

EU Trade and Development Policy and the Emerging Economies: Subordinating Developmental to Commercial Imperatives in the Reform of GSP

Gabriel Siles-Brügge
Politics
School of Social Sciences
University of Manchester
Oxford Road
Manchester, M13 9PL
UK

gabriel.siles-brugge@manchester.ac.uk

Draft. Please do not cite without permission. Comments welcome!

*Paper presented at the 'EU and Emerging Powers' Conference, 29-30 April, 2013,
European Parliament, Brussels.*

ABSTRACT

Following the stagnation of the negotiations with the Africa, Caribbean and Pacific (ACP) group of states, the centrepiece of the EU's trade and development strategy has been a reform of the Generalised System of Preferences (GSP). Although policymakers in the European Commission's Directorate-General (DG) for Trade have argued the need to 'refocus' these preferences on the most needy, this paper argues that the reform is actually aimed at increasing EU leverage in Free Trade Agreement (FTA) negotiations with emerging economies. These will lose significant preferential access to the EU market following the entry into force of the new regulation (in 2014) without much gain accruing to the supposed beneficiaries ('vulnerable' and least developed economies). The GSP reform is part of a broader 'reciprocity' agenda being pursued in the context of the current economic crisis. This is about ensuring the EU possesses sufficient offensive *leverage* in on-going trade negotiations, rather than representing any mercantilist move towards greater domestic protection. In arguing that the EU's developmental trade agenda is increasingly subordinated to commercial imperatives, this paper adds grist to a literature that has emphasized the political economy (rather than institutional) drivers of EU trade and development policy – in particular the influence of exporters.

INTRODUCTION

The European Union (EU) has recently introduced a series of changes to its Generalised System of Preferences (GSP) scheme which promise to make this arrangement a key plank of its trade and development policy arsenal. Originally authorised by a meeting of the contracting parties of the General Agreement on Tariffs and Trade (GATT) in 1968, GSP was seen as the key component of the ‘special and differential treatment’ offered to developing countries in the context of calls for a New International Economic Order (see White 1975: 547-8; Whalley 1990: 1319-21). By way of derogation from the Most-Favoured-Nation (MFN) principle – authorised by the 1979 Enabling Clause of the GATT – the idea was for developed economies to (unilaterally) offer preferential duty rates to any developing country in order to assist in their development. However, in both the case of the United States (US) and EU, GSP has not lived up to its full potential, either because it was burdened with ‘conditionality’ (in the US’s case) or because it was seen as secondary to the EU’s scheme of preferences for African, Caribbean and Pacific (ACP) states under the Lomé Conventions (Heron forthcoming: Ch. 2). In this vein, the EU’s recent self-professed attempts to ‘refocus’ GSP preferences ‘on those countries most in need’ (European Commission 2012a: 2) – while its negotiations with ACP countries on a successor arrangement to Lomé have stagnated – has to be read as a rebalancing of priorities in favour of GSP.

In this paper I challenge the view that these changes (which are due to kick in from January 2014) represent a boon for developing countries. Under the GSP reform all upper-middle-income countries will lose eligibility for preferences, while a whole host of products (mostly from emerging economies) will also be graduated (i.e. no longer eligible for preferences). Although the European Commission’s Directorate General (DG) for Trade has justified these changes in terms of providing the poorest (Least Developed Countries [LDCs] and so-called ‘vulnerable’ economies) with the space to develop their export markets, the fact remains that the biggest beneficiaries of the change are likely to be more developed economies. What is more, it is rather odd that the Commission is seeking to develop a model of poverty-reduction based on non-reciprocal trade preferences when it abandoned such a model in the case of the ACP group in favour of reciprocal trade deals, the so-called Economic Partnership Agreements (EPAs) (see, in particular the seminal ‘Green Paper on EU-ACP Relations’, European Commission 1996). Although the idea of ‘differentiating’ between developing countries is not entirely new to EU trade policy, the lack of a coherent development rationale for the recent GSP changes begs two important questions. Firstly, what is driving this reform

of the scheme and, secondly, what does this reform say about the broader ‘trade-development’ nexus in EU policy that authors have begun explicitly writing about (e.g. Faber and Orbie 2009a; Orbie 2012; Peterson and Young 2013)? My argument, in a nutshell, is that the GSP reform is driven by commercial interests to which developmental considerations have been subordinated.

