

RSC 2022/12  
Robert Schuman Centre for Advanced Studies  
Global Governance Programme-466

# WORKING PAPER

**Non-trade objectives and EU external policy:  
Survey responses on RESPECT research  
findings**

Arianna Bondi and Bernard Hoekman



European University Institute

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RSC Working Paper 2022/12

ISSN 1028-3625

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Published in February 2022 by the European University Institute.

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With the support of the  
Erasmus+ Programme  
of the European Union

The European Commission supports the EUI through the European Union budget. This publication reflects the views only of the author(s), and the Commission cannot be held responsible for any use which may be made of the information contained therein.

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## **Abstract**

This report summarizes the results of an expert survey conducted as part of the consultations with practitioners and other stakeholders on the findings of a Horizon 2020-supported research project “Realizing European Soft Power in External Cooperation and Trade” (RESPECT). Survey respondents generally support a differentiated approach in the pursuit of non-trade policy objectives through the EU trade policy, in which trade instruments are complemented by non-trade cooperation, including regulatory assistance, expert dialogues, and plurilateral initiatives on non-trade policy objectives. There is also broad agreement the EU should adapt its approach to the prevailing circumstances in partner countries, rather than a “one size fits all” approach in its reciprocal trade agreements. The survey reveals significant support for the findings of the RESPECT research project that there is room for improving policy coherence, including through coordinating policy actions at the EU and member state levels and enhancing information and transparency across the many dimensions of external action. The survey respondents also support suggestions to improve ex-ante and ex-post policy consultation and evaluation mechanisms. Grounding trade-policy decisions on evidence-based analysis is considered important to both formulate the EU trade strategies and guide enforcement decisions.

## **Keywords**

Survey, trade policy, stakeholders’ consultations, non-trade policy objectives.

## Introduction\*

The EU increasingly links the promotion of its values to its external action, including trade policy. Between 2019 and 2021 a consortium of 10 academic and policy research institutions working under the umbrella of a Horizon 2020 supported project – Realizing Europe’s Soft Power in External Cooperation and Trade (RESPECT) – collaborated on a broad range of multidisciplinary research analyzing different dimensions of the effectiveness of this strategy. Hoekman (2021) summarizes the main findings in the project’s final report.<sup>1</sup> This report is the starting point for the present paper, which presents the results of an on-line survey that was used to assess the views of stakeholders and practitioners on the project’s findings. The survey builds on a previous survey that was implemented in 2019, at the beginning of the RESPECT project (Fiorini et al., 2019; Yildirim et al., 2021) with the aim of collecting information on the views of a large number of stakeholders on the effectiveness of EU external trade and other economic policies in achieving trade and non-trade policy objectives.

The paper is organized as follows. Section 1 describes the survey sampling frame and methodology. Section 2 presents the results. This is descriptive, presenting responses on a question-by-question basis. When discussing the results in this section, we draw at times on the more granular information obtained through a set of individual interviews with experts who responded to the survey and indicated a willingness to participate in a follow-up interview. The full results of these interviews are reported in Bondi (2022). Section 3 concludes.

## 1. Survey implementation

The survey comprised thirty-one substantive questions on subjects that were the focus of research under the RESPECT project. Each of the respective questions is reported at the top of each figure plotting the survey responses (see Section 2 below). The survey was disseminated by email to a contact list of practitioners and stakeholders that was created for the first RESPECT survey (Fiorini et al. 2019). Respondents from this contact list received three follow up messages. Three further lists were compiled based on publicly available information. These include Members of the European Parliament, as well as organizations affiliated with the Enterprise Europe Network and the European Business Organization Worldwide Network. Each of these groups received one follow up message. The survey was further promoted among EU trade policy stakeholders by different members of the RESPECT Consortium, their partners and, potentially, by respondents who might have shared it with interested colleagues (i.e., a snowballing approach).

The application *Qualtrics* was used to collect anonymous responses to an online survey comprising 31 questions.<sup>2</sup> A total of 298 responses were collected between 10 February 2021 and 31 July 2021, 146 of which were complete.<sup>3</sup> Respondents had the option to skip questions, thus generating missing values. For each question analyzed below, we report the number

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\* The project leading to this report received funding from the European Union’s Horizon 2020 research and innovation program under grant agreement No 770680 (RESPECT). The authors are very grateful to all respondents for participating in the survey. Special thanks to Matteo Fiorini for his support in collecting and elaborating the survey data.

1 Additional output and synthesis of findings can be found on the project’s website: <http://respect.eui.eu/>.

2 The questions were formulated in cooperation with all members of the RESPECT Consortium.

3 This corresponds to the number of responses recorded for the last question of the survey. The response rate dropped for questions towards the end of the survey. The first question had 192 responses.

of respondents who provided an answer (i.e., the non-missing values). More than two-thirds of respondents (78 percent) identified themselves as trade experts.<sup>4</sup> The survey allowed respondents to specify their professional affiliation and - when applicable - the nationality of their institution or organization, as well as the country where most of their professional activity is based. *Figure 1* shows the share of respondents belonging to each professional category. Respondents affiliated with academia or think-tanks are the largest group, accounting for 35% of respondents, followed by the private sector (20 percent) and government officials (15 percent). Within the former, small firms and trade promotion agencies account for the largest sub-groups. More non-European government officials responded to the survey than European government officials.

**Figure 1. Share of respondents by professional affiliation**



Note: Numbers pertain to the percentage of respondents selecting each professional affiliation. Respondents could choose among 18 professional categories. The outer ring in the pie-chart aggregates different professional categories in 7 main groups. Where no sub-categories are specified, the category presented in the outer ring corresponds to the one selected by respondents. The only exception is constituted by “Other”, which also includes respondents selecting the professional category “Lawyer”, and “Civil society/NGO” that includes respondents who identify with a “Trade Union”. More than one choice was allowed. To account for that, we generate an expanded version of the dataset in which each respondent is counted as many times as the number of professional affiliations expressed. The respondents selecting a professional category are 218. The expanded dataset includes 249 respondents with professional affiliation. The numbers reported in Figure 1 are based on the expanded dataset.

<sup>4</sup> This question was answered by 216 respondents.



Table 1 reports the share of respondents for each country, depending on the nationality of their organization, or institution, and on the location of their operations. For each of the 54 countries listed in Table 1 we have at least one respondent whose organization/institution is based in that country or whose professional activities are mostly conducted in that country. The five countries accounting for the highest percentage of respondents in terms of nationality of the organization or institution are South Korea, the United Kingdom, Belgium, the United States, and India. If the focus is on location of operations, Switzerland replaces Belgium and is ranked third.<sup>5</sup>

**Table 1. Share of respondents by nationality of organisation and country of operations**

| Country         | Nationality (%) | Operations (%) | Country                | Nationality (%) |
|-----------------|-----------------|----------------|------------------------|-----------------|
| South Korea     | 12.88           | 12.71          | South Africa           | 0.61            |
| United Kingdom  | 9.20            | 7.63           | Turkey                 | 0.61            |
| Belgium         | 9.20            | 5.93           | Denmark                | 0.61            |
| United States   | 8.59            | 9.32           | Finland                | 0.61            |
| India           | 8.59            | 7.63           | Montenegro             | 0.61            |
| Spain           | 4.91            | 0.85           | Myanmar                | 0.61            |
| Germany         | 4.91            | 5.08           | Cyprus                 | 0.61            |
| China           | 3.68            | 5.93           | Nepal                  | 0.61            |
| Sweden          | 2.45            | 0.85           | Norway                 | 0.61            |
| France          | 2.45            | 1.69           | New Zealand            | 0.61            |
| Switzerland     | 2.45            | 8.47           | Philippines            | 0.61            |
| Canada          | 1.84            | 1.69           | Czech Republic         | 0.61            |
| The Netherlands | 1.84            | 0.85           | Bosnia and Herzegovina | 0.61            |
| Bangladesh      | 1.23            | 0.85           | Ukraine                | 0.61            |
| Italy           | 1.23            | 1.69           | Kyrgyzstan             | 0.61            |
| Poland          | 1.23            | 2.54           | Burkina Faso           | 0.61            |
| Indonesia       | 1.23            | 0.85           | Singapore              | 0.61            |
| Ireland         | 1.23            | 0.85           | Vanuatu                | 0.61            |
| Ethiopia        | 1.23            | 2.54           | Mexico                 | 0.61            |
| Croatia         | 1.23            | 1.69           | Uganda                 | 0.61            |
| Austria         | 1.23            | 0.85           | Japan                  | 0.61            |
| Gambia          | 0.61            |                | Lithuania              | 0.61            |
| Ghana           | 0.61            | 0.85           | Kazakhstan             |                 |
| Mongolia        | 0.61            |                | Botswana               |                 |
| Peru            | 0.61            |                | Taiwan                 |                 |
| Costa Rica      | 0.61            |                | Brazil                 |                 |
| Slovenia        | 0.61            |                | Thailand               |                 |

Note: Nationality (%) denotes the percentage of respondents selecting the respective country as country of nationality of their organization/company/institution. Operations (%) denotes the percentage of respondents selecting the respective country as the country where most of their professional activity is based. These questions do not apply to respondents working for EU institutions, EU-level industry/business associations or international organizations. The total number of non-missing values for nationality is 163. The total number of non-missing values for country of operations is 118. Countries are listed from the highest to lowest values of Nationality (%).

5 For consistency with other RESPECT research, the United Kingdom is mapped to the set of EU countries.

The information concerning nationality and the country of operations was used to divide respondents into two categories, “EU-28” and “Non-EU-28”. EU-28 respondents work for an EU institution, the government of an EU Member State (EUMS), an EU-level business association, or an institution or professional activity based in the EU and do not have a special focus on a non-EU region. “Non-EU-28” comprises all other respondents. About 64% of the respondents in the sample qualify as “Non-EU-28”. This suggests that the questionnaire mainly reflects the view of respondents working in non-European organizations or whose focus is not the EU. In the analysis, we present the views of both groups of respondents separately.

Twenty-six of the survey questions were designed to offer a Likert scale answer structure (i.e., strongly disagree, disagree, neutral, agree, strongly agree, and don’t know). For each of these questions, we report responses using two bar charts. The first line of each graph shows the level of agreement within the whole sample (i.e., number of non-missing values). The second and third line present the same information distinguishing between the categories “EU-28” and “Non-EU-28”, as previously defined. The following bars report the responses for each professional category.<sup>6</sup> These categories are sorted first according to the scope of agreement within a category (i.e., the share of respondents selecting either “agree” or “strongly agree”), then according to the scope of disagreement (i.e., the share of respondents selecting either “disagree” or “strongly disagree”).

Answers to five questions used a multiple-choice structure. Two of these could be answered by all respondents, while the other three appeared conditional on the answer to a preceding question. For each question, respondents could rank-order their answers, assigning a value from “1” (i.e., most important) to “X” (i.e., least important). In case all the selected options had an equal ranking in the eyes of the respondent, they were asked to assign the value “1” to each. We present the results of these five questions in tables, reporting the ranking accorded to the different options as well as some descriptive statistics. The ranking is based on a score, computed as the mean value assumed by each option, divided by the number of non-missing values. The lower the value of the score, the higher the ranking among the selected alternatives.

The survey has some methodological limitations. Given the size of the sample and the impossibility of computing precise response rates due to the anonymous dissemination of the survey, we cannot claim that the results are representative of the population of stakeholders and practitioners engaged with EU trade policy. Further, we provided a summary of the relevant finding for most questions, including the link to the publications. This might be considered leading towards responses that would validate our results. However, it should be considered the peculiar nature of the survey, which aimed to verify stakeholders’ agreement with precise research findings. This makes it different from a traditional survey which collects respondents’ perceptions. Finally, the survey was long and whole encompassing, thus limiting its accessibility to some categories of stakeholders, such as the private sector. This motivated the inclusion of a larger share of private sector representatives in the individual interviews.

## 2. Results

The presentation of the results uses the structure of the online survey instrument as an organizing device. The survey first addressed general questions on EU trade and non-trade policy objectives. It then turned to questions pertaining to three specific trade policy tools: Free

<sup>6</sup> As respondents could select more than one professional category, we use the expanded version of the dataset, as described in the notes to *Figure 1*.

Trade Agreements (FTAs), Open Plurilateral Agreements (OPA) and the Generalized System of Preferences (GSP). Since RESPECT research suggests that trade agreements might not be the most effective tool to pursue NTPOs, the survey then turns to complementary policy tools (i.e., policy dialogues, regulatory cooperation, and technical assistance). The combination of different policy tools raises questions on policy coherence, which are the subject of the fourth sub-section. We then focus on the role of the private sector in advancing NTPOs and providing feedback into trade policy making. Finally, we discuss questions regarding consultations with civil society stakeholders and policy evaluation.

## **2.1 EU Trade Policy and Non-Trade Policy Objectives**

Consistent with the first RESPECT survey implemented at the beginning of the project, the second survey revealed generally broad support for the use of non-trade instruments to pursue non-trade policy objectives. More than two-thirds of respondents (71 percent) agreed or strongly agreed the EU should use non-trade measures to pursue its NTPOs (*Figure 2*). This holds true across different professional categories and for both EU and non-EU respondents. The highest level of agreement is expressed by EU institutions (100 percent) and non-EU government officials (80 percent); the highest levels of disagreement were expressed by civil society organizations and small firms (43 percent and 33 percent, respectively).

