



# European Union trade policy: Looking back to look ahead

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# Table of Contents

Introduction: The Australian Perspective .....	3
Timeline of Events .....	4
Setting the Stage: The End of War and Beginning of the Peace Project .....	6
Part 1 Timeline: Forty Years of Establishing the EC (1950–1991).....	8
Part 1 Discussion: Forty Years of Establishing the EC (1950–1991).....	18
Part 2 Timeline: The Age of Bilateralism (1992–2014) .....	23
Part 2 Discussion: The Age of Bilateralism (1992–2014).....	32
Part 3 Timeline: Instability and Challenges of Multilateralism (2015–2025) .....	35
Part 3 Discussion: Instability and Challenges of Multilateralism (2015–2025).....	41
Where to Next? The Current Direction of EU Trade Policy .....	44
Bibliography .....	46
Appendices.....	55

## Introduction: The Australian Perspective

The European Union (EU) and Australia have not always been easy or natural allies in the global world order (Mascitelli 2018:3). Yet over the last several decades this has changed, and the two parties have been working towards a free trade agreement (FTA) for some time. After several setbacks, it seems that at the time of writing an agreement might be reached in 2026. This would be a significant achievement as from the outset the parties have been committed to achieving an agreement that would set a benchmark for trade arrangements between ‘like-minded’ partners committed to enhancing the prosperity of their citizens. As we look ahead to expected resolution of the various sticking points and an anticipated agreement signed between the two parties, taking a comprehensive and far-reaching view of the history of EU trade policy aids in understanding the present and forecasting the future. In this, the paper takes cues from other research that has aimed to expand understanding of the EU in Australia to create something ‘deeper, richer and better able to inform the FTA negotiations’ ahead (Simoes da Silva and McNaughton 2018:127).

This paper will undertake this task in several steps. First, it will set the stage of Europe in the post-war world, precipitating as it did the economic integration that was to follow. Then in Part 1, the paper will review the period 1952–1991 as the forty years establishing the European Community (EC), including key events and then analysis of these events’ significance. In Part 2 (1992–2014), a period defined by bilateralism will be investigated through key events and analysis. In Part 3, key events from 2015 to 2025 will be sketched and subsequently analysed. Where relevant, possible ramifications for current EU trade negotiations – including with Australia – will be extrapolated out from this history. Finally, the paper will close with some brief notes speculating on the future of EU trade policy and what this could mean for current agreements under negotiation including with Australia.

Prior to undertaking each of these tasks, over the paper presents a timeline of key events as covered in this document. These events are each hyperlinked to the relevant sections of the paper for those who may seek quick access to certain events or periods.

## Timeline of Events<sup>1</sup>

1946 – Monnet Plan

1947 – Marshall Plan

1950 – Schuman Plan

1952 – Treaty of Paris

1958 – Treaties of Rome

1962 – Common Agricultural Policy

1963 – Kennedy Round (of GATT) commences

1967 – Treaty of Brussels (Merger Treaty)

1968 – Customs union finalised

### Common Commercial Policy

1970 – European Political Cooperation commences

1971 – Generalized System of Preferences

1973 – first EC enlargement

Tokyo Round (of GATT) commences

1975 – European Regional Development Fund

1976 – Lomé Convention

1981 – Greece joins EC

1985 – Schengen Agreement signed

1986 – Uruguay Round (of GATT) commences

1987 – Single European Market

1992 – Treaty of Maastricht signed

### Economic and Monetary Union

1993 – European single market

Treaty of Maastricht entered into force (European Union launched in name)

### White Paper on ‘Growth, Competitiveness and Employment’

1994 – European Economic Area treaty

Uruguay Round (of GATT) ends

1995 – World Trade Organization

### Generalized Agreement on Trade in Services

### Agreement on Trade-Related Aspects of Intellectual Property Rights

### 1995 enlargement of EU

1996 – Market Access Strategy

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<sup>1</sup> Please note that dates given for Treaties and Agreements are the dates entered into force, not signed, unless otherwise indicated.

1999 – Eurozone launched electronically

Treaty of Amsterdam

EU's 'managed globalisation' strategy under Commissioner for Trade Pascal Lamy

2001 – Eurozone launched with tangible currency

Doha Round (of GATT) commences

2003 – Treaty of Nice

2004 – 2004 enlargement of EU

2006 – EU's 'managed globalisation' superseded by 'global Europe' approach

2007 – 2007 enlargement of EU

2008 – Global Financial Crisis

2009 – Eurozone Debt Crisis

Treaty of Lisbon

2010 – EU launches 'Europe 2020' strategy

Greek crisis

2015 – Refugee crisis

EU launches 'Trade for All' strategy

2016 – Shared Vision, Common Action: A Stronger Europe – A Global Strategy for the European Union's Foreign and Security Policy

2017 – Report on the implementation of the trade policy strategy 'Trade for All'

EU–Canada Comprehensive Economic and Trade Agreement

2020 – Brexit finalised

COVID-19 pandemic

EU's foreign direct investment (FDI) screening framework

2021 – Trade Policy Review – An Open, Sustainable and Assertive Trade Policy

2022 – Russia–Ukraine conflict

International Procurement Instrument

2023 – Carbon Border Adjustment Mechanism

Deforestation Regulation

Foreign Subsidies Regulation

Corporate Sustainability Due Diligence Directive

Anti-Coercion Instrument

2024 – President Ursula von der Leyen presents 'Political Guidelines' to Parliament

Donald Trump's re-election

## Setting the Stage: The End of War and Beginning of the Peace Project

From the end of the Second World War in 1945 a new Europe emerged – a continent in uneasy peace beset by the social and economic devastation wrought by the preceding wartime years. The United States (US) had played a key role in ending the war and looked to this devastation with concern for future peace. During initial post-war recovery, some hoped or speculated that Stalin and the Soviet Union might be incorporated into the new world order that the US was set to create. Yet from the American perspective, by 1946 this was no longer possible – the US would instead focus its efforts to stabilise the region through economic aid to Western Europe, in line with its own emerging concerns to prevent the spread of communism.

Within Europe, national reconstruction measures were already occurring. In France, for example, the Planning Commissioner Jean Monnet – a founding father of what was to become the EEC and later the EU – enacted a scheme for French recovery known as the Modernisation and Re-equipment Plan, now known as the **Monnet Plan**. Despite the Plan's efforts, by 1947 France was challenged by inflation, drought and a subsequently terrible harvest that exemplified wider economic issues across Europe. The US – embarking as it was on the 'American Century' in which it hoped to shape the world culturally and economically – moved to counterbalance subsequent insecurity and potential Soviet Union influence.

In June 1947, US Secretary of State George C Marshall enacted the European Recovery Program (ERP). The **Marshall Plan**, as it would come to be known, would assist Europe in its economic reconstruction, bringing along with this reconstruction further economic integration that would set the stage for the European Community and Union that would follow in coming decades. While a causal relationship between these two events – the Marshall Plan on the one hand and European economic integration on the other – ought not to be taken at face value, for the purposes of this priming paper on EU trade policy history it can be said that the first had at least indirect influence on the second (Cini, 2001:14).

The Marshall Plan was legislated domestically by the US Foreign Assistance Act in 1948, providing aid to 18 European nations, including (West) Germany. Indeed, the rehabilitation

of Germany and its being brought back into the fold of Europe was a key part of the integration process (Cini, 2001:16). The Marshall Plan is broadly considered a historic success and helped Western European nations increase gross national product and rapidly renew key industries. These impacts as well as key players and events in the ensuing years will be explored further in ‘Part 1: Forty Years of Establishing the EC’ below.

## Part 1 Timeline: Forty Years of Establishing the EC (1950–1991)

Given the above context, while the EU has been known historically as a trading bloc, in fact the EU's inception is also often seen as an exercise in building peace and internal harmony through application of trade tools. The period of the EU's history explored below – from France's Schuman Plan in 1950 to 1991, a year before the Treaty of Maastricht's signing in 1992 – was less concerned with external trade (that is, with states outside the bloc) and more with European integration as encouraged by the Marshall Plan. Moreover, given the US' and the wider world's concern with post-war decolonisation, European nations also sought to 'maintain the historical economic relationship between erstwhile colonizers and subjects' to further safeguard these former colonial states' economic stability (Bartels 2007:756).

### 1950s: Integration

The 1950s period – for the purposes of this working paper beginning with France's Schuman Plan in 1950 and ending with the Treaties of Rome in 1957–8 – laid the foundations for integration of the EEC that was to become the EU we know today. Understanding these foundations has ramifications for contemporary understandings of multilateral trade policy's impact on peace, the environment and nuclear non-proliferation.

In 1950, inspired by France's Monnet Plan four years earlier, the French Foreign Minister Robert Schuman – known today as another founder of the EU – proposed that French and (West) German coal and steel industries be brought together to pacify relations between the two states. This plan, which came to be known as the **Schuman Plan**, was supported by other European states and statesmen – including the German chancellor Konrad Adenauer and Italian prime minister of the time Alcide de Gasperi.

The Schuman Plan in turn led to the development of the **Treaty of Paris**, signed 18 April 1951 and entered into force on 23 July 1952. Following the footsteps of the Schuman Plan, the treaty formally established the European Coal and Steel Community (ECSC), unifying French and German coal and steel industries to maintain peace in the wake of the Second World War, and 'to supervise the market' (Publications Office of the European Union 2017). The Community party to the Treaty – France, West Germany, Italy, Belgium, Luxembourg

and the Netherlands – was ‘unique in being provided with a supra-national High Authority’ (Leonard and Taylor 2016:6) over its members in the two key industries of coal and steel and was widely considered the first formal step toward European integration, following in the informal footsteps the Marshall Plan had laid prior.

