

**THE ROLE OF EU INSTITUTIONS IN COMMON TRADE POLICY: AN  
ASSESSMENT ON EU-CANADA COMPREHENSIVE ECONOMIC AND  
TRADE AGREEMENT\***

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**Abstract**

What are the roles of the European Union (EU)'s main institutions in common trade policy? To address this question, this study uses a political-economic approach. The positions of the European Commission, Council of the European Union and European Parliament on EU-Canada Comprehensive Economic and Trade Agreement (CETA) are examined. The study uses content analysis as a research methodology, based on a categorization of values and economic interests projected by the EU's contemporary trade strategy "Trade for All". Differently from previous studies which use a political-economic approach to analyze the EU's external relations with developing countries, this article makes a contribution to EU trade policy literature by combining a political-economy perspective with an institutional one to examine a EU trade agreement signed with a highly industrialized country. Within this context, the findings reveal that the Parliament and Council are more value-oriented, than economic interest-oriented. The Commission is instead found slightly more economic interest-oriented than value-oriented. However, the priorities of three institutions do not diverge significantly in terms of political economy. Each institution manages to impose its own priorities on both the (value-related) normative and (interest-related) material parts of CETA and agrees on producing a neoliberal economic outcome.

**Keywords:** European Union, EU Trade, EU Institutions, CETA, Political Economy

**JEL Codes:** F13, F15, F53, F55

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\* Esra Uyar Okcu gratefully acknowledges the support by Jean Monnet Scholarship Programme for this research.

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## I. INTRODUCTION

The common commercial policy is one of the oldest and the most integrated field of the European Union (EU). Over years, it has been subject to modifications in terms of scope and decision-making procedures in response to economic and political developments. Beginning with the late 1980s onwards, multilateral trade negotiations began to comprise new issues such as services, intellectual property rights and investment that require coordination of social, environmental and safety standards. Hence, the EU trade policy has begun to be conducted within a framework that comprises broader objectives, therefore touching several regulatory fields of states. Since the new ‘behind the border’ trade issues are more politicized than the traditional ‘at the border’ commercial matters, these developments have triggered debates on distribution of competences in EU trade policy making. Moreover, the effects of the 2008 global economic and financial crises on Europe, the rise of right-wing populism and Euroscepticism resulted in increasing protectionist tendencies of some member states (Gstöhl & De Bièvre, 2018). The European public also became more concerned about trade issues, questioning particularly the deep and comprehensive free trade agreements that form the basis of the EU’s contemporary trade agenda. Thus, with the involvement of multiple actors in the process of policy making, a complex and multi-level decision making structure emerged in the field of trade policy. In current institutional setting, the Commission conducts negotiations on behalf of the EU. The Council authorizes opening of negotiations, adopts negotiating directives, authorizes signing of agreements and concludes them. It acts by a qualified majority for negotiation and conclusion of the agreements. There are also some conditions specified by the EU law that require unanimity. The European Parliament is a co-legislator with the Council in trade policy thanks to changes introduced by the Lisbon Treaty. Besides the need for an institutional re-design of policy making, the need for a new trade policy that is responsive to public concerns and changing conditions also emerged. Within this context, the EU decided to formulate a new trade strategy to adapt its trade policy according to the needs of its citizens, workers and consumers, besides companies. The new strategy, called “Trade for All”, was launched by the Commission in October 2015. Its main rationale is that “EU trade policy is not just about interests but also about values” (European Commission, 2015a).

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In line with the stated rationale of this “Trade for All” strategy, this article aims to examine the role of three main EU institutions, the European Commission, the Council of the European Union and the European Parliament. It investigates the positions of these institutions on trade issues from a political-economic perspective through a categorization of values and economic interests. In order to analyze the impact of each institution on a concrete outcome, the EU-Canada Comprehensive Economic and Trade Agreement (CETA) is chosen as a case. CETA is the EU’s first comprehensive economic agreement signed with a highly industrialized country (Directorate-General For External Policies of the Union, 2014a) and it is declared as the most progressive and ambitious trade agreement that the EU has ever concluded (European Commission, 2016a). Therefore, the agreement has been subject to intense public debates on a variety of issues, both during the negotiations and after it has been signed. Within this context, we expect that the Council and the Parliament would adopt value-oriented profiles, taking public concerns into account in their official documents. The Commission, as the primary interlocutor of the EU’s trade partners, is expected to rather focus on economic advantages of a trade agreement. Accordingly, while the Commission’s impact on CETA is expected to concentrate on the (interest-related) material parts of the agreement, the other two institutions’ influence is assumed to be concentrated on the (value-related) normative parts.