Respondents also agree that a differentiated approach is called for that considers the circumstances prevailing in partner countries. Two thirds (66 percent) of respondents agree the EU should not apply the same approaches in all its trade agreements, independent of whether the partner is a large emerging economy, an OECD member country or a low-income developing nation (*Figure 3*). Respondents from the European Parliament express the greatest opposition. While the number of respondents is limited, this might reflect the Parliament's advocacy of promotion of universal values (e.g., human rights) through EU external policies. The greatest support is found among non-EU governments, large firms, and trade promotion agencies. This suggests that this approach might be welcomed by EU partners and, thus, facilitates its successful implementation

These results suggest that efforts to link trade and non-trade objectives should vary along three dimensions: (i) the characteristics of the partner country, including the level of development, openness to trade, the relative importance of the EU in economic relations, and political environment; (ii) the specific NTPOs that should be promoted towards a partner country, depending the presence of shared priorities, values, and salience to trade and business operations; and (iii) the instruments that are best suited to promote the EU strategy, with associated decisions regarding the use of soft vs. hard law (enforceable commitments) and the choice of unilateral, bilateral, or multilateral approaches. Many survey respondents seem to be of the view that trade agreements are unlikely to be the best suited instrument to pursue NTPOs in all circumstances. Many interviewees (Bondi, 2022) make this explicit, pointing to the importance of other policy instruments to complement and operationalize formal commitments, especially in relations with developing countries, including regulatory cooperation, dialogue with the private sector, and trade-related technical assistance.

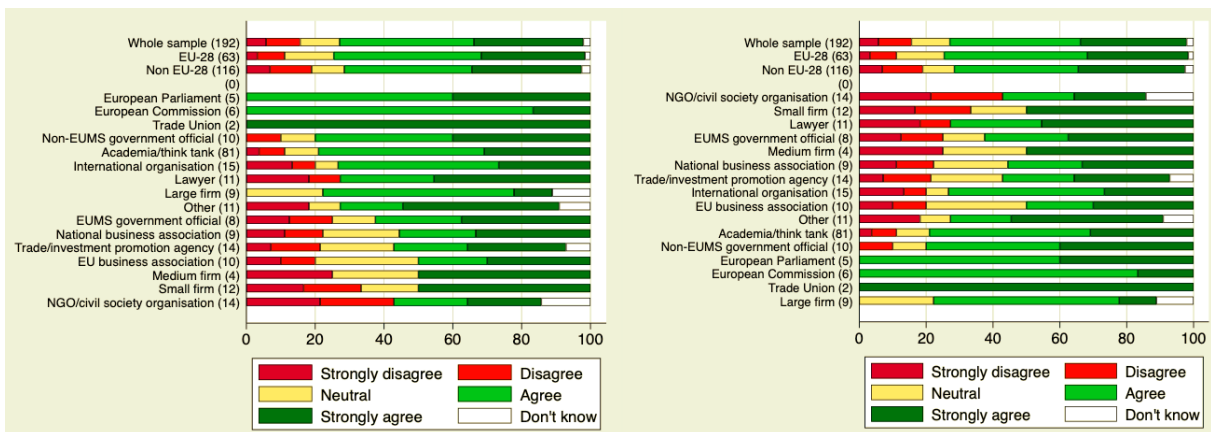
The survey reveals significant support for the conclusion that there is room for improving policy coherence, including coordinating policy actions at the EU and member state levels. Most respondents are neutral or disagree that non-trade instruments are integrated effectively in the implementation of EU commercial policy (*Figure 4*). EU institutions and non-EU government officials rank among the highest for the level of agreement. Although the number of Members of the European Parliament (MEPs) completing the survey is low, their high level

of disagreement might suggest a divide between institutions. The opinion of other international organizations is also interesting, as these might cooperate with the EU to implement program in third countries. 15% of respondents indicates not to know. This points towards the lack of information and the need for greater transparency in coordinating policy tools. *Figure 5* suggests that more could be done to coordinate actions pursued at the levels of the EU and the individual member states. Four-fifths (81%) of respondents agree the EU should consider the extent and effectiveness of assistance provided by EU member states and EU institutions when enforcing trade agreement. The highest levels of agreement are found among large firms, trade and investment promotion agencies, national business associations and EUMS government officials. Although an extensive support is shared by most professional categories within the sample.

**Figure 2**

RESPECT research (Ferrari et al., 2021) finds no general evidence that conditioning access to the EU market improves non-trade outcomes in partner countries. It concludes that non-trade objectives are often better pursued through other mechanisms including technical assistance, regulatory dialogues, and direct investment by companies in partner countries.

Q1: *The EU should use non-trade instruments to pursue its non-trade policy objectives.*

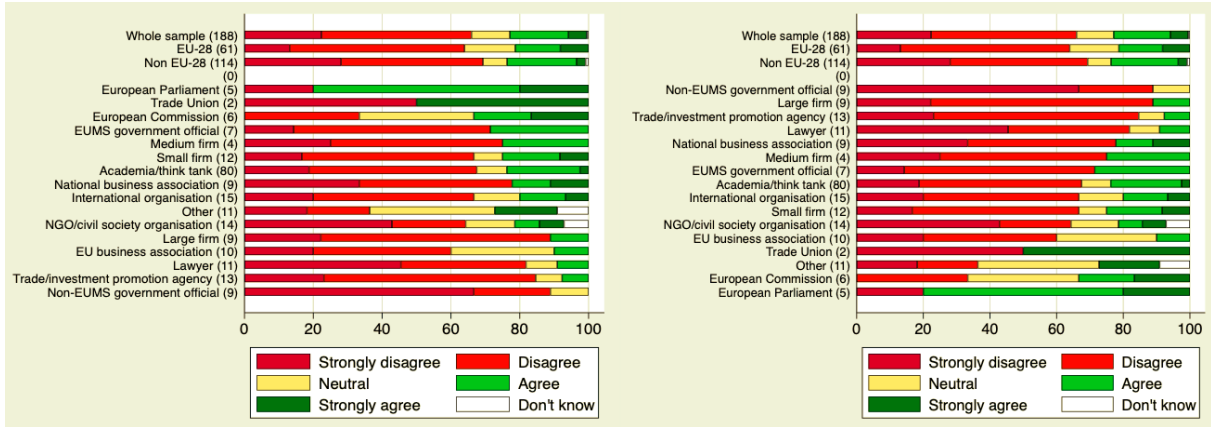


a) From highest to lowest agreement

b) From highest to lowest disagreement

Figure 3

Q2: Should the EU apply the same standards and approaches in all its reciprocal trade agreements independent of whether the partner is a large emerging economy, an OECD member country or a low-income developing nation?

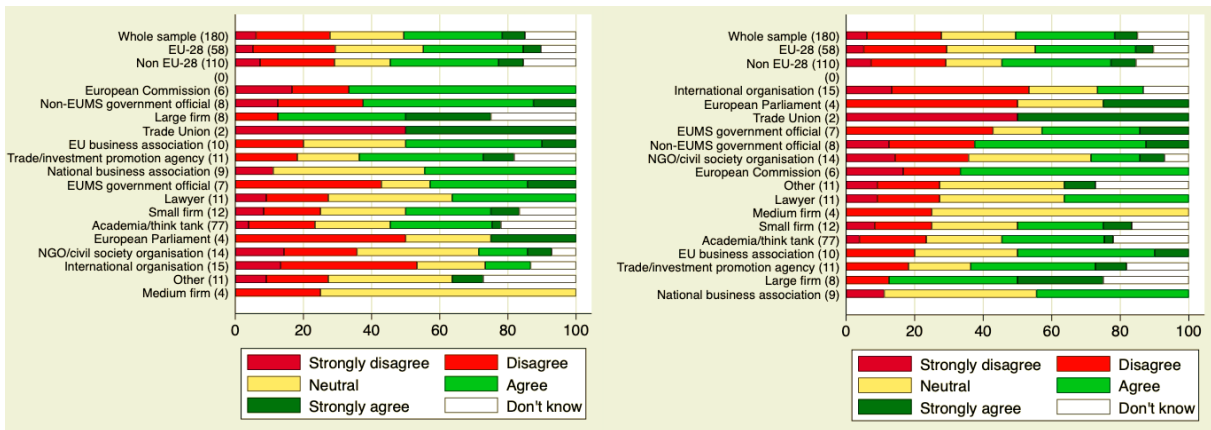


a) From highest to lowest agreement

b) From highest to lowest disagreement

Figure 4

Q3: Are complementary non-trade policy tools (such as technical assistance; development aid; private sector dialogues) effectively integrated by the Commission into the implementation of EU trade policy?

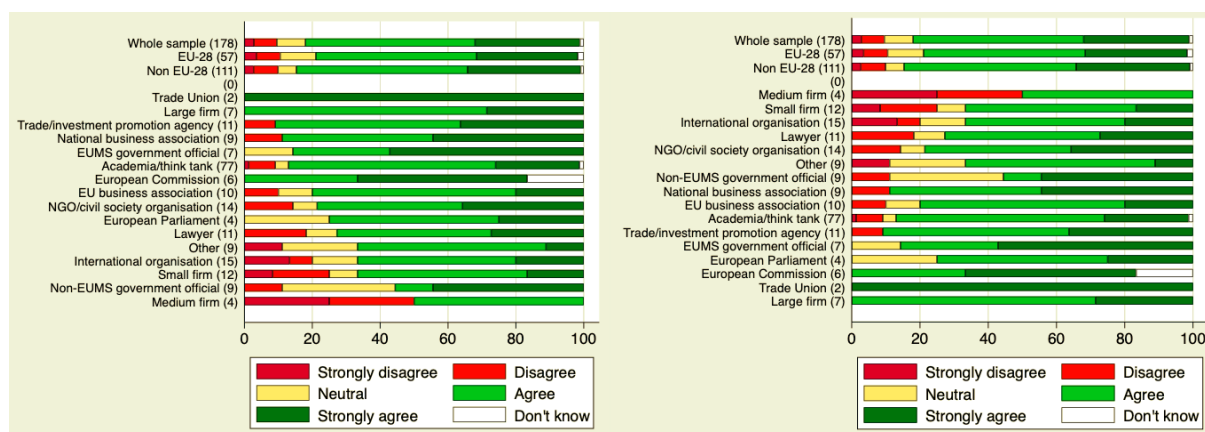


a) From highest to lowest agreement

b) From highest to lowest disagreement

Figure 5

Q4: When considering implementation and enforcement of trade agreements with developing countries, the European Commission should consider the extent and effectiveness of support provided by the EU and its member states.



a) From highest to lowest agreement

b) From highest to lowest disagreement

## 2.2 Trade Policy Instruments and NTPOs

The survey solicited views on how different tools can be used and combined to realize NTPOs, including free trade agreements (FTAs), open plurilateral agreements (OPAs), and the Generalized System of Preferences (GSP). All three of these subjects were the focus of RESPECT research. This finds no systematic positive effect of including non-trade provisions in FTAs on non-trade outcomes in partner countries.

Figure 6 shows that almost 46% of respondents favor limiting negotiations with large trading partners to subjects that fall under the Commission's exclusive competences. Nearly 29% of respondents disagree, with the rest is either neutral or indicating not having a view. European and non-European respondents exhibit similar views on the issue. The highest level of agreement is found at the level of the European Parliament and the highest level of disagreement among lawyers. The high level of agreement expressed by civil society organizations is notable as is the level of disagreement expressed by non-EU government officials.

RESPECT research finds mixed evidence of the effects of including non-trade provisions on foreign direct investment (FDI), depending on whether authors analyze bilateral greenfield FDI and enforceable provisions (Di Ubaldo and Gasiorek, 2021; Kox and Rojas-Romagosa, 2020). In both cases, effects on FDIs seem to be related to provisions concerning civil and political rights. Such associations are not found for provisions on economic and social rights and environmental protection provisions. This suggests that effects of non-trade provisions might vary depending on the non-trade issue at stake and prompts to reflect on the scope of their inclusion in FTAs. About 59% of respondents agrees that trade agreements should focus more on environmental protection and economic regulation, rather than including a broad range of non-trade issues in trade agreements (Figure 7). The highest level of agreement is found among EU government officials, large firms and national business associations. A more

negative view is expressed by Commission staff, lawyers and trade and investment promotion agencies, followed by civil society organizations.<sup>7</sup>

The survey shows widespread support for plurilateral agreements, as well as for the use of expert dialogues as tools to promote non-trade objectives. Two thirds of respondents (i.e., 74%) agrees that common standards to address non-trade provisions in FTAs should be negotiated through an Open Plurilateral Agreement (OPA) at the WTO (*Figure 8*). Consensus is found with similar shares among EU and non-EU respondents. The highest level of agreement is expressed by European government officials, the European Parliament, and some exponents of the private sector (i.e., EU level business associations and large firms). The highest levels of disagreement are expressed by the European Commission (despite not exceeding 33%), small firms and lawyers. Although the majority of small firms (e.g., 58%) still agree with the proposition, this does not match the very high level of agreement expressed by EU business associations (89%) and large firms (86%). This might suggest the need for greater efforts to ensure their participation in the process.<sup>8</sup>

Looking at the trade effects of the GSP reform in 2014, RESPECT research suggests that improving certainty of trade preferences leads to positive trade effects and can, as a result, foster development (Borchert and Di Ubaldo, 2020). 36% of respondents either agrees or strongly agrees that the increase in trade observed after the 2014 reform was due to reduced uncertainty under the GSP+ (*Figure 9*). The majority of respondents (55%) indicate either neutrality or lack of knowledge about the proposition. This comprises respondents from the Commission as well as the private sector and might stress the need for further analysis on the issue. Respondents who disagreed or strongly disagreed with the previous proposition were asked to identify which factors they consider more important than policy uncertainty to stimulate a positive trade effect. Each of the four options provided was picked seven times. *Table 2* shows that the option which was most often ranked first was better market access for GSP+ countries.<sup>9</sup> This is followed by longer period of renewal, less restrictive rules of origin and fewer GSP members.<sup>10</sup>

The GSP can promote NTPOs through its conditionality system. RESPECT research shows that scope for a preferential access-NTPO strategy to be effective is greater for non-reciprocal trade preferences (Borchert, Conconi, Di Ubaldo and Herghelegiu, 2021). This is because GSP allows to extend trade preferences to reward desirable actions by partner countries. *Figure 10* shows that 58% of respondents are in favor of strengthening non-trade standards in the GSP+ by expanding market access for green products. Highest level of agreement is found among large firms, European institutions and government officials. Although it is difficult to draw general conclusions based on the limited sample, this might suggest that there is room to operationalize this proposition in reviewing the GSP regulation. The private sector appears

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7 Interviewees (Bondi, 2022) point at investment as an important indirect channel to realize NTPOs, indicating that investment flows may be affected by non-trade provisions in FTAs, with most anticipating that effects are likely to be small.