The next moves toward a united European trade policy were the **Treaties of Rome**, signed on 25 March 1957 and entered into force on 1 January 1958. The Treaties established the EEC which was similar to the ECSC ‘but the supra-national element was significantly less’ pronounced (Leonard and Taylor 2016:7). The Treaties also established the European Atomic Energy Community (Euratom) to develop peaceful uses of nuclear energy. Overall, the treaties created ‘a common market based on the free movement of goods, people, services, and capital’ and formalised signatories’ agreement to ‘to gradually align their economic policies’ (General Secretariat of the Council 2021).

While the events of the 1950s above may seem distant from current trade policy, they remain foundational for both the EU and its trade history. Understanding these foundations is essential in understanding the EU we know today and exemplifies British political economist John Stuart Mill’s influential argument that trade can be used as a tool to achieve peace (Mill 1885). Indeed, this underlying strategy – the application of trade means to achieve political ends – remains a key one utilised by the EU today, as seen in current trade negotiations.

### 1960s: Trade Policy Begins

In January 1962 the Council of Ministers – comprised of government ministers from each member state, preceding the contemporary Council of the European Union – initiated the **Common Agricultural Policy (CAP)**. This created basic regulations within the EEC for a common market in agriculture. Its primary aims were to ensure sustainable agricultural practice, which have continued today in its current iteration to ‘support farmers and improve agricultural productivity, ensuring a stable supply of affordable food [...] and [...] help[ing] tackle climate change and the sustainable management of natural resources’ (Directorate-General for Agriculture and Rural Development 2025).

As a highly protected national industry in many nations, agriculture was to become a reasonably contentious issue within trade negotiations both internally and externally to the

EEC and its later iterations (Xafa, Landell-Mills and Kronenberg, 1992:48). The CAP's contentiousness largely stemmed from concerns around EC protectionism from the Community's trading partners – with particular focus on the variable import levy which was designed to *vary* periodically to reconcile the difference between changing world market prices and the higher minimum import price imposed by the EEC, thereby preventing competitiveness from external supply sources (Swinbank 2018:38). Indeed, as a factor that still comes to bear on trade negotiations between the EU today and Australia as well as other agricultural-exporting countries, understanding the long history of agriculture's contentiousness in trade policy assists us to understand current roadblocks.

In 1963, the CAP's initiation also showed ethical considerations entering the collective conscience of the EEC for the first time, as the Policy was designed in part to protect the environment, a factor which continued to feature in EU trade policy throughout its history. In recent times, for example, FTA negotiations between the EU and trading partners have referred to EU standards for genetic modification and animal welfare (Swinbank 2018:49). For these reasons and others, the CAP remains a key policy instrument for the EU in the 21<sup>st</sup> century, though it could be said to be decreasing in importance given recent geopolitical instability and subsequent new security directions of the EU (Mascitelli and Wilson 2024).

The **Merger Treaty**, also known as the **Treaty of Brussels**, was signed on 8 April 1965 and entered into force on 1 July 1967. This treaty amalgamated the ECSC, the EEC and Euratom to create the European Community (EC), which would later become the EU when the Treaty of Brussels would be superseded by Maastricht in 1992, thus ushering in a new stage of integration (addressed in Part 2 of this paper).

Prior to, during and following its creation, the first test of the EC's ability to perform on an international stage was the **Kennedy Round** of the General Agreement on Tariffs and Trade (GATT) negotiations, held from 1963 to 1967 in Switzerland and named after President John F Kennedy who was instrumental in progressing the negotiations. This Round was characterised by dissent both within the EC as well as between the Community and external parties. The Treaty of Rome had defined the role of the European Commission as partly to negotiate on behalf of its member states. However, French and German representatives attended the Kennedy Round with their own agendas, presenting a perceived divided front.

The largest point of contention during the Kennedy Round between the EC and *other* participating parties was the CAP. The agricultural sector had been excluded from GATT negotiations, and participants including the US, Canada and Australia were attempting to ‘limit the protectionist scope’ of the CAP by bringing this topic forward (Coppolaro 2014:25). Internally to the EC’s six members, each of their own domestic and international interests led to disagreement on both the CAP and GATT negotiations. However, they somewhat compromised by suggesting improvements to the EEC’s self-sufficiency rate: the extent to which it could meet its own needs through domestic production without relying on imported goods. This proved the EC’s abilities on the international stage but also identified France as a manipulator for its own economic gain during the process. Nonetheless, it is generally concluded that despite its rocky start, the Kennedy Round consolidated the notion that the EC was a ‘defensive GATT player’ (Brsakoska Bazerkoska 2012:280) and that by the end of the four-year negotiations, ‘the [European] Community spoke with a single voice on behalf of all the member states’ (Coppolaro 2014:24).

In July 1968 the **customs union** was finalised, having been first designed in the Treaties of Rome in 1957. Following a 12-year transition period and finishing 18 months ahead of schedule, the customs union essentially drew a trade border around all EC member states, resulting in no internal tariffs and no identical tariffs for imported goods, regardless of where they entered the EC. The **Common Commercial Policy (CCP)** worked in tandem with the customs union and was the first iteration of EC trade policy. It was initially ‘broadly liberal’ in its approach to trade (Young and Peterson 2014:58), as proven by the EC’s willingness to cut the common external tariff by a further 25% in negotiations with the US during the Kennedy Round (Leonard and Taylor 2016:10). The CCP unified EC member states’ trade policy:

particularly with regard to changes in tariff rates, the conclusion of tariff and trade agreements relating to trade in goods and services, and the commercial aspects of intellectual property, foreign direct investment, the achievement of uniformity in measures of liberalisation, export policy and measures to protect trade such as those to be taken in the event of dumping or subsidies (Publications Office of the European Union 2016b:140).

The above timeline shows that EC trade policy can be seen to have begun in earnest in the 1960s with the CAP and the CCP. While the common market in agriculture was largely seen as protectionist by states outside the EC, its strong foundations – which continue into the 21<sup>st</sup>

century – prove how essential a policy it was for progression of the European project. At the time, it was progressive even for member states to agree on the policy and demonstrates the EC's goal of peace, through protecting and maintaining a key industry in the face of both internal and external adversity. The Kennedy Round can also be seen to demonstrate this goal through tariff cut resolutions reached between the EC and US, despite persistent difficulties with integration. The Kennedy Round and the 1960s overall are an exemplar of the first 40 years (1950–1991) of the European project's significance: divisive but persistent; and committed to a goal larger than any one state's interests.

### 1970s: Looking Outward to Look Inward

Initial undercurrents of EC protectionism in the 1960s came to the surface more fully in the 1970s. In this decade, integration of the Community was characterised by an attempt to unify broad engagement with the non-EC world, as the EC could arguably have come to see trade and foreign policy as inextricably linked. Notwithstanding this, unification on foreign policy remains a challenge even today. Bearing in mind the complexities, the EC's engagements over the 1970s included: the Generalized System of Preferences which allowed the EC to support and benefit from developing economies; the Tokyo Round of the GATT negotiations at which the EC argued internally about the extent of protectionism in which it should engage; and the Lomé Convention in which the EC member states formalised aid and trade relationships with respective former colonies. While these engagements were arguably rational responses to global insecurity throughout the wider world, the EC's 1970s activities nonetheless can be considered the strongest demonstration of protectionist trade policies across the overall era under consideration in Part 1 (1950–1991).

Alongside unifying economic policy, the EC attempted to unify foreign policy under a series of activities known commonly as **European Political Cooperation** (EPC) from 1970 onwards. These were the predecessor to today's Common Foreign and Security Policy (CFSP) which was established as a key pillar of the Treaty of Maastricht, coming into force in 1993 (Regelsberger 2020:1). While the original system of the EPC remained flawed until its reform with Maastricht, the underlying concept of the EPC as an attempt to unify foreign policy on a regional basis remains today a model globally. It also highlighted the strength of member states and their intent to truly integrate while simultaneously acknowledging the interconnected nature of trade and foreign policy (Regelsberger 2020:1).

This connected understanding of trade and foreign policy can be additionally traced to the **Generalized System of Preferences** (GSP) scheme launched in 1971 (Bartels 2007:739) under the auspices of the United Nations Conference on Trade and Development (UNCTAD). Designed to ‘provide duty-free access to the EC market for industrial products exported by developing countries’ (Xafa, Landell-Mills and Kronenberg 1992:33), the GSP is still today regularly renewed to allow the EU to support developing economies and foster close ties with those states (though negotiations for a revised scheme are at the time of writing ongoing). A key point of concern for citizens and companies alike in EC states was that ‘coverage of agricultural products [was] more selective and concessions [were] more limited’ (Xafa, Landell-Mills and Kronenberg 1992:33). The scheme did not benefit all developing countries, but only those who were not ‘both “high-income” and diversified in their exports’ and excluded states who were treated similarly through other mechanisms like specified trade agreements (Bartels 2007:739).

In 1973, global events significantly affected the EC. The **first EC enlargement** occurred with Denmark, Ireland and the United Kingdom (UK) joining the EC in January of that year. France’s power in the EC was made clear particularly with UK ascension, as the state had applied to join the EC previously but until 1973 had been vetoed exclusively by then French president Charles de Gaulle, its ascension therefore still hinging on French approval (Leonard and Taylor 2016:11–12). Additionally, the Yom Kippur War between Israel and a coalition of Arab states had severe impacts on the EC including a fourfold rise in oil prices, economic recession, inflation and subsequent unemployment throughout the Community’s populations (Leonard and Taylor 2016:15). These events not only brought into sharp relief the difficulty and importance of coordinating an economic policy among EC members and the need to develop an ability to rapidly respond to global events, but also led to the formation of the **European Regional Development Fund** in 1975 which financially assisted less economically developed areas of the EC. The creation of the fund further highlights integration as a priority throughout this period (Leonard and Taylor 2016:15).

