



INSTITUTO
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The European Union's reciprocal and nonreciprocal trade relations:
The cases of Economic Partnership Agreements (EPAs) and the
Generalized Schemes of Preferences (GSP)

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Master in Political Economy

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September, 2024



CIÊNCIAS SOCIAIS
E HUMANAS

Department of Political Economy

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À minha família, aos meus professores e amigos.

Acknowledgements

This thesis was the product of a long journey, and I am glad to be able to complete it at last. Of course, this would not have been possible without the support of several people that deserve some brief yet very honourable mentions.

I would like to firstly thank my professors for their insights and contributions throughout the Master's programme. I specifically want to thank my supervisor, Luís Mah, for his eternal patience with me during the initial moments of the research, as well as his availability during the research itself, which allowed me to refine what I wanted to focus on. In the same spirit of a reciprocal exchange, I feel as if we were able to find a shared view of each other's intentions that allowed for a better-rounded thesis.

I also want to thank my family for their support during these months as I prepare to close this chapter of my life and embrace a new one, with all the hopes and challenges such will entail. As I write these last sentences, I hope my parents embrace change as well, while recognizing that our relationship shall remain eternal regardless of circumstances.

Finally, I want to thank all of my colleagues, many of whom I hope to consider friends for a long time. From our interactions, I have learned so much about Political Economy, others and myself.

Resumo

Esta tese explora a evolução económica e política das relações comerciais recíprocas e não recíprocas da União Europeia (UE) com parceiros comerciais da África, Caraíbas e Pacífico (ACP). O confronto entre interesses recíprocos e não recíprocos marcou as negociações comerciais multilaterais, especialmente após a criação do Tratamento Especial Diferenciado (TED), que permite relações não recíprocas. A literatura aborda a evolução da Política Comercial Comum (PCC) da EU, cada vez mais recíproca, explicando as motivações por detrás dos Acordos de Parceria Económica (APEs) e dos Regimes/Sistemas de Preferências Generalizadas (SGPs), SGP+ e ‘Tudo Menos Armas’ (EBA). Contudo, não aprofunda as diferenças entre os EPAs e outros Acordos Regionais de Comércio (ARCs) que a UE tem com estados não-ACP, nem compara o SGPs e os EPAs numa única análise. Assim, são fornecidos dados qualitativos e quantitativos. Primeiramente, por meio de uma análise jurídica do APE UE-Quênia (2023), do ARC EU-Nova Zelândia (2024) e da regulação do GSP. Em segundo lugar, com uma análise estatística dos fluxos comerciais entre 2013 e 2023 com 21 parceiros comerciais, para avaliar a relação entre a reciprocidade e a evolução do comércio. Os resultados identificam que os APEs proporcionam diferenciação dentro de um contexto recíproco, mas a evidência empírica não é forte para confirmar se APEs ou GSP aumentam importações ou exportações da UE ao nível setorial, nem há uma relação entre a natureza recíproca das relações comerciais e a diversificação das exportações para os parceiros. No entanto, é possível que a UE tenha aumentado as suas exportações para a Gana e Costa do Marfim da África Ocidental desde os APEs bilaterais em 2016. As conclusões também sugerem que as relações preferenciais, sejam elas recíprocas ou não, contribuem para o aumento do comércio entre a UE e os parceiros, complementando as conclusões sobre a interligação política no comércio e desenvolvimento da EU.

Palavras-chave: União Europeia, Política Comercial Comum, Política Comercial, Reciprocidade, Não Reciprocidade, Tratamento Especial e Diferenciado, Países em Desenvolvimento, Países Desenvolvidos, Países Menos Desenvolvidos, Organização dos Estados de África, Caraíbas e Pacífico, Esquema/ Sistema Generalizado de Preferências, Esquema/ Sistema Generalizado de Preferências+, Tudo menos Armas, Acordos de Parceria Económica, Acordos Comerciais Regionais, Acordos de Livre Comércio, Economia Política

Código JEL: P33

Abstract

This thesis explores the economic and political evolution of the European Union (EU)'s reciprocal and nonreciprocal trade relations with African, Caribbean and Pacific trading partners (ACP countries). The clash between reciprocal and nonreciprocal interests has been a part of trade negotiations, especially since the creation of Special and Differential Treatment (SDT), which allows for nonreciprocal relations. Literature also addresses the evolution of the EU's Common Commercial Policy (CCP) into becoming ever-increasingly reciprocal. It explains the motivations and influences behind the EU's push for Economic Partnership Agreements (EPAs) and evolution of Generalised Schemes/Systems of Preferences (GSP), GSP+ and 'Everything but Arms' (EBA). However, it does not go further in depth on the differences between the EPAs and other Regional Trade Agreements (RTAs) the EU has with non-ACP states, nor does it compare GSP and EPAs into a single analysis. Qualitative and quantitative data are thus provided. Firstly, through a legal analysis of the EU-Kenya EPA (2023), the EU-New Zealand RTA (2024) and the EU regulation for GSP. Secondly, through a statistical analysis of trade flows between 2013 and 2023 with 21 trading partners, to evaluate a relation between reciprocal and trade evolution. Results identify that EPAs provide differentiation within a reciprocal context, yet the empirical evidence is not strong to confirm whether EPAs or GSP schemes increase EU imports or exports at the sectoral level. There is also no relation between reciprocity and export diversification for trading partners. Nonetheless, it is possible that the EU has increased its exports to countries like Ghana and Côte d'Ivoire from West Africa since their bilateral EPAs in 2016. Conclusions also suggest that it is possible preferential relations, be they reciprocal or not, contribute to increasing trade between the EU and trading partners, which further complements conclusions on the political joining of EU interests in trade and development.

KEYWORDS: European Union, Common Commercial Policy, Trade Policy, Reciprocity, Nonreciprocity, Special and Differential Treatment, Developing Countries, Developed Countries, Least Developed Countries, Organization of African, Caribbean and Pacific States, Generalized Scheme/Systems of Preferences, Generalized Scheme/Systems of Preferences+, Everything but Arms, Economic Partnership Agreements, Regional Trade Agreements, Free Trade Agreements, Political Economy

JEL Classification: P33

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List of Abbreviations

AA	Association Agreement
ACP	Africa Caribbean and Pacific group
ACI	Anti-coercion Instrument
ASEAN	Association of Southeast Asian Nations
CARIFORUM	Caribbean Forum of ACP States
CAGR	Compound Annual Growth Rate
CBAM	Carbon Border Adjustment Mechanism
CETA	Comprehensive and Economic and Trade Agreement
CCP	Common Commercial Policy
DC	Developing Country
DG	Director-General
DdC	Developed Countries
DFQF	Duty-Free and Quota-Free
EAC	East African Community
EBA	Everything But Arms
ECOWAS	Economic Community of West African States
EU	European Union
EP	European Parliament
EPA	Economic Partnership Agreement
ESA	Eastern and Southern Africa
ESF	European Services Forum
FTA	Free Trade Agreement
FSR	Foreign Subsidy Regulation
GATT	General Agreement
GDP	Gross Domestic Product
GSP	General Scheme of Preferences
GSP+	General Scheme of Preferences+
HI	Herfindahl Index
IPI	International Procurement Instrument
ITT	International Trade Theory
KE	Kenya

LDC	Least Developed Country
MEP	Member of European Parliament
MFN	Most Favoured nation
NTB	Non-Tariff Barrier
NZ	New Zealand
OACPS	Organization of African, Caribbean and Pacific States
ODA	Official Development assistance
OSA	Open Strategic Autonomy
RTA	Regional Trade Agreement
RoO	Rules of Origin
SADC	Southern African Development Community
SDT	Special and Differentiated Treatment
SPS	Sanitary and Phytosanitary Standards
TBT	Technical Barriers to Trade
TFEU	Treaty of the Functioning of the European Union
TTIP	Transatlantic Treaty on Investment Partnership
UNCTAD	United Nations Conference on Trade and Development
WTO	World Trade Organization

Chapter 1

Introduction

This thesis analyses the reciprocal and nonreciprocal trade relations of the European Union (EU) and its former colonies which negotiate trade relations together under the Organization of African, Caribbean and Pacific States (OACPS, also referred to as ACP countries). It does so by answering the following questions: «Why and how has the EU adopted an approach of differentiated reciprocity in Economic Partnership Agreements with the ACP countries?» and «How has this approach evolved when compared to the EU's nonreciprocal arrangements and with what impact in ACP countries?».

In answering these, the research addresses the contentious issue in multilateral trade negotiations of differentiation for less developed countries, and how such is explained from a political economy perspective. The EU serves as an important actor in the debate, as it grants unilateral preferences while also defending reciprocity-based trade deals. Yet literature on the evolution of the Common Commercial Policy (CCP) scarcely addresses differentiation within reciprocity, nor does it compare it with the EU's nonreciprocal schemes in their current state. The research thus responds to these issues in the literature on the Common Commercial Policy (CCP) by providing a legal, and statistical analysis on the specific differences between the EU's relation with various less developed countries and with other trading partners, both in its reciprocal and nonreciprocal aspects. In doing so, it also complements conclusions on the political economy analysis of the EU-ACP relations derived from the literature. review in the following sub-questions: «Why has the EU maintained nonreciprocal arrangements (GSP/GSP+/EBA) despite the move towards reciprocity» and «Why have some ACP countries accepted Economic Partnership Agreements despite the lack of popularity in them».

The following Chapter 2 discusses the rules of international trade, firstly by introducing reciprocity in its legal and economic aspect, then by resorting to World Trade Organization (WTO) law. Reciprocity, together with non-discrimination, is a legal principle that clashes with special and differentiation treatment (henceforth SDT) in international trade law and practices. From this difficult legal co-existence in international treaties arises a large debate with different viewpoints from various State actors and multilateral organizations. This research will thus also explain how international political economy can help understand the adoption of both reciprocal and SDT rules. In addition to other actors, the debate is still

centred on the measured divide between Developing Countries (DCs), including Least Developed Countries (LDCs), and Developed Countries (DdCs).

Chapter 3 inserts the EU in the debate, firstly by defining its current positions on reciprocal and nonreciprocal trade. Through the analysis of the rise and evolution of the CCP, it is identified that despite the current move towards the so-called Open Strategic Autonomy¹, the EU continues to pursue reciprocity in its trade deals, along the rules of the WTO on Regional Trade Agreements (RTAs). However, this has not always been the case, so focus is then placed on the evolution of nonreciprocal preferences from the EU. Historically, the EU has pursued nonreciprocal relations with many of the former colonies of its Member States. Currently, the EU still maintains three unilateral schemes of preferences with some DCs: (1) The Scheme of Generalised Tariff Preferences (GSP) that unilaterally reduces approximately 66% of tariffs on exports to the EU by a group of lower-middle income countries, as classified by the World Bank, upon ratification of certain international treaties and application to the scheme. (2) GSP+ which reduces further tariffs for beneficiaries upon implementation of 27 international conventions and (3) the «Everything but Arms» (EBA) which grants duty-free and quota-free LDCs' exports to the EU for all products, with the exception of arms and ammunition (GSP hub, n.d.). This is relevant for the analysis of the EU with DCs, particularly its former colonies, which negotiate trade relations together under the OACPS. Many of them are currently fit to access GSP, GSP+ and EBA, but know they will lose access to some of these unilateral preferences should they ratify the largely reciprocal Economic Partnership Agreements (EPAs) with the EU. Despite the lack of popularity for them, some countries have done so. Another section addresses a criticism and a gap in the literature, with the following section addressing the various motivations and influence of the stakeholders behind the CCP to explain why it has developed in such a manner.

Chapter 4 critically reads the case-study of the EPAs in comparison to distinct RTAs with other more developed trading partners, through a textual analysis of the treaties identifying the specific differences between them. Afterwards, EPAs and GSP schemes are compared to identify their commonalities and differences. Later comparison between countries that endorsed EPAs and countries that remained with nonreciprocal schemes will show some empirical evidence on the results of these trade relations. A final Chapter 5 will be dedicated to some conclusive thoughts.

¹ OSA will be explained in chapter 2.1.4, p. 12.

Chapter 2

WTO and the Global Trade Rules

2.1 Reciprocity and Non-discrimination in Global Trade Rules

According to Oxford University Press (1990), reciprocity is defined as “principle or practice of mutual exchange, [especially] of making concessions or granting privileges, etc in return for concessions or privileges received”. It is not a synonym of negotiation, as negotiations can exist through the trade-offs of different elements. Reciprocity specifically implies similar concessions and exchanges from all parties involved, and can exist as a consensus or compromise or other forms of decision-making.

This semantic definition is part of the ethically «legal» intention for mutual benefit. Indeed, reciprocity has both a legal and economic component. That is to say, symmetrical benefits or penalties are a norm of diplomacy in international relations, by contributing to cooperation among States (Singh and Woolcock, 2022; Hirsch Ballin, 2016). The legal rules of mutual exchanges, in addition to intending on enhancing international cooperation, predicate economic results from negotiations, hence the debate on this concept (Rodrik, 2018; Salvatici and Cipollina, 2019; Tröster et. Al, 2020). Reciprocity can either fit into a protectionist or free trade view of trade. Protectionism can exist within a reciprocal framework, in the form of mercantilism, for example. The mercantilist concern for maintaining a positive trade balance justified state intervention through protections, while also favouring mutually beneficial protections (note that these exchanges are not focused on maximizing their comparative advantage, but primarily their utility to reciprocally maximize net exports (Siles-Brügge 2014a, p.169). Current free trade liberalization tends to imply reciprocal exchanges (see e.g. WTO, 1994).

International Trade Theory (ITT) analyses economic reciprocity in free trade deals and generally sees trade liberalization as beneficial, regardless of there being a mutual exchange. This means that reciprocity, and SDT for that manner, is perceived purely as a political debate rather than an economic one through the lenses of ITT (Bacchus and Manak, 2021). From the conclusions derived from standard ITT, any country that does not endorse liberalization, be it reciprocal or not, goes against economic efficiency (and international trade cooperation), as they do not understand the merits of liberalization (Chang, 2007, p.51). In political economy, understanding decisions through such a lens is not enough, considering

the wider arrange of interests and power dynamics which ultimately shape trade policy and economic efficiency. This means that ITT must be complementary to other theoretical frameworks in order to fully understand the context and motivations behind trade negotiations.

Under the WTO, global trade rules shape the nature of global trade relations, exchanges and flows. Exogenous forces shift domestic political influence, and the WTO is a major component in securing obligations, preventing reversing of previous unilateral trade reforms (Milner, 1999). The concept of reciprocity is essential in WTO treaties, emerging in the very first Generalized Agreement on Tariffs and Trade (GATT) treaty in 1947. While never defined in a specific article of these treaties, reciprocity is always mentioned for “mutually advantageous arrangements directed to the substantial reductions of tariffs and other barriers to trade” (WTO 1994, Preamble; GATT, 1947, Article XXVIII). Originally meant for trade in goods, this would then be expanded in treaties concerning services, intellectual property and more (WTO, 1994). The results of reciprocity may differ for parties involved, and while it usually implies equal exchanges in the same subject matter, one party can exchange A for another’s party B reciprocally, so long as the exchanges are symmetrical (“it does not mean a balance of concessions product by product” (Bacchus and Manak, 2021, p.24).

In addition to reciprocity, the WTO also endorses the non-discrimination principle to ensure equal treatment and prevent favouritism. These two principles are at the core of the WTO’s Most-Favoured Nation (MFN) principle and trade policy rule, which ensure extension of trading terms for all WTO members (GATT, 1947, Article I). The National Treatment principle also follows this by ensuring non-discrimination of foreign goods, services or investors upon entering national markets (GATT, 1947, Article III). These principles were the basis of the GATT agreement in 1947 (remaining in GATT 1994), and are so interconnected that non-discrimination implies reciprocal treatment and different rules usually imply nonreciprocal treatment. That being said, reciprocity is the principle that distinctly calls for mutual benefit and mutual exchanges.

However, members can also dodge some of these principles. The most common one is through Regional Trade Agreements (RTAs), which dodge non-discrimination, but not reciprocity. RTAs have many variations, from Free Trade Agreements (FTAs) to Association Agreements (AAs), but all are allowed within WTO, so long as they reduce more trade

barriers and contribute to more trade cooperation than the plain MFN rules (in Article XXIV of GATT, 1947).