8 Bondi (2022) notes that interviewees suggest OPAs permit tackling new developments in international trade, but pointed to potential unintended consequences if use of OPAs led to increasing tensions between participating and non-participating countries. Consistent with RESPECT research, interviewees stressed the importance of openness, support for developing countries, and agreements (provisions) that generate benefits that are clear to both governments and private sectors. One area that respondents to the survey consider should be prioritized in this regard is climate change.

9 The ranking is based on the value assumed by the score described in the analytical methodology section of this report. Further descriptive statistics are provided in the table.

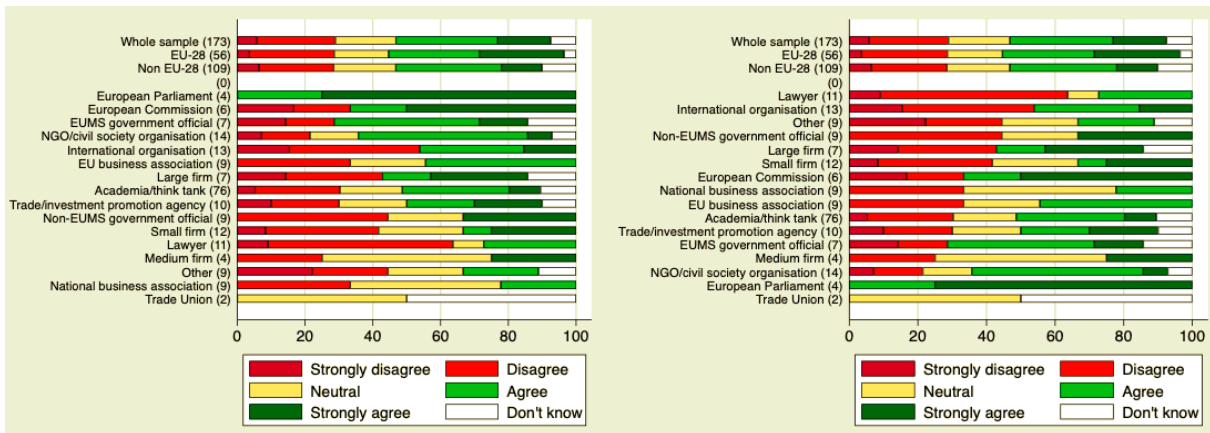
10 Bondi (2022) notes that some interviewees argue that LDCs would benefit from duty-free access to the EU market if rules of origin were relaxed to permit value added embedded in products produced elsewhere to be eligible, and if the scheme did more to account for the increasing trade in services with developing countries.

divided between EU and national level business association and larger firms on the one hand, and small firms on the other. The latter express the highest level of disagreements (30%), together with non-European government officials (33%). This might indicate that the measures would not be extensively opposed by the EU trade partners.

**Figure 6**

RESPECT research (Conconi, Herghelegiu and Puccio, 2021) suggests that so-called mixed agreements, that is, agreements that include regulatory areas in which the Member States retain competences, may be appropriate to achieve non-trade objectives. Experience reveals that mixed trade negotiations with large countries are difficult to conclude successfully. This suggests trade agreements with large countries encompassing subjects on which the Commission has exclusive competence be complemented by parallel agreements in areas where Member States also have competence.

*Q5: Should the EU limit trade negotiations with large trading partners to agreements that fall under the exclusive competence of the European Commission?*



a) From highest to lowest agreement

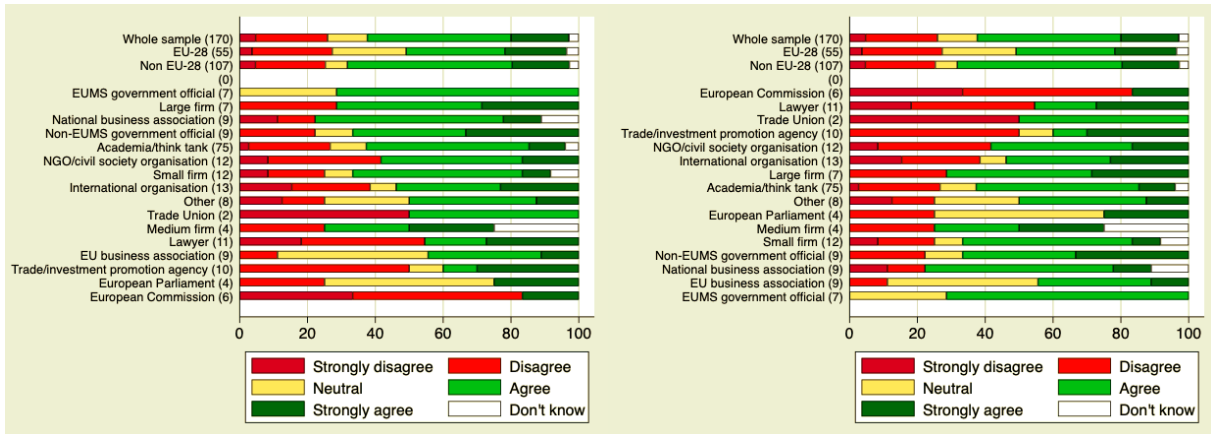
b) From highest to lowest disagreement



Figure 7

RESPECT research (Di Ubaldo and Gasiorek, 2021) finds that a higher degree of legally binding non-trade related provisions in trade agreements with low and middle-income countries leads to a lower flow of bilateral greenfield FDI. For EU trade agreements, this negative effect is only found for provisions concerning civil and political rights and not for economic and social rights or environmental protection.

Q6: *In your view, should EU trade agreements focus more on economic regulation and environmental protection as opposed to seeking to encompass a broad range of non-trade issues?*

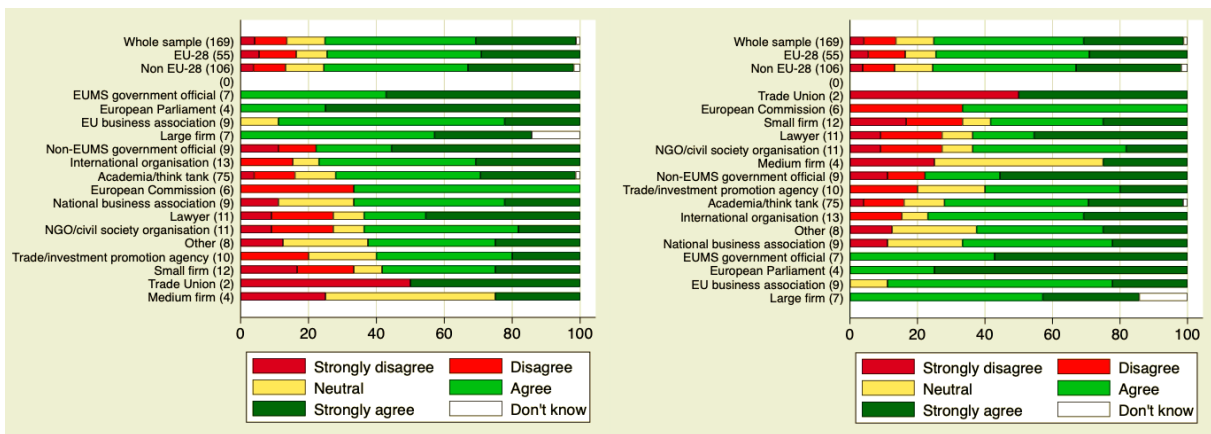


a) From highest to lowest agreement

b) From highest to lowest disagreement

Figure 8

Q7: *Trade agreements are negotiated by countries around the world – the EU is one player among many. There are significant differences in how different agreements address non-trade policy areas which create costs and uncertainty for international business. Should the EU pursue efforts in the WTO to agree plurilateral agreements with like-minded nations on standards for non-trade issues in trade agreements?*



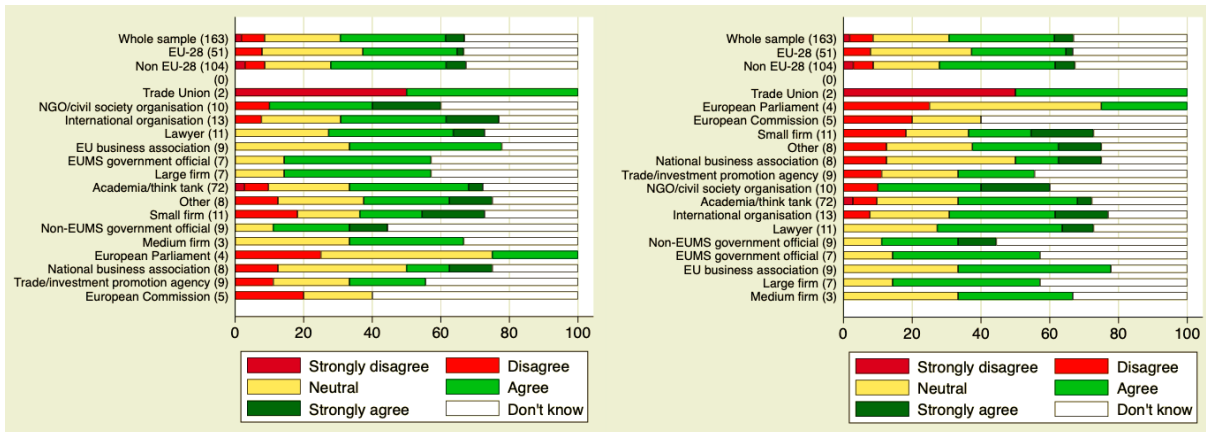
a) From highest to lowest agreement

b) From highest to lowest disagreement

Figure 9

The 2014 GSP reform abolished country-section graduation mechanisms for GSP+ beneficiaries. In other words, it eliminated the threat of preference removal in specific sectors due to a country's share of EU imports in that sector exceeding a certain threshold. RESPECT research (Borchert and Di Ubaldo, 2020) finds that the removal of the country-section graduation mechanism lowered uncertainty for traders and stimulated EU imports from GSP+ countries.

Q8: In your view, was the trade effect of the 2014 reform mostly due to lower uncertainty of GSP+ preferences?

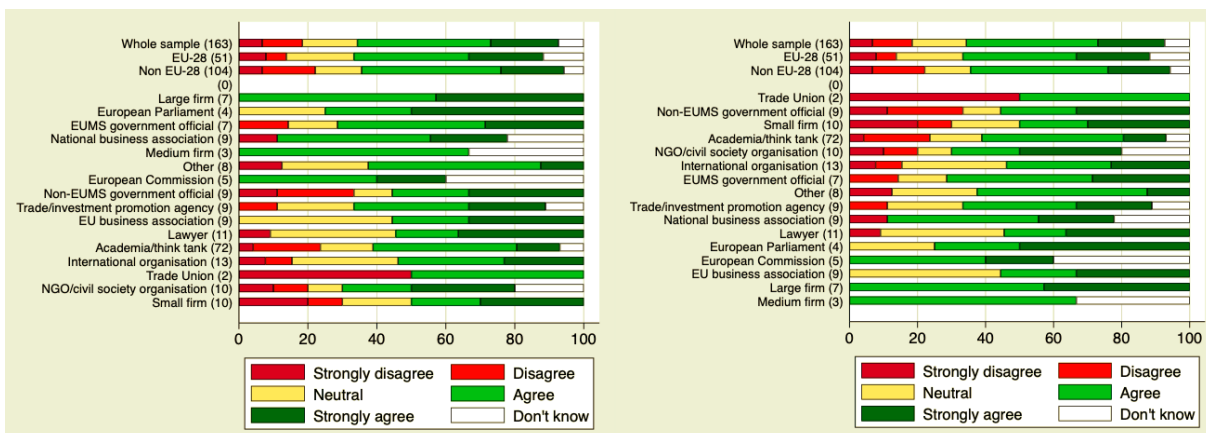


a) From highest to lowest agreement

b) From highest to lowest disagreement

Figure 10

Q9: Should the EU strengthen and expand non-trade standards in the GSP+ Programme, such as deeper market access preferences for "green" products?



a) From highest to lowest agreement

b) From highest to lowest disagreement

**Table 2**

Q8(a): If you answered negatively to the previous question, what other factors do you consider more important than reducing policy uncertainty?

|               | Q8a | Better market access for GSP + | Longer period of renewal | Less restrictive rules of origin | Fewer GSP members |
|---------------|-----|--------------------------------|--------------------------|----------------------------------|-------------------|
| # visualized  | 14  |                                |                          |                                  |                   |
| # answered    | 12  |                                |                          |                                  |                   |
| % picked      |     | 58                             | 58                       | 58                               | 58                |
| % not picked  |     | 42                             | 42                       | 42                               | 42                |
| % picked 1    |     | 33                             | 17                       | 25                               | 25                |
| % picked 2    |     | 17                             | 33                       | 17                               | 8                 |
| % picked last |     | 0                              | 0                        | 7                                | 17                |
| Ranking:      |     | 1st                            | 2nd                      | 3rd                              | 4th               |

### 2.3 Complementary instruments of external cooperation and non-trade objectives

The survey explores respondents' opinions about three tools that can complement trade policy in the pursuit of non-trade objectives: expert dialogues, regulatory cooperation through OPAs, and technical assistance. The idea that these policy tools might be better suited than trade agreements to pursue NTPOs emerged from the first RESPECT survey (Yildirim et al., 2021). Targeted assistance to NGOs, labor unions and regulatory bodies as well as expert dialogues and technical assistance were most frequently chosen as the most effective instruments to realize NTPOs (Fiorini et al, 2019).

