The European Parliament’s Role in EU Trade Policy after Lisbon:

Analysis from an Actoriness Approach

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Abstract

This paper goes beyond the traditional legitimacy and accountability perspective to explore the European Parliament’s role in EU trade policy, by using the analytical framework of actoriness, which offers a more comprehensive understanding on the subject. By examining the four dimensions of actoriness, namely authority, autonomy, cohesion and recognition, the paper concludes that the EP is becoming a fully-fledged actor in EU trade policy after the Lisbon Treaty. It has been active in speaking out with its autonomous voices and expressing autonomous views that are embedded in its various autonomous tools and actions. In particular, the EP does show a preference for promoting a normative agenda through trade while opening the door for a politicized and protectionist-oriented EU trade policy. Despite a “left-right” divide that impedes inter-group cohesion, the EP is increasingly recognized as an important actor in EU trade policy.

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Introduction

The role of the European Parliament (EP) in EU trade policy has been traditionally understood from a legitimacy and accountability perspective. Before the Lisbon Treaty (LT), EU trade policy making was characterized by a “technocratic” nature, with the Council issuing the mandate and the Commission negotiating on behalf of the Council. The EP had no formal role, although it was asked to give “consent” to certain EU trade agreements, such as the association agreements, such as the association agreements, it was more of a symbolic role as the EP never used its veto power in practice. This technocratic nature contributed to the efficiency of EU trade policy making, but also raised the issue of the “democratic deficit” as the EP could not provide effective scrutiny over trade negotiations.

This “democratic deficit” was largely addressed by the LT which greatly enhanced the role of the EP in the shaping and conducting of the Common Commercial Policy (CCP). Consequently, scholars have tried to explore the EP’s role in the CCP from the perspective of democratic legitimacy, assessing whether and to what extent the empowerment of the EP has led to “an improvement in the democratic legitimacy of the common commercial policy and a reduction in the democracy deficit.”

However, the democratic control and accountability perspective is not enough to

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4 This claim is made in a technical sense. In fact, the EP did try to use its consent powers to delay certain trade agreements. For example, the EP threatened to reject the 1995 EU-Turkey customs union agreement on the grounds of concern over Turkey’s human rights record.
5 For instance, Meunier states that “accusations of the European Union’s (EU’s) absence of political legitimacy find a particular echo in the area of external trade policy”. See S. Meunier, “Trade Policy and Political Legitimacy in the European Union”, op.cit, p.67.
explain the role of the EP in the CCP as it tends to focus its attention on the empowerment of the EP and its formal (“hard”) powers in the decision making process. This perspective fails to take into account the parliamentary inputs into the CCP from outside the formal decision-making process. The gap left by the democratic control perspective is partly filled by another strand of literature which goes beyond the formal powers to analyze the informal (“soft”) role of the EP. This strand of literature tends to look at the EP’s role in the currency of “influence” rather than “power”, allowing them to look into the various informal practices that the EP has employed to increase its influence. This approach is particularly evident in the literature on the EP’s scrutiny over the Common Foreign and Security Policy (CFSP) and Common Security and Defense Policy (CSDP). Among them, Born and Hänggi proposed a “triple-A” approach that allows for analysis of both the EP’s powers on paper and powers in practice.

The ‘triple-A’ approach and literature on informal institutions have mostly focused on the field of CFSP and CSDP, but have also inspired some researchers to examine the involvement and influence of the EP in different stages of EU trade negotiations, taking into account both the EP’s formal and informal powers. Yet this strand of literature remains quite thin on the ground, with even less literature dealing with the EP’s preferences and impact on EU trade policy. Moreover, the

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9 According to Born and Hanggi, the role of parliaments depends on its powers, capability and willingness to hold the government accountable for their actions. A triple-A of ‘authority’, ‘ability’ and ‘attitude’ is thus established as criteria for parliamentary accountability. See H. Born & H. Hanggi, the ‘Double Democratic Deficit’: Parliamentary Accountability of the Use of Force under International Auspices, Aldershot: Ashgate, 2004, pp.11-15.


12 For some literature in this direction, see R. Bendini, “the Role of the EP in shaping the EU’s trade policy after the entry into force of the Lisbon Treaty”, In-Depth Analysis, Policy Department of DG EXPO, European Parliament, July 2014; L. Putte, F. Ville & J. Orbie, “the European
‘triple-A’ approach and existing literature on informal institutions are still insufficient to investigate the overarching role that the EP plays in EU trade policy.