2.2 Special Differentiated Treatment (SDT) in Global Trade Rules

Not every player has the WTO position on reciprocal liberalization. As a result, GATT/WTO has conceded to a rule that relaxes adherence to reciprocity and non-discrimination for less developed countries (LDCs) and developing countries (DCs). Special and Differential Treatment (SDT), in accordance to differentiation based on variable geography for less developed countries, has been the status quo since 1955's revisions of GATT Article XVIII, granting government assistance for infant industries. Later in 1966, Articles XXXVI, XXXVII and XXXVIII were added to GATT section on Trade and Development, which added to the text that DdCs do not expect reciprocity from less developed members (in article XXXVI:8), and allowed for special rules for DCs (in article XXXVIII, also in previous article XXVIII bis 3(b)). These were reinforced in 1971 and then made permanent with the 1979 Enabling Clause, which allowed the usage of General Schemes of Preferences, or GSP (Bacchus and Manak, 2021, p.25-29; WTO 1994, p.26). WTO calls these unilateral schemes Preferential Trade Agreements, although PTA is a term synonymous with RTAs in literature (Siles-Brügge, 2014a).

While the WTO also acknowledges the principle of differentiation for DCs through the SDT, it balances SDT with other WTO rules, particularly MFN. This means that differentiation can mean nonreciprocal relations, or provisions that can exist within a reciprocal context. Despite tolerating the existence of unilateral deals under WTO law, such as the GSP schemes, the WTO has historically moved away from preferential concessions and generally embraced reciprocity (Faber and Orbie, 2007; Dutu-Buzura, 2022, p.93). While the flexibilities and arrangements have not entirely disappeared, and some differentiation can exist in gradual reciprocity, SDT provisions and unilateral schemes are antagonistic to reciprocity and non-discrimination.

Current SDT provisions include having transition periods for agreement implementation, safeguards for trade interests of DCs, technical support for infrastructure building, dispute handling and technical standard implementation, and particular provisions for LDCs (WTO, n.d.). Of these provisions, nonreciprocal systems of preferences from DdCs are guaranteed

(GATT 1947, Article XXXVI; WTO, 1994, p.26; Bacchus and Manak, 2021, p.29; p.47). They are SDT's "most salient dimension" by providing greater market access to exports from DCs and LDCs (Ornelas, 2016).

However, current SDT is a shadow of what is used to be, since many of these provisions are not permanent asymmetrical arrangements, but exceptions for gradual integration into common WTO rules (Chang, 2007, p. 62). This is additionally seen in how nonreciprocal preferences are increasingly absent from SDT discussions (WTO, n.d.), despite DCs' interest in maintaining nonreciprocal arrangements provided by DdCs (WTO, 2023). Previous provisions allowed DCs to have different levels of obligations, thanks to pre-Uruguay Round freer interpretation of liberalization commitments. Now, even the provisions for transitional periods imply gradual reciprocity, in line with the interest of integrating all WTO members within the international trade system (Ornelas, 2016, p.29).

This means nonreciprocal trade can liberalize, as unilateral arrangements², allowed by SDT, can liberalize one side's barriers to trade, predicated the existence of free trade, even if unilateral. Of course, the marriage between protectionism and unilateralism is self-evident as well: differential treatment can be meant to enhance trade barriers on only one side to protect it from the other. Economic nationalists such as Friedrich List defended the infant industry argument which also necessitated forms of unilateral trade protection (Chang, 2007).

2.3. The political economy of Reciprocity and Nonreciprocity

The WTO, as a defender of the concept in the GATT, embraces mutual exchange as the norm to promote balanced and fair trade relationships. This way, the WTO participates in balancing trade benefits and concessions and treating every of its members equally, in treaties and in consequent economic relations. Reciprocity is defended based on the intuition that a country, especially a democracy accountable to the public, is more willing to concede market access if the other is as well. The potential upside for a free rider of the WTO system is severely limited (Ornelas, 2016, p.19). This, in turn, also creates domestic interest in exporting, thereby reducing the common interpretation of domestic producers as opposed to liberalization (Francois and Hoekman, 2019, p.300).

² The unilateral preferences here can include the ones identified in the introduction in page 1 (GSP, GSP+ and EBA), which will be explored in chapter 2.3, page 16.

The WTO uses reciprocity for multilateral liberalization of trade, meaning equivalence in market openness on all parties of the negotiations (Rodrik, 2018). Some also argued the “GATT-think”, ie. that by curbing unilateral protection, uncoordination and nontransparent actions, the results would lead to fewer wars and improved standards of living (Francois and Hoekman, 2019, p.299).

The ones behind SDT are various. For starters, the enabling clause of 1979 was created due to external pressures from UNCTAD³, another multilateral institution in the United Nations, that channelled previous discontent and pressured alteration to international trade law to incorporate «development needs», advocating for differential treatment among members since its foundation in 1964 (Bartels, 2007, p.731; Gerhart, 2005, p.529).

But the players that evidently changed GATT rules came from within. Self-proclaimed DCs, be they LDCs or not, were the first to demand for SDT, increasing their leverage as new members were accessing the GATT (Gerhart, 2005), but the move for reciprocity in 1994 left scars in relations between them and DdCs (Bacchus and Manak, 2021). Due to these multilateral developments, as reciprocity becomes intertwined with free trade, so too does protectionism become tied to unilateral measures and differential preferences. Many factors influence DCs State Actors, including protectionist domestic interest groups or policymakers, which have an influence on trade negotiations (Milner, 1999). DCs State Actors have also advocated for their Right to Develop (Carbone, 2024), which could endorse differentiation in IT rules and some protectionist thinking (Rodrik, 2014). The current call for protectionism from large actors also reduces support for both direct (bilateral) and general reciprocity (according to Steinberg and Tan, 2023).

Differentiation exists due to demands from actors, which is itself a response to an opposite perspective on reciprocity being in clash with development objectives DCs and LDCs have a continuous interest in maintaining, if not outright expanding SDT. This is seen as part of the development aspect of trade, mentioned in Paragraph 44 of the Doha Ministerial Declaration in 2001. LDCs advocate for trade and technology transfers to increase technology flows to DCs, assistance and capacity-building programmes (EU does so through

³ The United Nations Conference on Trade and Development (recently rebranded as UN Trade and Development) is the organization within the UN Secretariat responsible for creating development policies, established to serve particular problems, concerns and interests of DCs (see e.g. UNCTAD 2023; 2024).

Aid for Trade), and Duty-Free and Quota-Free (DFQF) access for products from LDCs (EU does this with EBA) (Bacchus and Manak, 2021. p.47).

Constant pressure is placed on richer countries to implement or agree on solutions that support industrialization and diversification through export growth (Ornelas, 2016; Bacchus and Manak, 2021, p.38). The EU is not exempt from these pressures. Current debates on SDT include call for end of self-designation of DCs, so that the WTO classifies countries' status to enforce the end of SDT for countries that could follow standard rules such as China or other emerging economies. LDCs and many DCs would still fall onto SDT, although both bilateral and multilateral deals within WTO embrace reciprocity (Bacchus and Manak, 2021).

It is important to note that the WTO is an organization formally organized through consensus from 164 States, but in practice decision-making reflects the power imbalance of different countries. Developed Countries (DdCs) have more to offer in negotiations and less to lose in the event that negotiations break down, whereas DCs, especially LDCs, have it the other way around. This could explain why reciprocity became reinforced, considering DdCs had more to offer given their economic size and diversify, and thus more bargaining power. SDT and in particular GSP systems were accepted by DdCs to ensure DCs allegiance to the GATT/WTO (Gerhart, 2005, p.531). Meanwhile, DCs accepted the Uruguay Round given their expectation that the legal power of the treaties would supersede political power, and that DdCs would follow through with their end of the negotiation. Then, the Doha Development Round (DDA) failed to live up to expectations from countries with various income levels (Bacchus and Manak, 2021, p.30).

DCs in particular lament the lack of consensus on additional development through trade. Indeed, trade is considered to be “a stimulus for development if a number of other conditions” are met, including financial resources, entrepreneurial capacity, institutional quality and macro-economic stability (Faber and Orbie, 2007, p.12). DCs also demand for trade that promotes economic diversification through exports (WTO, 2023). Trade is what you make of it (Siles-Brügge, 2014a), and DCs see nonreciprocal trade as a form of developing, while DdCs acknowledge the trade-development nexus, particularly by participation in technical assistance and capacity building to improve DC's market access, but see development in a different light. Moreover, DCs rely on import taxes (tariffs) for revenue far more than DdCs, and their interest, generally-speaking, is in being able to maintain trade barriers for as long as possible.

Chapter 3

The EU's Common Commercial Policy and the principle of reciprocity

3.1: The rise and evolution of the EU's CCP: introduction

3.1.1. 1950s-1970s Precedents of Embedded Liberalism

Studying the evolution of the CCP presents an explanation for the EU's motivations for reciprocal and nonreciprocal relations. Firstly, context is required to address such intentions.

The Common Commercial Policy was an objective since the Treaty of Paris in 1951, with the creation of the Coal and Steel Community, gradually evolving through subsequent treaties. It was redefined in 1957 with the Treaty of Rome, in which it was agreed that the European Economic Community members would align their trade policies to create a Customs Union, and Member-States would jointly define the common external tariff, covering all products, through the EU institutions. As such, even before the Merger Treaty in 1967, which created a sole set of institutions for the European Communities, the EEC became an actor in trade relations, (European Union, n.d.). In 1963-66, during the Kennedy Round of the GATT, the Commission negotiated for the first time in the name of the Member-States, participating in the reduction of US industrial tariffs, despite maintaining its defensive aspect (Warlouziet 2024 ; Woolcock 2011; Siles-Brügge 2014a, p.60), and could conclude Free Trade Agreements (FTAs) and Association Agreements (AA). Having the Six speak in one voice increased their leverage in negotiations with the world (Warlouziet 2024). The Commission would also negotiate alone in the GATT rounds that followed, although only after debate between the Member-States (Warlouziet 2024).

With a judgement by the European Court of Justice in 1971 (Commission of the European Communities v Council of the European Communities), the Community could fully act as an actor on the world stage, “and not merely administer measures such as customs and quantitative restrictions” (European Parliament, 2019). By this decade, external sources (US) were pressuring the EC regarding its subsidization strategy in the Tokyo Round. This fit the changes of the international economic order of the 70s, creating a problem in ‘surplus capacity in industrial production’ (Siles-Brügge 2014a). This targeted EU manufacturing

industries, such as textile, steel, and ship-building (Siles-Brügge 2014, p.60). However, the defensive aspect of the EU trade policy remained (Woolcock 2011), with the EU implementing new Non-Tariff Barriers and ad hoc industrial policy (Siles-Brügge 2014a, p.60). M-S used national policy measures to protect sensitive sector during this time as well (Hanson 1998). [60s and 70s explained imo]

3.1.2. 1980s-early 2000s: Multilateralism and Globalization

Ideologically, the CCP was initially set out to exist within the embedded liberalism of the period between 1945 and 1974, during which Western Europe remembers a period of economic growth, known as *Les Trente Glorieuses*. However, there was an eventual shift, either through a neoliberal vision of trade post-stagflation (Schmitz and Seidl, 2023), or due to the Economic and Monetary Union being rooted in ordoliberalism⁴, that is to say, a form of liberalism that acknowledges free trade (Siles-Brügge 2014a). Indeed, the internal integration of the M-S, from a customs union, to the evolution of the Single Market, and the transition of competences to the European level, mirrored the ever increasing focus on external openness, which would require reciprocal relations in trade (Hallström 2000).

The EU, alongside the US, shaped the agenda of the Uruguay Round from 1986 to 94 (Woolcock 2011). While the EU agreed to reduce tariffs on manufactured goods “by an average of 38 percent” (Hanson, 1998, p.60), the focus of trade deals went from tariff to non-tariff instrument, including subsidies. In exchange for furthering economic integration, the EU began to concede agricultural subsidies, although this would be a gradual process and criticisms from ACP countries would remain (Siles-Brügge 2014a). But this does mark the shift in the original compromise at the EU level, between the liberalization of intra and extra-EU trade and the protectionist Common Agricultural Policy (Siles-Brügge 2014a).

By the time of the Maastricht Treaty in 1992, the EU was indeed committed to multilateral freer trade, more so than the US and other Asian nations. The Treaties of Amsterdam (1997) and Nice (2001) extended CPP to agreements for services and intellectual property. The EU’s agenda became more offensive, and it is in this context that the Confederation of European Business (nowadays named BusinessEurope) becomes a

⁴ To expand on ordoliberalism, it is an economic theory that acknowledges liberalism through free trade with non-market institutions such as the European Central Bank (Siles-Brügge, 2014a, p.62).

significant trade lobbyist in Brussels, while the European Services Forum (ESF) is established in 1999. These would increase their relevance as non-institutional stakeholders. EU's offensive strategy continued in 1996, through the Market Access strategy. In terms of negotiating trade deals, the EU signed "a total of 3 FTAs – with South Africa, Mexico and Chile" (Siles-Brügge 2014, p.64), embracing multilateralism by pushing for the Singapore issues of government procurement, investment and competition into the Doha Round in 2001 as well, in contrast to the US.

3.1.3. 2006-2019: Bilateralism, Global Europe

The Doha Round stalled by the end of the 2000s, with only trade facilitation issues remaining in the negotiations. While the EU was (and still remains) committed to multilateralism, in practice, it has also embraced preferential bilateral negotiations between the EU and other partners (Siles-Brügge, 2014a, p.58). The new gradual shift is identified with the Global Europe strategy (or Lisbon Strategy) in 2006, which maintains a push (especially from Commissioner for Trade Peter Mandelson onwards⁵) for internal and external liberalization (Schmitz and Seidl, 2023, p.840). The reduction of import duties in 'finished goods' in exchange for enhancing export-oriented (cross-sectoral) service sectors implied the reduction of trade protection, and an economic incentive very much in line with the neoliberal view. Bilateral preferential agreements were seen as the remaining option for trade liberalization (Siles-Brügge 2014a, p.196). More importantly, the EU interlinked its trade and development policies in seeing reciprocal trade liberalization as a path to development (Siles-Brügge, 2014a, p.137).

New negotiations began in emerging Asia, whilst existing negotiations with ACP states were renewed (Woolcock 2011, p.4). New FTAs with the Association of Southeast Asian Nations (ASEAN), South Korea and the Southern Common Market (MERCONSUR) were proposed, with the intention of liberalising services trade (Siles-Brügge, 2014a, p.70). In 2006, the Minimum Platform on Investment is set up to define investment liberalization for EU RTAs. The plan was to continue to expand market access to outward-oriented services sector and FDI (Siles-Brügge, 2014a).

⁵ The Commissioner for Trade is the political representative responsible for the trade portfolio in the Commission. Previous Commissioners were and continue to be responsible for the EU's trade in the WTO and in RTAs (Siles-Brügge 2014a).

The EU defined its exclusive competence in CCP with the TFEU (European Parliament, 2019), which also reinforced the need for external trade to be in compliance with democracy, rule of law, humans rights and natural resources sustainability (Leblond and Viju-Miljusevic, 2019, p,1839).

Meanwhile, the “Trade, Growth and World Affairs” trade strategy, between 2010-14, as part of the Europe 2020 agenda, was a response to the 2007/8 financial crisis, but continued this intent of external influence, with a focus on reciprocity that wasn’t seen as based on mercantilism (Siles-Brügge, 2014b, p.51). Indeed, even in times of great economic turmoil, the Commission pushed for further liberalization in international trade. The interests of the EU institutions and representatives became similar to the interests of “European service suppliers”, in order for them to obtain a privileged position in emerging markets. This was seen with reciprocal RTAs (such as the EU-Korea agreement) that “contained meaningful services and investment liberalisation provisions”, including in north-south preferential liberalisation, preferential, in this sense, implying bilateral liberalisation (Siles-Brügge, 2014a, p.13). The “Trade for All” strategy in 2015 was then created in order to shape trade, and to promote sustainable development (European Commission, 2015; European Parliament, 2024a). through Sustainable Development Chapters.