RESPECT research focusing on EU-China relations stresses the importance of policy dialogues in pursuing NTPOs (Hu and Pelkmans, 2021). The unicity of this relation begs the question of whether greater use should be made of expert dialogues as an instrument to promote non-trade objectives and regulatory cooperation towards partner countries. A large majority of respondents (88%) either agrees or strongly agrees with this proposition (*Figure 11*). Only 2% expresses disagreements, whereas the others indicate neutrality or lack of knowledge. This question gathers the highest level of agreement in the survey. This applies to both EU and non-EU respondents. The differences between the level of agreement and disagreement of the two groups are close to zero. The number of non-EU respondents is consistently higher than EU respondents, and more than doubles in this specific question. This suggest that non-legalistic tools to cooperate on NTPOs might be particularly valued by EU trading partners.

RESPECT research suggests that regulatory cooperation can be effectively pursued outside trade agreements and go beyond the bilateral setting (Hoekman and Sabel, 2019). Open Plurilateral Agreements (OPAs) offer an interesting venue to pursue international regulatory cooperation as they do not condition it to market access and can flexibly support the gradual realization of NTPOs, functioning as a steppingstone towards their multilateralization (Hoekman and Sabel, 2021). Nearly 78% of respondents agree that OPAs should be used to pursue regulatory cooperation (*Figure 12*). These results are similar to those shown in *Figure 8*. Respondents from the European Parliament still show the highest level of agreement, joined by national business associations instead of EUMS government officials. The highest level of disagreement is expressed by the Commission, trade unions and medium firms. Small firms seem to be more supportive of this proposition as compared to the previous one (i.e., the share of agreement is 90% as compared to 58%).

The following question asked to respondents who support negotiations of OPAs within the WTO which areas should be prioritized. Combatting climate change ranks first, followed by the

rule of law, health and safety standards and human rights (*Table 3*).<sup>11</sup> Gender equality places last among the nine available options. One clear takeaway is that there is convergence among EU and non-EU respondents when it comes to the importance of addressing climate change concerns. Moreover, there is widespread agreement that this can be done within the WTO and through plurilateral agreements. The current EU strategy focusses on climate change mitigation and emissions reduction to unprecedented levels. The recent “Fit for 55” package confirms that the EU is serious about its commitments. The survey results suggest broad support among trading partners to jointly pursue these objectives.<sup>12</sup>

RESPECT research focusing on the European Neighborhood Policy finds that the EU contributed to improve regulation of worker protection in developing countries but that working conditions did not change significantly (Pál et al., 2021) unless EU normative influence was complemented by technical assistance provided by the ILO. Some 80% of survey respondents favors the inclusion of commitments to provide technical assistance alongside provisions on labor standards in EU trade agreements (*Figure 13*). The support is widespread across different professional groups, with the highest share of agreement expressed by international organizations, MEPs, trade unions and civil society organizations, and larger firms. This is also favored by non-EU government officials. Respondents affiliated with small firms and “other” professional categories show the highest levels of disagreement, followed by the Commission, lawyers and European government officials. 65% of respondents also consider that the EU should take additional steps to ensure that provided technical assistance does not exacerbate existing inequalities in partner countries (*Figure 14*). The highest level of disagreement with the proposition is expressed by EU government officials, medium firms and international organizations. There is a higher share of neutrality and respondents indicating lack of knowledge on the topic as compared to *Figure 15*.

Respondents supporting the inclusion of technical assistance commitments in trade agreements were asked to indicate what type is deemed more important. Support to state regulatory bodies ranks first among the five available options, followed by support to labor organizations, financing skills development, business associations and expert dialogues (*Table 4*). These results confirm the previous support for expert dialogues.<sup>13</sup>

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11 Options are ranked according to the score as previously described. Climate change was the most frequently selected subject, while the subject which more often ranked first was the rule of law.

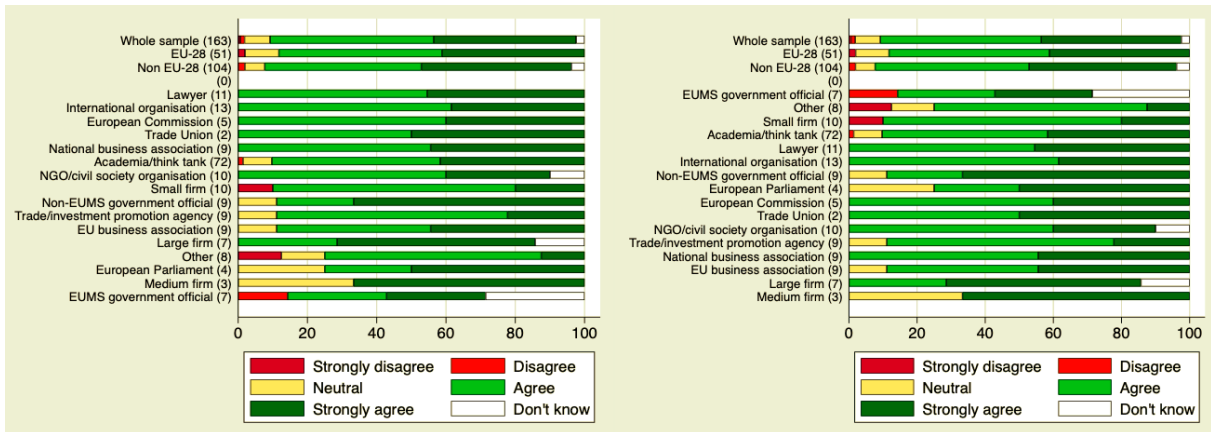
12 The complementary interviews by Bondi (2022) suggested that environmental protection and digital trade are candidates for negotiations. Possible actions suggested included relaunching the Environmental Goods Agreement (EGA) with the inclusion of services, establishing a mechanism to discipline the use of fossil fuels subsidies, and doing more to coordinate with international organizations in partner countries.

13 Despite ranking last according to the computed score, dialogues they were included in responses more often than skills development and support to business associations. They rank first more often than support for business associations, but also ranked last more than other options.

**Figure 11**

One of the instruments used by the EU to engage with partner countries on non-trade issues are expert dialogues. Examples are Environment Policy and Employment & Social Policies Dialogue with Chinese counterparts. RESPECT research suggests this policy instrument has been effective in stimulating convergence on environment and climate mitigation policies (Hu and Pelkmans, 2021).

Q10: *Should the EU make greater use of expert dialogues as an instrument of external action to promote non-trade objectives and regulatory cooperation with partner nations?*



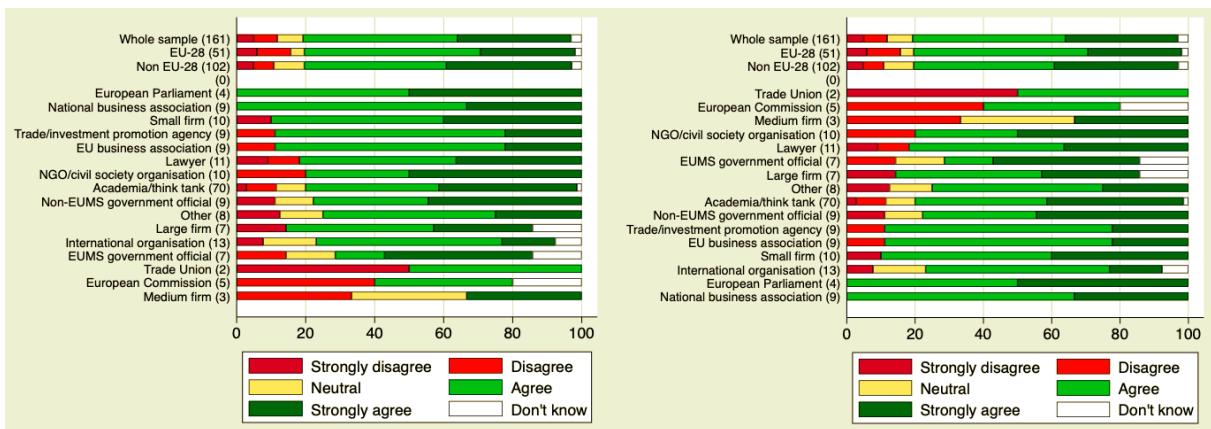
a) From highest to lowest agreement

b) From highest to lowest disagreement

**Figure 12**

RESPECT research suggests that Open Plurilateral Agreements offer opportunities to complement trade agreements with issue-specific regulatory cooperation (Hoekman and Sabel, 2019; Hoekman and Sabel, 2021). Plurilateral initiatives in the WTO permit discussion and potentially agreements on specific trade and non-trade policy issues without conditioning cooperation on market access.

Q11: *Should the EU pursue initiatives with groups of countries to establish plurilateral agreements on good practice in non-trade issues in the WTO?*



a) From highest to lowest agreement

b) From highest to lowest disagreement

**Table 3**

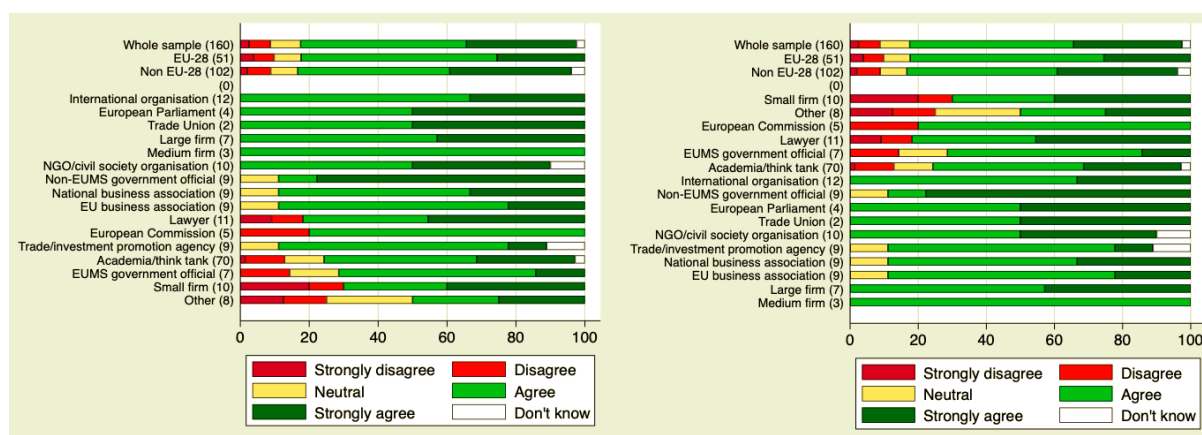
Q11(a): *If you answered affirmatively to the previous question, what subjects should be prioritized?*

|               | Q11a | Combatting climate change | Rule of law | Health and safety standards | Labour standards | Respect for human rights | Data privacy | Responsible business conduct | Corporate taxation | Gender equality |
|---------------|------|---------------------------|-------------|-----------------------------|------------------|--------------------------|--------------|------------------------------|--------------------|-----------------|
| # visualised  | 125  |                           |             |                             |                  |                          |              |                              |                    |                 |
| # answered    | 120  |                           |             |                             |                  |                          |              |                              |                    |                 |
| % picked      |      | 72                        | 59          | 65                          | 66               | 61                       | 53           | 50                           | 42                 | 41              |
| % picked 1    |      | 24                        | 26          | 13                          | 11               | 12                       | 8            | 4                            | 3                  | 0               |
| % picked 2    |      | 18                        | 6           | 17                          | 17               | 17                       | 12           | 6                            | 5                  | 5               |
| % picked 3    |      | 10                        | 12          | 12                          | 13               | 12                       | 7            | 9                            | 8                  | 3               |
| % picked last |      | 2                         | 0           | 0                           | 0                | 4                        | 2            | 3                            | 8                  | 3               |
| Ranking:      |      | 1st                       | 2nd         | 3rd                         | 4th              | 5th                      | 6th          | 7th                          | 8th                | 9th             |

**Figure 13**

Country-specific RESPECT research finds that EU trade policy contributed to improve regulation of worker protection in developing countries but that working conditions did not change significantly (Pál et al., 2021). Improvements in working conditions were found when EU normative influence was complemented by technical assistance provided by the ILO.