In order to tap the analytical potential, this paper turns to the theoretical framework of “actorness” developed by Jupille and Caporaso. According to them, there are four dimensions of “actorness”: authority, autonomy, cohesion and recognition, which could be defined as follows:

“**Authority** means the legal competence to act in a given subject matter; **Autonomy** implies institutional distinctiveness and independence from other actors; **Cohesion** refers to the extent to which an actor is able to formulate and articulate internally consistent policy preference; and **Recognition** is understood as the acceptance from others in the process of interaction and socialization.”

Originally, these four dimensions of “actorness” were used to characterize the EU’s unique role in international politics, but the authors also anticipated the framework to be “applicable more generally in assessments of other entities’ capabilities to act in world politics.” Therefore, the paper takes this framework to analyze the role of the EP in EU trade policy, which is an original angle that has not yet been applied to the subject. This framework has two advantages compared to the democratic perspective or ‘triple-A’ approach. Firstly, it allows us to look into both the formal and informal roles (authority and autonomy) that the EP plays in EU trade policy making and negotiations. Secondly, it incorporates both inside and outside perspectives (internal cohesion and external recognition), taking into account the internal dynamics of the EP and external interaction with other actors. It thus serves as a more comprehensive conceptual tool to make sense of the EP’s role in EU trade policy.

The following parts of the paper seek to analyze the role of the EP in EU trade policy after the Lisbon Treaty by applying the analytical framework of “actorness”. For better operationalization of the concept on the EP, the paper makes some slight changes to the original definitions. In this paper, **Authority** means the legal...
competence (formal powers) of the EP in EU trade policy. **Autonomy** refers to the EP’s autonomous views and preferences on EU trade policy that are embedded in its various autonomous tools and actions (informal practices). **Cohesion** is mainly understood as the coherence of EP political group’s preference on EU trade policy as inter-group cohesion plays a decisive role in trade policy making. **Recognition** is regarded as acceptance of the EP’s role from other major actors including the Commission, Member States, lobbying groups and third countries. Accordingly, the analysis is carried out along the 4 dimensions of actorliness: authority, autonomy, cohesion and recognition.

## Authority of the EP in EU Trade Policy

The LT has been remembered as a milestone for both the EP and EU trade policy. The entry into force of the LT, which is regarded as “a momentous event in the history of European integration since the second World War.”\(^5\), has brought three significant changes to EU trade policy. Firstly, the Common Commercial Policy (CCP) was integrated for the first time into the Union’s external action, which means that the CCP has to be guided by or take into account the general principles of the Union’s external action, namely democracy, the rule of law, respect for human rights and fundamental freedoms, sustainable development and good global governance etc.\(^6\) As such, the CCP after the LT is not only aimed at promoting commercial interests, but also tasked to serve broader foreign policy objectives.

Secondly, the LT has considerably expanded the scope of the CCP. A number of trade-related issues have now been added to the exclusive competence of the EU, including foreign direct investment (FDI), services and trade-related intellectual property rights.\(^7\) In particular, the inclusion of FDI into EU exclusive competence is considered as “the most important extension of EU competence.”\(^8\) This has

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\(^7\) European Union, “Consolidated Versions 2010”, *op.cit.*, Article 207 (1), TFEU

substantially consolidated the role of the Union in trade policy. As a result, EU exclusive competences in the CCP now cover almost all WTO related matters, the Member States’ competences in trade policy are “largely restricted to the organization of trade fairs the promotion of national exports and inward investment or the provision of trading advice.”

The third change is the empowerment of the EP in EU trade policy. The EP is generally considered to be the biggest winner from the LT, which is especially the case in trade policy. In terms of authority in trade policy, the LT has undoubtedly led to a fundamental shift of power towards the EP, enhancing significantly the EP’s role vis-à-vis the Commission and the Council. With the increased power of the EP in trade policy, we have moved from a situation where trade policy was “duopolized” by the Commission and the Council, to a new structure of “triangle” (Commission, Council and Parliament) in the decision-making of EU trade policy. In this new “triangle” structure, the EP could be seen as a lower-chamber in the parliamentary system, standing as a co-legislator on an equal footing with the Council in the CCP. This paper tries to sketch out the EP’s authority in EU trade policy by looking at two types of trade policy areas that are relevant for third countries: contractual international trade agreements and autonomous trade policy measures.

International Trade and Investment Agreements

The legal authority of the EP in EU trade policy is provided by Article 207 and Article 218 of the TFEU. According to these treaty articles, the EP fundamentally has three rights in regards to EU’s international trade agreements: the right to receive all information throughout the negotiation; the right to give its consent or denial to the agreements negotiated; and the right to implement the trade agreement through internal legislation.