The **Tokyo Round** of the GATT from 1973 to 1979 again displayed the EC on a global stage, but in a harsher economic climate than during the Kennedy Round almost a decade earlier (Leonard and Taylor 2016:16). The Tokyo Round has been considered by many scholars to be a key point in EC trade policy (Leonard and Taylor 2016:16; Woolcock

2005:1; Brsakoska Bazerkoska 2012:280). Some issues at play were similar to those in the Kennedy Round relating to barriers to European integration. In the Tokyo Round, these were namely that EC member states were struggling to integrate their trade policy so there was strong disagreement between states that were inclined to opening the market on the one hand, and defensive or protectionist on the other (Woolcock 2005:1). EC trade partners were primarily concerned with producing rules against protectionist trade tactics such as non-tariff barriers, however this round of negotiations did little to allay their concern (Brsakoska Bazerkoska 2012:280; Kakabadse 1983:548). Japan was the EC's key opponent in this round 'whose interest was liberalisation in the sectors of cars and motorcycles, electrical items, tableware and household products, precision instruments, silks, footwear, dyestuffs, film and tyres,' (Kakabadse 1983:552). Japan moreover failed to agree with the EC on adjustment measures including tariff reductions.

Trade and foreign policy were again linked through the **Lomé Convention**. A successor to the Yaoundé Convention in 1963 and 1969, the Lomé Convention was signed in 1975 and brought into force in 1976. It was a trade and aid agreement signed with the African, Caribbean and Pacific (ACP) regions designed to maintain the relationship between former colonies and respective EC member states. Considered more focused on aid than trade from the European perspective, the Convention 'abandoned reciprocity and added commodity export price stabilization schemes' (Bartels 2007:756). Despite a general commitment to freer trade with ACP states, the lighter restrictions did not apply to ACP products which fell under the EC's CAP (Bartels 2007:734).

EC integration attempts continued with the 1979 **European Monetary System (EMS)** in which member states agreed to link currencies to encourage trade, stabilise exchange rates and control inflation within Europe (CFI 2025). The EMS achieved this by creating what was then known as a European Currency Unit, which represented a weighted average of the currencies within the EC which could then be used to set exchange rates. The primary drawback was that it affected individual nation-state economies in the EC differently depending on their currency values and other conditions and therefore the EMS not universally lauded by all EC states. Yet despite these issues, the EMS was an essential step towards today's European single market and shared currency of the Euro (CFI 2025).

As noted above, the 1970s arguably saw the biggest demonstration of protectionist trade policies of this era (1950–1991), with the European Regional Development Fund, the Tokyo Round of GATT negotiations and the Lomé Convention each in their own way showing preference for EC member states' own financial stability. However, against the backdrop of severe economic hardship caused by global events such as the Yom Kippur War, it could be said that the EC's turn inwards and away from supporting external parties was warranted.

Indeed, there are other ways to problematise a protectionist view of the EC's actions in this period. For example, Japan was highly critical of the EC's protectionism during the Tokyo Round of GATT negotiations, yet these tactics could also be considered appropriate given the precarity in the global economy at the time. Similarly, the application of support for less-developed economies both within and outside the EC through policies such as the GSP, European Regional Development Fund and the Lomé Convention might on the one hand be considered self-interested by the EC, with ulterior motives to promote regional stability or maintain dependency from former colonies. On the other hand, the latter Convention might be considered a creative way to maintain relationships with former colonies and support international development. While it is beyond the scope of this working paper to provide further analysis on these questions, the different views on these issues are useful to understand contemporary debates around the EU's current FTA negotiations with Australia and other nations.

### 1980s: Continuing integration

In the 1980s, integration from the previous decades continued to be popular and took multiple forms. The decade began with Greece joining the EC in 1981, followed not long after by events such as the creation of the Schengen Agreement and passing of the Single European Act. Each in their own ways, these movements expanded the EC and strengthened its internal ties.

The decade of the 1980s began with **Greece joining the EC** in 1981 and the **Schengen Agreement** – allowing free travel for foreigners and labour mobility within the EC – signed in 1985. The impacts of the Schengen Agreement on trade as well as broader economic integration efforts were far-reaching. Coming as it did eight years before the 'European Union' in name, it was key to creating the world's first large-scale international labour

market, complementing the free flow of goods and capital that previous treaties had established (Davis and Gift 2014:1541).

In further moves toward integration, the **Single European Act** was signed in 1986 and came into effect in 1987. The Act was the first major revision of the Treaties of Rome, with the goal of fast-tracking decision-making ‘in preparation for the single market’ (Directorate-General for Communication 2025c). The European Commission’s ‘White Paper on the Completion of the Internal Market’ was the primary catalyst for the Single European Act and true European integration, featuring 300 proposals, their incorporation into national legislations and an amendment to the Treaties of Rome by ‘extending the areas in which decisions could be adopted by simple or qualified majority’ (Xafa, Landell-Mills and Kronenberg 1992:3). This approach differed significantly from previous attempts at integration which sought to override national laws with Community-wide measures and acknowledged European harmony by mutually recognising national laws, subject to minimum standards (Xafa, Landell-Mills and Kronenberg 1992:4).

As the 1980s drew to a close, global events continued to impact on EC relations both internally and externally, with many European states transitioning out of communism from 1989 –beginning with Poland and Hungary’s transition to democracy and ending with the fall of the Berlin Wall and reunification of Germany in November. These events snowballed and intensified in coming years, reaching a climax with the Union of Soviet Socialist Republics (USSR) collapsing in December 1991. It is important to note that these events severely challenged the broader European integration process. While the EC responded to these new states with ‘grants and aid for economic development and institutional reform’ (Leonard and Taylor 2016:23), issues such as the immense economic difficulties in the area formerly known East Germany meant a united Germany was not uniformly popular across the EC, given intransigence to economically supporting a financially laggard entity. Yet its reunification was seen by some in the Community to be a key task to fully realise wider European integration. Key among proponents was Jacques Delors, President of the European Commission at the time, who significantly advanced the project of German reunification.

The Delors administration of the European Commission also introduced the Single European Act. This event can be seen to mark the end of the EC’s foundations – in which integration had been first established – and the beginning of a new era. Perhaps due to the Uruguay

Round of GATT negotiations and the concomitantly more assertive EC stance on trade (beginning in 1986 but ending in 1993, so under discussion in Part 2 of this paper) or a change in internal dynamics, the 1980s saw the EC shift away from previous priorities of resolving internal integration to assert itself more firmly on a global stage.

## Part 1 Discussion: Forty Years of Establishing the EC (1950–1991)

### Trade tools: protectionism

The EC used a range of different trade tools in its formative years (1950–1991) to pursue the protectionism that could be said to have defined its policy over the period (Xafa, Landell-Mills and Kronenberg 1992). These trade tools will be investigated below with examples from the period.

Generally, from the inception of the ECSC until 1990, the EC's trade or association agreements were conducted either through GATT negotiations or bilateral deals (Leonard and Taylor, 2016:16) and featured both developed economies and developing economies as seen through the GSP and the Lomé Convention (Bartels 2007:739; Leonard and Taylor 2016:16). FTAs were signed between the EC and Austria, Iceland, Norway, Portugal, Sweden and Switzerland individually (as members of the European Free Trade Association or EFTA, a competing economic union) in the early 1970s and included the 'phased elimination of tariffs and quantitative restrictions on industrial and processed—but not unprocessed—agricultural products' (Xafa, Landell-Mills and Kronenberg 1992:26–27). However, over the course of their cooperation, EFTA states became concerned about the protectionist and inward-looking nature of the EC, leading many to eventually apply for EC membership (Xafa, Landell-Mills and Kronenberg 1992:26–27).

The EC also signed Association Agreements with Turkey (in 1963), Malta (1970) and Cyprus (1972), which included the standard tariff measures, aid and cooperation but also the promise of full EC accession after a transition period, a promise still unfulfilled for Turkey. Similarly to these Association Agreements, Trade and Cooperation agreements were signed with many Middle Eastern and North African states in the late 1970s which featured tariff concessions, duty-free access to EC markets and aid. However, textiles and products covered under the CAP were exceptions and highly protected within EC markets by functions such as the variable import levy (Xafa, Landell-Mills and Kronenberg 1992:29).

Aside from the bilateral and multilateral negotiations above, the EC engaged in various protectionist trade tools over the period. Tariffs were a key trade tool used by the EC over the period of 1950–1991, not only to control markets but to negotiate trade agreements both bilaterally and multilaterally (Xafa, Landell-Mills and Kronenberg 1992:17). On the individual member-state level, authorisations under Article 115 of the Treaties of Rome, which ‘empowers the Commission to authorize a member country to apply protective measures against imports from third countries [... should they] threaten domestic production,’ (Xafa, Landell-Mills and Kronenberg 1992:19) were also common in the EC’s formative years.

Antidumping instruments – which prevent foreign companies from selling products at extremely low prices that harm domestic industries – also featured heavily in EC policy prior to 1990, with the EC maintaining 123 outstanding antidumping actions in 1986 and between 24 and 50 cases investigating dumping in the same time period (Xafa, Landell-Mills and Kronenberg 1992:19–20). This protectionism defined EC policy in the 1980s to early 1990s, with the Community and US the heaviest users of the policy, followed by Australia (Davis 2009:3). Indeed, given that protectionism – particularly of agricultural industry – remains a key sticking point in FTA negotiations, this history is key to consider.

Yet despite the above, over the period of 1950–1991, the EC also engaged in methods to encourage positive trade relations. Voluntary export restraints (VERs) – self-imposed limits on quantities of exports – were a large part of EC trade policy in this period, comparative to the rest of the world, with the EC accounting for approximately 60% of all VERs globally from 1988–1989, with a particular focus on ‘agricultural products, textiles and clothing products, electronics and autos and transport equipment,’ (Xafa, Landell-Mills and Kronenberg 1992:18). A VER is considered a non-tariff trade barrier, encouraging more positive trade relations as the restraint in exports allow the trade partner (importing state) to protect its own domestic production.