3.1.4. 2020s: Open Strategic Autonomy, what it means for the CCP

Currently, the new priorities set by the Commission from 2024 to 2029 include Open Strategic Autonomy in certain domains, but it also includes multilateralism, which means that the EU does not want to see such objectives as against one another. In 2021, the European Commission reinforced the necessity of an open, rules-based trade order that was fair and sustainable, due to the European Green Deal (Bongardt and Torres 2023). In previous years, however, leading figures of the EU were already discussing the need for Open Strategic Autonomy (OSA), that is, the strategy that allows for independent decisions while remaining open for international partnerships (European Commission, 2021). For example, the need for European self-sufficiency and energy security also dates back to 2006, due to climate change and dependence on a small group of unstable countries (Rosamond, 2013). Strategic Autonomy has been under discussion since 2013, and was expressed in the Global Strategy in 2016 (GS), but it was mainly concerning defence policy. With OSA, officially declared in the

2021 trade strategy review, trade policy is increasingly part of foreign policy, that is, through strategic trade agreements and policy measures, it intends on achieving resilience and security, with a focus in essential resources without isolation from global trade and cooperation (European Commission, 2021).

OSA does imply a form of protection, seen in the case of Horizontal bilateral safeguards, approved in 2019, which cover various existing FTAs and protect particular domestic industries. It is also seen in anti-dumping measures (Council of the European Union, n.d.), although these tend to be temporary and can be settled in the WTO Dispute settlement system (in Annex 2 of WTO, 1994). However, some identify a shift from these traditional defence instruments to instruments of protection based on economic, sustainability and security conditions. Of these, there is the international procurement instrument (IPI) and the foreign subsidy regulation (FSR) for competition; regulation on deforestation-free products in 2022, carbon border adjustment mechanism (CBAM) in 2023 and directive on corporate sustainability due diligence in 2024 for sustainability; and anti-coercion instrument (ACI) in 2023 for security. Many of these instruments, such as IPI and CBAM, attempt to ensure mutual rights and obligations (considered «reciprocal» by De Ville, Happersberger and Kalimo, 2023) based on EU domestic rules, similarly to the intent of Trade for All strategy and EU RTAs. At the same time, criticisms may remain on EU's usage of agricultural subsidies when implementing the reciprocal FSR, or in asserting its influence on others given the ACI (De Ville, Happersberger and Kalimo, 2023). Current increase in tariffs in specific industries (automobile) against other countries should also be noted (European Commission, 2024).

At the same time, the strategy for open trade remains strong in the Commission, as can be seen in recent RTAs with New Zealand (NZ), Chile or Kenya (KE), as well as the negotiations for upcoming trade deals with India, Australia, or even a financial deal with China, or deals for sustainable investment in with Angola and African partners (Weyand, 2024). However, support for these deals could decline in national or regional parliaments, as it happened with the Transatlantic Trade and Investment Partnership, an agreement between the EU and the United States (Schmitz and Seidl, 2023).

So, while OSA developments make it unclear whether the EU will continue down the path of fragmentation/regionalization rather than global trade, it is clear there are shifts from dependence to diversification and from efficiency to security, for a resilient and competitive

economy. The export-led growth model of the EU is closely intertwined with the focus on keeping the balance of trade positive, more so than the US or China, countries whose trade to Gross Domestic Product (GDP) ratio is not as high as the EU, meaning that their growth is dependent in others factors, rather than the openness of their market. This was never portrayed as a weakness; in fact, it was seen as a strength for export-led growth, and for others to comply with EU standards. On the other hand, the new trade deals' beyond border instruments feed back into other areas of policy, with some suggesting that trade liberalization hinders the ability for the European model to function and to be defended (Bongardt and Torres 2023).

3.2. The rise and evolution of EU CCP: increasingly reciprocal trade relations

Given this historical context, it is possible to understand that reciprocity was an aspect of trade planned since the origins of the CCP. For the period of embedded liberalism, the EU already had interest in mutual exchanges internally. While the EU does not reference reciprocity in treaties (Woolcock, 2014), it runs in the core of the European project, given the EU's internal market development for economic reciprocity among Member-States, with the legal need to ensure a "balance between economic pros and cons". If parties follow the rules of agreements, they attain economic reciprocity (Hallström 2000, p.81). And while the internal dynamics of the EU enforce other principles, due to countries relinquishing competences to common institutions, for example, international treaties "of economic nature" embrace the reciprocity principle (Hallström 2000, p.82).

The move towards bilateralism should not be seen as the EU's attempt to pursue reciprocity with a mercantilist notion of maximizing welfare through net exports (Raza (2007). In actuality, the EU embraces reciprocal trade for the intentions of liberalization: by granting equal exchanges, the EU attempts to pursue free trade (Krugman and Obstfeld, 2003, p.238).

Therefore, the EU pursues this reciprocal liberalization in the CPP, be it multilaterally or bilaterally, pushing for both legal and consequent economic mutual exchanges. This can be seen ambiguously in the main European Treaties (with references to progressive abolition of

restrictions on international trade in TFEU Art 21 (Kübek and Mancini, 2023), but especially in Trade Strategies published throughout the years. Indeed, Liberalization and Reciprocity go hand in hand in the official communications of these strategies (European Commission, 1996a), particularly for public procurement (European Commission, 1996b; 2006; 2010), and generally for bilateral relations (European Commission, 2012; 2015, 2017). This is visible with the EU's interest during the 1980s in trade multilateralism and the eventual Global Europe Strategy in 2006 following reciprocal bilateral free trade (Schmitz and Seidl, 2023, p.840).

Moreover, the Cotonou Agreement in 2000 set the basis for further EU EPAs with ACP countries, as the EPAs were created as a response to more WTO-friendly deals, returning to reciprocal trade agreements. ACP countries under new EPAs would provide duty-free access for EU exports by 2008, marking definitive reciprocal relations with OACPS⁶. The WTO rules therefore influence EU's reciprocal deals with trading partners, including OACPS (Heron, 2014). However, one can question how much of that influence is external, since one can also see the influence of the EU in the creation of WTO rules and focus on reciprocity (Siles-Brügge 2014a; 2014b; Woolcock, 2014).

The current stage of OSA necessitates continuous reciprocal bilateral liberalization, evidenced by all the RTAs in current negotiation⁷. Figure 1 (in Annex) indicates the amount of trade agreements in place or being negotiated with trading partners as of January 2024. Regarding current EU-OACPS relations, the Samoa Treaty signed in 2023 maintains the reciprocal agreements with the OACPS group (in Article 2). As for EPAs, despite being negotiated in regional groups, only a few of countries have implemented them since 2008. The ones that have in West Africa are Côte d'Ivoire and Ghana, with their own interim EPAs; in Central Africa Cameroon; in East African Community (EAC), Kenya has begun to bilaterally implement the EAC EPA, with its own EPA ending negotiations in 2023; in Eastern and Southern Africa (ESA) Comoros, Mauritius, Madagascar, Sychelles and Zimbabwe; in Southern Africa Development Community (SADC) Botswana, Eswatini, Lesotho, Namibia, South Africa and Swaziland, with Mozambique adopting; in the Caribbean all countries with the exception of Cuba and Haiti (which is still adopting); and in the Pacific there's Fiji, Papa New Guinea, Samoa and Solomon Islands (European Commission, n.d.a). Many of these countries are lower-middle or even upper-middle income countries.

⁶ Lomé preferences will be presented in the following chapter 2.3.

⁷ previously mentioned in 2.1, p.13.

Furthermore, the most recent strategy embraces some unilateral trade instruments to restore reciprocity to international trade relations and thus defend EU interests (European Commission, 2021a; 2022; Kübek and Mancini, 2023).

3.3 The rise and evolution of the EU's stance on Nonreciprocal arrangements: GSP, EBA and GSP+ and OACPS relations

As for nonreciprocal trade, the EU acknowledges unilateral trade liberalization through GSP, GSP+ and EBA, and it only uses them for liberalization purposes (see e.g., European Parliament, 2024b). It has also become increasingly restrictive, and with plans to further conditions for their access (Siles-Brügge, 2014b; European Commission, n.d.a.). This is in line with the historical trajectory of the CPP, with the EU favouring reciprocal EPAs/FTAs/AAs with trading partners.

DCs and LDCs have requested the EU in particular to address its agricultural high and complex tariffs and tariff quotas (WTO, 2023). The EU does not endorse DCs' industrial policy and protectionist policies, the closest relation to such is the EU's investment through its development policy. This resembles R&D and infrastructure domestic subsidies, although with stark differences. The EU additionally provides technical assistance in the form of the Aid for Trade programme to enhance trade capacity for DCs (WTO, 2023).

In addition, the EU doesn't specific its stance on SDT provisions in law, but acknowledges them through compliance with WTO law and by setting up measures for DCs and LDCs (Parliament, 2024b; WTO, 2023). Its current stance on SDT in the WTO is similar to the US proposal for SDT, in that both want a reform that changes the act of self-declaration of development status. This would restrict certain emerging economies from having access to SDT, by differentiating their level of development with LDCs (Bacchus and Manak, 2021, p.6). The EU wants to introduce a review process for any member that uses, wants to use, or requests additional SDT provisions, with a need for identified objectives, economic impact analysis and time periods for the latter (Bacchus and Manak, 2021, p.20). While the EU doesn't want to change existing SDT provisions, the conversation on the reform seems focused on who gets access to it in between developed and LDC status, rather than on the interests of SDT expansion all DCs want (Weinhardt and Ukpe, 2024). Indeed, there LDCs

have a wider share of SDT compared to DCs since 2008 (Weinhard, and Schöfer, 2022), although this does not mean DCs do not band together to oppose SDT reforms, hence the need to still appeal to them as a block.

There were times in which different policy was passed at the supranational level which tend to go for the vision of «fair trade». Fair trade, in this sense, does not just mean fighting against unfair practices, but allowing more equity in international trade, so producer's exports from the Global South can be more competitive, creating agreements with partners that resolve some criticisms on reciprocity and trade liberalization (Martens and Orbie, 2018). Such was the case in 1968 (completed in 71), through pressure from UNCTAD, with the first GSP scheme⁸. According to DCs, nonreciprocity would allow them to be more competitive in exporting their goods given the reduction or abolishment of EU tariffs. Despite being «unilateral», countries still need to apply, and comply with several international conventions on labour rights, sustainability and good governance, which have only increased throughout the decades (European Parliament, 2024b; GSP hub, n.d.).

When it comes to other forms of nonreciprocity of the time, the EU also had specific relations to its ex-colonies in Africa, the Caribbean and the Pacific (the ACP countries), which negotiate together under the OACPS group. The Lomé Convention, established in 1975 and lasting until 2000, provided these Lomé preferences to the OACPS group (Faber and Orbie, 2007; Flint, 2009; Martens and Orbie, 2018), while defining development aid alongside it (Cheon and Kim, 2021). In fact, “GSP preferences for LDCs continued to be less generous than trade preferences for the ACP countries under the successive Lomé Conventions” (Faber and Orbie 2007, p.6). Therefore, while reciprocity was embraced in GATT rounds, it was also in this period that the EU set up unilateral preferences for countries, particularly for OACPS.

Of course, as mentioned before, the Cotonou Agreement in 2000 and the established EPAs would see the end of these nonreciprocal preferences (see e.g. Cheon and Kim, 2021; Heron, 2014; Flint, 2009)⁹. At the same time, special treatments to less developed countries would be further expanded, although some view this with a twist and theorize the intentions of the EU by creating these nonreciprocal preferences. In 1991, the EU added the GSP+ scheme, tied to ratification of more international conventions than the standard GSP scheme

⁸ GSP standard is defined in the introduction, p. 1

⁹ More on the Cotonou Agreement in p. 15.

(Drieghe and Potjomkina, 2019). Moreover, the 2001 regulation named «Everything but Arms»¹⁰ (EBA) implied duty-free and quota-free imports for all products, with the exception of arms and ammunition, in a nonreciprocal way with LDCs (Faber and Orbie 2007). Two hypotheses suggest the EBA was created to get the DDA off the ground in 2001, and/or to split the OACPS group between LDCs and non-LDCs (Faber and Orbie, 2007). The timing of the EBA and the Cotonou Agreement show cohesion by creating a two-tier system for only those less fortunate, as some view it (Siles-Brügge, 2014b; Flint, 2009), even if LDCs and some of their products would be given concessions under the arrangements of the EBA, while some non-LDCs could ask to be part of GSP and GSP+. EBA could have been a way to maintain special treatment to some poorer countries, despite a move toward reciprocity.

Although the EU trade policy has remained largely liberal, both free and fair trade have been challenged by the stance on agricultural goods. LDC's access to the European market focuses on what they can provide, mostly products in agriculture, textiles, clothing, footwear (Bacchus and Manak, 2021, p.28). This contrasts the EU's agricultural policy, especially in the 2000s, when the EBA was signed. Indeed, despite gradual liberalization, EU still set high tariffs (average was 15% in Woolcock, 2011, p.5). While the EU agreed to phase out export subsidies in agriculture, in order to keep the DDA alive, exchanging 'pockets' of protection for liberalization in services, the Common Agricultural Policy remains more protected than other policy areas (Siles-Brügge, 2014a).

In 2014, GSP was reformed to prevent high-income and upper-middle income countries from having access to the nonreciprocal GSP. The exception to this were LDCs who are not excluded if they benefit from other preferential arrangements (GSP hub, n.d.), and the only noteworthy exception to this rule was Kenya, which signed its regional EPA in 2016. In fairness, this would not seem to shift the tides of trade relations, as GSP was already designed for lower-middle and low income countries, but it did remove access to countries like Gabon and Equatorial Guinea. The reform also had some changes in product graduation. More importantly, the reform prevents all FTA partners to access GSP, regardless of their income level, which includes South American countries and India, due to their respective RTAs. The result of this reform was the reduction of eligible countries for the scheme going from 177 to 90 (Siles-Brügge 2014b, p.52). As for evolutions in development policy, in addition to active participation in the WTO initiative «Aid for Trade» since 2007, the EU created Official

¹⁰ GSP+ and EBA are defined in the introduction, p. 1

Development Assistance (ODA) in 2015, with the same intention of financial assistance to other countries.

The GSP scheme was set to expire in 2023. The Commission planned to renew the scheme from 2024 to 2027, possibly to 2034, with some new changes. For expecting graduating LDCs, who will therefore graduate from EBA after the transition period of three years, the Commission wants to accommodate them in the GSP+, so as to not have them experience substantial trade loss. But this implies graduates accepting international conventions required for the GSP+, which requires action from their side, more than the EU's side. If the plan is to encourage them, detail isn't explicit (GSP hub, n.d.). The main plan includes expanding the necessary adherence to instruments and conventions, instead of the current 15 conditional for standard GSP and EBA, or even the 27 of GSP+. The EU's objective is to react better to values associated with the arrangement, through investigation procedures and monitoring. But this would imply the practical elimination of the GSP+ as a category, as the conditions for applying to it would be the same as the standard GSP for non-LDCs (GSP hub, n.d.). Other plans include the change of safeguard thresholds, calculated by import values rather than volumes. It also suggests "lowering product graduation and safeguard thresholds by 10 percentage points" (GSP hub, n.d.). Safeguard measures don't apply to EBA, only to standard GSP, but there is no plan to add them. UNCTAD (2022) further reviewed the eligibility of the scheme, and found that the number of beneficiary countries had shrunk once more, down to 71 in 2019. This is explained through country graduation to higher income levels, increasing adoption of EPAs and other treaties, not to mention the already existing overseas territories under administration of EU countries.

Figure 2 (in Annex) shows the EU schemes which are presented in GSP Hub (n.d.) webpage. Most of the OACPS, as LDCs, abide by EBA (39 out of the 47 countries with EBA preferences in 2023). As of 2023, countries in GSP are Nigeria, Congo, Kenya (in transition period after signing the EPA in 2016), Cook Islands, Micronesia and Niue, which are ACP, along with Syria, Tajikistan, India, Indonesia. Cape Verde is the only country from OACPS in GSP+, the rest being Bolivia, Kyrgyzstan, Mongolia, Pakistan, Philippines, Sri Lanka, Uzbekistan (European Commission, n.d.f). Most of these are lower-middle or low-income countries, though note that LDCs can ratify EPAs without losing access to EBA. Such is the case for the previously mentioned Mozambique, Lesotho, Madagascar and Comoros for ACP countries (GSP hub, n.d.).