For the right to receive information, prior to 2009, the EP had no formal role during negotiations, instead, it was informed and consulted by the Commission on the course of the negotiations by way of the “Luns-Westerterp” procedure established in the 1970s. This existing practice was formally codified into the 2009

21 Interview 1, administrator at DG EXPO, European Parliament, Brussels, 10 April 2015
The European Parliament’s Role in EU Trade Policy after Lisbon

LT which explicitly states that “the Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiation.” More clearly, in the negotiation and conclusion of international trade agreements, the “European Parliament shall be immediately and fully informed at all stages of the procedure.”

In practice, this information exchange mainly takes place between the Commission and the International Trade committee (INTA) within the EP.

Arguably, the most important authority of the EP in EU trade policy is its newly acquired veto power over international trade agreements. As stipulated in the LT, the consent of the EP is now required for “agreements covering fields to which either the ordinary legislative procedure applies, or the special legislative procedure where consent by the European Parliament is required.”

And according to Article 207 (2) TFEU, the CCP falls into the ordinary legislative procedure (OLP), the EP is thus empowered to vote for or against the international trade agreements negotiated by the EU by a simple majority. This veto power is seen as a “nuclear option” which could bring credible threats to the Commission in trade negotiations.

The third important right of the EP in international trade agreements is its new domestic legislative powers in the CCP. International agreements are not immediately applicable in the EU, but need to be validated via internal legislation before implementation. This internal legislation to implement the CCP used to be done through the consultation procedure where the EP at best played only a consultative role, but this is now replaced by the OLP in the LT. As stated in the LT, “the European Parliament and the Council, acting in accordance with the ordinary legislative procedure, shall adopt the measures defining the framework for implementing the common commercial policy.” This has considerably expanded the EP’s role in domestic framework legislation, since under the OLP, the EP stands on an equal footing with the Council to co-decide regulations in order to give full domestic legal effects to negotiated international trade agreements. This co-decision power in domestic framework legislation “provides additional political clout to tame the Council’s or the Commission’s potential

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22 European Union, “Consolidated Versions 2010”, op.cit., Article 207 (3), TFEU
23 European Union, “Consolidated Versions 2010”, op.cit., Article 218 (10), TFEU
24 European Union, “Consolidated Versions 2010”, op.cit., Article 206 (6), TFEU
27 European Union, “Consolidated Versions 2010”, op.cit., Article 207 (2), TFEU.
ambitions to exclude the new institutional competitor from taking part in the political deliberation process applying to the scope and objectives of negotiations.”

Automonomous Trade Policy Measures

In addition to the numerous contractual international agreements, the EU also adopts various autonomous trade policy measures that are of concern to third countries. These include the Generalized System of Preferences (GSP), GSP plus, Everything-but-Arms scheme (EBA), Trade Defense Instruments (TDI, including anti-dumping, anti-subsidy and safeguard measures etc.), Trade Barrier Regulations (TBR) etc. With the entry into force of the LT, these trade policy measures are all now subject to OLP, whereby the EP shares power with the Council. However, depending on whether they are essential elements of the CCP, the degree of the EP’s involvement in these policy measures varies in practice.

For GSP and EBA measures, implementation takes place through the OLP where the EP has co-decision power. The EP is now involved in the modernization of the EU’s GSP instruments “for the first time in more than 40 years.” On September 28th, 2011, the EP’s INTA committee issued working documents to propose amendments to the EU’s GSP scheme, regarding the criteria of classification, the conditions of withdrawal from preferential treatment as well as the duration of the GSP Regulation. These amendments were incorporated into the GSP Regulation which was adopted after the first reading on June 13th 2012.

For TDI such as anti-dumping measures, the EP has less power as it is “participating in shaping the overall legislative framework in this field, […] is not involved in the direct application of trade remedies.” Since anti-dumping cases require a quick response, they are not decided by the OLP but dealt with “through the exercise of implementing powers conferred to the Commission.” However, the EP together with the Council have scrutiny powers under the “examination

28 David Kleimann, op.cit., p.8.
31 S. Gstohl, op.cit., p.16.
32 L. Putte, F. Ville etc., op.cit., p.58.
procedure” established in a new comitology arrangement between the two in 2011. This means that the EP can “require the Commission to review and amend or withdraw any measures adopted if the Commission exceeds its powers.”

**Autonomy of the EP in EU Trade Policy**

From being only a consultative body in the very beginning to become a co-legislator with the Council, the EP has become well-known for its ability to exercise and increase its influence through a set of autonomous tools that are at its disposal. Trade policy is a case in point. In addition to the “hard powers” stipulated in the treaties, the EP also possesses a number of “soft power” instruments, including parliamentary resolutions, committee hearings, opinions and questions to the Commission etc. Before the LT, these instruments mainly served as a way for the EP to voice its opinions, which were often disregarded as the EP had no formal power in CCP.