Q12: *Should provisions on partner country labor standards in trade and investment agreements include commitments by the EU to provide technical assistance?*



a) From highest to lowest agreement

b) From highest to lowest disagreement

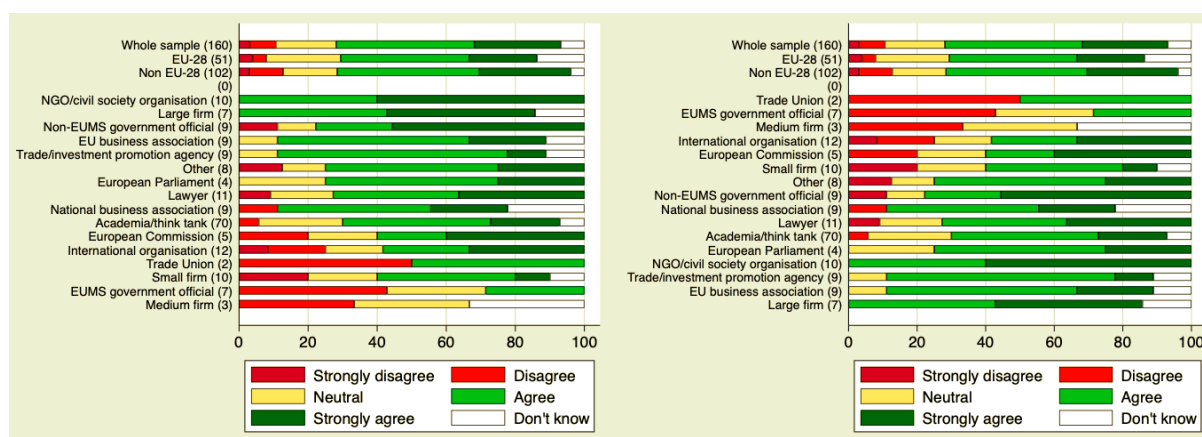
**Table 4**

Q12(a): *If you answered affirmatively to the previous question, what type of assistance is best suited to ensure that workers in partner countries benefit from expanded trade with the EU?*

|                 | Q12a | To state regulatory bodies | To labour organizations | Skills development | To business associations | Expert dialogues |
|-----------------|------|----------------------------|-------------------------|--------------------|--------------------------|------------------|
| # visualised    | 128  |                            |                         |                    |                          |                  |
| # answered      | 120  |                            |                         |                    |                          |                  |
| % picked        |      | 81                         | 71                      | 63                 | 64                       | 68               |
| % picked 1      |      | 31                         | 23                      | 27                 | 7                        | 11               |
| % picked 2      |      | 28                         | 18                      | 13                 | 23                       | 14               |
| % picked 3      |      | 12                         | 12                      | 13                 | 20                       | 14               |
| % picked last   |      | 5                          | 7                       | 4                  | 4                        | 16               |
| <b>Ranking:</b> |      | 1st                        | 2nd                     | 3rd                | 4th                      | 5th              |

**Figure 14**

Q13: *When providing assistance to ensure that workers in partner countries benefit, should the EU take additional steps to ensure that such assistance does not exacerbate existing inequalities (including gender inequalities) between workers and the unemployed?*



a) From highest to lowest agreement

b) From highest to lowest disagreement

## 2.4 Policy coherence

Greater coherence among policy areas as well as actors involved at different levels of EU trade policymaking is supported by many survey respondents, with results indicating there is room for improving coherence by better coordinating policy actions at the EU and member state levels.

RESPECT research suggests that coherence between trade and development policy requires greater complementarity between the activities of the EU and its member states (Apiko et al., 2019). One-fourth of respondents (27%) are unfamiliar with the allocation of aid for trade provided by EU institutions and EU member states (*Figure 15*). Only 28% of respondents agrees that the EU and member states allocate aid-for-trade among themselves based on member states comparative strengths, 21% disagrees and 24% is neutral towards the statement. European respondents seem to agree less than non-European respondents. The difference in the level of agreement between the EU and non-EU sub-groups is the second highest in the whole survey (i.e., 16 percentage points). This difference appears to be driven by the share of neutral responses. Categories disagreeing the most are the Commission, international organizations, and EU government officials.<sup>14</sup>

RESPECT case studies suggest that comprehensive and structured planning of aid for trade needs at the regional level may result in politicization and reduce the flexibility needed for effective delivery of EU aid for trade support (Apiko et al., 2019). The case of the EU EPA with West Africa provides an example of the latter, as compared to the EU EPA with Botswana. The view of linking more closely aid for trade and the implementation of regional trade agreements seem to be favored by almost half (48%) of respondents (*Figure 16*). This view is supported by EU institutions, EU business associations and non-EU government officials. Whereas the highest shares of disagreement are expressed by “other” professional categories, international organizations, and medium firms. *Figure 17* also supports tying non-trade-related aid and investment support to the implementation of the non-trade objectives of trade agreements (i.e., 60% share of agreement in the sample).

Turning to trade and energy policy, RESPECT research concludes that the EU can achieve a better balance between its trade and renewable energy objectives by using the Union Interest provision in its trade remedies regulations (Puccio, 2020). *Figure 20* supports this view, as nearly 63% of respondents think that the EU should adopt a balancing test in the design of trade remedy investigations against imports that are deemed to be dumped or subsidized, to consider potential beneficial effects for the environment of the products concerned. Among the different professional categories, EU business associations, international organizations and small firms are those expressing the highest level of disagreements.<sup>15</sup>

The survey suggests a widespread support to monitor and streamline member states’ economic diplomacy. RESPECT research encourages transparency in export credit activities, to limit the competition among European and non-European Export Credit Agencies (ECAs) (Dawar, 2019; Dawar, 2020). About two-thirds of the sample (77%) agrees or strongly agrees that the Commission should do more to compile and report information on activities of ECAs

14 Interviews reported by Bondi (2022) suggest that trade policy should be supporting aid policy rather than the other way around and a need to adopt a comprehensive and explicit approach, harmonizing the different objectives promoted towards partner countries through different tools.

15 Interviews suggest two factors hamper greater coherence between trade and energy policy. The first is that agreements with major fossil fuel producers do not address the links. The second is that trade agreement provisions do not consider energy – e.g., services chapters. A thematic approach, bringing these issues together, might help reduce the overlap between the work of the EEAS and DGs (see Bondi, 2022).



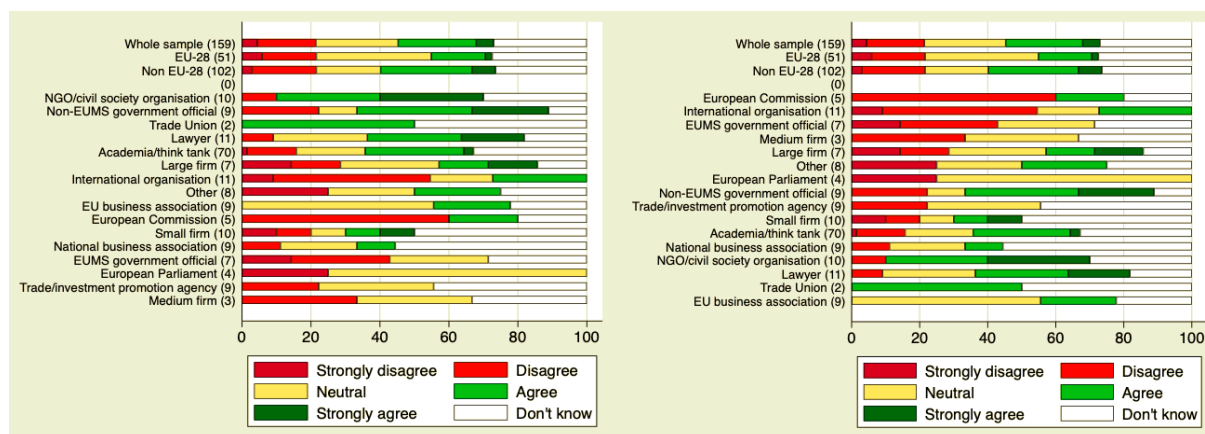
and evaluate their impacts (Figure 18). The highest level of disagreements is found among EU government officials (28.6%), followed by lawyers and trade and investment promotion agencies. Still, these results indicate that steps to increase transparency would be considered predominantly beneficial across the different professional categories. Respondents express a lower but still considerable level of support (67%) for establishing common European standards on export credit financing, with regard to Environmental, Social and Human Rights criteria that should apply when considering allocation of export support (Figure 19). A high share of disagreement is expressed by EU government officials, as in the previous question.

RESPECT research finds that EU Member States whose trade relationships with a partner country are less similar to the EU average tend to engage in more bilateral economic diplomacy activities (Fiorini et al., 2020). Trade structures diverging from the EU average might create incentives to exert idiosyncratic policy efforts not necessarily consistent with the Common Commercial Policy framework. Figure 21 shows that 63% of respondents agree that more resources should be allocated to assessment and monitoring of member states' economic diplomacy activities, to ensure that they complement the EU commercial policy. This view is favored more by partner countries than by European respondents, with a difference of almost 15% percentage points in the level of agreement of the two groups. The professional categories exhibiting higher shares of disagreement are EU government officials (57%), trade and investment promotion agencies (55.5%), and medium firms.

Figure 15

RESPECT research concludes that EU Member States and EU institutions have different priorities in the allocation of aid-for-trade programmes, but that this may be beneficial by generating complementarities and permitting specialization among providers of assistance (Apiko et al., 2019).

Q14: *In your view do member states and EU institutions consciously divide aid-for-trade priorities among themselves, based on member states' respective comparative strengths?*



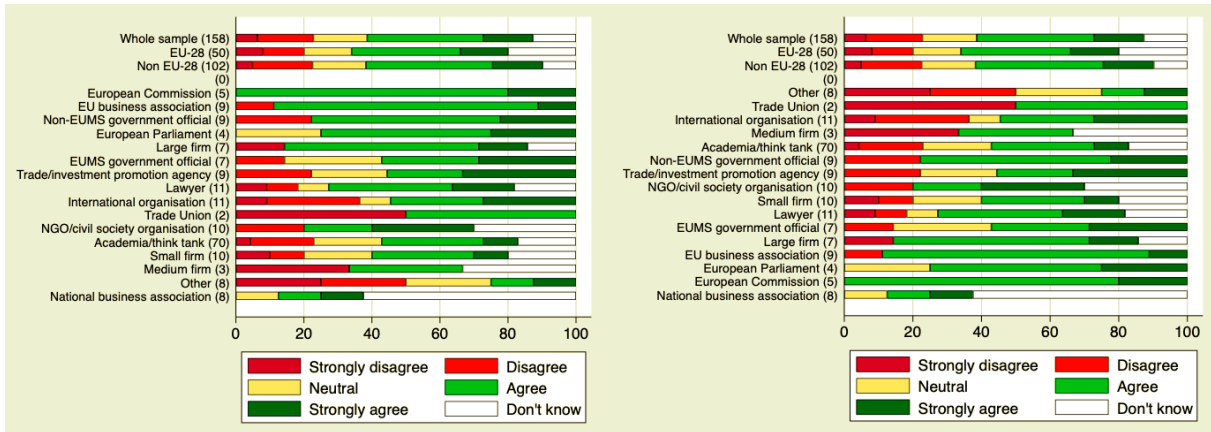
a) From highest to lowest agreement

b) From highest to lowest disagreement

**Figure 16**

Looking at Economic Partnership Agreements (EPAs) towards African countries, RESPECT research suggests comprehensive and structured planning of aid for trade needs at the regional level may result in politicization and reduce the flexibility needed for effective delivery of EU aid for trade support (Apiko et al., 2019).