The positions of the EU institutions about the CETA as well as their impact on the agreement are evaluated through content analysis. The findings partly support the expectations. The Commission is found slightly more economic interest-oriented, rather than value-oriented. However, a change of the Commission’s position towards a more value-based orientation is also observed over time. The Parliament emphasizes values more than economic interests, as expected. The Council also tends to focus slightly more on values than economic interests. However, the findings reveal that the priorities of the institutions do not diverge significantly in terms of political-economy objectives and each institution has an impact on both the normative and the material parts of the agreement.

The article starts with a basic review on EU trade policy literature which is presented to build a conceptual framework for the formulation of the research questions. In the subsequent sections, the methodological approach is explained, followed by the analysis and discussion of the

findings. The last section concludes and presents our main contribution for a deeper understanding of EU trade policy.

## II. THEORETICAL FRAMEWORK: THE PLACE OF THE STUDY IN EU TRADE POLICY LITERATURE

The European trade policy literature developed by borrowing concepts and theories from comparative politics, international relations and international political economy literatures (Poletti & De Bièvre, 2013). It mainly offers two perspectives to EU trade policy: one internal and one external. The studies having an internal perspective mainly focus on the institutional relations between the Council and the Commission. A vast array of studies applies principal-agent approach (Billiet, 2009; Damro, 2007; Delreux & Kerremans, 2010; Elsig, 2007). This approach mainly examines the delegation of authority from principals (member states) to the agent (Commission) and assesses the strategies employed by principals to control the agent (Franchino, 2007; Pollack, 2003). Some scholars study different types of principal-agent relations in EU trade policy-making, such as the one between the European Parliament and the Commission (Gastinger & Adriaensen, 2019; Reichert & Jungblut, 2007). Some other studies explore the impact of interest groups (De Bièvre & Dür, 2005; Dür, 2008; Woll, 2009) or national parliaments (Roederer-Rynning & Kallestrup, 2017) on trade policy.

Scholars taking an external perspective mainly use realist or constructivist concepts in relation to EU trade policy. Realist studies explain the development of trade relations by the EU as a balancing act against the existing economic competitors or newly rising powers in the international system. Thus, EU trade policy is used to pursue its strategic economic and political interests (Aggarwal & Fogarty, 2004), mainly guided by geo-economic and material considerations (Farell, 2005; Zimmermann, 2007). A number of studies use critical political-economy and explain trade policy as a tool to pursue the EU's imperial interests. They generally analyze trade relations between the EU and developing or least developed countries (e.g. Hurt, 2003; Langan, 2009; Storey, 2006). Constructivist works focus on the role of the EU in spreading liberal norms and principles internationally through commercial means (Grugel, 2004; Orbie & Khorana, 2015). Besides the normative part of these discussions, there are also other scholars who see the external

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role of the EU in trade as a ‘market power’ with the objective of exporting its market-related and regulatory policies (Damro, 2012). Alternatively, Meunier (2000) uses an institutionalist model, based on internal voting and delegation of trade authority, in order to explain the external role of the EU as an international trade negotiator in different bargaining contexts.

This article aims to use a political economic framework to analyze the role of the three main EU institutions in the common trade policy. Differently from previous studies that use a political-economy perspective to examine the external role of the EU in international trade, this study chooses this framework to explain the orientations of the Commission, the Council, and the Parliament about the EU trade policy. In order to do this, it examines the positions of the three institutions on an agreement employing a framework that differentiates between economic interest- and value-orientation. The reason for this choice is mainly related with the recent changes in EU trade policy both in terms of scope and strategy. With the entry into force of the Lisbon Treaty in 2009, the common commercial policy has been legally made a part of the EU’s external action. Currently, it serves a variety of policies that are based on fundamental values<sup>1</sup> and strategic interests, forming the basis of the EU’s external relations. The EU’s contemporary trade strategy “Trade for All” aims to project both material interests of the traditional commercial policy and values that are to be promoted through trade agreements. While delivering economic growth, creating jobs and supporting EU companies, especially small and medium-sized enterprises (SMEs), the EU trade policy must also defend and promote such European values as human rights, sustainable development, environmental, social and labor standards (European Commission, 2015a).<sup>2</sup> As the EU’s first comprehensive economic and trade agreement signed with a highly industrialized country (European Commission, 2017a), CETA is chosen as a case in this research. In line with the “Trade for All” strategy, CETA’s main objectives are declared as making the Union properly connected to the global economy, offering a wide range of economic opportunities to the Europeans and helping the EU shape the future of the global economy, inspired by European values (Malmström, 2015).