3.4. A critical assessment of Reciprocity and Nonreciprocity in the EU's CCP

Much of the literature so far explains the historical evolution of the CCP, addressing the reciprocal and nonreciprocal relations. Yet there are some issues with this literature that need to be identified.

Issue 1: EPAs vs RTAs in differentiation and commitment to reciprocity. The literature on the evolution of the CCP identifies trade agreements such as the EPAs as reciprocal, without expanding on nuance. Given that some OACPS actors are sceptical of reciprocal agreements, the EU's RTAs with partner countries endorses differentiation within the largely reciprocal nature of trade deals. One must keep in mind that the EU attempts gradual reciprocity depending on the partner: lower-income countries can have liberalization schedules for trade opening (Tröster et. Al, 2020, p. 372) and selective reciprocity for sector-sensitive exceptions (Woolcock, 2014; Hagemejer et. Al, 2021, p. 135). Domestic policy can also influence the fairness of trade (Baccini, Dür and Elsig, 2015; Rodrik, 2018; Laurens, Winkler and Dupont, 2024). For instance, literature on EU-OACPS relations saw Cotonou as a departure from OACPS special relationship status by adhering to reciprocal treatment in trade. But even then, there is nuance when comparing OACPS relations to other trade deals. They are far more gradual in their liberalization than with high-income countries, not to mention they reference the respect for developing priorities (Woolcock, 2014). The commitment to liberalize around 80% of trade from the side of OACPS countries alone shows that EPAs, while considered reciprocal, have important differences when compared to other RTAs. This means that while the EPAs are in compliance with WTO standards for liberalization in trade deals, they exemplify asymmetries, despite showing more reciprocal liberalization than GSP or Lomé framework (European Commission, n.d.a.). It can be referred to as “differentiated reciprocity” (Siles-Brügge, 2014a, p.129).

Additionally, this shows that the evolution of EU policy to favour reciprocity and consequent liberalization is the main point of contention identified in some of the literature, not whether or not it already is reciprocal for all partners. Because the EU's current usage of reciprocate deals is for the goal of trade liberalization, much of the literature seems to criticize reciprocity in the pursuit of criticizing neoliberal free trade (Laurens, Winkler and Dupont, 2024). But this simplifies analysis, since it must take into account different trade

instruments, exceptions to symmetrical openness in treaties, as well as the large number of factors that ultimately shape the CCP. While the motivation for not doing so is understandable, since the shift from nonreciprocal preferences to reciprocal agreements implied the grander change for reciprocal demands from OACPS, there is nuance that should be further investigated. Such nuance prevents full reciprocal trade on all matters, and shows the complexity of factors that shape the outcome of external-EU trade. IPE literature needs to address these elements for analysis to be constructive and not be oversimplified. The fourth chapter responds to this assessment by expanding on the differentiated reciprocity from Woolcock (2014) through a legal analysis.

Issue 2: Analytical gap in EPAs vs GSP/GSP+/EBA. Moreover, there seems to be an analytical gap for comparing reciprocal trade relations and nonreciprocal arrangements, despite the fact that there are commonalities that can be identified, not to mention that differences should be documented in an analysis as well. This is especially important for ACP countries which signed EPAs in exchange for some of the EU's unilateral schemes. After explaining the differences between EPAs and other RTAs, EPAs should then be contrasted with nonreciprocal arrangements to obtain the full picture of their differences, commonalities and consequent impact. For this thesis, focus will then be placed on how these impacts can be related to the political intentions of the EU and its trading partners. The fourth chapter responds to this gap by addressing this comparison in its legal, statistical and political implications.

3.5 A political economy analysis of Reciprocity and Nonreciprocity in the EU's CCP

Identifying the political economy of decision-making behind the policies implemented is essential in understanding the motivations and ultimate evolution of EPAs and GSP schemes. Different interpretations in academic literature (on the political economy of International Trade) arise to justify the ever-increasing trend towards reciprocal liberalization. Perhaps the most studied in academic literature is the role of institutional factors that shape the gradual agency of the EU as an actor (the competences shared among different EU institutions and Member-States (Hanson, 1998; Milner, 1999). Given the supranational nature of the organization, competences vary between shared, complementary and exclusive. Currently,

EU law states that the EU has exclusive competence on the common commercial policy and the common customs tariff, but shares competence in development policy, and in policy areas like investment and intellectual property. The Commission provides strategic orientation for trade policy, then the Ministers of Foreign Affairs negotiate (through qualified majority voting) after the work of the trade policy committee, with the European Parliament voting on the agreements negotiated by the Commission, through simple majority (see e.g. Van Loon, 2018). An alternative to this institutionalist approach (that focuses on institutional relevance in the outcome of decisions) is the focus on the role of the ideas behind each actor (Siles-Brügge, 2014a; Van Loon, 2018). For this analysis, both the motivations of each actor as well as their presence in the decision-making process will be considered.

When it comes to EU-OACPS relations, the Commission seems to have relative autonomy and unity when compared to the Council or the EP. This was considered the case in the negotiations of EPAs until 2008, in which the Commission could negotiate first and thus receive information before M-S. Within the Commission itself, a conflict could exist within the departments of DG Trade and DG International Partnerships (previously DG Development, now DG INTPA) and their respective Commissioners, with DG Trade endorsing differentiated reciprocity and DG INTPA wanting “extensive levels of asymmetry” (Elgström and Frennhoff Larsén 2010, p.210). Certain conflicts can exist with DG Agriculture as well. Even so, literature acknowledges the Commission to have a more cohesive message than M-S (ibid.). National and European Parliaments have greater influence post-negotiations, which the Commission, mainly the DG Trade, can consider parliament or public opinion and set its own interests for reciprocity before parliamentary approval (ibid.; Siles-Brügge, 2014a). As for interests in GSP schemes, the Commission proposes new restrictions and expansions, while the Council and the Members of Parliament (MEPs) amend in light on the mix of interests they have (Van Loon, 2018).

Non-institutional stakeholders also influence the EU through democratic processes and lobbying, opting for the institution that is in line with their own objectives (Siles-Brügge, 2014a; 2014b). Because of the ideals of Commissioners of Trade, the EU has developed a form of «reverse lobbying», soliciting private actors’ input. This is useful for those whose interest is to open new markets outside Europe (Siles-Brügge, 2014a), especially if they propose trade at the pan-European level (Woll, 2007). During some EPA negotiations, as well as the major reform of the GSP regulation in 2012, exporters such as BusinessEurope were

prominent actors that wanted reciprocal liberalization whose interests aligned with the Commission, while criticising nonreciprocity for undermining the EU's negotiating position. For actors that defended differentiation or even nonreciprocity, there were certain producers with importing interests in textiles, clothing and leather, such as Euratex and Cotance and development NGOs such as Concord¹¹ (Siles-Brügge, 2014b). These NGOs are additionally active in non-trade aspects of EPAs (Van Loon, 2018). These have suggested in the 2012 GSP reform a more open and less variable GSP scheme with more restrictive graduations, which did not reflect in the Commission proposal. Even so, this does not mean that stakeholders with the same interests as the Commission had influence in final agreements and regulations, only that their motivations were similar.

The objectives of these actors can also be conditioned by external pressures, such as IOs like the WTO or UNCTAD, which can be agents for global ideological trends. That is to say, despite being members of these organizations, ACP countries and the EU can be persuaded for multilateral consensus. The EU has historically shaped multilateral trade negotiations and is indeed a proponent of maintaining them. This is seen how the Commission's objectives for reciprocal market access are often in line with international phases of international trade and in line with interests of specific extra-Commission actors (Siles-Brügge, 2014a).

Finally, the CCP is influenced by the EU's trading partners. In 2023, the majority of trade was done with the USA, followed by the UK, China, Switzerland, Turkey, Japan and Norway. The EU has 42 preferential trade agreements in place with 74 partners, the main FTAs/AAs fully applied being with: Mediterranean and European countries (AAs), the UK, New Zealand (NZ), South Korea, Japan, Vietnam, Singapore, Mexico, Central America and Chile. Others provisionally applied include: many EPAs with ACP countries, Canada Comprehensive and Economic and Trade Agreement (CETA) in 2016, Colombia-Peru-Ecuador in 2016. The ones not yet signed include: many EPAs with ACP countries, Mercosur since 2019 and China Comprehensive Agreements on Investment since 2020. Lastly, the ones in negotiations are with: Australia, India, Indonesia, Philippines, some EPAs; USA TTIP with stalled negotiations. Figure 1 illustrates the relations with many of these trading partners. While they do not have a direct voice in influencing EU's objectives, they do shape resulting negotiations in reciprocal exchanges. Certain partners have different positions on key subject

¹¹ Acronyms for full names that are found in Siles-Brügge 2014b – Euratex: European Apparel and Textile Confederation; Contance: Confederation of National Associations of Tanners and Dressers of the European Community; Concord: European Confederation of NGOs working on sustainable development and international cooperation.

matter, and EU adjusts depending on its intentions. Depending on the level of development of partner countries, trade deals are shaped by different factors: economic and non-economic, competitive policy, normative factors and promotion of regional integration. This is the case for EPAs in comparison to other RTAs.

Nonetheless, such motivations and power dynamics can be further evaluated through addressing the specific trade policy instruments, economic sectors and trade arrangements it addresses, and different actors have different motivations on reciprocal and nonreciprocal relations depending on such elements. The CCP addresses tariffs (on imports and exports), administered protections (such as anti-dumping duties, countervailing duties) and non-tariff instruments (subsidies, quotas and other NTBs) in different policy areas, namely procurement, transparency, investment, competition, intellectual property rights, e-commerce and climate change. The regulations, incentives and agreements that come out of the CCP focus on the commercial aspects of sectors of economic activity such as finance and business services, telecommunication services, agriculture, textiles and clothing. Moreover, the objective can be divided into economic and non-economic. Conversely, the EU follows unilateral trade defence instruments, such as sanctions, despite the usage of the WTO. Since 2019, there have been more restrictions at place than before (De Ville, Happersberger and Kalimo, 2023). A legal analysis of the EU trade agreements would be useful to understand how differentiation exists in these elements of negotiations. This would be useful to contrast them with nonreciprocal arrangements and to reflect on the influences of each actor in negotiations. Afterwards, a statistical analysis would explain the evolution of these trends, which should be additionally useful to understand the evolution of the EPAs and GSP schemes, and how it serves each actor.

Chapter 4

A Comparative Analysis of EU EPAs and GSP/GSP+/EBA

4.1. Methodology

To further explore the complexities of the EU's reciprocal trade (RTAs and differentiated EPAs), and nonreciprocal trade (GSP/GSP+/EBA), this analysis resorts to comparing these case-studies with qualitative and quantitative methods. This exercise presents the analysis with legal context and statistics that enrich the political discussion by dissecting what GSP schemes and EPAs establish and what they accomplish. It also focuses on concrete measurements that evaluate the trade impact of EPAs and GSP schemes through trade volume and value changes before and after GSP benefits are granted or withdrawn and after a certain period in EPAs (European Commission, 2023). Results will then be discussed considering their political implications.

To understand the legal framework that shape trade between the EU, OAPCS and other countries or blocks, there is an analysis of EU trade agreements that contrast EPAs with RTAs with other countries. This analysis briefly compares the main differences between the FTA with New Zealand (EU-NZ FTA) and the EPA with Kenya, as both were signed in 2023 and are in different income levels, before moving on to comparing EPAs to GSP schemes. A textual reference of GSP schemes will be provided when comparing EPAs and nonreciprocity. EU official documents and webpages will serve as secondary sources. Analysis will be based in comparing legal provisions for tariff elimination schedules, rules of origin (RoO), and main trade instruments to define the exceptions ensured in EPAs against RTAs, as well as the differences in common areas between EPA and GSP.

To further compare EPAs with GSP schemes, in addition to the legal analysis, it is required a set of detailed descriptive statistics of the EU's aggregated and disaggregated trade flows (in total and by sector), to show the evolution of imports into the EU and exports to countries with signed and ratified EPAs and in GSP. Assuming causal-effect, analysing the market size (in terms of value) would indicate whether there has been export-based growth for OACPS countries, and whether there's quantitative connection to the political decision of EPA signature.

A growth rate indicator would further analyse the market trend. The Compound Annual Growth Rate (CAGR) represents the mean annual growth rate over a period of time, measured by dividing the final value by the initial value, raising the result to the power of 1 divided by the number of years analysed, subtracting it all by one and multiplying it as a percentage. Its limitations on ignoring fluctuations and assuming linearity are not terribly problematic for this analysis. Calculating the CAGR for these countries, from 2014 to 2023 for GSP, and from a time period dependent on when countries with EPAs signed their treaties and began ratifying them, it is possible to indicate whether partner countries are capitalizing on trade opportunities, and whether increased market access has resulted in more EU exports. More data on the EU's placement in trading partner ranking is also presented to understand the EU's weight in trade relations with its partners.

To further evaluate economic diversification, one way to measure would through the Herfindahl Index (HI). It measures the market concentration and therefore evaluates the diversification of export portfolios at the sectoral level for the EU and trading partners. By firstly calculating the market share of each sector, the HI index can then be determined through the sum of squared shares of each sector in total imports and exports, arriving at a value between 0 and 1. A result inferior to 0,15 indicates diversified or fragmented trade flows; between 0,15 and 0,25 moderately concentrated; and above 0,25 highly concentrated. After identifying which trading partners have diversified, data will be provided for specific sector trends between 2020 and 2023.

This requires the construction of a dataset to cover the reality of the countries being studied, retrieved from literature and public institutions, but largely from international organizations. After searches in the WTO's time series database and Eurostat, the data retrieved was a compilation of the various documents of trade statistics by trading partner provided by the European Commission's DG for Trade, due to it having the most accessible statistics of EU27 and its trading partners (European Commission, n.d.g). HS 2-digits were also selected as the metric for sector evaluation under that logic. Intracen's Trade Map was then disqualified for not providing the exact data at the EU level as the Commission had.

The 21 trading partners were chosen based on their membership of OACPS, the nature of their trade relation (reciprocal and nonreciprocal), and, once again, data availability. Noteworthy countries in the analysis include Nigeria, Congo and Kenya as countries in GSP (although some rules of the EAC EPA also apply for Kenya), and Cape Verde as the one

ACP country in GSP+. For countries with ratified EPAs, there is Côte d'Ivoire, Ghana, Comoros, Mauritius, Seychelles, Zimbabwe, Botswana, Eswatini, Namibia, the Caribbean countries (which includes Cuba and Haiti due to data accessibility, despite them having different trade contexts within the Caribbean Group), Papua New Guinea and Fiji. South Africa is included for being in the SADC, despite not having GSP schemes prior to its current EPA. Of the poorest of OACPS, which largely still abide by EBA, Sierra Leone was selected based on their sectoral trade flow similarities to their regional GSP or EPA counterparts (Côte d'Ivoire and Ghana for the former and the Papua NG and Fiji on the latter). Vanuatu was selected for an EBA counterpart in Pacific region. Countries which overlap EBA and EPA commitments, such as Madagascar, Mozambique or Lesotho, were considered with attention to their specific situation. For a visual aid of these deals in Africa, Figure 3 (in Annex) indicates which countries have which relations.

Another section will address specific conditions for the evaluation of the selected countries with GSP schemes. Reports from UNCTAD and once more the European Commission evaluate the preference coverage rate (measured by the share of preferential imports in total covered imports, ie. not including non-dutiable imports), utilisation rates of preferential imports (measured in used preferences divided by all the eligible ones), effective product coverage (meaning the share in total tariff lines of imported products that benefited from the GSP preferences), utilisation rates of preferential (utilisation rates instead measured by tariff lines), the distribution of preferences margin (distribution of the variation of MFN and preference tariffs), the preferences margins by sector (variation of MFN and preference tariff and sector), and the distribution of preference values (which measures how much the amount of tariffs that are offered for reduction).

