETA Saga" looks into the reasons for and implications of EU trade agreements of a mixed nature (of EU and member state competences). He explains that a grey zone had existed in regard to EU trade competences, then clarified by the Court of Justice of the EU, in its 2017 Singapore decision⁹, upon request by the European Commission. An essential implication is that portfolio investments and Investor State Dispute Settlement (ISDS) are member state competences. It follows that an EU trade agreement that is qualified as mixed, covering policy areas of member state competence, is void if it does not get unanimous approval by all parties involved. Coutinho points out that CETA's qualification as a mixed agreement hence determines that its application is limited and provisional (applicable to all other mixed agreements), and subject to a pending threat of termination until all member states and some regions have ratified the agreement. The separation of such a mixed agreement in two, in line with the competence distribution in the EU, offers a possible solution.

Leblond and Viju-Miljusevic's (2022) article is guided by the question of "CETA as the first EU third-generation trade agreement: does it act like one?". On the basis of their categorization of the three generations of trade agreements (background, characteristics, examples and innovations) and having examined a 5-year period of CETA being applied, they conclude that CETA also behaves like one. They clarify that third-generation policy issues imply more extensive institutional mechanisms to facilitate cooperation between the parties (such as regulatory cooperation, government procurement or the mobility of persons), which is due to the anticipation that much work on the removal of existing or potential barriers to trade needs to take place and continue after the agreement has entered

8. She suggests that the creeping competence notion be widened.

9. Available at: <https://curia.europa.eu/jcms/upload/docs/application/pdf/2017-05/cp170052en.pdf>

into force. While data suggests that CETA had a positive economic impact but is silent on the quantitative effect of provisions that pertain to third-generation trade issues when compared to tariff reductions (or elimination), Leblond and Viju-Miljusevic examine the qualitative progress on third-generation issue commitments, namely institutional and regulatory cooperation (in light of the difficulties associated with harmonization and mutual recognition). They conclude that economic benefits eventually materialize, but that beyond-the-border issues dealing with standards and regulations need time and efforts to make third-generation provisions work effectively since they require the cooperation of several actors.

A third group of (three) articles centres on the reorientations of EU trade policy and on the issue of changing globalization patterns (the resilience of global value chains).

EU trade policy has undergone strategic reorientations over the years, most recently in 2021 with the Trade and Sustainable Development (TSD) Review. The question is whether the new approach to TSD chapters in EU trade agreements, will make trade more sustainable and bring it in line with the EU's sustainability objectives and the European Green Deal.

Couvreur, De Ville, Jacobs and Orbie's (2022) article "The good geopolitical trade actor? The European Union's discursive justification of the Anti-Coercion Instrument" looks at how the EU's justified a change in EU trade policy, examining the case of the anti-coercion instrument. They point out that the EU, normatively, has stood for free trade and multilateralism. While it is still a defender, it has been adjusting its trade policy since 2015. The discursive justification of why the EU has done so boils down to that its trade stance had been naïve. Emphasis is now placed on defensive aspects against others (the example given is China, which was not successfully domesticated by multilateral rules). Couvreur et al. conclude that neither argument is entirely correct. That is, neither was EU trade policy that naïve before (as illustrated among others by the Generalized System of Preferences plus (GSP+) or the Europe agreements) nor is it entirely defensive now (examples: sustainable development chapters, carbon border adjustment mechanism (CBAM)).

In Couvreur et al.'s view, EU trade policy has now switched to an active stance, at least in some areas. One of those are Trade and Sustainable Development chapters, which are the focus of Blot's article.