But with the EP granted “co-decision” power in the LT, the weight of its autonomous tools have also significantly increased. In particular, parliamentary resolutions are used by the EP as “strategic ultimatums” to “voice its political preferences and flag red lines and preconditions for its final consent early on.” Actually, the EP has more than once “called on the Commission (...) to take due account of Parliament’s preconditions for giving its consent to the conclusion of trade agreements.”

The autonomy of the EP in EU trade policy is evident in the EP’s informal practice of influencing both the Council and the Commission in the mandate and negotiation of trade agreements. In the LT, the EP still has no formal role in the formulation of the negotiation mandates, which is adopted by the Council upon a

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34 S. Woolcock, *op.cit.*, p.66.
proposal from the Commission. Yet in practice, the EP has tried to informally involve itself in the mandate phase through the non-binding resolutions that set the EP’s “redline” before negotiation opens. In fact, resolutions are not equivalent to a negotiation mandate, but they bring the EP to a role of “addressing the negotiation.”

This happened in June 2012 when the EP put forward a resolution before the EU-Japan FTA negotiation, asking “the Council not to authorize the opening of trade negotiations until Parliament has stated its position on the proposed negotiating mandate, on the basis of a report by the committee responsible.” Throughout the negotiation phase, the EP is also able to voice its opinion by way of passing resolutions, inviting the trade commissioner or Commission representative to sit in the INTA committee hearing and putting forward questions regarding the negotiation process. Therefore, despite the lack of formal role in the issuing of mandate and negotiation stage, the EP has shown its ability, at least in certain cases, to influence the direction and content of trade negotiations through its various autonomous tools.

In addition to the autonomous tools in the hands of the EP, autonomy in this paper also refers to institutional distinctiveness. As such, the paper hypothesizes that the EP is a distinctive institution that has autonomous voices and vision in EU trade policy making. This autonomous voice/vision is embedded in and sounded out through its various autonomous tools/actions. Since the EP’s authority is already an established “constant”, autonomy becomes a major factor that determines the EP’s actorness in EU trade policy making.

One of the concerns brought about by the autonomy of the EP is whether and how the EP is going to shape/reshape the EU external trade policy following the LT. This concern is a legitimate one for two reasons. Firstly, as the EP is the only democratically elected body inside the EU system, it is thus considered to be a platform for the expression of the “voice of Europe”, representing European public opinion that now has a bearing on the formulation and implementation of EU trade policy. Secondly, compared to other EU institutions, the EP has the distinct institutional identity of being the “Champion of European values”, prioritizing the promotion of European values and norms. It is thus expected that the EP would translate into EU trade policy the public’s concerns and its own

38 Interview 1, Roberto Bendini op. cit. note 11.
institutional preferences. To verify that assumption, this paper turns to both parliamentary and secondary resources to look at how EU trade policy is viewed and discussed in the EP.

**Translating Institutional Preference: the EP’s Normative Concerns on EU Trade Policy**

The EU has been credited as a “normative power” on the international stage, in the sense that it “has the ability to define what passes for ‘normal’ in world politics.”\(^{41}\) In practice, this ability is reflected in the various tools that the EU uses to diffuse its key norms, with trade policy being one of the most important instruments at the EU’s disposal. The EU’s intention to spread its norms through trade policy is clearly indicated in the LT, which integrates the CCP into the external actions of the Union. Consequently, EU trade policy not only serves to pursue commercial policy objectives like liberalization of trade, but is also subjected to the broader objectives and principles of the Union’s external actions. These include “democracy, the rule of law, human rights, the principle of international law, [...] sustainable economic, social and environmental development, with the primary aim of eradicating poverty, [...] the sustainable management of global resources, in order to ensure sustainable development, [...] good global governance.”\(^{42}\)

In view of the EU’s “aspiration of acting as a normative power through trade”,\(^{43}\) the EP now has a special role to play as it becomes a co-decision maker in EU trade policy and is “hitherto willing to strive for the external policy objectives.”\(^{44}\) As such, the EP does not treat trade policy as an end in itself, but also as an instrument to promote normative agendas. The EP’s normative vision on trade policy is clearly demonstrated in its 2011 *Resolution on a New Trade Strategy for Europe under the Europe 2020 strategy*, in which the EP “reminds all stakeholders that a modern trade policy is required to take into account other policy areas such as: a) human rights, [...], c) labor rights and ILO core labor standards, d) corporate

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\(^{42}\) European Union, “Consolidated Versions 2010”, Article 21 (2), TFEU


social responsibility, [...] f) environmental policy, [...] i) development policy, j) protection of consumer interests and rights, [...] l) foreign policy, [...] promotion of the rule of law.” Apparently, this is a long list of norms that the EP wants to promote through EU trade policy, and the political groups in the EP may attach different importance to different norms. However, it is still possible to identify some of the common normative agendas that the EP is advocating in trade policy, notably human rights, sustainable development, labor and environmental standards.