4.2. EPAs vs other RTAs in differentiation and commitment to reciprocity

4.2.1. Textual Analysis: Differentiation by country

Article 21 of TEU seems purposefully ambiguous for more specific normative deals to define how broad or narrow reciprocity should be defined as (Kübek and Mancini, 2023), and the differences in EU's RTAs depend on the negotiating partner, being more reciprocity-based or development-based accordingly. One of the authors that analyses differential reciprocity is Woolcock (2014), who defines the structure of this case-study regarding the treaty. In

analysing 4 different trade deals (with the East African Community, the Caribbean countries, Colombia and Peru and South Korea), the author categorizes negotiations according to the level of development of partner countries. Expanding on this analysis, there could be an additional section for Emerging Economies, as they range more in their classified level of income under the World Bank, and have specific factors shaping their relations. As such, it is possible to categorize partner countries ranging from:

1. countries in the same level of development, with established developed economies (such as the EU-South Korea FTA, EU-Canada CETA, Switzerland relations through EFTA, Norway and Iceland through EEA, EU-UK Trade and Cooperation Agreement, EU-Japan EPA, EU-New Zealand FTA, EU-Singapore FTA, and potential EU-US TTIP agreement, currently halted);
2. upper-middle income countries, shaped by being non-OACPS (such as the EU-Colombia-Peru-Ecuador FTA, EU-Mexico Partnership Agreement, or the potential EU-Mercosur FTA);
3. lower-middle to upper-middle income countries (such as the EU-CARIFORUM comprehensive EPA, EU-Vietnam FTA, EU-Central America AA);
4. Low-income countries, or LDCs (such as the EU-EAC EPA);
5. and deals with emerging economies, such as China (EU-China Investment Deal) and EU-India relations (negotiations relaunched in 2022 (European Commission, n.d.b.) which will certainly be different from other countries with their level of income. South Africa seems to be the sole ACP exception to this, as it used to have a specific agreement with the EU, which was not without controversy for regional integration (Flint, 2009). Since signing the SADC EPA in 2016, it returned to regional integration alongside other SADC countries with varying levels of income, although even in this regional treaty the EU attempted to apply differentiation for different trading partners (Cheong and Kim, 2021).

As mentioned before, currently signed EPAs include ACP countries with a variety of income levels, many upper-middle, mostly lower-middle, and some LDCs. There are 7 regional EPAs, yet the ones signed (by most of the negotiators) in 2024 are the EU-CARIFORUM EPA, the EU-ESA EPA, the EU-SADC EPA, the EU-Ghana EPA, the EU-Côte d'Ivoire EPA, the EU-Cameroon EPA, and the recent EU-Kenya EPA. Despite reciprocity being the intention for all these deals, differentiation exists when dealing with

lower income countries, resulting in differentiated liberalization commitments of goods, services, investment, e-commerce, public procurement, and non-trade issues. In line with this, trade policy instruments and the commercial aspect of certain policy areas, as the elements of this subject matter, are also applied to partner differentiation. WTO SDT concedes differentiation for longer implementation periods, transitory safeguards and technical assistance (as per GATT 1947, Art XVIII), many of which the EU ensures in certain deals with OACPS.

4.2.2. Textual Analysis: Differentiation in movements of goods, tariffs, RoO and NTBs (SPS and TBT) and safeguard mechanisms

Regarding trade of goods, tariffs are considered to be the traditional instrument for analysis of goods, as their impact can be fairly addressed through research. “As trade agreements become less about tariffs and nontariff barriers at the border and more about domestic rules and regulations, economists might do well to worry more about the latter possibility” (Rodrick, 2018, p.88). It is in this camp that debate on domestic policy coordination becomes relevant, though it is also comes with new difficulties in analysis unlike in tariffs and quotas (Rodrick, 2018, p.78; Francois and Hoekman, 2019), and tariff analysis is not going anywhere, in ITT and in PE, especially when considering DCs (Salvatici and Cipollina, 2019). Trade of goods is also shaped by agreements on Rules of Origin (RoO) that define the national source of products, and Non-Tariff Barriers (NTBs) such as quotas.

The EU shows a certain level of asymmetry in liberalization commitment for EPAs. The EU-NZ FTA requires reciprocal liberalization in trade of goods, services and investment (as identified in articles 2.1 and 10.1). Its tariff schedule, set out in annex 2-A, requires complete and quicker tariff liberalisation by both parties, as well as the reduction or elimination of custom duties (taxes on traded goods paid to custom authorities). Although it prohibits quotas in Article 10.5 (a)(ii), it also sees the setting of tariff rate quotas (allowing predicts to be imported at higher tariffs after exceeding quotas) being established for certain products for a period of at least 7 years (in section C of Annex 2-A (EU-New Zealand FTA, 2023).

Meanwhile, differing between EPAs themselves, the EU grants exclusion to sensitive products, particularly agricultural products, and a gradual phasing out of tariffs that, once completed, don't reach the supposed DFQF access that the EU provides (European

Commission, n.d.a; Tröster et. Al, 2020, p. 372). The stepping stone EPA with Kenya includes in Annex II a market access schedule, which has planned the phasing out of 1934 tariff line (64,5% of trade liberalized) once the treaty enters into force, 1082 for gradual liberalization lasting 15 years (15,3% of trade liberalized) and 990 in 25 years (2,9% of trade liberalized). Note that these are the same tariff lines schedules for EAC, as Kenya is a member of its regional EPA as well. The remaining percentage is not included in liberalization, accounting for 1432 tariff lines, and including products that can have up to 60% in duties. There is no mention of tariff rate quotas unlike the EU-NZ FTA, prohibiting quantitative restrictions (EU-Kenya EPA, 2023).

On RoO, Article 3.2 of EU-NZ FTA (2024) generally acknowledges these provisions to prevent trade deflection, allowing some exceptions to originating materials for some product-specific RoO. It also provides a list of 17 categories for products which are exceptions to the general rules on Cumulation of Origins (which determine the origin of materials of products). Kenya does not yet have RoO set in place in its treaty (Article 9 suggests the creation of a protocol within 5 years of the EU-Kenya EPA, 2023), but the EU-EAC EPA (2014) provides relatively more flexible rules, due to promoting regional integration and development. Provisions for Cumulation of origin allow certain materials to originate in other ACP countries, thereby reducing trade costs and contributing to the development of supply chains (Woolcock, 2014; Article 4 of Protocol 1 of EU-EAC EPA, 2014). It also distinguishes between EU and EAC specific rules.

Of NTBs, “TBT and SPS have grown in relative importance” (Woolcock, 2014, p.75). The EU promotes agreed nationalized standards, special bilateral committees created for technical assistance by the EU on national treatment for regulatory standards. Differentiation exists in formal requirements of PTAs, with the need for provisions to technical support for capacity building in DCs. This means that the FTA with New Zealand does not have provisions for such assistance on these matters, whereas the EU-Kenya EPA denotes the need to “facilitate the development of capacity”, “promote technology transfers” and “assist the EAC Partner State(s) to implement the TBT Agreement and to comply with TBT”, for example (in Article 31 and Article 97, respectively (EU-Kenya EPA, 2023).

Finally, when it comes to administered protections, (safeguard measures, countervailing duties, anti-dumping provisions), there is “asymmetry favouring DC partners” (Woolcock, 2014, p.77), with the EU-Kenya EPA includes safeguards to protect agriculture, food security

and infant industries from disturbances for a few years (EU- Kenya EPA Art 50 (2)(c); (5)(b)), which do not appear in EU-NZ FTA.

4.2.3. Textual Analysis: Differentiation in movement of services, capital and trade-related issues

On trade of services, the EU has an offensive strategy, yet still practises partner differentiation. The EU-Kenya EPA includes a *rendez-vous* clause to discuss matters of trade in services for latter discussions in 5 years. Considering other EPAs, some include a comprehensive agreement on investment, trade in services and e-commerce (EU-CARIFORUM EPA). Positive, Negative and Hybrid (mixture of positive and negative) listing in FTA negotiations imply define commitments in service liberalization. Depending on whether trading partners explicitly (“positively”) list sectors in which they take commitments or not (negative list), they can exclude key sectors from liberalization, with some lower-middle to upper-middle income took advantage of that (Woolcock, 2014; European Commission, n.d.c.).

Regarding movements of capital, highly intertwined with investment due to trade of financial services, only CARIFORUM embraces free movement of capitals among OACPS countries, with a title dedicated to investment, trade in services, and electronic commerce (since 2014). Movement of capital is typical component of other FTAs, such as the EU-NZ FTA (2024) in Chapter 11.

Aside from these matters, which already involve more than traditional trade policy instruments, addressing beyond-the-border instruments, domestic policy coordination and countervailing measures in the movement of goods, services and capital, trade deals also address more objectives. They are either policy areas which have a commercial component to them, or «European values». They are therefore sometimes referred to as non-economic objectives, non-trade values, although some trade deals usually classify them altogether under “trade-related issues”. These include matters of competition policy, innovation and Intellectual Property Rights, protection of personal data, Public Procurement, Transparency, Labour Standards and Sustainable Development. For example, Association Agreements involve Human Rights, environmental standards and security policy (Carbone, 2024). EU-OACPS relations have this element as well, with the recently signed Samoa Treaty of 2023

addressing Human Rights, Democracy, Good Governance, Sustainable Development, Security and Migration, to name a few. These matters are also considered to be in “a spirit of share responsibility, solidarity, reciprocity, mutual respect and accountability” (Article 2 of Samoa Treaty, 2023).

The EU expects reciprocity on these issues to promote its values worldwide. Indeed, non-trade issues seem to be more necessary for many EU objectives to be effective, hence the EU’s justification for their inclusion in treaties. According to DG Trade Sabine Weyand, trade deals act as a vehicle for cooperation on many grounds, with the initial incentive for mutual export-based growth. Although DG Trade does not see the openness of the EU single market as a weakness, it can lead to disadvantages should other countries not follow similar rules in certain aspect, giving them an advantage in trade (Weyand, 2021). For instance, environmental and labour standards are necessary so as to avoid irregular shifts in activity negative to the EU, through carbon leakage or outsourcing to countries without robust labour laws to outer. In such circumstances, the EU needs its trading partners to be on the same page in domestic rules upon ratification of treaties, with the EU-NZ FTA (2024) adding Article 26.13 for a Committee to monitor compliance measures on sustainability. Involvement in domestic policies is nothing new to trade deals in the current generation of economic globalization, and, once more, WTO-compatible plans are preferred and seen as necessary by the EU.

The *rendez-vous* clause of the EU-Kenya EPA (2023) also applies for many trade-related issues. Nonetheless, one crucial aspect that differentiates this deal with other RTAs is the economic and development cooperation layed out in Part V of the EPA. The deal additionally includes Annex III-A which has a development matrix for all the projects that are expected to be conducted to drive trade for the EAC region. In fairness, the EU-NZ FTA also contains some clauses for technical cooperation (in intellectual property, for instance, in Article 18.62(f) of EU-NZ FTA, 2024), but it is needless to say that such a development grid is not present.

4.3. Analysis of EPAs and GSP schemes

4.3.1. Textual Analysis of EPAs vs GSP/GSP+/EBA on tariffs, RoO, NTBs (SPS and TBT) and monitoring trade-related issues

With regards to unilateral schemes, the EU addresses many of DCs and LDCs requests for SDT, and in particular nonreciprocal schemes. But the evaluation of their impact is dependent on how these schemes are set up, since it influence their economic performance and thus political decisions.

GSP schemes specifically endorse nonreciprocal reductions in import duties which are renewed periodically, conditional to acceptance of international conventions on Human Rights, labour standards, environmental protections and good governance. To date, only Cambodia has been suspended from EBA due to the EU's evaluation of failing to comply with Human Rights. Bangladesh and Myanmar are also being monitored (European Commission, n.d.e). Legally speaking, EPAs are more fleshed out in this regard, considering they address more than these conventions. The EU also monitors each countries to support the effective implementation of conventions (European Commission, n.d.; GSP hub, n.d.), although EPAs have established other forms of investment projects such as the ones in Annex III-A of EU-Kenya EPA (2023).

Similarly to EPAs, GSP schemes are also dependent on RoO, by defining which materials or operations need to be carried out in which parties for products to be considered originating from beneficiary countries and not elsewhere. Commission Delegated Regulations 2446 (2015) and 2447 (2015) (which established RoO in the EU) respect bilateral cumulation (materials originating in the EU can be counted as originating in beneficiary), regional cumulation (acceptable cumulation within some regions, though none of regions of ACP countries, or at least according to European Commission, n.d.d) and extended cumulation (certain schemes can cumulate with countries with which the EU has FTAs). Countries such as Cape Verde also have a temporal derogation for special situations where it is not possible to comply with RoO upon request from EU (European Commission, n.d.d; European Commission, 2016). Regulatory standards (SPS and TBT) and some administrative procedures still apply. For other NTBs, quotas are only mentioned in the EBA scheme (European Commission, n.d.d).

Meanwhile, EPAs specifically endorse gradual market access, far more reciprocal when compared to GSP schemes' nonreciprocity, given most liberalization applies for goods (tariffs and NTBs), and some for the movement of services and capital. It is broader for NTBs, in movements of goods, services and capitals, although they achieve this through phased liberalization and technical assistance provisions, ie. SDT provisions. They are more

reciprocal than nonreciprocal trade schemes, yet still instil around 20% of products with permanent protection (European Commission, n.d.a). It also adds provisions in policy areas such as competition, intellectual property, public procurement and in non-trade aspects, which include TSD chapter on environmental sustainability. Finally, in the current absence of concrete RoO in the EU-Kenya FTA (2024), the EU EAC also intends on establishing bilateral and regional cumulation for all ACP countries that apply the same RoO (in Article 4(3) of EU-EAC EPA, 2014).

They have certain similarities in that both promote export-based sustainable development through trade preferences via tariff reductions. Even here, there is nuance. EPAs provide protocols with number of tariff lines, defining which products receive SDT (number of years, and which sensitive ones keep duty rate), whereas GSP schemes do not provide such in legal text. More importantly, preferences are dependent on the product coverage of Annex V of the European Parliament and Council Regulation 978 (2012), which does not include products considered sensitive, as well as for agricultural components (as per Article 7 of Regulation). Finally, the rules established in Article 8 and Annex VI imply a further suspension of applicable products dependent on certain thresholds for GSP imports.

4.3.2. Statistical Analysis of EPAs and GSP schemes: Trade Flows

Table 1 (see in Annex) shows the imports into the EU, in total value between 2013 and 2023. Table 2 (in Annex) shows the exports out of the EU, in total value between 2013 and 2023. Table 3 (in Annex) shows the trade balances for each trading partner in 2023.

Looking at aggregated trade flows of various ACP countries, EU relations with 2 of the ACP countries in GSP – Congo and Nigeria – see more exports flowing out than imports flowing into the EU, with Cape Verde (in GSP+) seeing the opposite. Kenya, which still has some GSP preferences while approving its own EPA, is another country which the EU has a positive trade balance, and trade with the countries with EBA – Vanuatu and Sierra Leone – also sees a positive trade balance. It is important to note as well that trade flows have not evolved with trade balances registered in 2023. The EU has increased imports from Cape Verde (from 48 to 78 million euros), Congo (from 114 to 1512 million euros) and Kenya (from 785 to 1262 million euros) and reduced from Nigeria (from 25032 to 22785 million euros). As for exports, they have increased to Cape Verde (from 459 to 647 million euros) to

Nigeria (from 10121 to 12106 million euros), to Sierra Leone (from 217 to 260 million euros) and to Kenya (1349 to 1727 million euros), though this country has also provisionally implemented its regional EPA. The Congo and Vanuatu were the countries with GSP schemes that decreased EU exports (from 1302 to 1137 and from 100 to 13 million euros, respectively), although the gap between 2013 and 2023 have been shortened during this time period for Congo.