Preferential trade was another key aspect of EC trade policy, as seen through schemes such as the GSP and the Lomé Convention, designed to support developing countries and small economies (Bartels 2007:739, 756). It is important to note, however, that this preferential trade was not altruistic – there is a strong argument that both the GSP and Lomé Convention benefitted the EC greatly through allowing them greater resource access to less-developed

economies and former colonies. Rules of origin restrictions, designed to support preferential trade, stipulated where products were sourced and produced to curb exporters taking advantage of relaxed restrictions (Bartels 2007:747). However, this tool did have key faults: difficulty tracing product origins which meant according to the rules these products had to be excluded, leading to lost profits and lower market access. Therefore, the rules could also restrict the scope of preferential trade (Bartels 2007:747).

Various trade tools were therefore employed by the EC over the Community's formative years (1950–1991). While many of these reflected the protectionism that defined the period, there were still some that aimed to encourage at the very least more positive trade relations, if not freer trade overall.

### Points of Contention

The EC faced many obstacles while developing its trade policy and using the trade tools above from 1950 to 1991. The most obvious obstacle was the task of unifying its policy, as evidenced by the EC's experience in the Kennedy Round of GATT negotiations, during which a rocky start and unilateral activities from some member states presented initial challenges to the development of a unified voice on trade preferences.

The ideal of free trade clashed with various protectionist measures over the period. Perhaps most crucially given current FTA negotiations, the CAP from 1950 to 1991 was a common barrier to free trade with external partners, surfacing as an issue in the Kennedy Round wherein the EC's trading partners were concerned about the protectionism afforded to European products (Coppolaro 2014:25–27; Brsakoska Bazerkoska 2012:280). There were also exceptions to free trade both in the Lomé Convention as well as in trade and cooperation agreements with the Middle East and North African countries.

The textile industry was a specific point of contention during trade negotiations, featuring as a key topic in the 1986 mid-term review of the GSP (Xafa, Landell-Mills and Kronenberg 1992:33), as well as a barrier in trade and cooperation agreements with the Middle East and North African countries. It was also a key product targeted by VERs and Article 115 authorisations (Xafa, Landell-Mills and Kronenberg 1992:18–19).

The US, Japan and Australia were the most outspoken against EC protectionist policies, expressing their dissent largely in GATT negotiations (Xafa, Landell-Mills and Kronenberg 1992). Notable among these incidents was US concern surrounding CAP products and Japan's insistence that EC trade instruments were biased and unreasonable. In support of the latter, during the Tokyo Round in the 1970s Japan pointed to Japanese photocopiers as an example, which were subject to both antidumping duties and rules of origin for market access (Xafa, Landell-Mills and Kronenberg 1992:36). Latin American states also felt victimised by EC trade instruments which in their case meant that preferential trade policies resulted in a 20% tariff on their bananas and subsequent trade discrimination (Xafa, Landell-Mills and Kronenberg 1992:37). In Australia's case, a key attempt to address EEC protectionism was launched along with Brazil in 1978 via a GATT dispute settlement case over the EEC's use of export subsidies for sugar, which was broadly unsuccessful (Swinbank 2018:42). On the other hand, it is worth mentioning that the EC also expressed concern to GATT officials that US procurement practices were similarly discriminatory. The EC brought two such cases to the GATT in 1991, raising as issues the procurement of both Antarctic research equipment and a sonar mapping system.

### Protectionist or Liberal?

In general, EC trade policy from 1950 to 1991 has widely been considered protectionist with member states of the EC banding together against external states via 'preoccupation with major integration initiatives' (Young and Peterson 2014:58). Internally, the period saw trade policy significantly liberalised beginning with the Treaties of Rome, but externally the EC 'was regarded as being largely responsive to initiatives from others, particularly' the US (Young and Peterson 2014:57). Bilateral trade saw the EC take a somewhat liberal approach but in this early stage of its trade policy, this was mainly to preserve relationships with former colonies (Young and Peterson 2014:58). The CCP's liberal orientation set the tone for EC trade policy until the late 1960s but was overpowered by protectionist policies during times of economic hardship and global insecurity of the 1970s, persisting until the 1980s (Young and Peterson 2014:58). The late-1980s saw the shift back to liberal trade policies, which would eventually lead to the next period's Treaty of Maastricht and the Single Market Act both entered into force in 1993, both considered to have reformed EC trade policy (Young and Peterson 2014:58–59).

The story of the first 40 years of the European Project featured multiple pivots in trade direction alongside the tremendous task of European integration after the Second World War. Overall, the EC was creative with instruments of trade and redefined the purposes of trade in this period, while legislating cooperation to maintain trade and therefore, it was hoped, indefinite post-war peace. The European project was innovative and progressive, but to what extent this was the case is up for debate. Disputes over the CAP, distrust of representation in the Kennedy Round, a fourfold rise in oil prices, economic recession, as well as persistent internal and external complaints, did not stop the project from persevering for the liberalisation of trade and integration. While the EC's trade policy was not clearly defined in this period, neither was what it meant to be the biggest trading bloc the modern world had ever seen. Trade policy, like everything else in the EC, was undergoing unification, and the extent of this did not clearly emerge until after the Treaty of Maastricht was signed in 1992, to which this paper now turns.

## Part 2 Timeline: The Age of Bilateralism (1992–2014)

The period of 1992–2014 saw a dramatic shift in trade policy direction defined by global changes including moves to globalisation and trade liberalisation, as well as worldwide challenges such as the Global Financial Crisis beginning in 2008. For the EC, the 1990s heralded a new period: the age of bilateralism. In an analogy to the 1940s stage-setting for the European Community and Union, wherein the US Marshall Plan indirectly encouraged the European integration project which followed, during this period some four decades later, the EU and indeed other foreign states such as Australia were again following American initiative. In a trend with echoes today, the US of the 1990s was distrustful and dismissive of international agencies including the United Nations (UN) and the **World Trade Organization** (WTO) established by the Uruguay Round of GATT in 1995 (Lovett et al. 2004:23–24), instead pursuing a bilateralism that other states followed.

In the EU, the more ‘activist’ trade policy defining this era of bilateralism can be attributed to the completion of two major internal projects: the creation of the single market and the 1995 enlargement. The openness within Europe to integration between the states then allowed the EU to proactively turn its attention outward (Young and Peterson 2014). These now proactive policies had a ‘systematic bias toward liberalisation over protection’ (Hanson 1998:56) as a perhaps unintended result of integration and enlargement. The policies could also be considered pro-liberalisation due to EU rules and procedures which meant it would be harder for national protectionism to be reinstated at the EU level after a state had become a member (Hanson 1998:69–70).

### 1990s: Resolving the recession

The **Uruguay Round** of the GATT lasted from 1986 until 1994 and bridged the gap between the EU’s developmental phase and its newfound assertive stance on trade. As a multilateral negotiation like those that preceded it, the Uruguay Round was an opportunity for the EU to legitimise itself on an international stage and demonstrate its commitment to innovative trade liberalisation. This was largely done in collaboration with the US on issues surrounding trade in services (which became the **General Agreement on Trade in Services**, hereafter GATS, coming into effect in 1995), and intellectual property rights (which became the **Agreement on Trade-Related Aspects of Intellectual Property Rights**, hereafter TRIPS, also coming into effect in 1995). While the CAP remained a point of contention throughout negotiations,

the EU committed to further deep tariff cuts, reducing its tariffs on manufactured goods by an average of 38% (Hanson 1998:60). This commitment to multilateralism and trade liberalisation echoed the rules-based order and bureaucratic procedures with which the EU was familiar and comfortable. The conclusion of the Uruguay Round saw the formation of the WTO. However, due to external dynamics such as increasing US scepticism toward multilateralism and geopolitical changes such as the fall of the Soviet Union, it was the last successful round of GATT negotiations. It can therefore be considered the end of the multilateral age and dawn of the bilateralism that defined the period overall (1992–2014).

The **Treaty of Maastricht**, which was signed in 1992 and entered into force in 1993, was significant symbolically for the European project since it was the birth of the ‘European Union’ in name, comprised of all the European states previously associated with the EC (Leonard and Taylor 2016:26). Yet the Treaty of Maastricht was also practically important for the Union’s establishment, consisting of three pillars: The European Communities; The Common Foreign and Security Policy; and more general cooperation in the fields of justice and home affairs (Maciejewski 2025a). These three prongs were designed to handle the rapid growth and international significance that the EU had developed (Mazzucelli 2012:147).

On its signing in 1992, the Treaty of Maastricht also provided the legal and economic framework for the **Economic and Monetary Union (EMU)**, the key movement in the seismic evolution that the Treaty spurred. Maastricht introduced criteria for a new single currency known as the convergence criteria, or Maastricht Criteria – conditions member states would have to fulfil to gain access to the Eurozone. These criteria aimed to prevent states joining and engaging in ‘free rider’ behaviour in the shared economic zone by ensuring shared standards on: price stability; government finance; exchange rates (which were to later become obsolete with the official introduction of the Euro in 1999 to 2001); and long-term interest rates. Through the Maastricht Criteria, the EMU unified the member states’ fiscal policies and allayed fears (largely from the French over potential dominance of the German Bundesbank in policy decisions) by introducing a single currency and further integration.

European Commission President Jacques Delors instigated the EMU project, understanding that strong integration would allow the EU to lead as an international political actor, as was his priority (Mazzucelli 2012:154). However, the implementation of the policy significantly benefited more prosperous member states, metaphorically dragging economically weaker

states into the new era (Mazzucelli 2012:152). Against the backdrop of recession and with Maastricht and the Commission having forced many European regions to ‘catch up’ and thereby causing financial market instability throughout Europe, both quickly became unpopular (Endo 1999:192–193).

Delors defended both the Maastricht Treaty and the Commission overall against these criticisms with the Commission’s 1993 **White Paper on ‘Growth, Competitiveness and Employment’**. This paper essentially made competitiveness a higher priority for the Union, while also introducing the tackling of unemployment as a new priority to address the recession and therefore to reverse the unpopularity of Maastricht (Endo 1999:206). Despite the active nature of the Uruguay Round, and the apparent change in direction towards external priorities, the European recession meant that once again attention had to turn inward and local to raise the EU’s status as an international leader.