In her contribution entitled "Green horizons - Towards more sustainable trade after the TSD Review", Blot (2022) clarifies that TSD chapters are not new but date back to 2011, when they first made an appearance in EU free trade agreements (in the EU's first new generation agreement with South Korea). In her view, the TSD Review, reinforced by the 20-point TSD Action Plan in June 2022, represents an attempt to rebuild the climate credibility of EU trade policy. It moreover amounts to a recognition of the EU's contribution to the global environmental degradation embodied in trade and of EU trade patterns negatively feeding back into EU policy goals (which in turn motivated contestation at various levels). Reviewing the action points of the new TSD Chapter approach in terms of their effects (that is, in terms of their impact on leveraging free trade areas for sustainability, enhancing the environmental credentials of free trade areas, empowering broader civil society, targeted actions for the Domestic Advisory Groups, and strengthening enforceability of environmental and social commitments), she concludes that the new approach is ambitious and sets the EU on course to embed sustainability in free trade agreements, notably by committing to the Paris agreement and ILO conventions, by including concrete enforcement mechanisms in partner countries (for the first time), switching to a more tailored rather than the previous one-size-fits-all approach that is accompanied by building support through greater involvement of civil society and financial and technical assistance and dialogue. The effect of some non-committal phrases on implementation is as yet unclear. Overall, the Review fortified the EU's position as a global leader with respect to integrating sustainability in trade policy, although it missed out on some opportunities to further enhance the sustainability of EU free trade agreements.

Della Posta's (2022) article "Global Value Chains and the Retreat of Globalization" is interested in what lessons the global financial crisis holds for the evolution of global value chains

(GVC). He shows that globalization already retreated after that crisis, with a significant slowdown in the degree of international economic openness, attributable not only to economic but also to geopolitical reasons. His argument draws on various indicators of the degree of openness of the global economy and its evolution (on international trade, foreign direct investment, labour mobility), and a slowing of GVC growth trend. Yet, as he argues, GVCs might be more resilient than expected. The reason is that firms may also opt to switch some production (say from China) to a location more near-by (with similar cost advantages but associated with a perceived lower geopolitical risk) rather than back home or to the same bloc.

3 Bringing different perspectives together

With the weakening of multilateralism, preferential trade agreements may have been seen as a second-best option and as one affording a more tailored response to globalization. Their proliferation in this millennium has resulted in more regional integration in the world economy centred around major trading blocs. The EU is a case in point. EU trade policy has ever more opted for preferential trade agreements, which are increasingly deep and comprehensive trade agreements. Recent crises appear to reinforce regionalisation, as countries have adopted measures to protect their economies and societies from their fallout or, more generally, from perceived geopolitical risk.

Against this background, the objective of this special issue has been, above all, to shed light on how EU trade policy has evolved within the wider global context and to discuss EU trade dynamics in light of old and new challenges. To do so, articles have taken a closer look at the evolving global context and main challenges, at deep trade agreements in general and the EU's new generation deep free trade agreements in particular, at why the latter imply a qualitative change in EU trade, and discussed spillovers from external trade and the impact on the European social and economic model. As contributions also

happened to speak to each other, let us consider some main points where things come together.

First, there is a necessity for economic cooperation in order to provide public goods, yet doing so hinges on overcoming an additional type of hurdles (public contestation). The international economic system faces challenges (pandemic preparedness, sustainable development, climate change) that call for collective action still in this decade, whose resolution requires cooperation beyond the narrow trade domain (Gaspar and Amaglobeli, 2022). However, creating and extending global governance has to reckon with political opposition from private and public actors (Frieden, 2022). As pointed out, the issue playing out in this second globalization is democracy (different from the first globalization prior to WWI, which was otherwise as deep). Globalization is also confronted with the rise of geopolitics in trade, which calls into question, among other things, the configuration of global value chains (Della Posta, 2022).

Second, the rise of preferential trade agreements may be seen as a response to a global trading order in retreat but it also affects global trade. There are two main reasons (Mattoo et al., 2022). To start with, because deep trade agreements increasingly set trade rules. Those are about establishing economic integration rights (goods, services, labour, capital, ideas) and have been growing in terms of policy areas and complexity, in general terms but most among developed countries. Also, because there has been a regionalization of trade (preferential trade agreements being centred around the EU, the US and Japan), with trade agreements being most similar within those blocs (although there is similarity in regard to about half of the contents also across).