Countries which have signed regional EPAs have mixed trends, as most EU trade balances are negative with these countries, with the exceptions being Ghana, Mauritius, South Africa and Fiji. However, some trends can be seen in the rise of flows since 2013, mostly in imports and sometimes in exports. Firstly, there has been a fairly consistent rise in imports from all these countries, despite arriving in 2023 with mostly negative trade balances. The outliers in this balance are Ghana and Mauritius. Ghana has an EPA since 2016, and the EU has only recently experienced increased imports from Ghana, with exports steadily increasing since 2019 (from 2183 to 3336 million euros). Mauritius had its EPA provisionally applied in 2012, and the EU has seen its imports reduced, only recently returning to 2013 values (from 798 to 668 million euros), while its exports have continued to increase (1178 million euros in 2023). As for exports, the general trend also suggests an increase in EU exports to these countries, although with more exceptions in Namibia, Papa New Guinea and Fiji. Caribbean countries have applied their EPA since 2008, Papa New Guinea since 2011, Zimbabwe provisionally applied its EPA in 2012, Cameroon and Fiji have been applying their EPAs since 2014, with Côte d'Ivoire, Eswatini, Botswana and Namibia since 2016, yet the EU has seen an increase in exports to all these countries.

These relations can be additionally evaluated by identifying where the EU is ranked as a trading partner as can be seen in Table 4 (in Annex). Countries with GSP and GSP+ schemes, such as Nigeria, Cape Verde and Kenya all had the EU as their 1st or 2nd partner for their exports as well. For EPA countries such as Côte d'Ivoire, Ghana, Cameroon and Mauritius the EU is the top destination for exports as well.

Looking at Table 5 (in Annex), it is possible to identify disaggregated trade flows by sector from and to these countries in 2023, which tend to be recurring trends since at least 2020 (European Commission, n.d.g.). When it comes to the top 3 EU imports, the EU has imported foodstuffs, beverages, tobacco, and mineral products from many of these countries, regardless of reciprocal or nonreciprocal relations. Exceptions to this trend in the most

imported commodity include Kenyan vegetable products, Botswanan pearls, precious metals and articles thereof, and Namibian live animals and/or animal products. As for the top 3 EU exports, there are mineral products, products of the chemical or allied industries and machinery and appliances, which are generally recurrent in all these countries.

4.3.3. Statistical Analysis of EPAs and GSP schemes: Annual Growth Rate

Having these statistics, it is possible to calculate the Compound Annual Growth Rate (CAGR). Table 6 (in Annex) shows the CAGR results, firstly, the growth rates for the 2013-2023 time period, then for selected timeframes dependent on signatures of EPAs, which are identified in the table as well. Starting in 2013, all these countries had their current GSP schemes, and only tariff lines were included or changed throughout that time (European Parliament and Council Regulation 978, 2012). Note that the countries with GSP preferences or countries with EPA treaties before 2013 did not have growth rates for specific periods of time.

After calculations, for the time period between 2013 and 2023, the EU exhibits over 2% growth rate for imports from most trading partners, with Côte d'Ivoire, Botswana, South Africa, the Caribbean and Fiji being the ones with EPAs that saw over 5% growth. Of countries in GSP schemes, only Vanuatu had a growth rate of this kind (around 7,18%). Kenya which adheres to both GSP and its EPA since 2016 also had around 5% growth between 2016 and 2023. Countries that entered EPAs in 2014 such as Fiji, and in 2016 such as Eswatini and South Africa, had growth rates higher than 7% since they entered their EPAs (around 7,28%, 11,71% and 14,24% respectively).

When it comes to exports, the EU sees over 2% growth rate for its exports with most countries analysed, although not as many as in imports. Cases of success include Eswatini (around 10,44%) and Côte d'Ivoire (around 6,69%). Côte d'Ivoire, alongside Ghana, were partners that the EU began to export more since 2016 as well (with export growth rates of around 7,85% and 6,02% respectively).

4.3.4. Statistical Analysis of EPAs and GSP schemes: Herfindahl Index

After calculating the HI, Table 7 (in Annex) shows the HI for imports and exports. Regarding imports, none of the EU's trading partners showed diversified trade flows. Only South Africa, Madagascar, Zimbabwe and Namibia, showed moderate concentration (0,16; 0,18; 0,24 and 0,24 respectively). Since 2020, the EU has increasingly imported from South Africa transport equipment, pearls, precious metals and articles thereof and mineral products; from Madagascar since 2020, the EU imported pulp of wood, paper and paperboard and vegetable products; from Zimbabwe since 2020, foodstuffs, beverages and tobacco (175 million euros by 2023) and vegetable products (87 million euros by 2023). From Namibia, the EU has increasingly imported live animals and animal products (453 million euros by 2023) and products of the chemical or allied industries (from 26 to 185 million euros by 2023), with base metals and articles thereof, while still high, has been decreasing (from 538 to 278 million euros). All these were imported with moderate increases in other goods.

Unsurprisingly, it was the EU that exported a wider variety of exports to most of these countries, with the exceptions being Botswana, Fiji, Eswatini and Nigeria as the least diversified exports (0,29; 0,30; 0,33 and 0,34 respectively). It is possible to see this between 2020 and 2023 as well: the EU increased its main exports while diversifying in more sectors (European Commission, n.d.g.).

4.3.5. Statistical Analysis of EPAs and GSP schemes: Preference Coverage in trade flows and tariffs for GSP schemes

One quick note on the preference coverage rate of GSP schemes is that there is conflicting data. Published studies on GSP, such as UNCTAD (2023), indicate that all nonreciprocal schemes have a high share of preferential imports in total dutiable imports, with almost 100% for GSP+ and EBA and 80% for GSP since the 2014 reform (p.36), and that overall preference utilization rate was high as well: 75% for GSP, 82% for GSP+ and 93% for EBA (p.38). This is also somewhat confirmed by the midterm evaluation of GSP published by the Commission in 2018, despite a reduction of preference utilisation (European Commission, 2018, p.8). However, GSP Hub (n.d.) indicates that many of the countries selected do not exhibit many eligible imports, even if utilization rates are high. This is the case for Sierra Leone, Nigeria and Congo, as imports from these countries respectively show 4%, 1% and 1% of eligibility for GSP preferences. On the other hand, Cape Verde shows 93%, Vanuatu

16% and Kenya 37% of products eligible (though in this last case preferences with its EPA overlap, explaining its low utilization rate (GSP Hub, n.d.).

This could be due to the country pages not taking into account the imports which are non-dutiable (given zero MFN tariff lines). Comparing these results to EU's midterm GSP evaluation in 2022 (European Commission, 2023), preferences do cover most non-MFN zero tariffs. Taking together zero MFN tariffs, GSP preferences and some miscellaneous preferences from countries in transition to FTAs, they only cover around half of total extra-EU imports from GSP countries. Even then, the likelihood of that being the case is low, considering the low eligibility provided by GSP Hub (n.d.). One can only conclude that the statistics from UNCTAD and the Commission are a result to taking together all the countries with GSP preferences, whereas this analysis takes into account specific countries which do not have high eligible imports to the EU.

This is not to say anything on the tariffs for imports. The effective product coverage from UNCTAD (2023) determines that all schemes cover most products' tariffs, with the schemes at around 70%-80%, complementing the remaining 20% that come from MFN duty free Tariff lines. Distribution of preference margins also shows GSP standard between 0-8% and for EBA and GSP+ some preferential margins in the range of 11-12%, especially for agricultural products and textiles (p.31). Nevertheless, this does not confirm EBA is duty free, and indeed the distribution of value of preferences shows that even if the effective preference coverage rate is high for these schemes, those preference margins are low for GSP standard.

4.4. Discussion of results

As can be seen in the legal analysis between EU-NZ (2024) and EU-Kenya (2023), it is possible to identify differentiation. The EPA grants exclusion of sensitive products, gradual phasing of tariff schedule, more flexible RoO, less restrictive defensive measures, and a plethora of development assistance. The movement of services and capital are also somewhat omitted. This exercise shows the joining of interests of actors in accordance to their influence in negotiations. The players previously identified in favour of increased reciprocity, even if differentiated (mainly DG Trade and Commissioners for Trade and some M-S and MEPs) have coexisted with the interests of other players (DG INTPA and other M-S and MEPs). The result is that the differentiation identified in this analysis is in accordance to SDT provisions

under WTO law (Bacchus and Manak, 2021; GATT, 1947; WTO, n.d.) and therefore within the compromise of these actors. As mentioned previously in chapter 1, according to DCs in the WTO, development needs are a political necessity for their economic diversification and integration into international trade cooperation (Faber and Orbie, 2007; Gerhart, 2005). The EU therefore finds a political compromise within the expectation of reciprocal liberalization and development needs of ACP countries.

Moreover, by joining these statistics together, complemented by the legal analysis, it is possible to identify if there is any trend for ACP countries with reciprocal and nonreciprocal relations with the EU, which can be additionally useful to understand political decisions to adopt or reject EPAs and stay in nonreciprocal schemes.

The EU had a positive trade balance with EBA countries that were not in another trade deal, had a negative balance with countries in GSP standard that were not moving towards an EPA, and had a positive trade balance with Cape Verde, the one country with the GSP+ scheme. For countries with EPAs, the EU sees mostly negative trade balances, with the exceptions being Ghana (714 million euros), Mauritius (510 million euros), South Africa (2666 million euros) and Fiji (only 7 million). All these positive balances come from countries with different EPAs. From a purely mercantilist view of trade, it would seem that EBA and GSP+ are useful for the EU, with the standard GSP and EPAs not being the case, at least for the countries chosen for analysis. But considering other statistics, the evaluation becomes more refined. By analysing the trends from 2013 to 2023, it is difficult to find a clear pattern between reciprocity and increase in trade. For starters, trade flows have tended to increase since 2013, regardless of whether and when the partner had signed an EPA or not. Moreover, few connections can be derived by evaluating sectors. At the sectoral level in 2023, the EU imports agricultural and mineral goods, and exports machinery and appliances, which is the case for most trading partners.

Focusing on EU exports, those have not seen the same results as EU imports from trading partners, although, as mentioned before, growth is strong, having generally increased 2% between 2013 and 2023. The trading partner's own top patterns reaffirm this unbalance, as not as many countries had the EU in first or second place ranking for their own imports as they did for their exports. Therefore, results show that the EU's exports have not entered these markets as much as these countries' products into the EU, despite positive balances for selected countries with EBA and GSP+ schemes. It is possible to argue that EU exports

increased for a select group of countries. Export growth to GSP countries was not strong as strong as Import growth between 2013 and 2023 (with the exception of Cape Verde), as mentioned in results¹², although this does not have much to do with the structure of the schemes, given their nonreciprocity analysed in the GSP legal texts. For EPAs, while there was some increased growth since 2013, Côte d'Ivoire, Ghana, Namibia and South Africa saw increased EU export growth since signing their EPAs. Caveats from this conclusion include the fact that other countries of the EU-SADC EPA do not see the same growth as Namibia and South Africa. South Africa additionally did not have GSP schemes before 2016, so its impact to this analysis is limited. This would mean that there could be some relation between reciprocity and export increase to Ghana and Côte d'Ivoire, both countries in the ACP region of West Africa with bilateral EPAs. Alas, considering the general trend of increasing EU exports mentioned before, the findings could also be considered independent from the reciprocal aspect of trade.

Focusing on EU imports, it is possible that the EU is more likely to import from countries in EPA than countries with GSP preferences. Indeed, given the time period of 2013 and 2023, it is possible to identify an increase in EU imports from most of these countries, mostly from EPA countries, with some increasing since signing their EPAs. There is thus a chance that signing reciprocal EPAs has increased imports from these countries, due to their expected stable market access that is conveyed in legal texts. Not much can be deduced from GSP countries though, again, this may be due to the small sample in EBA countries. Most of these countries also have the EU as their 1st or 2nd partner for exports, even if only a few have the EU in 1st place. Once more, this should be evaluated based on the increase in EU imports mentioned before¹³. Indeed, countries with GSP, GSP+, EPA and EBA with signed EPA also have the EU in 1st or 2nd place for trading partner for their exports. Surprisingly, countries that had EBA preferences exported to other trading partners before the EU, though this may be due to the small sample of selected countries in EBA (and indeed all countries under EBA have the EU as their 1st partner for imports, as seen in Table 4). Exporting to other partners other than the EU weights down the EU's role in countries with EPAs or GSP schemes, yet most schemes and treaties generally seem to pass that test.

Again on economic performance of DCs, a crucial aspect for evaluation regarding these flows would be how much each Party is diversifying exports, considering that is an intention

¹² Export growth is identified in chapter 4.3.3., p.36.

¹³ EU Imports are identified in chapter 4.3.2., p.34-35.

for trade as a development strategy from DCs (WTO, 2023). While the EU is able to export products from various sectors, as seen in the HI for exports, this is not so much the case for its trading partners. Therefore, the general trend from HI for imports is that many will focus on what has been an increasing trend since at least 2020. This seems independent from the nature of their trade being reciprocal or not.

Additionally, these results return to another question regarding the effectiveness of GSP schemes as opposed to EPAs in tariff reductions. Considering the conflicting statistics on product coverage and tariff preferences, it is fair to take the results of these OACPS countries with a grain of salt, especially OACPS countries with the standard GSP scheme, as they might barely receive preferences from it. GSP utilization remains high. GSP being the lowest in utilization is thus not a coincidence, given the amount of tariff value not offered by the scheme for sensitive products. The result from these contradicting data implies discretion to selected countries in GSP on whether trade flows were influenced by GSP. This limits the results of this analysis, especially for Nigeria and the Congo. EPAs do not have many of these issues, as the product coverage still depends on what was agreed in trade negotiations.

Furthermore, the legal analysis joins some of these elements together. The general increase in the value of EU exports can be explained due to expected tariff schedules for liberalization and overall general increase in market access: with each year, more liberalization occurs (Annex V of EU-Kenya EPA, 2023). As for the increase in EU imports, it could be down to increased technical assistance and capacity building set in treaties, as well as trade security brought from the trade deals, rather than the less predictable GSP schemes. TBT and SPS measures, and well as RoO should also influence results, even if identifying how is unclear. Safeguards are far more useful in reciprocal deals as well, by determining temporary protection.

Results therefore show some relations with the previously established motivations and influences of political actors. Based on the results, the EU agents with interest in reciprocity, be it differentiated or not, have seen their expectations of market access come true, especially in Ghana and Côte d'Ivoire, despite their EPAs being more differentiated than the SADC EPA (according to Cheon and Kim, 2021). The EU's internal actors should thus expect continuous support for reciprocal interests and EPAs. As for those more focused on development concerns from these countries, the rise in EU imports could be a cause for confidence on EPAs, although the HI for import diversification does not confirm such.

Meanwhile, support for a more stable and expansive GSP system, especially for GSP standard, should continue, especially from non-institutional interests. Even so, the interpretation from the legal and statistical analysis on the more stable trade relations with the EU through EPAs could explain why some ACP countries have opted for EPAs despite their general unpopularity. Some DCs have argued that entering EPAs does not provide new benefits for trade in goods, yet the legal analysis shows otherwise. Development projects are set up in legal texts (Annex V of EU-EAC EPA) and if nothing else, countries like Kenya will receive certain guarantees of stability and predictability in market access into the EU.

Having said this, this doesn't necessarily mean EPAs are perfectly constructed, nor that they present effective results given the general trade flow analysis. Additionally, it doesn't mean a GSP scheme which provided true DFQF access nonreciprocally would be efficient or not. Indeed, the effectiveness of the schemes are dependent on the legal conditions placed on them by the EU. This has also been a common criticism of nonreciprocal schemes in literature: it deepens preference uncertainty, which could decrease utilization rates (Ornelas, 2016).

As it stands, results do not seem conclusive given the wide range of external factors that condition the quantitative data and the countries available for comparison. Nevertheless, it is possible that the preferential market access for these partners, be it reciprocal or not, has led to increased trade with the EU, as opposed to standard MFN treatment, considering the general growth registered in both exports and imports. For the EU, this means that while trade balances can be negative, and while rankings do not show the EU's presence in these countries' markets (since the EU is not the 1st or 2nd partner for many of these countries' imports), the increase in EU exports (identified in export growth rates and evaluation of market sizes) clearly indicate increase in trade with the EU.