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<sup>1</sup> The values guiding the EU’s commercial policy have their legal base in the Article 21 and in Article 22 of Treaty on European Union.

<sup>2</sup> The values and economic interests guiding the EU trade policy are re-emphasized by the European Commission in its report on the Implementation of the Trade for All Strategy in September 2017 and in the Strategic Plan of the European Commission’s Directorate-General for Trade for 2016-2020.

### **II.I. Expectations on Institutions' Positions and Their Impact on EU Trade Policy**

This study uses a political-economic framework to determine each institution's position on EU trade policy and analyzes their impact on CETA. In the field of EU trade policy, it is argued that the Parliament and Council tend to be more concerned with non-commercial matters like environmental protection or human rights, while the Commission is more a free-trade oriented actor (Gstöhl & Dirk De Bièvre, 2018). The new generation agreements such as Transatlantic Trade and Investment Partnership (TTIP) negotiated between the EU and United States and CETA are very comprehensive in terms of their scope and comprise a variety of issues that touch upon individual liberties and public services. Therefore, it can be expected that the European Parliament, as the only directly elected EU institution, is more likely to emphasize European values than material issues in the context of CETA. A similar expectation can also be made for the Council since it is an institution representing the interests of the member states' governments that are responsible to their voters. The Council may also prioritize protection of standards over economic benefits given the increasing public protests around Europe towards comprehensive free trade agreements. Each institution is expected to make an effort to influence the final agreement in line with its orientation. Based on these assumptions, the following hypotheses are formulated:

H1a: The Parliament and the Council are expected to be more value-oriented than economic interest-oriented.

H1b: The Parliament and the Council are expected to influence more the normative parts of CETA than the material parts.

On the other hand, the Commission, as the primary institution representing the EU in international trade and the executor of EU trade strategies in line with liberal economic principles, may tend to prioritize the economic advantages of a free trade agreement. A study analyzing trade discourse of the Commission in the context of recent global and Eurozone crisis shows that the Commission defends and promotes the EU's neoliberal trade agenda (De Ville & Orbie, 2014). Holden (2017) and Siles-Brügge (2011) also share the view that the Commission has a neo-liberal orientation in trade policy. Thus, we formulate the following hypothesis:

H2a: The Commission is expected to be more economic interest-oriented than value-oriented.

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H2b: The Commission is expected to influence more the material parts of CETA than the normative parts.

### **III. RESEARCH DESIGN AND ANALYSIS**

To examine the positions of the Commission, the Council and the Parliament on CETA and their impact on the final agreement, content analysis was used. It is a research method that aims to show the focus of institutional attention in a document through counting words and grouping them under fewer categories (Weber, 1990). The sample was chosen from relevant documents serving for answering the research questions (Krippendorff, 2004). For the Council, two negotiating directives adopted on 24 April 2009 and on 14 July 2011 as well as statements from the Council and member states on CETA were coded. For the Parliament, the resolution targeted at the Commission on 8 June 2011 on EU-Canada trade relations was coded. Moreover, 25 questions that were submitted to the Commission and to the Council by the Members of the European Parliament (MEPs) between January 2013 and March 2014 were also incorporated to the analysis. And for the Commission, the speeches of EU Trade Commissioner Cecilia Malmström regarding CETA between 9 December 2015 and 21 March 2017 were examined. Finally, the main text of CETA was analyzed.

By following Saldaña's (2013) descriptions and Weber's (1990) method of hypothesis coding, initial codes were determined for the analysis. In this process, based on the literature on political-economy of EU trade and the Union's official documents on trade policy, a political-economic perspective was chosen. For determination of the codes, "Trade for All" Document published by the European Commission in 2015 was used as the main reference since it identifies EU's contemporary approach to trade policy addressing both values and interests. In the following processes of re-reading and coding, the predetermined codes and their constituent sub-codes were revised several times, in light of the research objectives and theoretical framework. The final versions of the codes were grouped under two categories labelled as values and economic interests in line with the "Trade for All" strategy (see Table I).