The launch of the **European single market** in 1993 realised all the efforts made prior during the European project and thus represents the completion of the Union’s aims toward integration. Along with the creation of the single market, the year 1993 also featured the **Schengen Agreement** – abolishing internal border controls – coming into force. Featuring internal liberalisation to increase welfare and efficiency, the single market had a pro-competitive effect in the European market. The policy can therefore be considered a win for member states at all economic stages, since larger economies with more developed and efficient businesses were given a larger market in which to operate, while simultaneously perhaps less efficient businesses (according to the market’s competitive needs) were supplemented with welfare provided by the success of these larger economies (Allen, Gasiorek and Smith 1998:469). The success of this project resulted in the intra-European share of world merger and acquisitions activity increasing from 9.9% between 1985 and 1987, to 28.8% between 1991 and 1993, as well as the share of external imports increasing significantly, greater price competition, reductions in price-cost margins and a smaller decline in domestic shares than predicted (Allen, Gasiorek and Smith 1998:444–467).

While this efficient, market-driven, liberal machine was intimidating for states external to it, the results of the single market indicate the program successfully fostered trade both internally and externally. Neighbouring states soon wanted to enjoy the benefits of the European project, which saw the **European Economic Area (EEA) Treaty** signed in 1992

and entered into force in 1994 (Leonard and Taylor 2016:28). Essentially this Treaty facilitated partial membership for non-Union European states by creating a zone of free movement of people, services, goods and capital, however it was quickly followed by the **1995 enlargement** of the EU, which added Austria, Finland and Sweden as member states. Again, enlargement only further liberalised trade policy by diluting the power of each member state and stifling potential protectionist actions.

The 1996 **Market Access Strategy** was perhaps the most obvious example of a shift towards prioritising external trade and was a natural continuation of the EU's work during the Uruguay Round to further liberalise external trade, following launch of the European single market. The primary aims of the strategy were to 'facilitate EU exports by enforcing multilateral (WTO) and bilateral trade agreements; taking action to provide EU exporters with information on market access conditions/requirements that apply in partner countries; and addressing market access restricting policies that impede EU exports' (Directorate-General For External Policies 2017:6). Liberalisation was also enhanced through the Market Access Database, developed as part of the strategy to identify trade barriers through an online database that provided member states with information on import conditions in non-EU markets (Young and Peterson 2014).

As well as liberalisation, the **Treaty of Amsterdam**, signed in 1997 and entered into force in 1999, brought pursuit of balanced and sustainable development alongside high employment into the primary objectives of the EU (Maciejewski 2025a). Finally, in 1999, the **Eurozone** – or the area in which the Euro was the standard form of currency – was launched as an electronic currency for the 11 members who were at that time eligible. In 2001, it was then introduced as a tangible currency, therefore fully realising the project for a single currency as first introduced under Delors' Maastricht Treaty eight years before. This project can be compared to the EMU as similarly representing integration through equity, unity and the removal of internal trade barriers. The Eurozone, while coming years after the original conception of the European single market in 1993 was therefore an essential step in realising the market's initial promises.

International trade on the world stage continued to evolve, especially through multiple GATT negotiation rounds and the emergence of the WTO as the new iteration of the GATT process in 1995. Yet it was clear the EU was determined to resolve its internal dynamics before

engaging with these developments. Treating the recession and taking steps to avoid its reoccurrence, introducing the EMU and Eurozone, as well as launching the single market, were all prioritised before following the direction trade policy had begun to take during the Uruguay Round. Perhaps due to global contexts such as China's admission to the WTO in 2001, or just the changing dynamics of EU leadership, more ethical priorities like sustainable development began to emerge after the bulk of integration was completed. These topics have continued to grow in prominence and emphasis throughout the ensuing decades to today. The 1990s saw a change in trade direction for the EU but also serve as a good example of its consistent view that to be a legitimate international trade architect, it must lead by example and master internal challenges first.

### 2000s: The Reality of Globalisation

The EU's dynamic shift of the 2000s followed the trend in global consciousness at the time: globalisation. The then-EU trade commissioner, Pascal Lamy, was responsible for one of the first overt trade policies of the EU's history – '**managed globalisation**'. This approach lasted from 1999 until 2004 (the length of Lamy's tenure) and featured an emphasis on international obligations and multilateral negotiations (Young and Peterson 2014). As evidenced by the failed **Doha Round** of the GATT which began in 2001 and stalled with no formal completion ever recorded due to internal disagreements primarily around agricultural subsidies, this pro-multilateralism sentiment was not echoed internationally, especially by US decisionmakers who were pro-liberalisation (Abdelal and Meunier 2010:355). Therefore, the extent to which the 'managed globalisation' approach could be considered successful in this global context is debatable.

On the EU's part, 'managed globalisation' was a response to French fear of the ever-growing, untameable and intimidating 'globalisation'. The notion that managing globalisation was the best way of dealing with the inevitable was meanwhile easy to sell to the rest of the EU who were less against the concept or in some cases saw it as an opportunity. The policy prioritised building strong institutions and rules and applying them to the greatest amount of people, thereby regulating global trade in an EU-typical manner. It faced much criticism including questions surrounding unelected judges such as in the Court of Justice of the EU and loss of sovereignty. The 'managed globalisation' approach was also taken to contradict itself by broadly supporting the WTO when the latter's rulings were designed to be liberal and

therefore only create more globalisation (Abdelal and Meunier 2010:356). The most controversial element of the policy – and contradictory to the mood of the EU and the world overall – was the moratorium on bilateral agreements, perhaps as a failed attempt to force multilateralism through various means including the Doha Round (Abdelal and Meunier 2010:358). An attempt at a clear trade policy was generally liberalising because it made rules and norms accessible to the EU's trade partners. Yet it was not purely liberal; the EU's internal dynamics and collective priorities were not totally subject to the vagaries of the international market.

Looking further internally still, the **Treaty of Nice**, signed in 2001 and entered into force in 2003, prepared the EU for the **2004 enlargement** which would introduce Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia to the Union. Again, enlargement created further internal liberalisation thanks to EU bureaucracy and the diluting of protectionist opinions. Nice also added services trade and intellectual property rights to the exclusive EU competencies: topics in which member states forfeit their power to the EU (Koopmann and Wilhelm, 2010:306). Nice's additions to the exclusive EU competencies demonstrates a delay in EU procedures, since these topics were of significance to the EU during the Uruguay Round over a decade prior. Yet that the priorities were able to be formalised in a treaty at all also highlights the EU and its member states' commitment to self-reflection and concrete progress, if at a slow pace.

Pascal Lamy was succeeded by the UK's Peter Mandelson in 2004. Mandelson, a loyalist to then-prime minister of the UK Tony Blair, broadly initiated a perspective on EU trade aligned with the British perspective of preferencing trade with few or no restrictions. Under his tenure therefore, the EU pivoted from the 'managed globalisation' to '**global Europe**' in 2006. This latter policy focused on opening markets and rejecting protectionism through two dimensions: maintaining sound internal policies to maintain European competitiveness; as well as opening foreign markets and external trade based on fair rules both multilaterally and bilaterally. Mandelson seemingly acknowledged both the risks and opportunities of globalisation rather than fear it as Lamy had seemed to, while also renewing the market access strategy with an emphasis on transition to bilateralism as a priority (Young and Peterson 2014). The transition to bilateralism also represented European re-integration into the new global market since prior to Lamy's moratorium, EU trade agreements were largely conducted to support former colonies, whereas under Mandelson focus turned to

economically significant countries such as the Association of South East Asian Nations (ASEAN), India and South Korea (Young and Peterson 2014:63).

Under Mandelson, an assertive stance was taken towards protectionist trade partners in negotiations (Leblond and Viju-Miljusevic 2019:1840). While deals resulting from these assertive negotiations were not completed until after both ‘global Europe’ and Mandelson’s term ended, introduction of them at this point can be considered a continuation of the EU’s liberal agenda both internally and externally. The reintroduction of negotiating these trade deals was also spurred on by three major factors: the EU’s preferred method of negotiation, multilateralism, had failed in the early 2000s with the Doha Round and alternatives had to be explored (Leblond and Viju-Miljusevic 2019:1840); other trade powers were engaging in bilateral and regional trade and the EU perhaps feared being left behind; and a general desire to enhance the substance of trade agreements (Koopmann and Wilhelm 2010:307).

Mandelson’s term was enriched with the **2007 enlargement** welcoming Bulgaria and Romania to the EU, as well as the **Treaty of Lisbon** being signed in 2007 and entered into force in 2009. Lisbon enhanced ‘global Europe’ since it brought EU trade policy under the EU’s external action (its diplomatic activities), thereby extending trade policy from being purely economically motivated to having an explicit ethical dimension. These developments allowed Europe to export its high standards for issues like workers’ rights and the environment (Leblond and Viju-Miljusevic 2019:1839). Lisbon also extended EU competencies to include foreign direct investment (FDI), a response to globalised value chains and a consequent rise in FDI (Leblond and Viju-Miljusevic 2019:188). Finally, the Treaty enhanced the role of the European Parliament in trade policy, by involving it more deeply in trade negotiations and requiring its consent before forging agreements (Koopmann and Wilhelm 2010:307). The Treaty of Lisbon, along with ‘global Europe’ more generally, highlighted the shift to working with globalisation and economically significant states, as well as introducing European ethical priorities into the EU trade agenda.

At no time were globalisation’s effects on the European economy as apparent as during the **Global Financial Crisis** (GFC). The interconnected and interdependent nature of international economies and financial sectors enabled the rapid spread of the crisis from the US to Europe which culminated in a recession from 2008 to 2009 (Szczepanski 2019). Europeans were additionally hit with the **Eurozone Debt Crisis**, sometimes referred to as the

European Sovereign Debt Crisis, almost immediately after the recession began in 2009 and continuing beyond it to 2012. Like the GFC, the Eurozone Debt Crisis arose due to excessive lending, leaving ‘banks with bad debts and governments with huge fiscal deficit and public debts in the perimeter economies’ (Ullah 2014:66–67). It is worth noting that the states with the highest public debt – Portugal, Italy, Ireland, Greece and Spain (known by the acronym PIIGS) – suffered the most through the crisis, unable to pay interest on their loans.