**Human Rights**

Human rights is one of the fundamental values upon which the Union is founded and is considered by Ian Manners to be one of the five “core norms” (peace, liberty, democracy, the rule of law, human rights and fundamental freedoms) of the EU. Since the Lomé IV convention in 1989, the EU has been trying to promote human rights in trade policy through the inclusion of human rights clause in trade agreements. Such clauses permit the EU to suspend the negotiated agreements in times of human rights violation and are now incorporated into the various types of EU’s trade agreements with over 120 countries in the world.

The EP has a reputation of being “the most prominent of the EU institutions when it comes to speaking out against violations of human rights and using its influence to press for global respect for international human rights standards.” This is also reflected in the EP’s position on EU trade policy, in the sense that it has always been “a leading voice in the adoption of human rights clauses.” The EP’s strong voice on inserting human rights clauses into trade agreements is evident in the 2010 Resolution on Human Rights and Social and Environmental Standards in International Trade Agreements, in which the EP “firmly supports the practice of including legally binding human rights clauses in the EU’s international agreements, [...] reaffirms that these clauses must also be included in all trade and sectoral agreements, [...] welcomes the inclusion of such a clause in the ‘new

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49 L. BARTELS, op.cit, p.20.
generation’ free trade agreements.”

Following the entry into force of the LT, the EP now has the potential to utilize its power of consent to promote human rights through international trade agreements. One of the examples here is the EU FTA negotiation with Colombia that started in 2007 but was only concluded in 2012. The negotiation of the agreement was controversial due to the human rights concern. Opponents of the agreement criticized the EU for turning a blind eye to the grave human rights situation in Colombia where labor unionists and journalists were often victims of threats and aggressions. The EP then passed a resolution calling for Colombia to establish a transparent and binding road map on human rights. This requirement was finally met by the Colombian government as a condition for the EP to approve the agreement. The EP’s principled position on human rights in international agreements is also reflected in the SWIFT case and ACTA case, which were both rejected by the EP on the grounds of protecting citizen privacy and individual freedom. Although this is not true for all cases, these examples do show that human rights and normative concerns could be the EP’s red line for approving a trade agreement.

Sustainable Development, Labor and Environmental Standards

Sustainable economic, social and environmental development are among the key objectives of the Union’s external action. Under the LT, trade policy is also used by the EU to pursue these goals. Since 2008, a new type of conditionality in the form of “sustainable development” chapters has characterized the EU’s trade agreements. Such chapters usually contain articles requiring parties to comply with labor and environmental standards.

The EP has been persistently pushing for the norms of sustainable development, labor and environmental standards in the EU’s trade agreements. In its 2010 Resolution on the EU Policy Coherence for Development and the ‘Official Development Assistance plus’ Concept, the EP “stresses that the implementation of

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53 L. BARTELS, op.cit, p.8.
The European Parliament’s Role in EU Trade Policy after Lisbon

the Sustainable Development Chapters in trade agreements should serve as an opportunity for the European Commission to promote good governance and the application of fundamental European values.” In a 2011 resolution, the EP also called for the Commission to integrate a sustainability chapter to cover areas such as trade and the environment within FTAs.55

Social, labor and environment rights form an integral part of sustainable development and are of particular concern in the EP’s vision of EU trade policy. While believing trade policy to be a useful instrument to promote social and environmental standards, the EP is also of the opinion that including such standards in trade agreements could produce added-value, in the sense that it allows “more civil society interaction and greater support for political and social stability, thus establishing a climate which is more conducive to trade.”56 Therefore, on 25 November 2010, the EP adopted by a large majority a resolution which “calls on the Commission to include systematically in all free trade agreements negotiated with non-EU countries a series of social and environmental standards that include, (a) a list of minimum standards that must be respected by all the EU’s trading partners; [...] (b) a list of other conventions that should be implemented gradually and flexibly, taking account of developments in the economic, social and environmental situation of the partner concerned…”57 The EP further emphasized in a 2011 resolution that “inclusion of social, environmental standards and human rights should be binding in all FTAs.”58