Table I. Categories and Corresponding Codes

<b>Values</b>	<b>Economic Interests</b>
human rights	economic growth
social and labor rights	job creation
consumer rights	new market access opportunities
environmental standards	increasing competitiveness
health and food safety standards	supporting EU companies
sustainable development	supporting SMEs
corporate social responsibility	protecting and promoting innovation

During the analysis, all of the codes were counted for each document except for the MEPs' written questions. For the written questions, we followed Gastinger & Adriaensen (2019)'s method and counted the numbers of questions corresponding to the codes. Then, we calculated frequency distributions of the codes corresponding to each category within the total codes that had been counted separately for each institution and CETA. The main aim of quantification of the codes was to interpret and explain the findings in a more convenient way by using relevant theoretical and conceptual framework (Weber, 1990).

As seen in the Figure I, values are more salient than economic interests in the documents of the Parliament. The Council and Commission display a relatively balanced position between economic interests and values. Values are slightly more emphasized than economic interests in the official documents of the Council. When the Commission is considered, the situation is reversed. Given the legal status of CETA as an agreement on economic and trade relations between two partners, as compared to values, economic issues prevail in the final text.



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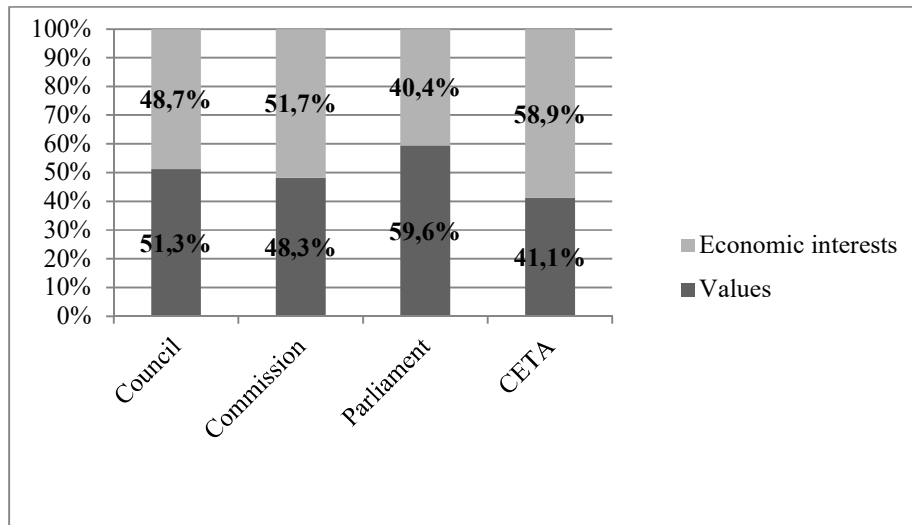


Figure I. Distribution of Economic Interests and Values across the EU Institutions and CETA

Salience of the codes in each category are reported in Table II and Table III. In order to measure salience levels, for each institution and CETA, the highest number among all the codes was divided into four equal intervals. Numeric values were then transformed separately into four equally-sized bins from high (H) to moderately high (MH), moderately low (ML) and low (L). The codes with high and moderately high salience levels are highlighted in the tables. As shown in Table II, environmental standards, social and labor rights and health and food safety standards are the most salient values in CETA. The first two codes coincide with the most salient items of all the EU institutions. Besides, health and food safety standards are a common value that finds a prevalent place both in the Council documents and in the main text of CETA.

Table II. Salience Levels of Codes in the Category of Values across EU Institutions and CETA

Values	Council	Commission	Parliament	CETA
environmental standards	<b>H</b>	<b>H</b>	<b>H</b>	<b>H</b>
social and labor rights	<b>MH</b>	<b>H</b>	<b>MH</b>	<b>H</b>
health and food safety standards	<b>H</b>	ML	ML	<b>MH</b>
sustainable development	<b>MH</b>	ML	L	ML
human rights	ML	ML	<b>MH</b>	L
consumer rights	L	<b>MH</b>	L	L
corporate social responsibility	L	L	L	L

Abbreviations: H – High, MH – Moderately High, ML – Moderately Low, L – Low.