Many causes for the crisis were debated, including: the introduction of the Euro, which allowed for nations to borrow at low costs (including PIIGS); the large gaps in strength and structure between different member economies; declining interest rates, which led to public and private loans; and member states having no exit procedure from the EU, meaning they could not individually and immediately take action to protect themselves (Ullah 2014). Yet the crisis was arguably so severe because all the above occurred simultaneously. On the European side, the dovetailing crises had detrimental effects for EU member states and Eurozone states alike, including economic decline, unemployment and lack of fiscal resilience (Szczepanski 2019). Yet in turn on the global side, globalisation and the fact that European nations contributed roughly 27% to the world’s GDP, meant that the Eurozone was a significant economic partner to many internationally and the Eurozone Debt Crisis would also threaten global economic stability (Ullah 2014). It took nearly a decade for Europe to recover from these crises, highlighting to European leadership the emerging impact of globalisation, and forcing them to accelerate their adaptation to it.

### Early 2010s: Doubling Down

In 2010, a new European Commissioner for Trade was appointed, Karel De Gucht. De Gucht introduced the ‘**Europe 2020**’ strategy, which intended to rebuild the continent following the economic and financial crisis. Largely considered to be a continuation of Mandelson’s ‘global Europe’ from 2006, ‘Europe 2020’ likewise prioritised the depth and quality of bilateral trade relationships with large trade partners and emerging economies using an assertive, confident tone (Young and Peterson 2014). The primary difference between the two approaches was that, rather than continuing Mandelson’s rejection of protectionism, De Gucht ‘rejected any reform of anti-dumping policy until after the conclusion of the Doha Round’ due to fears of potentially adverse international perception of this move (Young and Peterson 2014).

The period covered by ‘Europe 2020’ also saw the emergence of the **Greek crisis**, the historical roots of which went far deeper. In May 2010, the International Monetary Fund (IMF) and the EU bailed out Greece, necessitated by what was broadly seen at the time to be Greece’s poor fiscal management and enormous budget deficit. Simultaneously, the European Central Bank (ECB) developed a rescue package for Greece on top of its Securities Market Programme which aimed to address the debt crisis in Greece as well as other areas in debt. Yet despite a dominant view that the Greek debt crisis as well as crises elsewhere were contagions to be neutralised before they spread to other member states, another interpretation is that Greece was a symptom and not cause of a broader worsening of economic conditions across the continent (Blazey and Robert 2010:168). In any case, the impacts of the harsh austerity imposed on Greece by the EU and IMF were both deep and enduring – the full effects still felt in Greece’s economic and labour conditions (Markantonatou 2022:160–161). Regardless of the causes of the crisis, it is sufficient to say that it demonstrated the perils of integration, particularly for less wealthy member states.

Critically, De Gruucht’s ‘Europe 2020’ was a 10-year strategy, a period which would come to see the emergence of the UN’s Sustainable Development Goals (SDGs) (created in 2012 and not formally adopted until 2015) and the European Green Deal (formally adopted in 2019). Perhaps in some part due to ethics emerging in EU trade policy of the 2000s, ethical priorities were given a much heavier weight internationally at this point. ‘Europe 2020’ met these global priorities with measurable goals in policy areas including employment, research and development, climate change and energy stability, education, as well as fighting poverty and social exclusion (Becker et al. 2020:2). Generally, the greatest progress was made in education, but it should be said that despite aspirations no member states managed to meet their greenhouse gas emission goals by 2020 (Becker et al. 2020:10).

Despite internal challenges such as the Greek crisis this period of the early 2010s saw the emergence of broader EU ethical aspirations in its ‘Europe 2020’ strategy, a strategy that by the beginning of the next period (2015 to the present day) would already be outdated, as discussed in Part 3 of this paper.

## Part 2 Discussion: The Age of Bilateralism (1992–2014)

### Trade Tools: Free Trade Agreements

EU trade policy between the Treaty of Maastricht in 1992 and up to the 2015 ‘Trade for All’ policy (to be discussed more fully in Part 3) aligned itself with the global trade agenda: bilateralism. In this period the primary tool for trade in EU trade policy was developing and deepening FTAs, however this approach evolved over the period.

Katunar, Maljak and Martinić (2014) identify multiple stages of this evolution, beginning with the FTAs in the Mediterranean region. Algeria (entered into force from 2005), Egypt (2004), Israel (2000), Jordan (2002), Lebanon (2006), Morocco (2000), Occupied Palestinian Territory (1997), Syria (2009), Tunisia (1998), and Turkey (1992) had FTAs in force with the EU by the ‘Trade for All’ era (beginning in 2015 and to be discussed in Part 3 of this paper), primarily motivated by the desire of the EU to have a stable and peaceful neighbourhood. Removing barriers to trade and investment – or economic liberalisation – was justified through the understanding that a peaceful neighbourhood would reduce so-called ‘illegal’ immigration into the EU, promote democracy and human rights, and more generally stabilise the region (Katunar, Maljak and Martinić 2014:128–129), in line with many dimensions of EU trade policy, particularly ‘global Europe’ and ‘Europe 2020’. Generally, these FTAs contain provisions such as trade barrier removal, as well as free movement of payments and safeguard measures. Additionally, they typically contain provisions regarding services, the establishment and movement of workers, stable environments for investment, the liberalisation of public procurement, as well as cooperation in standardisation and conformity assessment which improves quality (Katunar, Maljak and Martinić 2014:129–131). These adaptations highlight how EU trade policy advanced economic liberalisation and reflected growing EU confidence over the period (1992–2014), displayed through its competitiveness and innovation in FTA negotiations.

According to Katunar, Maljak and Martinić (2014), the next stage of trade evolution was the Stabilisation and Association Agreements (SAAs) which began with Albania (coming into force in 2009), Bosnia and Herzegovina (2015), Croatia (2005), Macedonia (2004),

Montenegro (2010) and Serbia (2013). The broad purpose of these agreements was to prepare these states for EU ascension, as demonstrated by Croatia's SAA becoming redundant in 2013 when it joined the Union. Unique provisions of the SAAs include regional cooperation, approximation of laws and law enforcement, and justice and home affairs (Katunar, Maljak and Martinić 2014:131–134). Grants and loans from the EU to SAA parties are also a key component of the agreements, with reciprocity through expected eventual contribution to the EU from these beneficiaries.

Economic Partnership Agreements form the development branch of the FTA spectrum. Signed with ACP states, economic partnership agreements are designed to promote sustainable development and growth, poverty reduction, better governance, as well as the gradual integration of ACP countries into the world economy (Katunar, Maljak and Martinić 2014:135). These agreements include technical support to ensure EU standards are met and elaborate dispute settlement mechanisms to ensure the relationship progresses rather than disbands. As of 2014, only four EU economic partnership agreements had been concluded, with South Africa; ACP states (the CARIFORUM agreement); Eastern and Southern African States; and Papua New Guinea and Fiji.

Finally, Katunar, Maljak and Martinić (2014) describe the most advanced level of EU FTAs as 'unprecedented in both their scope and speed at which trade barriers were removed' (139). The EU FTAs with Chile, the CARIFORUM states, Central America, South Korea, as well as Colombia and Peru together, make up this level of FTA evolution, which is characterised by the elimination of virtually all import duties between signing parties, major advances in intellectual property (IP), government procurement and competition policy. The EU–South Korea FTA – effective since 2011 – also serves as a good example of when EU policy has created deep trade relations, the text of the agreement shifting from standard vocabulary (including words like cooperation) and offering more substance. In the case of the FTA with South Korea, this included establishment of six specialised committees and seven working groups between the EU and South Korea to monitor and review the FTA's implementation in both states (Katunar, Maljak and Martinić 2014:141).

Trade agreements between the EU and external actors have been motivated by multiple factors including regional stability, development policy and international competition. Yet throughout this period in EU trade policy history, the underlying theme was a general move

away from multilateralism in favour of the bilateralism and economic liberalisation that was globally popular at the time. It is also worth identifying what Van den Putte and Orbie (2015) call ‘a limited but gradually increasing social ambition’ towards labour provisions in EU FTAs in the period immediately post-Maastricht, which ‘significantly deepened and widened’ with ‘global Europe’ and the CARIFORUM agreement (265).

### EU Trade Policy Direction in the Age of Bilateralism

The EU’s liberal trade policy from the 1990s seemed to shock critics who had predicted a ‘fortress Europe’, a protectionist empire following the recession and unemployment plaguing the EU at the time (Hanson 1998:57). However, later commentators like Young and Peterson (2014) characterise the EU trade policy from Maastricht through to Europe 2020 as having remarkable consistency. While spanning many recessions and other economic challenges, the period nonetheless featured many new EU trade agreements and a negligible amount of new trade barriers being imposed compared to the period before Maastricht, marking the post-Maastricht policy and period as both active and liberal. The period highlights the shift not only towards bilateralism, but towards deeper, more ethical FTAs, which exported and still today export the EU’s standards and norms. In this period, we can also trace the effect globalisation was having and continues to have on the global economy and international trade.

## Part 3 Timeline: Instability and Challenges of Multilateralism (2015–2025)

The mid-2010s saw changing international trade dynamics and power shifts globally – such as the refugee crisis, the Brexit referendum, the first election of US President Donald Trump and a general climate of growing nationalism – that necessitated a shift in EU trade policy. The ‘Europe 2020’ strategy at the beginning of this period (2015) was still intended as a model to build future policies, yet by this time it was in fact already out of touch with the economic reality and needed to be updated to reflect the EU’s adapting priorities.