The EP’s normative concern for sustainable development, labor and environmental standards is certainly manifested in the new generation FTAs, notably the EU-South Korea FTA, which is by far the most developed and is considered the “EU best practice” when it comes to including a sustainable development chapter in FTAs. In response to the Commission proposal and Council’s draft decision to open negotiations with South Korea, the EP’s INTA

57 Ibid, point 15.
committee published a recommendation, calling for the FTA to contain “a chapter on sustainable development, broad in scope, containing comprehensive commitment regarding labor standards and environmental agreements, including an innovative monitoring mechanism with strong civil society involvement.” Specifically, on labor rights, the recommendation asks the FTA to outline “a shared undertaking that goes beyond core ILO labor standards, committing the parties to make continued and sustained efforts towards ratifying the fundamental ILO conventions as well as the other Conventions that fall within the ILO’s ‘up-to-date’ rubric.” The recommendation also made reference to environmental standards, asking both South Korea and the EU to recognize “the value of international environmental governance and agreements [...] commitment to reaching the ultimate objective of the Kyoto Agreement and to the future development of the international climate change framework in accordance with the Bali Action Plan.” The EP’s recommendations on labor and environmental standards were finally included in the EU-South Korea FTA under chapter 13 with the title of “trade and sustainable development”.

**Translating Public Concerns: the EP’s Politicization and Protectionist Tendencies towards EU Trade Policy.**

The empowerment of the EP in the decision making of EU trade policy has provided “the Commission and member states with the opportunity to narrow the gap between public political preferences and perceptions, on the one hand, and actual EU trade policies on the other.” While it is true that the EP’s involvement in EU trade policy has brought more “democratic legitimacy” to this previously technical-expertise-dominated policy area, there is also concern over whether this would subject EU trade policy to the impacts of EU domestic politics, and

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61 Ibid.
62 Ibid.
subsequently, whether this would lead to a more protectionist EU trade policy.\textsuperscript{65}

The literature on politics of trade has shown that agents are generally more liberal-oriented than principals as they are less exposed to domestic pressure for protection.\textsuperscript{66} This is confirmed in EU trade policy making. Compared to the Commission (agent) who tends to be more liberal and free-trade oriented, the EP (new principal following the LT) shows more protectionist tendencies in regards to EU trade policy.\textsuperscript{67} As the EP is the only principal in the EU system that is directly accountable to European voters and interest groups, it is expected that the EP may “serve as a new gate for societal interests, including from trade union lobbyists and NGOs.”\textsuperscript{68} Consequently, as argued by David Kleimann, “the promotion of immediate and short term economic welfare concerns, such as job security, protection of domestic production and consumer protection, as brought to MEP’s attention by their constituencies, political supporters, business associations, labor unions and others, represents both immense pressures and opportunities for INTA Committee members to gain the domestic political capital necessary to ensure their re-election.”\textsuperscript{69}

The EU-South Korea FTA is one again an illustrative example of how domestic political dynamics could play into the EU trade negotiation via the EP. Despite the huge potential value, the drafted EU-South Korea FTA was strongly opposed by European small-car manufacturers, who feared that a FTA with Korea would lead to a surge of cheap Korean small cars into the European market, thus threatening the European automobile industry. Realizing that the agreement would have to be approved and implemented by the EP, the European automobile industry launched strong lobbying efforts towards the EP, which finally resulted in a strong safe-guard clause at the EP's request. Another example is the TTIP negotiation, during which France’s protectionist stance towards the audiovisual industry was supported by the EP who managed to keep this industry outside the scope of the negotiation.

\textsuperscript{65} Markus Krajewski, “New Functions and New Powers for the European Parliament: assessing the changes of the Common Commercial Policy from the perspective of democratic legitimacy”, \textit{op.cit.}, p.84.


\textsuperscript{67} S. Gstohl, “the European Union’s Trade Policy”, \textit{op.cit.}, p.7.

\textsuperscript{68} L. Putte, F. Ville etc., “The European Parliament as an international actor in trade: from power to impact”, \textit{op.cit.}, p.64.

\textsuperscript{69} D. Kleimann, “Taking stock: EU trade common commercial policy in the Lisbon Era”, \textit{op.cit.}, p.21.
Cohesion of the EP in EU Trade Policy

While the EP’s role has been significantly elevated in the LT, it is also noteworthy that the EP itself is not a monolithic body, but is organized around a multiple number of actors in the legislative field, including the presidents, political groups, committees, delegations and 751 MEPs from 28 Member States (MSs). Each of these actors play a different role within the EP.