Looking at the salience levels of codes within the category of economic interests, Table III demonstrates that supporting EU companies and protecting and promoting innovation are the most salient items in CETA. The only CETA code that coincides with the most salient codes of the Commission is supporting EU companies. The common most salient item in the documents of the Council and CETA as well as in the documents of the Parliament and CETA is protecting and promoting innovation.

Table III. Salience Levels of Codes in the Category of Economic Interests across EU Institutions and CETA

<b>Economic interests</b>	<b>Council</b>	<b>Commission</b>	<b>Parliament</b>	<b>CETA</b>
supporting EU companies	L	<b>H</b>	ML	<b>H</b>
protecting and promoting innovation	<b>H</b>	ML	<b>H</b>	<b>MH</b>
increasing competitiveness	L	L	ML	L
new market access opportunities	<b>MH</b>	ML	L	L
job creation	L	ML	L	L
economic growth	L	<b>MH</b>	ML	L
supporting SMEs	L	ML	L	L

Abbreviations: H – High, MH – Moderately High, ML – Moderately Low, L – Low.

### III.I. European Parliament as a Defender of European Values

The results of the analysis demonstrate that the Parliament emphasized values more than economic interests in relation to the CETA negotiations. This seems to be consistent with the role of Parliament as a pioneer for the inclusion of provisions on human rights, social and environmental standards in international trade agreements. As declared by a resolution, the Parliament calls for “the European Union’s future trade strategy not to envisage trade as an end in itself, but as a tool for the promotion of European values and commercial interests and as an instrument for fair trade that can bring into general practice the effective inclusion and implementation of social and environmental standards with all EU trade partners” (European Parliament, 2010).

The Parliament also supports the inclusion in all trade and sectoral agreements of legally binding human rights clauses with a mechanism for monitoring and implementation (European Parliament, 2010). It states that a specific chapter should be dedicated to support and promote

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international conventions and agreements on social, labor and human rights and environmental standards with binding and enforceable provisions (European Parliament, 2018).

The finding of the analysis is also related to the Parliament's role as representing European public concerns. In recent years, trade policy has become more salient in the public sphere, as a result of its encroaching upon non-traditional trade-related issues. The Parliament has been contributing to keep public active in trade policy through open debates in Parliament and interactions of MEPs with their constituents and civil society (Directorate-General for External Policies of the Union, 2014b). In the EU institutional setting, the Parliament can be described as a moderate supporter of free trade and is more cautious about its potential side effects as compared to the Commission. By paying increasing attention to public concerns on human rights, environmental and social standards and sustainability, the "Parliament has contributed to making trade policy more 'normative', i.e. serving other foreign policy goals than trade" (Directorate-General for External Policies of the Union, 2014b).

The results of the analysis also demonstrate that two of the Parliament's most salient values coincide with that of the CETA. Protection and improvement of environmental standards is the main concern of both the Parliament and CETA with regards to the normative dimension of the trade negotiations. The subject of social and labor rights is another common issue that is prioritized both by the Parliament and CETA. On the other hand, the findings reveal that, whereas the subject of human rights is among the most salient value issue emphasized by the Parliament, it is barely reflected in CETA. This may be related to the recent change in EU's policy regarding the inclusion of human rights provisions in trade agreements. In 1995, the EU had formally adopted the decision that all trade and cooperation agreements would contain human rights clauses, violation of which by either party would result in partial or full suspension of the agreement. However, since 2009, this policy was modified by linking trade agreements to human rights via the employment of a parallel framework cooperation agreement, signed by the same parties (Bartels, 2017). Thus, in this case, the human rights clause is inserted in the EU-Canada Strategic Partnership Agreement, which was signed simultaneously with CETA, with a direct reference to the termination clause in CETA.