While possible to expect a correlation between EPA or GSP schemes usage and trade outcomes, a limitation of this analysis is the sample of trading partner relations that had to be selected based on data availability. The selection was useful for identifying whether there was a trend in countries of specific regions in OACPS, but the analysis could be further expanded by including all ACP countries and even all GSP countries individually. The effectiveness of the legal analysis in describing stability could also be overestimated at tariff schedules or development projects, for instance, as those could be more flexible than what has agreed in texts, as proven by the conflicting information on product coverage of the GSP schemes.

Chapter 5

Conclusion

This thesis answers the questions set out at the start. It firstly responds to the question: «*Why and how has the EU adopted an approach of differentiated reciprocity in Economic Partnership Agreements with the ACP countries*». From the historical evolution of the CCP, the EU-ACP negotiations, as well as the evaluations of power-dynamics during the GSP regulation of 2012, it is possible to preliminarily determine why reciprocal liberalization occurs and why asymmetrical liberalization is set up. In the context of OSA and the stagnant reforming of the WTO, the EU prepares for the world of 2030 with ambitions that require diversified connections with different markets, many of which are DCs. As identified in the literature (De Ville, Happersberger and Kalimo, 2023), the EU will present trade defence mechanisms, yet this does not mean the end of bilateral or plurilateral negotiations with trading partners that will inevitably demand reciprocal market access, as well as relations beyond trade and into sustainable investment (Weyand, 2024). Indeed, marked in trade strategies (laid out in previous chapters), the EU has ideological interests in reciprocal liberalization, seen in bilateral, plurilateral and multilateral negotiations. Drivers of this intention are primarily the teams of DG Trade and Commissioner for Trade. After the Commission and certain players from M-S and EP, “Reciprocity is seen as necessary to mobilize exporters” (Siles-Brügge; 2014b, p.51). Despite this, the EU has also accepted differentiation within the largely reciprocal EPAs due to a strategic choice: in attempting to align trade and development policies, largely through the balancing the interests of DG Trade and DG INTPA and Commissioners for Trade and Commissioners for International Partnerships, the EU, as an institution, maintains its development commitments while pursuing better market access and beneficial international cooperation when compared to nonreciprocal arrangements.

However, to fully answer this question, the thesis responds to the criticism of the literature on the evolution of the CCP by addressing the many ways in which the EPAs have responded to concerns of DCs and some domestic agents, in accordance to SDT established within the WTO. Empirical evidence identified in the legal texts show a mixture of interests mentioned in the literature. The EU’s intent for reciprocity is influenced by its own internal integration (Hanson, 1998), the role of ideas for external openness (Siles-Brügge, 2014a), and

the various stakeholders which influence the institutions (Woll, 2007). The other side of negotiations also has an indirect influence in these treaties. This conflict among actors encapsulated the legal and economic conflict between which SDT can be work within a reciprocal framework. Differentiation in treaties is thus established by defining how much the EU's trading partners are willing to exchange in order to agree to agreements. By furthering the work of previous authors on the trade-development nexus (Woolcock, 2014), this thesis proves there is nuance that needs to be addressed when discussing how these treaties are defined as reciprocal, yet instil SDT clauses. The case-studies provided show how the EU attempts to bridge trade and development within these EPAs, at least in legal texts.

In the pursuit of answering its main questions, it is possible to answer the sub-questions: «*Why has the EU maintained non-reciprocal arrangements (GSP/GSP+/EBA) despite the move towards reciprocity*» and «*Why have some ACP countries accepted Economic Partnership Agreements despite the lack of popularity in them*». The political economy of the CCP is used to explain who supports nonreciprocity in the EU and to justify why the EU kept GSP despite pushing for EPAs. Despite the Commission policy-makers preferring all RTAs (Siles 2014b), the EU still has use for GSP schemes in the absence of EPA ratification from ACP countries. GSP schemes are seen at the very least to contribute to international cooperation in standards in the form of development assistance, yet this view has been constructed since the 2000s within a reciprocal view of trade (Faber and Orbie 2007). Meanwhile, certain ACP countries have endorsed the unpopular EPAs in exchange for the GSP schemes despite the loss of revenue for a more stable process and for better market access, which can be mainly identified in the case study legal analysis (EPAs show more reliability in coverage than the European Parliament and Council Regulation (EU) No 978/2012). DCs also defend the further continuation of SDTs, in favour of nonreciprocity, especially for LDCs. IOs such as the UNCTAD have also defended nonreciprocal trade, and codified it in WTO law (Bartels, 2007; Gerhart, 2005).

But asymmetric conditions alone do not seem to be enough for DCs in the OACPS which do not intent on signing and ratifying the regional EPAs, and indeed not all SDT provisions can be included within a reciprocal legal text. The existence of SDT provisions and “demands and reactions from ACP countries” (Elgström and Larsén, 2010, p.218) allow for domestic stakeholders (specific importers or NGOs) to request further developments in EPAs or GSP schemes, to which powerful institutions such as the Commission might have different

positions in (as was the case in negotiations for EPAs in the late 2000s, or the legislative process for the European Parliament and Council Regulation (EU) No 978/2012). This leads to answering the second question: «*How has this approach evolved when compared to the EU's nonreciprocal arrangements and with what impact in ACP countries?*». Given the lack of literature on comparing GSP schemes and EPAs, this thesis recognizes areas which can be compared, be it in legal set up and in results to understand political developments from the EU and from its trading partners. The empirical evidence for GSP schemes finds that these preferences could be beneficial for increased trade, although there is no strong relation between the two. Moreover, GSP schemes are set up in such a way that hinders their utilization to full effect, given the legal conditions for product coverage and the statistics that show few eligible preferential imports in total EU imports. These results are in line with literature on the matter (Ornelas, 2016; Bacchus and Manak, 2021). Even so, it should be noted that actors do not reject current SDT provisions and intend on keeping or expanding them (Bacchus and Manak, 2021). As a result, the EU's nonreciprocal arrangements are not likely to be removed. Results can be inconclusive, due to the small sample size and different factors that can influence other trends identified, which were independent from the reciprocal nature of trade. Even so, based on assuming cause and effect, it is possible that trade has increased more for trading partners in EPAs rather than countries with GSP schemes. A stronger relation is also found in particular in the ACP region of West Africa, where it is possible trade, particularly for EU exports, grew more after signing the regional EPA in 2016. Given this, the main argument of this thesis is complementary to the previous contributions in the literature on EPAs and on GSP, in their implementation and in their mentions in international politics. As stressed by Siles-Brügge (2014a), the EU has moved on to EPAs to foster deeper relations (as can also be identified in the legal analysis) in compliance to its interests in the WTO. The countries which have signed and ratified EPAs have thus done so in the attempt to choose stable trade conditions on a variety of other factors and trade instruments.

In conclusion, this thesis encourages future research on how these different relations are set up in areas that could be further focused on, as a motivator for analysing EU trade policy developments. One of these could be the monitoring and evaluation of international conventions for increase in labour and sustainability standards, as a shared objective of GSP schemes and EPAs (as seen in the Annex V – Trade and Sustainability Chapter – of EU-Kenya EPA, 2023; and Article 2(1) of the European Parliament and Council Regulation 978 (2012). Such

elements in trade negotiations will continue to influence the EU's CCP as its stance on reciprocity in trade deals will likely continue, with nonreciprocal preferences being remoulded as it has historically been the case. On a multilateral setting such as the WTO, many DCs have gained relevance and enough leverage to challenge DdCs interests. The EU continues to address these adversities while ensuring its own interests in trade and development.

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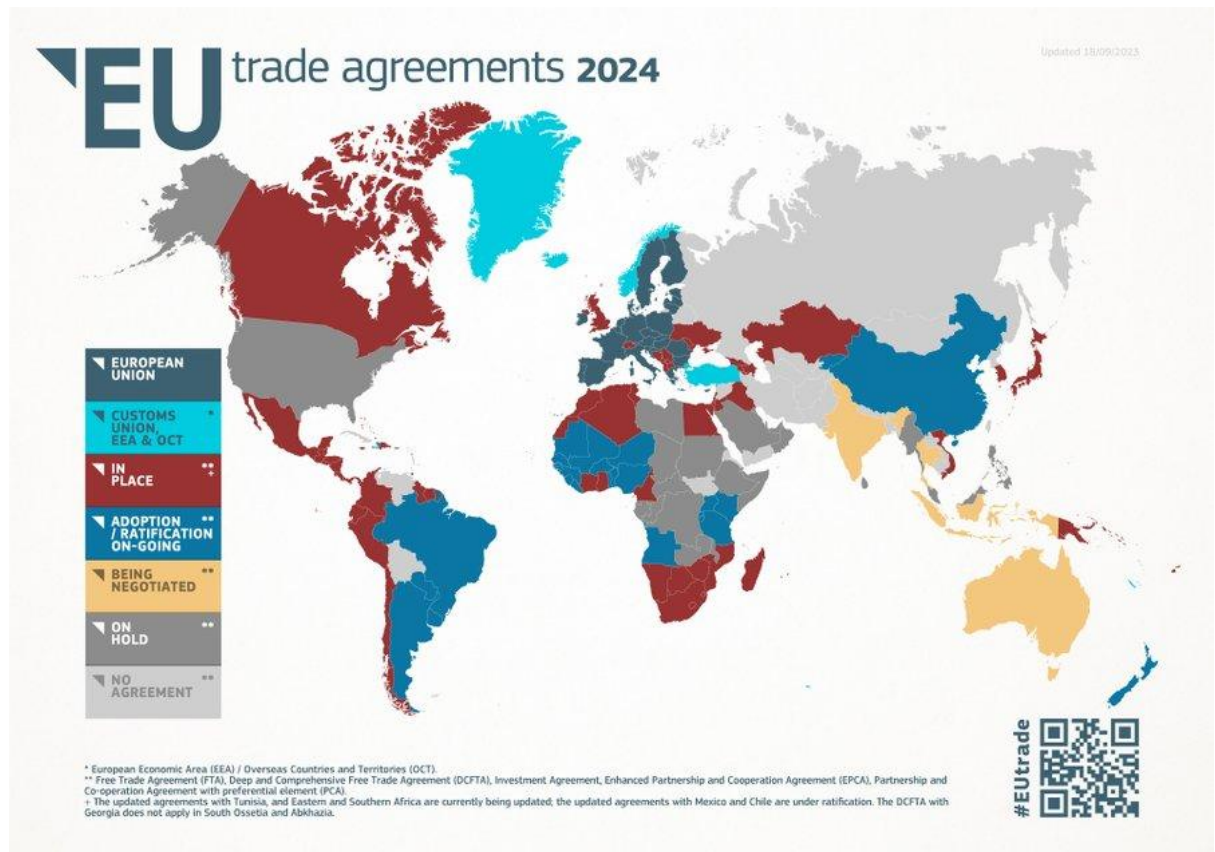
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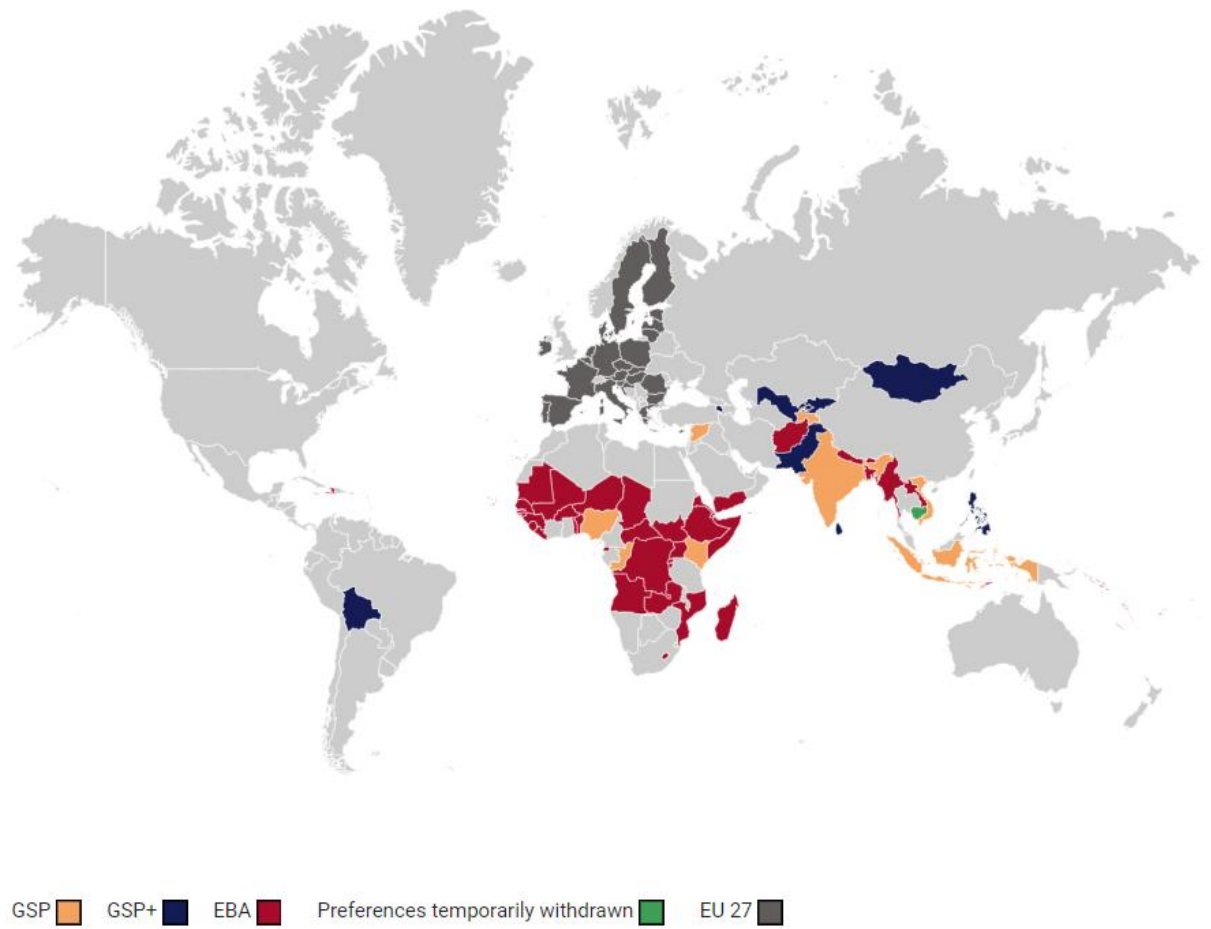
Annexes