In the field of trade policy, the major players are the INTA committee and the political groups, with the former being more technocratic and the latter playing a more political and decisive role. On trade policy, a general distinction can be identified between two groups of MSs, namely, a group of liberal Northern states led by Germany, the Netherlands, UK and the Nordics, and a group of protectionist Southern states represented by France, Italy, Spain, Portugal and Greece.70 However, such national cleavages are not that apparent in the EP as the MEPs are not organized by nationality but sit in political groups according to their political affiliation. As a result, the cleavages mainly exist along the party group/ideological lines rather than national division. This is evidenced by a survey from VoteWatch Europe, which shows that major party groups in the EP have demonstrated a high rate of intra-party cohesion on all policy areas during the 7th term (see chart 1). A comparison between voting on international trade and the voting on all issues further illustrates that political group cohesion on international trade is generally higher than the overall cohesion on all issues (see chart 2).

Since international trade agreements need a simple majority in order to be ratified in the EP, inter-group cohesion is thus crucial for decision-making in trade policy. In this regard, studies have shown that votes on FTAs are largely divided into two groups, either in favor of or against FTAs, depending on the lines of the political groups.\textsuperscript{71} Specifically, the GUE and the Greens on the left end of the ideological spectrum votes in most cases against trade agreements. In particular, the GUE sticks to the principle of “trade justice” rather than “free trade” as they believe “free trade between two partners does not always make both better off, [instead]
liberalization of trade has caused worldwide social and ecological destruction.”

As such, they are “opposed to all international trade agreements that are shaped by the interests of big business [...] call for a trade policy that is based on development aims.” The Greens share the GUE’s position in claiming that the EU “must end the injustice of its biased development policies and make trade a good deal for all.”

On the other sides of the ideological spectrum (center and right parties), the ALDE, the EPP and the ECR are mostly in favor of trade agreements with the exception of the Anti-counterfeiting Trade Agreement (ACTA). The ECR supports the principle of “free and fair trade”, they firmly believe that “free markets and free trade form the basis of global wealth creation and provide an essential framework for enterprise, opportunity and prosperity.” Contrary to the GUE, the ECR claims that “trade, not aid, is the key to allowing developing countries worldwide to escape the poverty trap.” Therefore, in the last parliamentary term, the ECR has “driven the opening of trade across the world.”

As the largest group in the EP, the EPP aims for “a global trading system that is as open and fair as possible in order to both build political links and create new jobs in Europe’s exporting industries.” Believing in Europe’s ability to shape an open and rules-based global trading system, the EPP wants EU trade policy to “open markets while promoting and defending the interests of its people and industry worldwide.” Therefore the EPP is apparently opposed to populists’ calls for more protectionism, which is seen by the EPP as a menace to European and global prosperity.

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73 Ibid.
75 L. Putte, F. Ville etc., op.cit., p.61.
78 Ibid.
The S & D group are the second largest group in the EP, they essentially share the position of the center and right parties in open trade, but they distinguish themselves from the others by bringing in non-trade social issues into trade negotiations. They expect trade to play a role in fighting against poverty and promoting development abroad, insisting that “any trade agreement must also safeguard our public service and protect the environment, high standards of public health, welfare and food safety, rights at work and fundamental human rights."82 The S & D group further strengthen its hardline on social and environmental rights by claiming in its mission statement that they will “not allow hard-won social and environmental protections in the EU to be undermined."83

Recognition of the EP in EU Trade Policy

Recognition of the EP in trade policy has also undergone a significant change, with its role being increasingly felt and recognized by other actors inside and outside the EU. As an “institutional ally” of the EP in the EU system, the Commission has been relatively more willing to recognize the EP’s role in trade policy from an early stage. The two institutions established a Framework Agreement to govern their relations since 1990. This agreement is updated every 5 years, with the most recent updating concluded in 2010. Under the current Framework Agreement, the Commission “guarantees that it will apply the basic principle of equal treatment for Parliament and the Council, especially as regards access to meetings and the provision of contributions or other information, in particular on legislative and budgetary matters."84

Regarding international agreements, the Commission promises in the Framework Agreement that “Parliament shall be immediately and fully informed at all stages of the negotiation and conclusion of international agreement, including the definition of negotiating directives...[such information] shall be provided to Parliament in sufficient time for it to be able to express its point of view if appropriate, and for the Commission to be able to take Parliament’s view as far as

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83 Ibid.
possible into account.”85 This “achievement” of the EP was not without controversy though, as the Council called it an “illegal” provision and even threatened to bring the case to the European Court of Justice in 2010.86 Moreover, the EP is still facing considerable difficulties in accessing classified information in the negotiations on international agreement, notably in the ongoing Trans-Atlantic Trade and Investment Partnership (TTIP) negotiation.87 But despite these difficulties and controversies, there are also substantial evidences that the Commission is listening and communicating more and more with the EP, in particular with certain political groups in order to secure the majority for an agreement.88 This is surely a clear indication of the Commission’s recognition of the EP’s role in EU trade policy.