Similar to the results regarding values, the most salient economic interests in the official documents of the Parliament and in CETA, that is protecting and promoting innovation, overlap as well. The salience of this issue may be related to the recent rejection of the Anti-Counterfeiting Trade Agreement (ACTA) by the Parliament. ACTA is an international agreement on trade-related aspects of intellectual property rights, signed by the EU, 22 member states and some other states including, US and Japan. Backing public concerns, the Parliament refused to give consent to the agreement on the ground that it may undermine the right to privacy and individual liberties. This was the first case that the Parliament has exercised its recently gained power to reject an international trade agreement (Directorate-General for External Policies of the Union, 2014b). This also paved the way for the removal of some ACTA provisions from the CETA draft text while the negotiations between the EU and Canada were still ongoing.<sup>3</sup> Thus, the Parliament's sensitiveness to the subject of innovation may be related to these developments which have been triggered by public concerns. This can also be observed in parliamentary questions directed to the Commission. MEPs generally criticized the ACTA provisions in CETA and expressed concerns about the compliance of the Intellectual Property Rights (IPR) chapter with the EU Charter of Fundamental Rights. While the Parliament describes IPR as "one of the driving forces of innovation and creativity and a key contributor to competitiveness, employment and cultural diversity" (European Parliament, 2015), it also reiterates that innovation should comply with the protection of fundamental rights and freedoms (European Parliament, 2017).

To sum up, consistent with role of an institution representing public concerns, the Parliament emphasized more values than economic interests both during the negotiations and after the agreement was concluded. Most of its priorities in terms of protection of European standards find a place in the top-ranked values of CETA. However, since also the economic interest that has been most emphasized by the Parliament is preeminently included in the CETA, it can be said that the Parliament has been influential in shaping not only the normative dimension but also material aspects of the agreement.

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<sup>3</sup> There are also alternative arguments that explain removal of ACTA provisions from CETA. For a discussion on Canada's success in shaping CETA in line with its copyright reforms, see <http://www.michaelgeist.ca/2014/08/canada-shaped-copyright-rules-eu-trade-deal/>

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### III.II. European Commission: An Effective Actor in Adapting EU Trade Policy according to Changing Circumstances

The findings of the analysis reveal that the Commission is slightly more oriented towards economic interests than values in relation to CETA. A chronological distribution of categories demonstrates that, whereas in the earlier phases of the negotiations, economic issues were more prevalent than values in the speeches of Cecilia Malmström, after 20 September 2016, values have begun to be more frequently referred to than economic interests by the Commission (see Figure II). The turning point corresponds to the period after the signature of the agreement between the EU and Canada on 30 October 2016. After the signature, the agreement was sent to the Parliament to get its approval. On 15 February 2017, Malmström appealed to MEPs, just prior to the parliamentary vote on CETA. In order to trigger Parliament's consent, she gave a motivational speech by touching upon the Parliament's concerns about fundamental values of the EU.

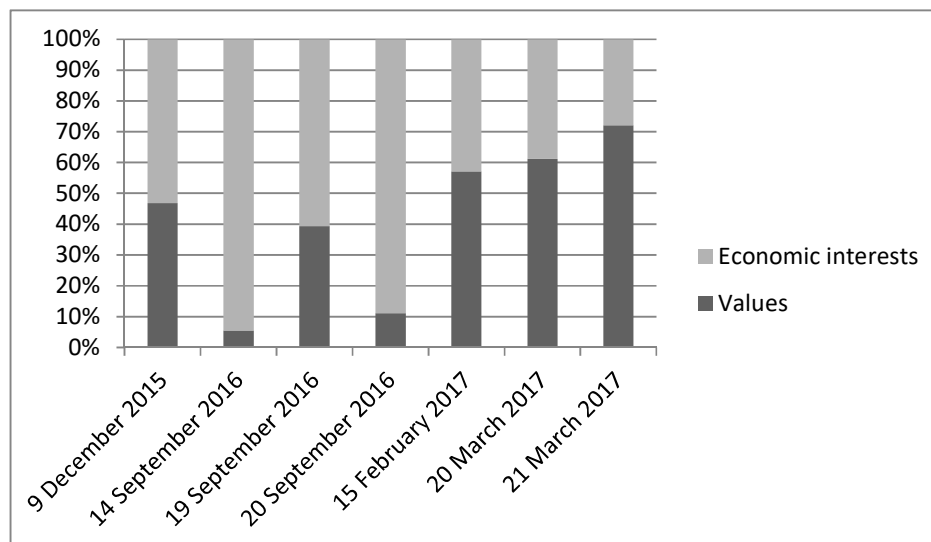


Figure II. Distribution of Economic Interests and Values across Time in the Speeches of Cecilia Malmström