Figure 1: EU trade agreements in January 2024



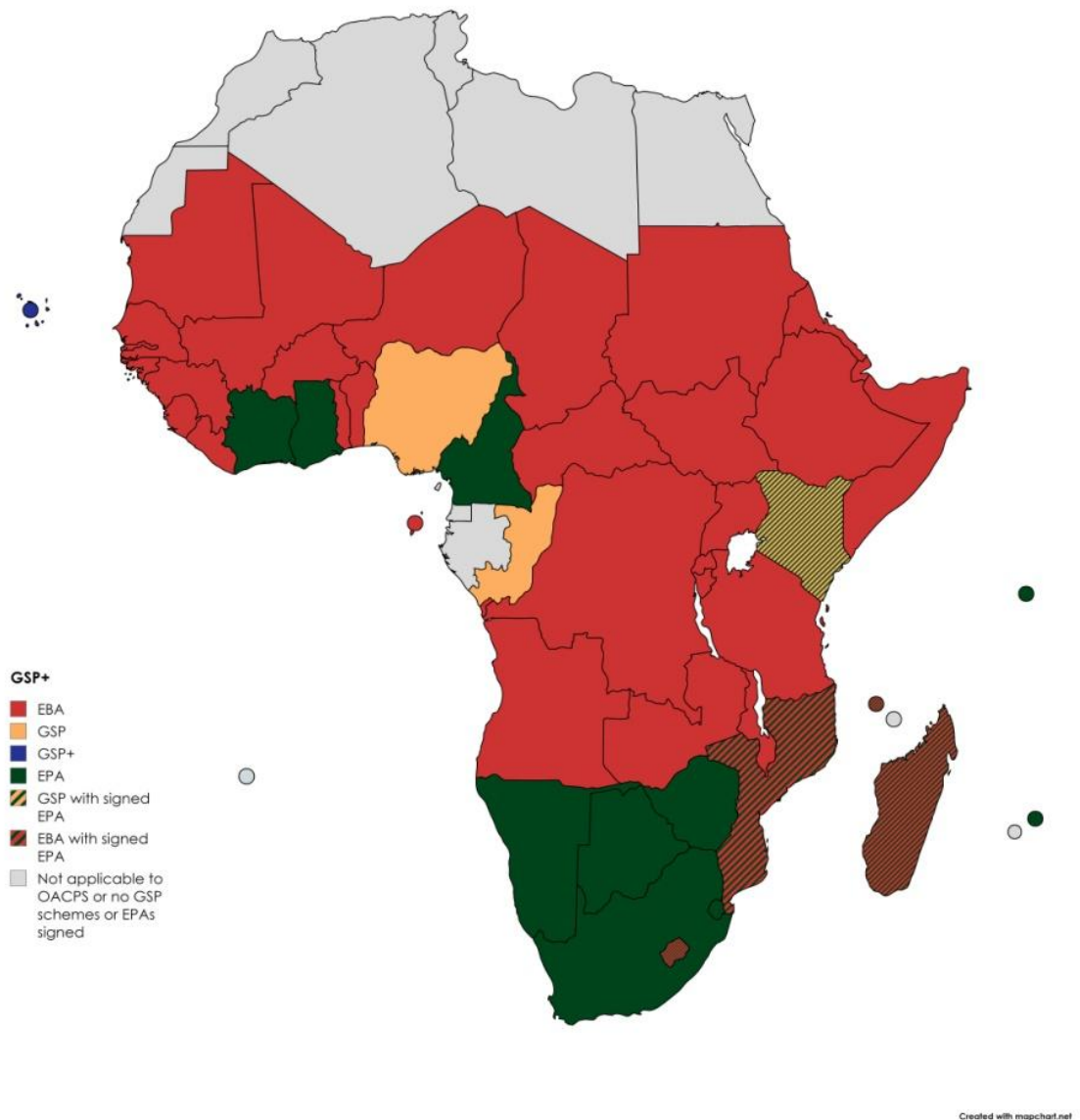
Source: EU Trade (2024, January 10th). EU Trade Agreements 2024 [online]. Available at https://x.com/Trade_EU/status/1744984921427546603

Figure 2: EU GSP schemes around the world



Source: GSP hub (n.d.). EU. Retrieved from <https://gsphub.eu/>

Figure 3: EPAs and GSP schemes in African countries, as of 2024.



Source: coloured by the author, based on information from: European Commission (n.d.a). Economic Partnership Agreements (EPAs). Access2Markets. [online] Available at: <https://trade.ec.europa.eu/access-to-markets/en/content/economic-partnership-agreements-epas>; European Commission (n.d.f) List of Beneficiary Countries as of 01 January 2023. Available at: https://taxation-customs.ec.europa.eu/document/download/6f28b873-c4b1-40ff-b02b-65c0d5ecbaa9_en?filename=List%20of%20GSP%20beneficiary%20countries%20%282023%29.pdf; and GSP hub (n.d.). EU. Retrieved from <https://gsphub.eu/>

Table 1: Imports shows the imports into the EU, in total value between 2013 and 2023

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Cape Verde	48	79	56	72	72	91	86	76	84	71	78
Congo	1114	1432	1765	1099	1000	816	839	842	704	1244	1512
Nigeria	25032	25061	16554	9877	13674	20174	21493	13622	17696	27302	22785
Vanuatu	1	7	4	7	1	3	1	1	15	1	2
Sierra Leone	162	214	240	222	262	231	267	211	272	254	200
Kenya	785	850	964	894	930	925	988	992	1078	1260	1262
Côte d'Ivoire	3141	3090	3990	4231	4315	4151	4171	3918	4019	4551	5239
Ghana	3049	2569	2368	2063	1897	2668	2268	1837	1981	2420	2622
Cameroon	2257	1965	1656	1694	1869	1746	2108	1551	1759	4068	2820
Mauritius	798	713	652	670	727	600	613	517	500	596	668
Madagascar	701	788	851	948	1141	1196	989	869	924	1176	1068
Zimbabwe	347	476	356	286	365	360	359	406	400	512	500
Mozambique	1229	1270	1332	1230	1568	1748	1663	1250	1573	2898	1997
Eswatini	219	127	124	89	78	47	113	56	71	64	226
Lesotho	186	247	254	207	270	351	302	271	220	298	310
Botswana	613	1793	1475	2063	1334	1248	912	980	1078	1418	1023
Namibia	845	908	987	1050	1265	1265	1132	1110	1361	1336	1179
South Africa	12236	12967	14234	14232	15871	17237	18996	16487	22114	29203	23270
Caribbean Countries	4533	3805	3922	3145	3512	3767	4580	3395	4360	12025	10555
Papua New Guinea	617	633	606	565	777	788	742	769	938	1089	887
Fiji	26	24	48	33	65	19	31	45	30	47	65

Source: European Commission (n.d.g.). Statistics. European Commission. Available at:

https://policy.trade.ec.europa.eu/analysis-and-assessment/statistics_en

Table 2: Exports out of the EU, in total value between 2013 and 2023

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Cape Verde	459	395	385	469	497	502	645	520	498	661	647
Congo	1302	1533	1553	1045	739	698	667	590	707	994	1137
Nigeria	10121	9931	9358	7828	8805	10441	11680	9197	11164	18500	12106
Vanuatu	100	131	13	35	13	13	10	8	9	17	14
Sierra Leone	217	219	196	174	186	164	165	189	250	306	260
Kenya	1349	1345	1721	1515	1528	1659	1621	1874	1896	2009	1727
Côte d'Ivoire	2074	2211	2502	2333	2716	2626	2637	2801	3375	4012	3960
Ghana	2956	2698	2635	2215	2607	2416	2183	2567	3085	3744	3336
Cameroon	1669	1573	1527	1513	1418	1519	1380	1445	1596	1884	1901
Mauritius	791	803	821	869	1077	979	1223	814	826	1111	1178
Madagascar	523	522	546	534	640	642	662	533	560	739	751
Zimbabwe	180	171	167	141	158	181	151	148	187	222	278
Mozambique	782	644	940	665	505	670	698	696	811	868	905
Eswatini	20	26	31	47	46	43	36	27	35	48	54
Lesotho	14	10	11	10	11	8	13	12	15	13	12
Botswana	179	241	247	271	234	291	407	447	633	363	231
Namibia	689	527	351	335	444	380	379	354	513	562	404
South Africa	21591	20508	22453	20599	22023	21723	22893	17578	22011	26320	25936
Caribbean Countries	5544	5284	6719	6370	6607	6958	7050	5429	6226	7810	7677
Papua New Guinea	142	116	144	154	137	118	138	91	86	80	97
Fiji	326	88	165	52	48	48	286	34	63	55	72

Source: European Commission (n.d.g.). Statistics. European Commission. Available at:

https://policy.trade.ec.europa.eu/analysis-and-assessment/statistics_en

Table 3: Trade balances for each trading partner in 2023.

Trade Balance in 2023	
Cape Verde	569
Congo	-374
Nigeria	-10679
Vanuatu	18,8
Sierra Leone	60
Kenya	465
Côte d'Ivoire	-1,279
Ghana	714
Cameroon	-919
Mauritius	510
Madagascar	-317
Zimbabwe	-222
Mozambique	-1,093
Eswatini	-171
Lesotho	-298
Botswana	-793
Namibia	-775
South Africa	2,666
Caribbean Countries	-2,878
Papua New Guinea	-790
Fiji	7

Source: European Commission (n.d.g.). Statistics. European Commission. Available at: [European Commission \(n.d.d.\). Statistics. https://policy.trade.ec.europa.eu/analysis-and-assessment/statistics_en](https://policy.trade.ec.europa.eu/analysis-and-assessment/statistics_en)

Table 4: EU placement in trading partner's top trading partners

EU placement in trading partner's top trading partners		
Trading Partner	Exports	Imports
EBA all	1	3
Cape Verde	1	1
Republic of Congo	2	1
Nigeria	1	2
Vanuatu	10	9
Sierra Leone	3	2
Kenya	1	4
Côte d'Ivoire	1	1
Ghana	1	4
Cameroon	1	1
Mauritius	1	1
Madagascar	1	2
Zimbabwe	5	8
Mozambique	2	5
Eswatini	2	4
Lesotho	1	7
Botswana	2	5
Namibia	2	3
South Africa	1	1
Caribbean Countries	2	3
Papua New Guinea	4	11
Fiji	17	6

Source: European Commission (n.d.g.). Statistics. European Commission. Available at:
https://policy.trade.ec.europa.eu/analysis-and-assessment/statistics_en

Table 5: EU imports by HS section in 2023.

	Cape Verd	Republic o	Nigeria	Vanuatu	Sierra Leo	Kenya	Côte d'Ivo	Ghana	Cameroon	Mauritius	
I Live animals ; animal products	12	0	45	0	0	25	4	19	0	29	
II Vegetable products	0	9	89	1	2	967	445	134	141	9	
III Animal or vegetable fats and oils	0	0	0	0	5	36	28	84	1	2	
IV Foodstuffs, beverages, tobacco	54	10	635	0	47	112	3678	1175	604	354	
V Mineral products	0	979	21637	0	113	19	566	938	1668	0	
VI Products of the chemical or allied industries	0	0	114	0	0	12	5	2	1	9	
VII Plastics , rubber and articles thereof	0	0	48	0	0	2	400	39	27	7	
VIII Raw hides and skins, and saddlery	0	0	38	0	0	5	0	0	0	10	
IX Wood , charcoal and cork and articles thereof	0	133	28	0	0	2	45	31	284	2	
X Pulp of wood, paper and paperboard	0	0	1	0	0	0	0	0	0	5	
XI Textiles and textile articles	5	0	17	0	0	17	5	2	4	83	
XII Footwear , hats and other headgear	3	0	1	0	0	1	0	0	0	1	
XIII Articles of stone, glass and ceramics	0	0	0	0	0	1	0	0	0	0	
XIV Pearls, precious metals and articles thereof	0	0	50	0	27	12	3	44	1	56	
XV Base metals and articles thereof	0	376	39	0	0	10	29	134	84	9	
XVI Machinery and appliances	1	2	23	0	1	8	7	6	5	11	
XVII Transport equipment	1	0	2	0	3	4	12	2	0	18	
XVIII Optical and photographic instruments, etc.	0	1	2	0	0	1	1	1	1	48	
XIX Arms and ammunition			0			0				0	
XX Miscellaneous manufactured articles	1	0	0	0	0	25	0	0	0	11	
XXI Works of art and antiques	0	0	1	0	0	0	0	0	0	0	
XXII Not classified	0	0	14	0	0	2	9	10	0	0	
	Madagasc	Zimbabwe	Mozambic	Eswatini	Lesotho	Botswana	Namibia	South Afric	Caribbean	PapuaNG	Fiji
I Live animals ; animal products	107	0	37	0	0	6	453	234	76	3	2
II Vegetable products	248	87	33	1	4	0	53	2168	354	134	0
III Animal or vegetable fats and oils	0	0	0			0	0	57	3	381	
IV Foodstuffs, beverages, tobacco	109	175	87	126	0	0	2	616	534	194	61
V Mineral products	15	36	554	0		14	10	5114	7244	144	0
VI Products of the chemical or allied industries	21	0	0	96	0	0	185	867	1093	1	0
VII Plastics , rubber and articles thereof	2	0	0	0	0	0	0	201	24	0	0
VIII Raw hides and skins, and saddlery	13	23	0	0		0	2	92	4	2	0
IX Wood , charcoal and cork and articles thereof	39	0	12	0		0	52	40	63	0	0
X Pulp of wood, paper and paperboard	1	0	0	0		0	0	72	3	0	0
XI Textiles and textile articles	316	3	5	1	1	0	0	142	25	0	0
XII Footwear , hats and other headgear	5	0	0	0	0	0	0	9	13	0	0
XIII Articles of stone, glass and ceramics	1	5	1	0		0	0	59	0	0	0
XIV Pearls, precious metals and articles thereof	24	63	58	0	304	1001	127	4090	53	25	1
XV Base metals and articles thereof	138	27	1188	0	0	0	278	1779	139	0	0
XVI Machinery and appliances	3	1	4	2	1	1	5	1448	60	1	0
XVII Transport equipment	5	0	1	0	0	0	10	5838	332	0	0
XVIII Optical and photographic instruments, etc.	9	0	1	1	0	0	0	50	288	2	0
XIX Arms and ammunition								20			
XX Miscellaneous manufactured articles	9	0	0	0		0	0	20	17	0	0
XXI Works of art and antiques	1	1	0	0		0	2	19	3	0	0
XXII Not classified	1	77	16	0	0	0	0	334	229	0	0

Source: European Commission (n.d.g.). Statistics. European Commission. Available at:

https://policy.trade.ec.europa.eu/analysis-and-assessment/statistics_en

Table 6: Compound Annual Growth Rate (CAGR) for the 2013-2023 time period and for selected timeframes dependent on signatures of EPAs

	Imports			Exports:		
	2013-2023	2014-2023	2016-2023	2013-2023	2014-2023	2016-2023
Cape Verde	4,974868	.	.	3,492567	.	.
Congo	3,101898	.	.	-1,34594	.	.
Nigeria	-0,93612	.	.	1,80702	.	.
Vanuatu	7,177346	.	.	-17,849	.	.
Sierra Leone	2,129569	.	.	1,824283	.	.
Kenya	4,862201	.	5,048253	2,500985	.	1,888618
Côte d'Ivoire	5,249016	.	3,099821	6,681385	.	7,851398
Ghana	-1,49744	.	3,484715	1,216697	.	6,024803
Cameroon	2,251987	4,095472	.	1,310061	2,126692	.
Mauritius	-1,76249	.	.	4,063129	.	.
Madagascar	4,300244	.	.	3,684497	.	.
Zimbabwe	3,720369	.	.	4,442493	.	.
Mozambique	4,974211	.	7,168602	1,471524	.	4,500443
Eswatini	0,315128	.	14,23966	10,44254	.	2,003177
Lesotho	5,240978	.	5,939009	-1,52969	.	2,63881
Botswana	5,254704	.	-9,53463	2,583118	.	-2,25562
Namibia	3,386947	.	1,669155	-5,19828	.	2,711603
South Africa	6,638909	.	7,276439	1,850467	.	3,346039
Caribbean Countries	8,819632	.	.	3,308685	.	.
Papua New Guinea	3,69644	.	.	-3,73945	.	.
Fiji	9,595823	11,70639	.	-14,0172	-2,205	.

Source: Authors' calculations based on trade data supplied by the DG Trade Statistics – European Commission (n.d.g.). Statistics. European Commission. Available at: https://policy.trade.ec.europa.eu/analysis-and-assessment/statistics_en

Table 7: Herfindahl Index for countries at sectoral level in 2023

	HI for imports	HI for exports
Cape Verde	0,509040105	0,120673469
Congo	0,488898337	0,131349839
Nigeria	0,902609834	0,349328884
Vanuatu	0,25	0,183673469
Kenya	0,597331858	0,157341974
Côte d'Ivoire	0,517725156	0,116365932
Ghana	0,335767847	0,190879491
Cameroon	0,409361576	0,118012032
Mauritius	0,312573954	0,104866814
Madagascar	0,181387556	0,132286999
Zimbabwe	0,202728	0,220278453
Mozambique	0,43432575	0,162466347
Eswatini	0,491404965	0,33127572
Lesotho	0,961852237	0,222222222
Botswana	0,957674369	0,296283803
Namibia	0,243587779	0,171680473
South Africa	0,163084042	0,168508873
Caribbean Countries	0,487967029	0,102449357
PapuaNG	0,28233573	0,22733553
Fiji	0,881893491	0,304976852
Sierra Leone	0,39365	0,128713

Source: Authors' calculations based on trade data supplied by the DG Trade Statistics – European Commission (n.d.g.). Statistics. European Commission. Available at: https://policy.trade.ec.europa.eu/analysis-and-assessment/statistics_en