Another sign of recognition of the EP’s role in trade policy is the increasing lobbying activities surrounding the EP. As the EP becomes a real decision maker in trade policy following the LT, influencing the EP has become more important. Moreover, since the EP is in many ways “more transparent and more accessible than many of the EU’s national parliaments,”89 it also presents “a credible lobbying opportunity for interests groups.”90 For instance, during the EU-South Korea FTA negotiation, the EP was fiercely lobbied by the European automobile industry to include a strong “safeguard clause” to protect European car producers against South Korean competitors.91 Another example is the TTIP negotiation in which the EP was strongly lobbied by business advocacy groups in order to get the contentious Investor-State-Dispute-Settlement (ISDS) chapter passed in its resolution.92

The EP’s role in trade policy making is also increasingly recognized by third party countries. In February 2010, the EP voted down the SWIFT Interim agreement

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85 Ibid.
88 Interview 1, administrator at DG EXPO, European Parliament, Brussels, 10 April 2015
91 L. Richardson, op.cit., p.1.
with the US on grounds of personal data protection. This case was not only a signal for the Council and Commission to take more seriously the EP’s interests and position in international agreements, but also made the US Administration pay more attention to engaging with the EP in order to pass the agreement. The SWIFT is not a trade agreement in itself, but did serve as a reminder of the EP’s enhanced role in the broader external relations of the EU after LT. Following the SWIFT case, the EP continued to flex its muscle in several trade negotiations and agreements, a notable example being the EP’s decision to vote against the ACTA in June 2012. For the first time in history, the EP exercised its veto power to reject an internationally negotiated trade agreement. This was hailed as a “major victory for democratic rights” and had brought about wide media attention and coverage, which again contributed to the recognition of the EP’s role in EU trade policy.

Conclusion

The paper has examined the role of the EP in EU trade policy through the analytical framework of “actorness” which incorporates four dimensions: authority, autonomy, cohesion and recognition. In terms of authority, the EP has now become one of the vertexes of the “triangle” of EU trade policy making together with the Commission and the Council. Its authority lies in 3 fundamental rights: the right to be fully informed at all stages of trade negotiation; the right to give its consent or veto to trade agreements negotiated by the Commission; and right to implement the negotiated international trade agreements through domestic framework legislation under the OLP. These authorities have established the EP as a full player in EU trade policy.

In term of autonomy, the EP has not hesitated to speak out with its autonomous voices and express its autonomous views that are embedded in its various autonomous tools and actions, in particular through the adoption of resolutions which demonstrate the expectations and concerns of the EP on trade policy. With the EP possessing the “hard power” to veto the agreements, the weight of the EP’s autonomous views and actions also increases significantly. By examining the EP’s autonomous views on EU trade policy, this paper finds that the EP does show a


24
preference to promote a normative agenda through trade. And due to the EP’s inclination to translate the public’s concerns and its own institutional preferences into the CCP, the EP’s involvement in EU trade policy making has opened the door for a politicized and protectionist-oriented EU trade policy.

Regarding cohesion, this paper has found that there is a high level of intra-group cohesion, which has to a large extent transcended national divisions. Yet with regards to inter-group cohesion, the picture that emerges is a somewhat “polarized” one, whereby the politically fragmented groups play a strong role. Among the different party groups, there appears to be a “left-right” divide, with left wing groups usually being against FTAs, while center and right leaning groups are mostly in favor.

With regards to recognition, evidences in the paper also indicate that the EP has been recognized as an important actor in EU trade policy by other EU institutions, MSs, lobbyist groups and third party countries. In particular, the Commission has been willing to engage the EP in the early stages of trade negotiations and take into consideration the EP’s concerns in EU trade policy. However, recognition from third party countries varies as some countries (like in the Columbia FTA case) are still adapting to the new reality of a triangular EU trade policy-making system.

Biography

Yan Shaohua is currently PhD Candidate of European Studies at the University of Hong Kong, undertaking research on the EP’s foreign policy towards China. He did a master of EU International Relations and Diplomacy at the College of Europe in Bruges. His academic interest covers EU-China relations, parliamentary politics and European foreign policy as well as EU external governance.

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