### Mid-late-2010s: Precarious Globalisation

The impact of globalisation on the EU was acutely felt during the 2015 refugee crisis. Many seeking refuge in the EU were from Syria, Afghanistan, Libya and Iraq – forced to relocate due to tensions in the Middle East where previous and ongoing western intervention, including military deployment by EU’s own member states, had caused population displacement. Although the long-term economic effects of the crisis are difficult to study due to the inaccessibility of asylum-seeker-specific data flows, based on wider migration patterns the European Commission predicted: a short-term positive impact on growth driven by fiscal spending shock; medium-term growth driven by labour supply; and long-term growth or decline dependent on how new arrivals integrated into EU society (Publications Office of the European Union 2016c:19). The crisis was therefore anxiety-inducing for the EU and led to a change in security policy on both the EU as well as the member-state level (Barbé and Morillas 2019:761).

In relation to trade policy, in the interest of maximum trade liberalisation and given the multidimensional elements of modern trade, in 2015 the EU released the most comprehensive trade policy it has ever produced. ‘**Trade for All**’ featured five chapters which addressed trade and investment, new economic realities, transparency, values-based trade and negotiations to shape globalisation, as well as over one hundred commitments to fulfil these priorities. ‘Trade for All’ was largely built off the previous priorities of the EU including emphasis on multilateralism and strengthening the WTO, liberalising trade but maintaining previous protections such as antidumping policies, managed globalisation, ethics-based trade and bilateralism. Aside from being transparent, ‘Trade for All’ changed EU trade policy by

introducing new ideas to EU trade like speaking about the EU as a whole in trade talks (thus enabling the Union to work against policies that benefit the majority of the EU but could still harm smaller members), taking a less tentative and more realistic approach to the progression of globalisation, digital liberalisation and innovation, moving on from Doha, and accepting that perhaps some states do not want closer integration with the EU (Publications Office of the European Union 2014).

The value placed on different priorities, or at least how the EU wants to project these values, can be traced through the format of the policy. Firstly, trade and investment are positioned as the strategy's foundation, followed closely by addressing new economic realities as the second priority. Moreover, having a chapter dedicated to a values-based approach highlights it as an ostensible priority, but it is nonetheless worth questioning how important this might be to the EU in this strategy compared to 2010's 'Europe 2020' strategy. In 'Trade for All', values-based considerations appear as the fourth priority; in 'Europe 2020', 'Smart, Sustainable and Inclusive Growth' is the second. On the level of language, therefore, we could extrapolate that it is possible to interpret 'Trade for All' as positioning the EU as a more realistic actor in an increasingly destabilised world, an interpretation supported by more recent aggressive positioning by the EU (to be discussed in the 2020s section of this era). Finally, it is possible that the 'Trade for All' strategy's focus on 'transparency' as a key priority might be a byword for liberalisation, seeing as how transparency can facilitate more liberalised trade by making rules and norms clearer to trading partners.

While 'Trade for All' was comprehensive, it nonetheless appeared to have shortcomings. The most significant was perhaps its interest in multilateralism in a progressively bilateral trading world. For example, the strategy could be said to pay lip service to the revitalisation of multilateralism while in fact focusing primarily on bilateralism (in the strategy 'multilateral' appears 15 times while 'bilateral' appears 31 times, in and of itself perhaps pointing to the reality of the EU's priorities). Furthermore, the extent to which values-based trade can be marketed as new for the EU, given its history, ought to be problematised (Drieghe and Potjomkina 2019:68), as well as the extent to which 'Trade for All' is values-based in practice. The contradiction may reveal a lack self-reflection on the failings of previous policies attempting to do the same, expressed through vague and unmeasurable commitments, as well as attempts to outsource ethical work to civil society and consumers through consultative mechanisms that in fact do not have legal power (Drieghe and Potjomkina

2019:68). In fact, values-based trade, as well as being overshadowed by trade liberalisation in the EU context, is weakened by using ‘soft and not binding approach[es]’ (Drieghe and Potjomkina 2019:68), as opposed to trade liberalisation’s promotion through legal instruments.

To combat criticisms such as those above, in 2017 the European Commission released a review: **Report on the implementation of the trade policy strategy ‘Trade for All’**. Yet this review only seemed to reflect the stance and tone in the original ‘Trade for All’ policy two years earlier. This included expressing a concern for new threats, firm support for multilateralism and re-highlighting the relatively new concept of ethical supply chain management.

Trade policy had been brought under the EU’s external action service in the Treaty of Lisbon in 2007, therefore making European External Action Service (EEAS) publications necessary reading for those with a stake in EU trade policy. Among these include the EEAS’s 2016 strategy: **Shared Vision, Common Action: A Stronger Europe – A Global Strategy for the European Union’s Foreign and Security Policy**. The strategy prioritised: security within the Union as well as neighbourhood security; peacebuilding through relationships as a response to conflicts; support for regional orders by creating a credible and autonomous Union; pursuing development strategically; and acting as a unified, ethical body (European External Action Service 2016). Many of the elements of the EEAS’s 2016 strategy intersect with the EU’s trade policy, including a significant emphasis on multilateralism and values, understanding that the EU model is not the right fit for all regions, as well as support for appropriate regional bodies as essential to advance EU priorities (Barbé and Morillas 2019). Critically, this strategy highlighted the importance of the Lisbon Treaty and the interconnected nature of trade, security and foreign affairs. Simultaneously, it demonstrated a liberal but also significantly realistic (as opposed to optimistic) position on trade and the state of international affairs, a concept first introduced in ‘Trade for All’.

## 2020s: Increasing tensions

The period of the 2020s up to 2025 was defined by a complex and overlapping web of both regional and global challenges – within the EU and beyond. The decade began with the finalisation of Brexit and the onset of the COVID-19 pandemic, each challenging both the

EU and the entire world respectively. Tensions have developed apace over the ensuing six years, with Russia's invasion of Ukraine in 2022 and then Trump's re-election to the White House in 2024 and subsequent undermining of a rules-based trade order.

In the EU the year 2020 saw the **finalisation of Brexit**, although the 2016 referendum on the UK's decision to leave the EU would perhaps not have come as a shock given the UK had opted out of the EMU in 1997 (Buigut and Kapar 2023:1577). Not only did Brexit significantly and negatively impact UK–EU trade, it also pioneered a method of withdrawal from the EU. The creation of such a process could lead to member states potentially withdrawing in times of crisis, or neighbours ascending to member status level to enjoy the benefits of EU welfare with an opt-out process already inbuilt. The EU and UK now operate under a Trade and Cooperation Agreement.

Trade policy was further revised with the Commission's 2021 **Trade Policy Review – An Open, Sustainable and Assertive Trade Policy**. The review featured four chapters that cover economic transformation and geopolitical instability; supporting the EU's open strategic autonomy; a medium-term direction for trade policy; and supporting an informed discussion on trade policy. It also contained 16 commitments to fulfil the EU's redirected priorities. After recognising the changing dynamics of modern global trade, including an unforeseen interconnectedness highlighted by the 2020 pandemic, as well as geopolitical tensions caused by the rise of China and Trump, the policy explicitly identifies three core objectives:

First, supporting the recovery and fundamental transformation of the EU economy in line with its green and digital objectives[;... s]econd, shaping global rules for a more sustainable and fairer globalisation[;...and t]hird, increasing the EU's capacity to pursue its interests and enforce its rights, including autonomously where needed (European Commission 2021:9–10).

The main threats to EU trade and power that the policy identified were China's economic rise, climate change and globalisation. Reigniting the US–EU relationship in the wake of Trump's first term was also a priority to restore some global faith in multilateralism which the EU continues to maintain is a priority for global peace and trade. However, much greater emphasis was given to the digital and green transitions, indicating that the EU was and continues to shift away from traditional trade to focus on globalisation with application of a realistic lens, following on from the EEAS's 2016 strategy and 'Trade for All'.

Interestingly, of the six areas identified as critical in achieving the Commission's medium-term goals in the 2021 Trade Policy Review, three focus internally and three externally. Yet this partial shift away from both bilateralism and multilateralism is not insular as pre-Maastricht policies were, but rather a reflection of the more globalised world in which internal and external issues are perhaps more inherently connected than in the past. The Trade Policy Review also represented a tonal shift towards assertive yet cautious and seemed to concisely cover core issues and solutions facing EU trade policy in a new era of uncertainty. The emphasis on the EU's autonomy indicates a subtle shift towards a new era of unilateralism while simultaneously bracing for an unpredictable global context. While this might be considered to render this policy technically protectionist, the EU's consideration of global challenges in framing its responses could instead be seen as a new-age weaving together of both protectionist and liberal tendencies.

Identified in the Commission's Trade Policy Review, globalisation and geopolitical tensions emerged in an unprecedented manner from 2020. The decade had begun with the **COVID-19 pandemic**, which immediately tested the stability of the EU despite it maintaining open trade as a priority notwithstanding the crisis. The pandemic also raised questions surrounding the sustainability of global supply chains and EU autonomy, although the latter issue had been in the EU's peripheral consciousness already (Jacobs et al. 2022:14).

The 2022 **Russia–Ukraine conflict** contributed to geopolitical tensions and has created a divide in European trade. The EU responded to Russia's actions with a resurgence in sanctions covering exported products such as dual-use goods, maritime navigation and radio communication equipment, as well as luxury goods and more, comprising a total ban on 65% of Russian imports to the EU by 2023 (Bellora, Lefebvre and Thie 2022). Additionally, the EU banned 90% of Russian oil imports, effectively cutting Russia off from trade with the rest of Europe. While there are questions around the effectiveness of EU sanctions, alongside the consideration that many EU member states continue to trade with Russia (Mascitelli and Wilson 2024:10), on the other hand these sanctions could also serve as an example (if imperfect) of values-based EU trade policy.

The diverse causes of geopolitical upheaval and instability have led to an urgent reassessment of EU's self-identity and strategy. The European Commission President Ursula von der

Leyen's '**Political Guidelines**' speech to the European Parliament in July 2024, for example, positioned the EU as pursuing 'strategic autonomy' (see Mascitelli and Wilson 2024:4). While much of this strategic positioning pertains to geopolitical uncertainty and conflict, it certainly has ramifications for global trade. What this will mean for the EU given its historical posturing as a safeguard for the multilateral rules-based order is important to consider (Mascitelli and Wilson 2024:5).