Q15: *Should EU aid for trade be linked more closely to the implementation of regional trade agreements?*

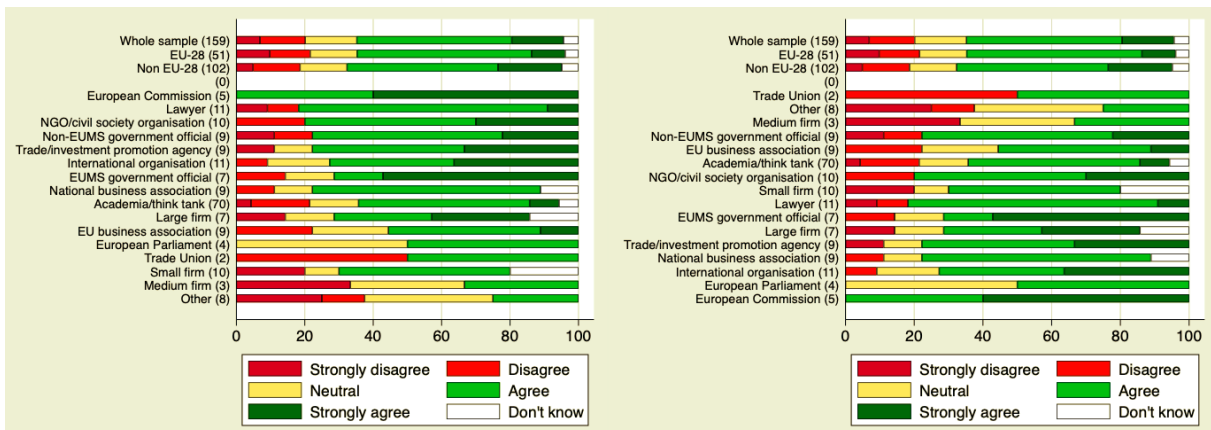


a) From highest to lowest agreement

b) From highest to lowest disagreement

**Figure 17**

Q16: *Should EU non-trade-related aid and investment support be more closely linked to the implementation of the non-trade objectives of trade agreements?*



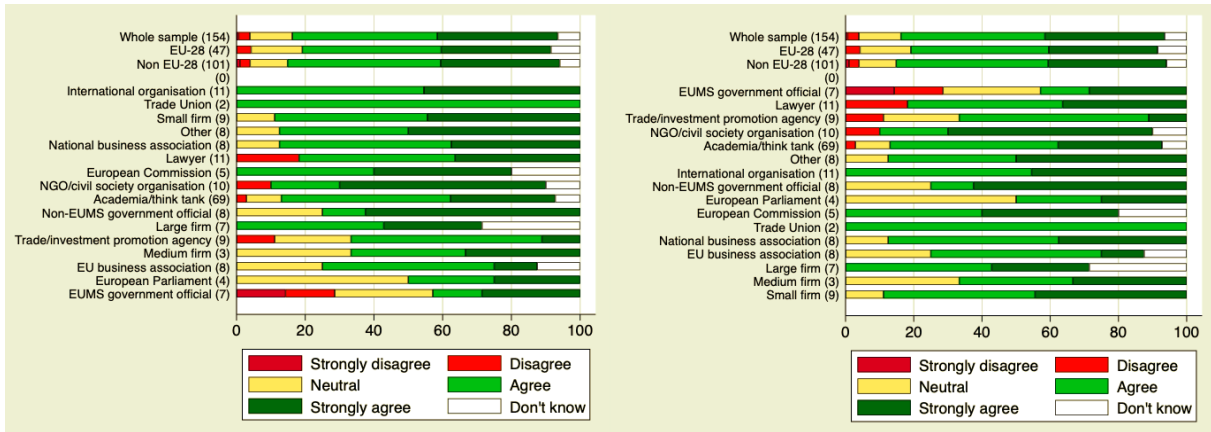
a) From highest to lowest agreement

b) From highest to lowest disagreement

**Figure 18**

Several EU Member States are major providers of support to exporters through Export Credit Agencies (ECAs) which compete with each other and ECAs in non-EU countries, including large emerging economies. RESPECT research suggests there is limited transparency and analysis of the criteria, magnitude and effect of export credit support (Dawar, 2019; Dawar, 2020).

*Q17: The European Commission should do more to compile and report information on activities of Export Credit Agencies and evaluate their impacts.*

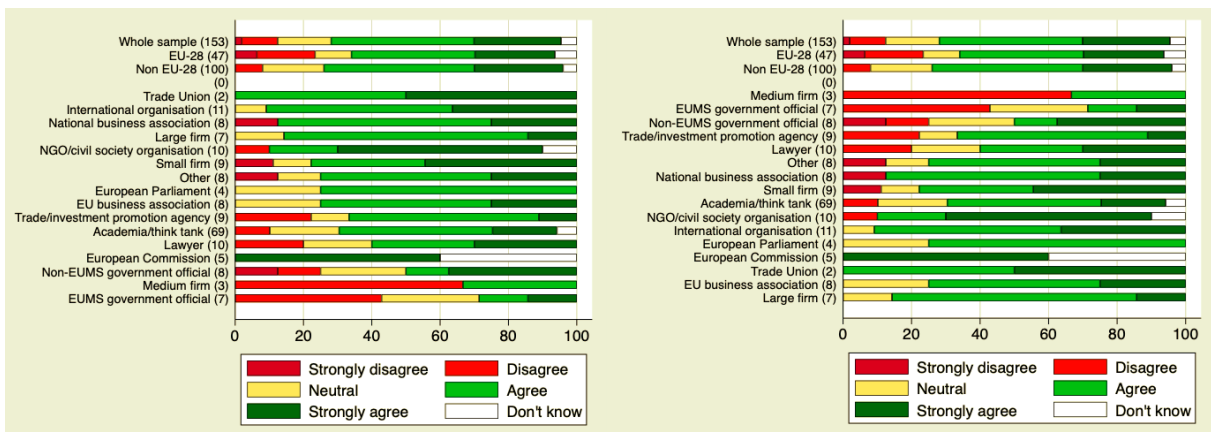


a) From highest to lowest agreement

b) From highest to lowest disagreement

**Figure 19**

*Q18: The EU should seek to establish common standards for Member States export credit financing activities with regard to Environmental, Social and Human Rights criteria that should apply when considering allocation of export support.*



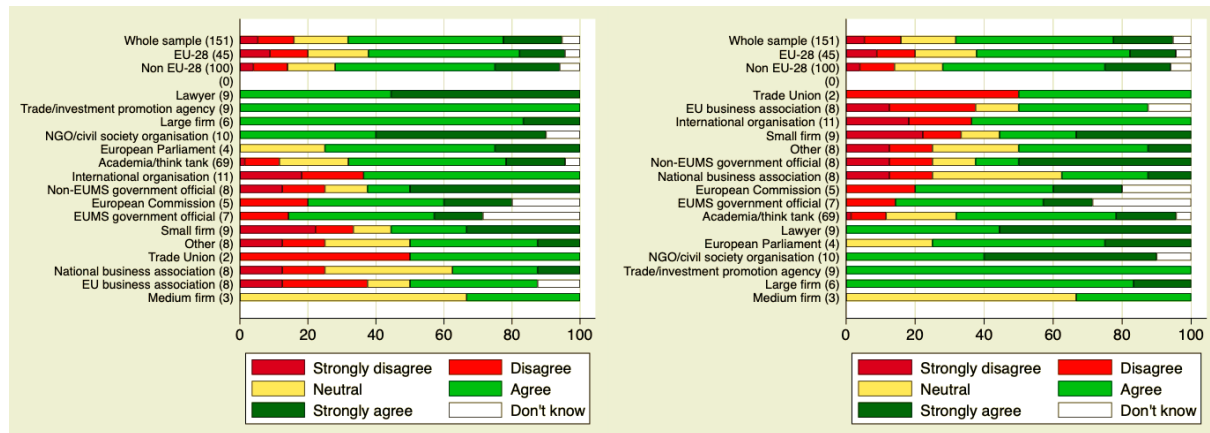
a) From highest to lowest agreement

b) From highest to lowest disagreement

**Figure 20**

Policy incoherence between trade and energy policy can arise when trade remedies are imposed on green subsidies. RESPECT research finds that the EU can achieve a better balance between its trade and renewable energy objectives by using the Union Interest provision in its trade remedies regulations (Puccio, 2020).

Q19: *Should the EU adopt an environmental balancing test in the design of trade remedy investigations against imports that are deemed to be dumped or subsidized, to take into account potential beneficial effects for the environment of the products concerned?*



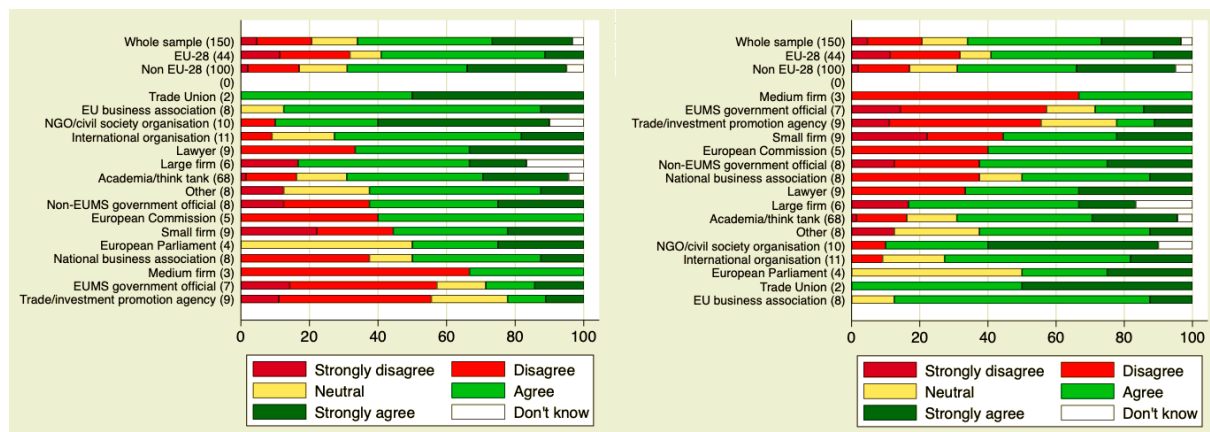
a) From highest to lowest agreement

b) From highest to lowest disagreement

**Figure 21**

RESPECT research finds that EU Member States whose trade relationships with a partner country are less similar to the EU average tend to engage in more bilateral economic diplomacy activities (Fiorini et al, 2020). Trade structures diverging from the EU average might create incentives to exert idiosyncratic policy efforts not necessarily consistent with the Common Commercial Policy framework.

Q20: *Should the EU increase resources to assess and monitor economic diplomacy activities – including export promotion – by EU Member States to ensure that national initiatives complement the EU Common Commercial Policy?*



a) From highest to lowest agreement

b) From highest to lowest disagreement

## 2.5 The role of the private sector

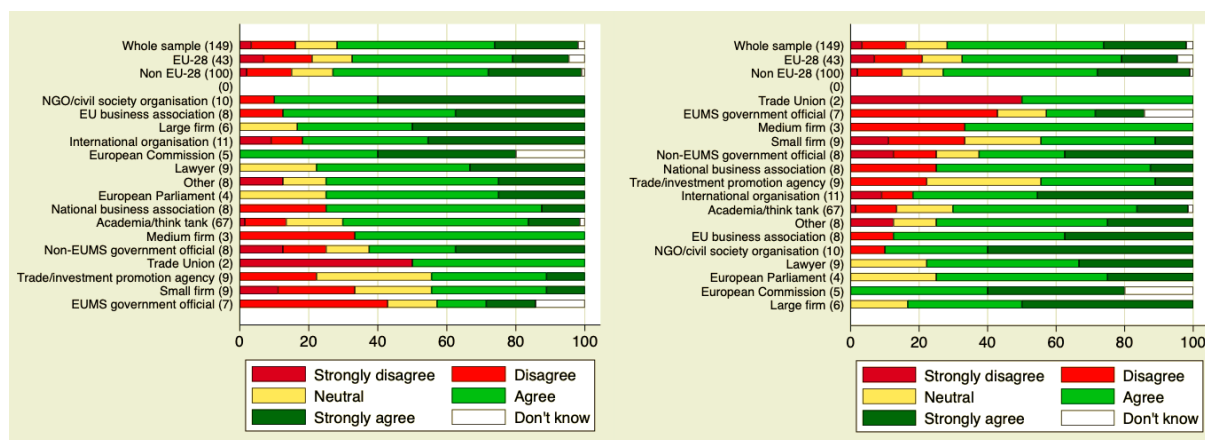
RESPECT research investigates the role of initiatives such as the Enterprise Europe Network (EEN) in achieving the EU’s sustainable trade agenda. Almost 70% of survey respondents favors stronger linkages between promoting commercial interests and development cooperation, to better achieve sustainable development objectives (Figure 22). The highest level of disagreement is expressed by government officials, medium and small firms. Whereas civil society organizations, EU business associations and large firms show higher levels of agreements. Table 5 shows that most respondents are unfamiliar with the Enterprise Europe Network. When asked how its functioning could be improved, those familiar with the EEN indicated that it could be used to collect feedback on EU trade policy. This is followed by fostering synergies with EU initiatives in low-income countries, strengthening social and environmental criteria and extend its geographical scope.

The survey reveals support for the proposal by the EU to promote NTPOs by incorporating and monitoring sustainability and business conduct standards in value chains (Figure 23). The level of agreement within the sample is 67.5% of respondents, with similar shares of agreement expressed by both EU and non-EU respondents. EU institutions, civil society organizations and large firms express the highest levels of agreement. However, a substantial minority of government and private sector respondents are less supportive of this idea. The highest level of disagreements is displayed by small and medium firms, national business associations and part of government officials. This question exhibits one of the highest differences between large and small firms in both their level of agreement and disagreement (i.e., a difference of 44 percentage points).

Figure 22

Private sector stakeholders have an important role in facilitating or inhibiting the promotion of non-trade policy objectives. RESPECT research shows that initiatives such as the Enterprise Europe Network (EEN) contributes to achieve the EU’s sustainable trade agenda but are not used in a fully consistent and strategic manner to pursue non-trade objectives and sustainable development goals (Van Seters and Bilal, 2020a; Van Seters and Bilal, 2020b).