Third, the EU has been very successful on account of being able to conclude an ever-increasing number of deep and comprehensive free trade agreements, which however sits uncomfortably with the difficulties that it has been experiencing with respect to ratification. Explanatory factors include competence creep (if justified by efficiency reasons) in conjunction with the fact that some relevant competences are decentralized, resulting in divided sovereignty for trade issues (Guimarães, 2022). In legal terms, any agreement that is quali-

fied as mixed (covering also specific areas of member state competence) rather than EU-only may still enter into force but only provisionally and in a limited way (like CETA); its fate is subject to uncertainty in the meantime. It becomes void if a single member state (or region, if applicable) does not ratify it (Coutinho, 2022). Splitting up a trade agreement allows for getting around the role of member states in ratifying the trade section part (Blot, Coutinho). It involves negotiating separate trade and investment and political and cooperation agreements. The Commission has adopted this approach already in the recently concluded EU-Chile agreement and proposed it for the politically contentious Mercosur and Mexico agreements (Blot, 2022). Moreover, judging by the case of CETA, the EU is undertaking some efforts to address (avoid) possible contestation a priori, notably by increasing transparency and making new generation free trade agreements more progressive in terms of objectives (Leblond and Viju-Miljusevic, 2022). As bilateral agreements receive greater scrutiny (Blot), the reaction to or contestation of other EU free trade agreements will be informative as to the EU's capacity to pursue a trade agenda that is supported by European society and member states and regions.

Fourth, the rules established in bilateral or regional deep trade agreements also feed back into the European economic and social model (Bongardt and Torres, 2022). As Mattoo et al. (2022) explain, deep trade agreements not only establish economic integration rights and enforcement rights but have recently also come to feature welfare-related areas such as the environment and labour. The impact on welfare occurs through an international spillover effect. With economic integration within the EU and its internal market being more profound than what the Union grants to third countries in deep free trade agreements, the risk is that the latter may still interact with and have a negative impact on European environmental and social standards. After all, the very logic of deep trade agreements is doing away with non-tariff barriers (once tariff barriers are already low). At the same time, establishing those economic integration rights necessarily reaches out into regulation and enforcement to ensure implementation beyond the border. For the EU, the

challenge comes down to balancing the economic integration rights granted through (deep) trade agreements to third countries and ensuring an equilibrium internally. In the EU's internal market, the functioning and acceptance of regulation rest on preference convergence: harmonization if there is preference convergence, mutual recognition where there is not. However, the notion of similarity that makes mutual recognition (systems competition) possible is already stretched within the EU. In the end, the issue is to what extent systems competition via deep trade agreements could come to undercut those areas which are key components of the EU model and whether competence distribution in the EU (when involving member states and/or regions) provides a sufficient safeguard in the case of divergent preferences. What Rodrik (2011 and 2014) refers as the delicate balance in globalization poses an even larger challenge for the EU, as its own delicate internal balance could be potentially upset by new generation free trade agreements¹⁰

Fifth, with EU free trade agreements being a chief embodiment of EU trade policy, what can be said about the implementation of EU objectives in or through trade? On the one hand, EU trade policy has moved away from normative free trade and multilateralism, embracing (more openly) a more active trade policy and pushing for EU objectives. The EU discursive justification (of anti-coercion measures, for instance against China) centres on the assessment that the previous stance had been naïve (Couvreur et al., 2022). On the other hand, the Commission's recent TSD review vows to bring trade policy in line with EU policy (SDGs, EGD) and external commitments (Paris agreement). Its stance has become more assertive in some respects (Couvreur et al., Blot). TSD chapters had already been part of EU new generation trade agreements, but under the TSD review and action plan commitments will be strengthened in new agreements as is enforcement, with

10. Rodrik has long pointed to the existence of a paradox in globalization, warning that if pushed too far globalization would undermine its own institutional foundations. As he puts it, there is hence a need to find a delicate balance. Bongardt and Torres (2022) argue that this is even more the case for the EU, where the resulting external balance impacts a delicate internal balance.

commitments binding and the possibility of sanctions in case of non-compliance (Blot).

Trade and the European model are intertwined. The above discussion allows us to conclude that the EU is well placed to push for cooperation on global public goods and/or to use bilateral or regional preferential trade agreements to further its objectives. There is also a strong economic case for dealing with negative environmental effects, at a global and multilateral level or else through modern free trade agreements. The EU brought its trade policy in line with its wider objectives and started to use new deep trade agreements as a vehicle to promote external trade that serves its objectives (sustainability, labour standards), domestically and in partner countries. The shift to welfare-related commitments in trade is also significant as it may also help address the issue of political contestation. However, as always, the devil will be in the details. Time will tell whether EU deep trade agreements manage to condition globalization in line with EU values and objectives or whether economic integration rights granted to third countries put pressure on the European model.

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