Since CETA is a mixed agreement, it has to be ratified by all of the member states, in addition to receiving consent by the Parliament. According to member states' national procedures, a parliamentary vote or a referendum would be required. As the governments are responsible to their voters and in case of a referendum, each voter will have a direct say on the future of the

agreement, it became a necessity for the Commission to address public concerns and to convince the public that the CETA would not lower European standards and values. Therefore, Malmström's speeches started to focus increasingly more on values compared to the economic interests. In her own words regarding CETA, "The debate in Europe shows that people are concerned about what trade means for standards, values and public services. These are concerns we need to address and explain. We need to explain that there is no lowering of standards, no compulsory privatization" (Malmström, 2017). The change in the Commission's rhetoric over time, towards a more accommodating tone with more reference to European values, is also observed in its addressing TTIP opponents (Garcia-Duran Huet & Eliasson, 2017).

The results of the analysis also show that the most salient values in the speeches are environmental standards, social and labor rights and consumer rights. In its proposal for a Council decision on the conclusion of CETA, the Commission emphasized the significance of linking trade agreements to the EU's overall objectives in the fields of labor, environment and climate change. In this respect, it underlined the inclusion of specific chapters on Trade and Sustainable Development, Trade and Labor and Trade and Environment in CETA (European Commission, July 2016b). Environmental standards and social and labor rights are also the most saliently referred value-based issues in CETA. Thus, it can be argued that the Commission's priorities were also reflected in the normative parts of the agreement, although the emergence of such priorities appears to be mostly a reaction to issues raised by other institutions.

In terms of economic interests, both the Commission's and CETA's most emphasized economic subject is supporting EU companies. In her speeches, Malmström explains the advantages that the CETA would bring to firms, by also providing examples of specific companies benefitting from the agreement (Malmström, 2016, 2017). After all, CETA is an economic and trade agreement that mainly aims at improving market access for companies - the cornerstone of any trade agreement (European Commission, 2017b). The Commission, as the executor of EU's commercial negotiations, described the main objective of CETA as increasing trade and investment flows between the EU and Canada in order to boost economic growth (European Commission, 2016b). This also coincides with our finding regarding economic growth being one of the most salient issues in Malmström's speeches. However, the Commission also makes an effort to link the economic advantages of trade agreements to the benefits that they would bring to citizens, workers,

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consumers and environment. For example, when Malmström speaks about the financial advantages of CETA for Pranarôm International, a Belgian company, she also underlines the fact that CETA would at the same time better protect the rights of its consumers. A potential market expansion of Reclay, a German company, as a result of CETA would also mean sharing its recycling expertise with other firms or public authorities (Malmström, 2016). In short, during and after the CETA negotiations, the Commission has emphasized business opportunities for European companies, while at the same time continuously reiterating that CETA would not change or lower EU standards.

### **III.III. Council: A Balancing Actor between Supporting Tangible Benefits for EU Companies and Protecting EU Standards**

As the analysis demonstrates, the Council's emphasis of economic interests and values is similar, albeit the latter are a bit more stressed than the former. This coincides with the Council's statement that EU trade policy should be ambitious, but at the same time, responsible. The Council holds the view that EU trade agreements should ensure protection of EU values and standards that include but are not limited to sustainable development, environmental protection, human and labor rights, health and consumer protection (Council of the European Union, 2015). The Council supports inclusion of sustainable development provisions in all EU trade agreements and calls for policy coherence between sustainable development, environment and trade (Council of the European Union, 2016a). The findings also show that the most frequently referred values by the Council are environmental standards, health and food safety, social and labor rights and sustainable development. The first three coincide with the most salient values incorporated in CETA. In terms of economic interests, protecting and promoting innovation is the item in common among the most salient economic issues in the Council documents and in CETA. As one of the three priorities of the Europe 2020 Strategy, the Council stresses the importance of innovation in serving such economic objectives as increasing EU's competitiveness and economic growth. At the same time, it underlies the importance of the fight against IPR infringements that have serious effects not only on business but also on health, safety and environment (Official Journal of the European Union, 2019).