Q21: *Should the EU strengthen linkages between promoting commercial interests and development cooperation, to achieve better sustainable development objectives?*



a) From highest to lowest agreement

b) From highest to lowest disagreement

**Table 5**

Q22: How can the use of the Enterprise Europe Network be improved?

|               | Q22 | Unfamiliar with the EEN | Collect feedback from businesses on trade policy | Synergies with EU initiatives in low-income countries | Strengthen social and environmental criteria | Extend geographical scope |
|---------------|-----|-------------------------|--|---|--|---------------------------|
| # answered    | 139 |                         |  |   |  |                           |
| % picked      |     | 52                      | 42   | 32  | 25   | 28                        |
| % picked 1    |     | 47                      | 29   | 10  | 9  | 5                         |
| % picked 2    |     | 0                       | 11   | 11  | 6  | 10                        |
| % picked 3    |     | 1                       | 2  | 9   | 5  | 6                         |
| % picked last |     | 1                       | 0  | 0   | 1  | 1                         |

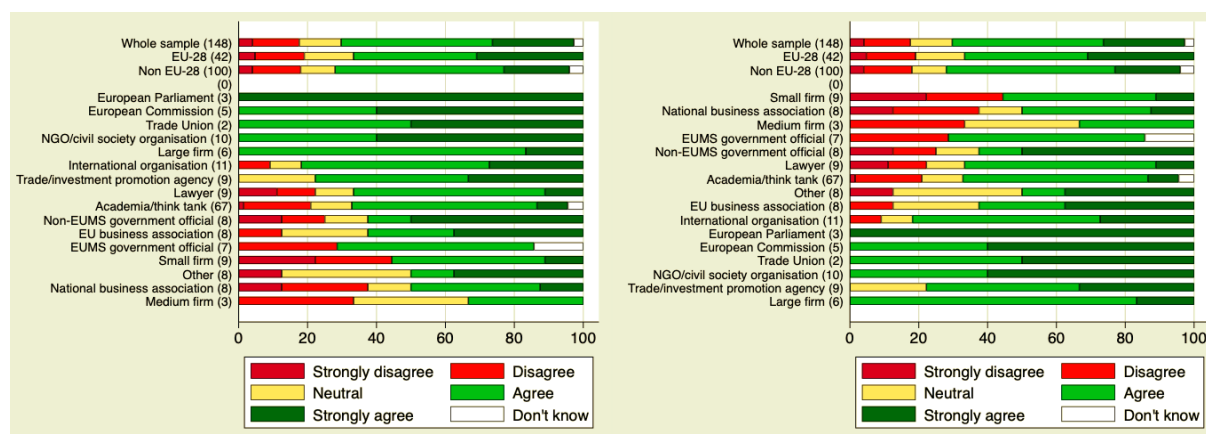
  

| Ranking: | 1st | 2nd | 3rd | 4th | 5th |
|----------|-----|-----|-----|-----|-----|
|          |     |     |     |     |     |

**Figure 23**

RESPECT research finds that EU trade agreements with environmental provisions have no effect on greenhouse gas emissions, unless corporations engaged in trade and production in the signatory countries adopt private standards for environmental protection (Di Ubaldo, McGuire and Shirodkar, 2022).

Q23: The EU should require and monitor responsible business conduct in Global Value Chains to realize non-trade objectives.



a) From highest to lowest agreement

b) From highest to lowest disagreement

## 2.6 Policy evaluation

The survey results support RESPECT research in suggesting a revision of Sustainability Impact Assessments (SIAs) to identify key priority non-trade issues in trade negotiations. Figure 24 shows that 72% of respondents agree with this proposition. The largest support is expressed by EU institutions, civil society organizations and large firms. A higher level of disagreement is expressed by EU member states.

When asked whether the EU effectively uses SIAs to identify areas to which aid for trade should be allocated, a large share of respondents indicate to be neutral or not to know (*Figure 25*). 33% of respondents in the sample agree and 19% express disagreement. This reflects the results reported in *Figure 15*, as regards the allocation of aid for trade among EU institutions and member states, and further suggests the need for greater transparency.<sup>16</sup>

Ex-ante SIAs and associated consultations are complemented by domestic institutions and civil society mechanisms to provide inputs and feedback on implementation of non-trade policy objectives in trade agreements. An example are the Domestic Advisory Groups (DAGs) that are intended to further the goals of the trade and sustainable development (TSD) dimensions of EU trade agreements. RESPECT research shows that the DAGs have limited impact and that stakeholders are disappointed with limited effectiveness of their engagement in them (Ashraf and Van Seters, 2020). Half of the respondents agrees that civil society consultation mechanisms in EU FTAs should cover the entire scope of the agreements, rather than being limited to Trade and Sustainable Development (TSD) chapters (*Figure 26*). When asked to identify and rank-order how the functioning of DAGs could be improved, the expansion of the mandate ranks fourth among the five available options (*Table 6*). This is preceded by providing channels to interact with implementing agencies and prioritizing sustainability and tracking of progress. The last option in the ranking is the provision of dedicated budget line for DAGs' operations. However, the most selected option is 46% of respondents declaring to be unfamiliar with DAGs.

The EU collects feedback from stakeholders via the Single Entry Point (SEP) on complaints on violations of FTAs violations (including TSD chapters) and GSP schemes. While the system requires to feed extensive information, one interviewee considers this appropriate and necessary not to put forward baseless accusations and reports a positive experience. Interviews indicate that to the extent that they are not concerned about retaliation, companies are active in reporting non-trade barriers, as they are clear to identify, but are less keen to report on non-trade issues – perhaps because importers may benefit from a lack of enforcement and exporters might not have an incentive to report violations.

The feedback gathered through the SEP is important guide enforcement decisions but might be accompanied by ex-post analysis of the processes that generate non-compliance with FTAs. *Figure 27* shows widespread support for basing enforcement decisions on ex-post analysis. Four fifths of respondents (82%) agrees that the Commission's increased emphasis on enforcement should be complemented by the analysis of the factors that result in inadequate implementation of trade agreements by EU partner countries. This is the second-highest level of agreement found in the survey.<sup>17</sup>

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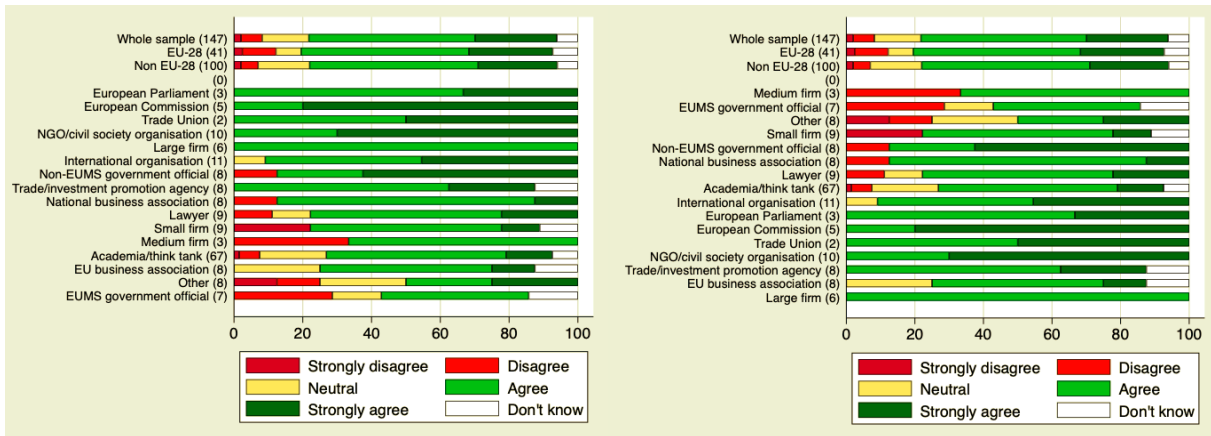
16 Interviews reported in Bondi (2022) suggest that aid for trade could be used more effectively to steer policy goals, but this requires ex-ante analysis of the unintended negative consequences that could come from introducing new requirements in partner countries.

17 The importance of using ex-post analysis to guide policy is supported by interviews, which identify cost-benefit and economic analysis as useful tools.

**Figure 24**

RESPECT research (Rojas-Romagosa, 2021; Hoekman and Rojas-Romagosa, 2022) finds that the coverage of non-trade issues in EU trade Sustainability Impact Assessment reports and associated consultations has substantially increased over time, but that there is insufficient effort to identify priority areas of concern for negotiators and design of flanking policies.

Q24: *The Commission should revise impact assessments to identify key priority non-trade issues in a given trade negotiation.*

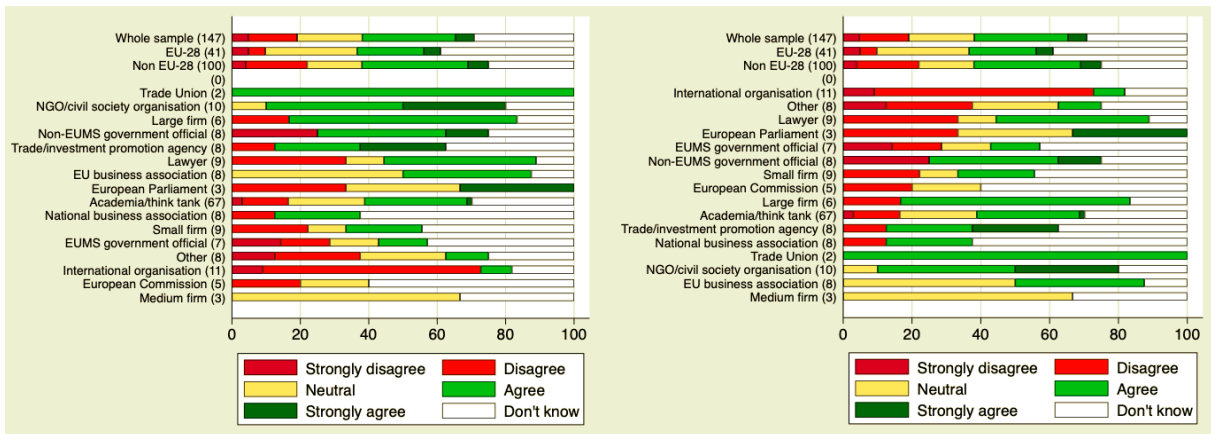


a) From highest to lowest agreement

b) From highest to lowest disagreement

**Figure 25**

Q25: *Is effective use made of sustainability impact assessments to identify areas to which aid for trade should be allocated?*



a) From highest to lowest agreement

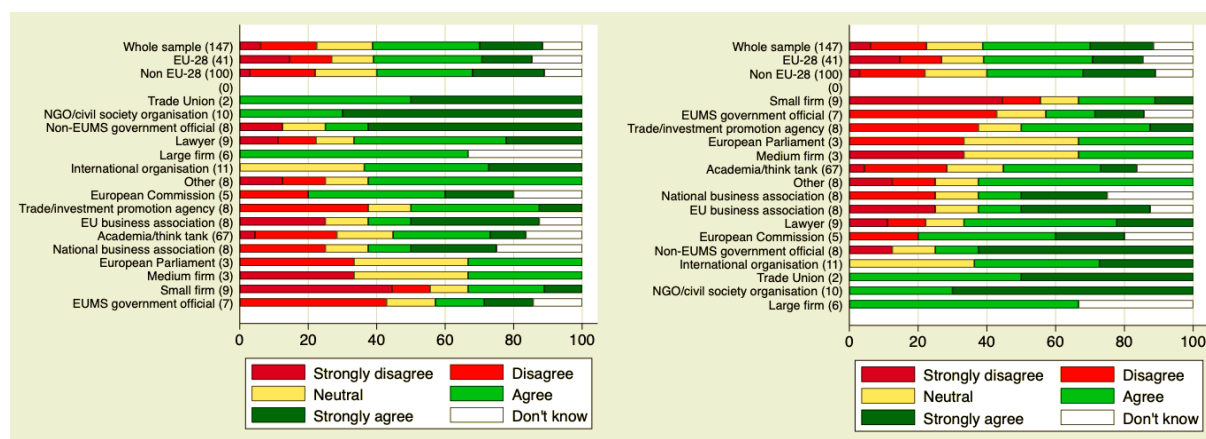
b) From highest to lowest disagreement



**Figure 26**

Domestic institutions and civil society mechanisms, such as the Domestic Advisory Groups (DAGs), can act as instruments to further sustainability dimensions of EU trade agreements. RESPECT research shows that the DAGs have limited impact and that stakeholders are disappointed with the limited effectiveness of their engagement in them (Ashraf and Van Seters, 2020).