**Trump's second term** in the White House, beginning in 2025, is a major catalyst for the renewal of the EU's political and economic strategies. The Trump administration's inconsistent wielding of tariffs and other volatilities have sparked further uncertainty of the state of international trade. Barata da Rocha et al. (2025) estimate that Trump's tariffs will be more detrimental to the US economy than that of the EU, and are likely to cause less of a drop in percentage of EU GDP than the COVID-19 pandemic or the energy crisis caused by Russia's invasion of Ukraine. Ireland and Italy are the most exposed to the tariffs of member states, simply due to their field of exports, however EU welfare is likely to support their recovery. While the EU may not experience as great economic damage as the US, the damage to many institutions that ensure a rules-based order for international trade is significant and may may be irreparable.

## Part 3 Discussion: Instability and Challenges of Multilateralism (2015–2025)

### A faltering rules-based order

Given that the period of 2015 to 2025 has been characterised by challenges to multilateralism that still lack resolution, it is worth considering an example of the EU's attitude to multilateralism, in the form of its participation in the WTO. As discussed by Sharma (2025), the WTO process has been stymied by paralysis over the inability for the Appellate Body to function due to the US veto. Within this context, the EU with its resources and weight has continued to engage in the WTO process but has resisted the temptation to take a more assertive role in steering the WTO out of its troubled waters. Why might this be the case?

On the one hand, the EU delegation to the WTO would be conscious of the US' historically key role in WTO leadership and may prefer not to upset the US with its explicit 'America First' strategy and concurrent scepticism toward the WTO and other multilateral institutions. On the other hand, it is becoming increasingly clear that the EU is struggling to maintain its historic endorsement of 'free and fair trade' as it too is facing increasing pressures defending its own industries amid member states' industry outcry. A prime example is the latest concern over the European steel industry and its necessitating of import restrictions on incoming steel (Reuters 2025).

The EU's adherence to agricultural protection, import restrictions and export subsidies has historically created many difficulties for the EU to maintain its reputation as a firm believer in free trade. Yet from the early days of GATT to the WTO's inception in 1995, the EU has adhered to the solid principles of most-favoured nation and fair-trade rules. As discussed in the previous section, however, in the aftermath of the 2008 GFC and exacerbated by the COVID-19 pandemic beginning in 2020, this rules-based stance came under scrutiny in the context of many EU industries struggling to return to profitability. Moreover, the EU economy in 2025 is significantly smaller compared to 2000. As former ECB president Mario Draghi indicated in his report to the EC in 2024, the market has lost competitiveness and innovation, for example in the electric vehicle market (Draghi 2025). At the same time, other markets – such as China and even India – have grown and become more competitive in

comparison. ‘Playing by the trade rules’, as Draghi (2025) has observed, might require some fine-tuning and this opens the door to greater levels of European protectionism in a range of industries. What this means for the EU and multilateral institutions such as the WTO remains fraught.

### Trade Tools: FTAs and Unilateralism

If the above example shows the faltering of multilateralism, the period from 2015–2025 has largely seen a continuation of EU FTA deepening and widening in line with the priority of bilateralism in ‘global Europe’. The EU–Canada **Comprehensive Economic and Trade Agreement** (CETA) is an exemplar of this trend: signed in 2016 and brought into force in 2017, it is widely considered the most progressive agreement to date. CETA features the elimination of 99% of tariffs on trade between the EU and Canada, protecting geographical indicators on European-grown products, safeguarding intellectual property, as well as ensuring high standards for labour, environment and consumer protection.

Yet alongside bilateral FTAs such as the Canadian example above, this period has also seen the EU embark upon a shift toward trade deals and pressure in line with unilateral goals. De Ville et al. (2013) explores this shift towards unilateralism through a tripartite framework of competitive, sustainability and security unilateralism. This unilateral approach can be understood to result from many issues: EU frustration with the rise of state interventions in trade partners with which EU companies cannot compete; an increased ambition to achieve sustainable policies; the geo-politicisation of trade; as well as internal dynamic and preference shifts within the EU’s member states (De Ville et al. 2023:18–21). In the era of faltering multilateralism and geopolitics due to US mandates and global conflicts rendering bilateralism precarious, unilateralism has allowed the EU to export its priorities while maintaining open trade.

In De Ville et al.’s (2013) analysis, competitive unilateralism is a process of the EU and its trade partners balancing its competitiveness between themselves, counteracting protectionist policies internationally without having to address the issues in a multilateral system which has not produced the desired results of the EU. This concept can be seen through the EU’s 2022 **International Procurement Instrument**, which allows the EU to restrict foreign companies’ access to EU markets if reciprocity is not ensured (De Ville et al. 2023:25).

Additionally, the **Foreign Subsidies Regulation** adopted in 2023 allows for the examination of non-EU companies to ensure distortive subsidies are not warping the internal market (De Ville et al., 2023:25–26).

De Ville et al. (2013) also explore how sustainability unilateralism promotes and enforces EU values in areas like human rights, labour rights and the environment through regulation. The **Carbon Border Adjustment Mechanism** commenced reporting requirements in 2023 in advance of coming fully into effect in 2026. This mechanism will require EU importers to buy emission permits in line with their CO<sub>2</sub> emissions, thereby serving to uphold EU climate policies and avoid carbon leakage – businesses relocating to less environmentally regulated host states (De Ville et al. 2023:26). Similarly, the **EU Deforestation Regulation** (EUDR) was formally adopted in 2023 with a plan to come into effect from the end of 2025 and monitor how much an import has contributed to deforestation. Another key example of the EU's sustainability unilateralism is its **EU Corporate Sustainability Due Diligence Directive** (EUCSDDD) which came into effect in 2024, and monitors EU importers' conduct on human and labour rights, as well as environmental damage (De Ville et al. 2023:27).

Finally, De Ville et al. (2013) show that to combat the dangerous trade interconnectedness which was highlighted by the COVID-19 pandemic, the EU has employed security unilateralism. The 2020 **foreign direct investment screening framework** maintains open communication among member states on investments which may compromise European security (De Ville et al. 2023:27–28). The Union's **Anti-Coercion Instrument**, meanwhile, entered into force in late-2023 and protects EU member states as well as the Union overall from foreign interference on policy matters.

In sum, the above trade tools show the extent to which the EU in the period up to 2025 has turned toward bilateral trade agreements as well as strategic forms of unilateralism to achieve its objectives. As the world becomes perhaps increasingly defined by the failures of a multilateral rules-based order, the paper will now turn briefly to which direction EU trade policy may find itself tending next.

# Where to Next? The Current Direction of EU Trade Policy

This working paper has investigated four broad periods to explore the foundations and trends of each iteration of EU trade policy up to the current day. Following the introduction, the paper explored the post-war period as it set the stage for the European economic integration that was to come. Part 1 (1950–1991) provided a timeline of forty years establishing the European Community through key events and their analysis. In Part 2 (1992–2014), the age of bilateralism was explored, including both key events and analysis. In Part 3 (2015–2025), global instability and the challenges of multilateralism have been shown to define the era up to the current day through outlining key events, as well as subsequent analysis.

The purpose of this working paper was to provide a comprehensive history of EU trade policy up to the current day so that a researcher or professional might then be able to apply this to understand its contemporary echoes in EU trade negotiations today, including those currently occurring with Australia. The question remains, then, if the foundation of the EU's predecessor the EC was – in line with John Stuart Mill's philosophy – an exercise in the application of trade tools to achieve peace, can this still be said to be true of the EU today? And if peace is no longer the EU's goal, what does it mean for its trading partners who are already engaged in FTAs with the EU and who are now embarking upon these agreements?

Researchers in RMIT's EU Centre for Excellence have argued elsewhere that Commissioner von der Leyen's 'Political Guidelines' speech in mid-2024 might have served a dual purpose of a 'campaign speech' on the one hand and on the other as herald of the Union's embarking on a new era as a 'war monger' (Mascitelli and Wilson 2024:4) to secure the EU's 'strategic autonomy' (von der Leyen in Mascitelli and Wilson 2024:4). In this context, and with subsequent potential threats to the EU's ability to remain a 'respected global actor' (Mascitelli and Wilson 2024:16), the future for the Union's trading partners in a new and disrupted economic environment is uncertain. With increasing instability emanating from the US and elsewhere, it is possible Australia will nonetheless make key concessions in its negotiations with the EU to maintain a key strategic Western relationship outside of the Asia-Pacific.

Recent events suggest at least that there may be hope for a resolution of trade talks in the not-too-distant future – whatever the end results may be – with Europe’s trade chief visiting Canberra in October 2025 (Sakkal et al. 2025). And yet while there is no way to tell what the future holds, this paper invites readers to use the comprehensive understanding of EU trade history it has attempted to provide to understand what will come next.

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# Appendices

## Appendix 1

## Glossary

ACP – African Caribbean and Pacific

CAP – Common Agricultural Policy

CCP – Common Commercial Policy

CETA – (EU–Canada) Comprehensive Economic and Trade Agreement

CFSP – Common Foreign and Security Policy

ECB – European Central Bank

EC – European Community

EEAS – European External Action Service

EEA – European Economic Area

EEC – European Economic Community

EFTA – European Free Trade Association

EMS – European Monetary System

EMU – European Monetary Union

EPC – European Political Cooperation

Euratom – European Atomic Energy Community

EU – European Union

FDI – Foreign direct investment

FTA – Free trade agreement

GATS – General Agreement on Trade in Services

GATT – General Agreement on Tariffs and Trade

GFC – Global Financial Crisis

GSP – Generalized System of Preferences

IMF – International Monetary Fund

SAA – Stabilisation and Association Agreement

SDGs – Sustainable Development Goals

TRIPS – (Agreement on) Trade-Related Aspects of Intellectual Property Rights

VERs – Voluntary export restraints

WTO – World Trade Organization