In EU decision-making, the ministers in the Council represent interests of their own countries. Since interests and priorities differ across member states, each country tries to project its own concerns and preferences in the negotiations of a trade agreement. For example, due to the objections raised by the Walloon Parliament, Belgium made its signing of CETA conditional upon an opinion to be delivered by the Court of Justice of the European Union (CJEU) on the compatibility of certain CETA provisions, especially those on investment, with EU law. France also wanted to assess the compatibility of CETA with its national law, while German opponents of CETA, who were mostly concerned about the agreement's potential effects on labor, environmental and consumer rights, applied to the German constitutional court to prevent German government from signing the agreement. However, at the end, the 'collective interest' of signing CETA prevailed in the Council. In order to clarify the controversial issues that were subject to public concerns, such as right to regulate, public services, investment protection, sustainable development, labor and environmental protection, a "Joint Interpretative Instrument" was signed by the EU and Canada, which became therefore an integral part of CETA (Council of the European Union, 2016b). In addition, thirty-eight statements comprising unilateral member state declarations, concerning their specific interests and positions on CETA, were attached to the agreement, despite not being legally binding.

Although they vary across countries, the attitudes of member states towards comprehensive economic integration agreements are generally more restrictive, compared to that of the Commission, since they are more directly responsible to their voters (Hübner, Deman, & Balik, 2017). In trade policy making, they have to seek an EU-level measure that offers maximum advantages for the Union and, at the same time, minimizes disadvantages for their own economies (Council of the European Union, 2018). Therefore, it can be said that the Council balances out common and national prerogatives, reflected by the Commission's and their own citizens' positions, as well as contrasting objectives such as pursuing free trade and protecting EU's fundamental standards. The significance of a balanced trade policy clearly emerges in a letter written by the ministers of twelve member states to Cecilia Malmström regarding negotiations of CETA and TTIP where they state that "we must push for a trade policy that also stands up for workers' rights, the environment, people's health and our democratic space" (Letter to Commissioner Cecilia Malmström, 2016).



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To summarize, the Council reveals a relatively balanced position towards economic interests and values and its main priorities in terms of both normative and material aspects find a place in the final agreement.

### **IV. CONCLUSION**

This study analyzed the influence of EU institutions in the common trade policy from a political-economy perspective. The results partly confirm the expectations concerning the orientations of the institutions and their impact on CETA. In line with the official discourses, the Parliament can be considered a value-based institution. The Commission seems to be slightly more economic-interest oriented but a closer look suggests that it has a rather balanced position between economic interests and values. The position of the Council as an intergovernmental forum seems to be balanced as well. The analysis also reveals that all of the institutions have had an impact on both the normative and the material aspects of CETA. Recent research (Gastinger & Adriaensen, 2019) also shows that the interests of the Council and the Parliament are driven by both normative and material concerns as regard to the chapters of TTIP. Our findings demonstrate that the positions of Commission, Council and Parliament towards CETA do not diverge in terms of value-based priorities. The most frequently emphasized values by the three institutions seem to converge, and they naturally emerge as the most salient values in CETA. The common concerns in question are environmental standards as well as social and labor rights. A similar inference can also be made for the representation of economic interests. The Commission's most referred economic interest is its support for EU companies. On the other hand, the Council and Parliament emphasize mostly protecting and promoting innovation. Both of these issues overlap with the most salient economic subjects in CETA. Thus, the economic interest-based priorities of Commission, Council and Parliament clearly find a prominent place in the agreement. Within the specific context of CETA, which is the most comprehensive free trade agreement signed by the EU and a highly industrialized country, it can be said that EU institutions played complementary roles in determining the overall position of the EU towards a neoliberal outcome, despite harsh debates on such new generation of trade agreements in both the European Parliament and in member states. Thus, the EU institutions not only seem to be complementary to each other, but they also tend to be in line with the neoliberal economic orientation in trade policy. In order to see whether these findings hold in different

contexts, similar studies investigating new generation trade agreements, such as the EU-Singapore agreement, can be conducted.

Our work has limitations related to the methodology employed. Given the interpretive nature of coding, it may raise questions, like several other qualitative studies, regarding its objectivity. On the other hand, the study makes an important contribution to the EU trade policy literature. By using a political-economic framework in analyzing a trade agreement between the EU and a developed country, it moves beyond the scholarly attention which has been, to a good extent, limited to examining EU's commercial relations with developing countries. Moreover, it tests the actual implementation of the policy rationale behind the EU's recently formulated trade strategy "Trade for All" on a concrete and comprehensive outcome.

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