*Q26: Should civil society consultation mechanisms in EU FTAs cover the entire scope of the agreements, rather than being limited to trade and sustainable development (TSD) chapters?*



a) From highest to lowest agreement

b) From highest to lowest disagreement

**Table 6**

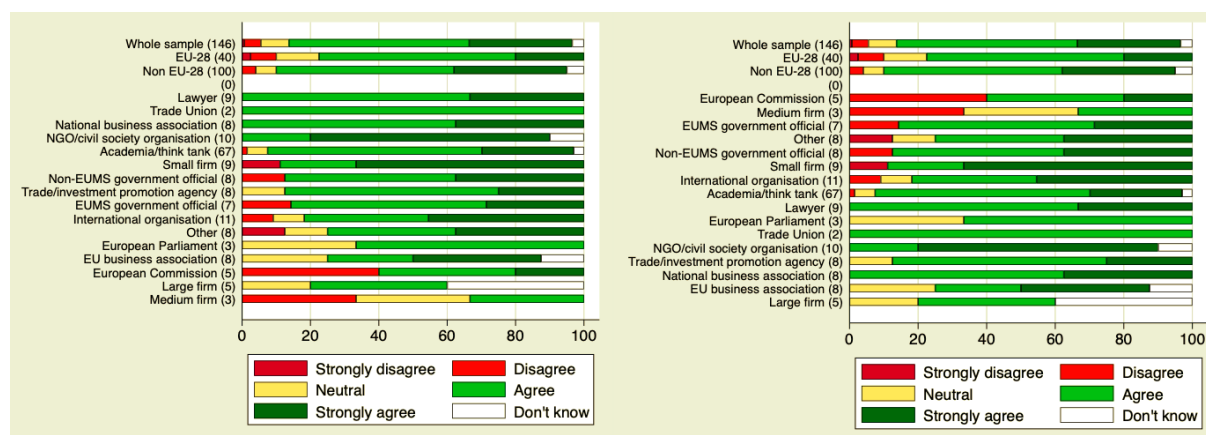
*Q27: How can the effectiveness of Domestic Advisory Groups in furthering sustainability dimensions be improved?*

|               | Q27 | Unfamiliar with DAGs | Channels to interact with implementing agencies | Prioritization of sustainability and tracking of progress | Mandate to cover all FTAs provisions | Budget line for DAGs operation |
|---------------|-----|----------------------|---|---|--------------------------------------|--------------------------------|
| # answered    | 138 |                      |   |   |                                      |                                |
| % picked      |     | 46                   | 43  | 38  | 25                                   | 25                             |
| % picked 1    |     | 41                   | 20  | 21  | 13                                   | 4                              |
| % picked 2    |     | 1                    | 17  | 9   | 4                                    | 8                              |
| % picked 3    |     | 0                    | 3   | 4   | 5                                    | 9                              |
| % picked last |     | 3                    | 0   | 0   | 0                                    | 0                              |
| Ranking:      |     | 1st                  | 2nd   | 3rd   | 4th                                  | 5th                            |

**Figure 27**

The European Commission is scaling up its effort to improve enforcement of EU trade agreements as regards both market access barriers and non-trade provisions. This process is being led by a Chief Trade Enforcement Officer.

Q28: *Does this increased emphasis on enforcement of trade agreements need to be complemented by analysis of the factors that result in inadequate implementation of trade agreements by EU partner countries?*



a) From highest to lowest agreement

b) From highest to lowest disagreement

## 2.7 General patterns of responses

Patterns of responses to the survey suggest three main take-aways. First, EU and non-EU respondents converge in their responses throughout the survey. The average difference in their level of agreement is 6 percentage points, while the average difference in their levels of disagreement is 4.5 percentage points.<sup>18</sup> The difference in level of agreement more than doubles the average value in Question 6 (Figure 8), Question 14 (Figure 15) and Question 25 (Figure 25). These questions reveal very high shares of neutrality or lack of knowledge on the issue concerned (i.e., whether non-trade provisions in trade agreements should be limited to economic regulation and environmental protection and allocation of aid for trade).

As for the level of disagreement, the average difference is more than doubled in Question 18 (Figure 20), Question 20 (Figure 21) and Question 25 (Figure 25). The first two concern the formulation of standards for European export credit financing and monitoring of member states' economic diplomacy activities. In both cases, EU respondents express a higher level of disagreement than non-EU respondents. This is driven by the opinions of EU member states and export credit agencies. Thus, we can conclude that a great level of convergence is found among the two groups. The instances of greatest divergence concern questions indicating the need for greater transparency in EU policymaking and regarding coherence among EU institutions and member states' economic activities.

<sup>18</sup> These numbers are obtained by computing the differences between the level of agreement (in percentages) of the categories "EU-28" and "non-EU-28" for every question. We average the absolute values of these differences for the 26 questions presenting a Likert scale answer structure.

Second, we observe divergence among private sector respondents, particularly between small and large firms. Small firms' responses tend to be more similar to those provided by medium firms. Instead, the difference between large and medium firms is, on average, higher than the difference between large and small firms. We should notice that the group of medium firms is smaller than the other two. For this reason, we will now focus on the differences between large and small firms, presenting the topics on which they tend to converge and diverge more.

High differences in level of agreement are found in Question 9 (Figure 10), Question 28 (Figure 27), Question 19 (Figure 20), Question 23 (Figure 23) and Question 25 (Figure 25).<sup>19</sup> Differences for Question 9, concerning the GSP+, Question 25, on aid allocation, and Question 28, concerning enforcement decisions, are driven by a relatively high shares of one category selecting "don't know". The other two questions concern monitoring responsible business conduct through value chains and designing an environmental balancing test in trade remedy investigations. In both cases, small firms exhibit lower levels of agreement than large firms. Question 23, on due diligence, is one of the questions for which the two groups exhibit the highest difference in level of disagreement, preceded by Question 26, concerning the expansion of the DAGs' mandate. We observe the lowest difference in the levels of agreement and, thus, greater convergence among the two groups, in Question 10 (Figure 11), on expert dialogues.

Business associations at the EU and national level tend to converge more than different firms. The highest differences in terms of agreement are observed in Question 15 (Figure 16), Question 20 (Figure 21) and Question 28 (Figure 27). Question 15 concerns linking aid for trade to the implementation of regional trade agreements. The difference between the two groups is driven by the share of "don't know" among national business associations. Question 20 concerns monitoring member states' economic diplomacy and encounters less agreement by national business associations. This is the question for which we observe the highest difference in the level of disagreement between the two groups. EU business associations express higher levels of neutrality and lack of knowledge than national business associations for Question 28. National business associations tend to disagree more than European business associations when it comes to monitoring business conduct in supply chains, as shown in Figure 23 (Question 23).

Third, respondents from the European Commission tend to agree the most with respondents from international organizations, academia, and non-EU government officials. EU officials agree less with respondents associated with medium-sized firms, EU government officials and trade unions (Table 7). Similarly, Table 8 shows that the Commission disagrees more with respondents from trade unions, medium-sized firms and EU member state governments.<sup>20</sup> Moreover, Commission officials disagree the least with the European Parliament, large firms and academics.

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19 High degree of difference defined as 20 percentage point or more than the average difference.

20 Tables 7 and 8 show similar patterns when combining respondents from civil society organizations with those affiliated with trade unions, aggregating across all three firm size categories and combining all business associations.

**Table 7. Who agrees more with the European Commission?**

| <i>a) All professional categories</i> |  | <i>b) Grouping professional categories</i> |  |
|---------------------------------------|--|--|--|
| <b>Professional category</b>          | <b>Average <math>\Delta</math><br/>in share of<br/>agreement<br/>(%)</b> | <b>Professional category</b>               | <b>Average <math>\Delta</math><br/>in share of<br/>agreement<br/>(%)</b> |
| International organization            | 18.93  | International organization                 | 18.93  |
| Academia/think tank                   | 20.48  | Academia/think tank                        | 20.48  |
| Non-EUMS government official          | 21.27  | Non-EUMS government official               | 21.27  |
| Lawyer                                | 21.44  | Lawyer                                     | 21.44  |
| European Parliament                   | 21.86  | European Parliament                        | 21.86  |
| EU business association               | 22.07  | Business associations                      | 23.05  |
| Large firm                            | 23.30  | Trade/investment promotion<br>agency       | 23.46  |
| Trade/investment promotion<br>agency  | 23.46  | Other                                      | 26.07  |
| National business association         | 24.03  | Civil society                              | 26.67  |
| Small firm                            | 25.18  | Firms                                      | 27.04  |
| NGO/civil society organization        | 25.79  | EUMS government official                   | 28.37  |
| Other                                 | 26.07  |  |  |
| Trade union                           | 27.56  |  |  |
| EUMS government official              | 28.37  |  |  |
| Medium firm                           | 32.63  |  |  |

Note: The average difference ( $\Delta$ ) for each professional category is computed by subtracting the share of agreement expressed by each category from the share of agreement expressed by the European Commission for every question, in absolute value. We then compute the average of the 26 differences obtained.

**Table 8. Who disagrees more with the European Commission?**

| a) All professional categories    |   | b) Grouping professional categories |   |
|-----------------------------------|---|-------------------------------------|---|
| Professional category             | Average $\Delta$ in share of disagreement (%) | Professional category               | Average $\Delta$ in share of disagreement (%) |
| Trade union                       | 23.72   | EUMS government official            | 22.85   |
| Medium firm                       | 23.33   | Civil society                       | 21.28   |
| EUMS government official          | 22.85   | Firms                               | 19.96   |
| Small firm                        | 20.16   | Non-EUMS government official        | 18.94   |
| EU business association           | 19.43   | Business associations               | 18.92   |
| Non-EUMS government official      | 18.94   | International organization          | 18.88   |
| International organization        | 18.88   | Lawyer                              | 18.07   |
| NGO/civil society organization    | 18.85   | Other                               | 18.03   |
| National business association     | 18.40   | Trade/investment promotion agency   | 17.81   |
| Lawyer                            | 18.07   | Academia/think tank                 | 17.41   |
| Other                             | 18.03   | European Parliament                 | 15.45   |
| Trade/investment promotion agency | 17.81   |                                     |   |
| Academia/think tank               | 17.41   |                                     |   |
| Large firm                        | 16.40   |                                     |   |
| European Parliament               | 15.45   |                                     |   |

Note: The average difference ( $\Delta$ ) for each professional category is computed by subtracting the share of disagreement expressed by each category from the share of disagreement expressed by the European Commission for every question, in absolute value. We then compute the average of the 26 differences obtained.

## Conclusion

The first RESPECT survey gathered respondents' views and perceptions on EU trade and external policies and the instruments used to pursue non-trade policy objectives. The second survey that is the focus of the present paper sought to collect feedback on specific RESPECT research findings. Apart from showing the extent to which stakeholders and practitioners agree with research findings, the survey identifies policy tools and issue areas for the EU to focus on in pursuing NTPOs in its reviewed trade policy.

The survey results suggest there is strong support for a differentiated approach in the pursuit of non-trade policy objectives through the EU trade policy. The implications are two-fold. First, trade policy tools need to be complemented by non-trade instruments to attain non-trade policy

goals. An large majority of respondents support the proposition that the EU should use expert dialogues and regulatory cooperation more extensively to promote NTPOs. Further, the survey shows widespread support for plurilateral agreements as a complement for trade agreements and suggests that the fight against climate change should be prioritized. As two-thirds of the respondents in the sample qualify as non-European, this suggests large support by trading partners in achieving multilateral solutions to reduce greenhouse gas emissions. There is also support for the proposal by the EU to promote NTPOs by incorporating and monitoring sustainability and business conduct standards in value chains, although a substantial minority of government and private sector respondents are less supportive of this idea. Support is also found for including provisions on technical assistance in trade agreements, with the idea that primary recipients should be state regulatory bodies. Such assistance should not exacerbate existing inequalities in partner countries.

Second, the EU should adapt its approach to the prevailing circumstances in partner countries, rather than applying the same standards in all its reciprocal trade agreements. More than half of the respondents consider that trade agreements should focus more on economic regulation and environmental protection rather than encompassing a broad range of non-trade issues. Almost half of respondents agree that the EU should limit negotiations with large trading partners to agreements falling under the Commission's exclusive competences. As for developing countries, more than half of the respondents consider that non-trade standards could be extended in the GSP+, for instance by granting deeper preferences for green products.

The survey reveals significant support for the conclusion that there is room for improving policy coherence, including coordinating policy actions at the EU and member state levels. A majority of respondents is neutral or disagrees that non-trade instruments are integrated effectively by the European Commission in the implementation of EU commercial policy; most indicate agreement with the suggestion the EU should do more to link development assistance to NTPOs found in trade agreements. Most respondents also are neutral or disagree there is a division of labor (specialization) across EU actors (including member states) in the use of non-trade instruments. More than half of respondents support a greater monitoring of economic diplomacy activities to ensure that national initiatives complement European ones. The majority of respondents also thinks that the Commission should do more to compile information on Export Credit Agencies and evaluate their impacts. Further, common European standards for export credit allocation would be needed with regard to environmental, social and human rights criteria.

The survey supports improving ex-ante and ex-post policy evaluation mechanisms. Most respondents are of the view that EU sustainable impact assessments should focus more on identifying a subset of priority NTPOs and serve as a tool for programming aid to target these NTPOs. Four-fifths of respondents agrees that the EU should consider the extent and effectiveness of assistance provided by EU member states and EU institutions when enforcing trade agreement provisions. A similar proportion supports the suggestion that before launching enforcement procedures the EU should ascertain and consider the reasons why a partner country has not implemented non-trade commitments. This suggests the importance of grounding trade-policy decisions on evidence-based and ex-post analysis. This could also better inform responses on topics which stakeholders showed limited experience with, such as the reasons behind the trade effects observed after the GSP reform in 2014.

A significant share of responses indicates limited knowledge of some of the key instruments used by the EU to pursue NTPOs. Many respondents are unfamiliar with the allocation of aid for trade provided by EU institutions and EU member states. Almost half of respondents do not know about domestic advisory groups and their role in providing inputs and feedback on the

implementation of TSD chapters in EU trade agreements. Similarly, half of respondents are unfamiliar with the Enterprise Europe Network (EEN). Those respondents that declare to be familiar with the EEN consider that using it as a channel to collect feedback from businesses on trade policy would greatly contribute to improving its functioning. This suggests the importance of increasing awareness among stakeholders about the channels for their participation in EU trade policymaking.

The survey also reveals some patterns across types of respondents. First, we find convergence between EU and non-EU respondents throughout the survey. Second, private sector respondents seem to express diverging opinions. When accounting for the number of respondents in each professional category, we find the most noticeable differences between small and large firms. Business associations tend, instead, to express similar opinions. We also find that the groups which are closer to the Commission's responses are international organizations, whereas the ones that express more different views are member state government officials. This is consistent with the need to foster greater policy coherence.

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