This paper aligns itself with a number of authors who have challenged an overly institutionalist reading of this nexus as a set of conflicts between competing institutions within the EU – especially between the European Commission’s Directorates-General (DGs) for External Trade and Development. By emphasising bureaucratic competition such accounts have tended to view the trade-development nexus as a confluence of different ‘policy sub-systems’ within the EU (Peterson and Young 2013). This has served to underscore the rhetoric of policymakers who have been keen to stress the differences between supposedly ‘developmental’ and ‘commercial’ trade policymaking. My specific empirical contribution that the GSP proposals subordinate developmental to commercial trade objectives thus adds to findings that commercial imperatives – and in particular the wishes of exporters – are increasingly important determinants of the trade and development policies pursued by the Commission. DG Trade, after all, already assumed responsibility for all trade relations with developing countries from DG Development over a decade ago. By developing a broader political economy of EU trade and development policy (see Heron and Siles-Brügge 2012) I am also able to situate these developments within the broader post-crash landscape, where policymakers in DG Trade are increasingly concerned with showing that trade (liberalisation) ‘works’. Indeed, their policy discourse of late has been rife with an emphasis on ‘reciprocity’ (see, for example, European Commission 2010c). Although this may seem at first like a turn to mercantilism and the interests of protectionists, a closer reading of EU policy as well as interviews with European Commission officials¹ suggest that reciprocity is actually about enhancing EU trade negotiating *leverage*. In this vein, I interpret the GSP reform as (just one) attempt to recapture lost leverage with emerging economies, who are perceived to be getting a ‘free lunch’ at the EU’s expense.

¹ This paper draws on interviews with European Commission officials and interest group representatives conducted in Brussels in September-October 2009, May 2011 and January 2013. References to these have been anonymised at the request of the interviewees.

The remainder of the paper is structured as follows. In the second section I provide an overview of the entwinement of EU trade and development policy (including the period since the crisis) and how this has been studied in recent literature, explicit plumping for an approach that goes beyond the study of the institutions of EU trade and development governance. The next section describes the GSP reform before challenging the Commission's given rationale, arguing instead that the new regulation has to be interpreted as a move to subordinate developmental policy objectives to the needs of enhancing trade-negotiating leverage. The fourth section then turns to the interest group politics behind the drafting and approval of the GSP reform, finding that the views of exporters were privileged over those of importers, import-competing sectors and development-minded Non-Governmental Organisations (NGOs). The final section concludes, offering some thoughts on the need to be aware of the exposure of development policy to commercial imperatives.

THE ENTWINEMENT OF EU TRADE AND DEVELOPMENT POLICY²

When speaking of the relationship between trade and development in an EU context, the focus of scholarly accounts has traditionally been the EU's relationship with the ACP group (see, for example, Grilli 1993; Holland and Doidge 2012). This has often been seen as the flagship of EU development policy in the sense that it represents the EU's symbolically most significant and (arguably up to the late 2000s) economically most generous set of arrangements with developing countries. The first Lomé Convention of 1975 was particularly significant in this respect, establishing a system of non-reciprocal trade preferences and (for the ACP) profitable commodity protocols, which established prices in excess of market rates in key products. The system lasted until it was challenged in the GATT/WTO in the 1990s for discriminating amongst developing countries. This led the EU to plump for a system of regional, reciprocal trade agreements in the Cotonou Agreement: the so-called Economic Partnership Agreements (EPAs). Negotiations on these agreements have been ongoing since 2002, with the EU signing a full agreement with the Caribbean in 2008 and a number of interim (goods-only) agreements with several countries concerned with losing their market access to the EU after the expiry of the Lomé waiver in 2007 (Heron and Siles-Brügge 2012; for more on the history of EU-ACP relations, see Ravenhill 1985; Holland and Doidge 2012: Ch. 2).

² In this section, I draw on interviews with European Commission officials, Brussels, September-October 2009.

These changes notwithstanding, the idea of a development ‘partnership’ supposedly underpinning the EU’s relationship with the ACP has been a constant feature of the EU’s development discourse. This was emphasised most strongly under the Lomé Convention, seen at the time as examples of a new form of relationship between developed and developing economies worthy of the New International Economic Order the latter had been clamouring for during the 1970s (e.g. Alting von Geusau 1977). More recently, Commission policymakers have been keen to stress that the EU’s commercial and developmental trade policies are driven by distinct logics. The EU’s first and only full EPA signed to date with the Caribbean region has thus been described – in a manner reminiscent of the rhetoric surrounding the original Lomé Convention – as

very different from every other trade agreement negotiated up to now between developed and developing countries. This comprehensive approach is what constitutes the development dimension of the EPA and all the provisions of the EPA are designed to support it (European Commission 2009: 1).

In a similar vein, some of the scholarly literature on the issue has also sought to emphasise the existence of distinct trade ‘policy sub-systems’ within the EU (the term is from Peterson and Young 2013). This is because much of the focus of existing accounts has been on the institutional determinants of policy. Stress has often been placed on the *functional* differentiation between two distinct sets of bureaucracies (DG Trade and DG Development) – involved in prolonged ‘turf wars’ (Stevens 2000; see also Elgström and Pilegaard 2008; van den Hoven 2008; Faber and Orbie 2009a) – as well as the changing balance of powers between various EU institutions following Treaty changes, including the establishment of the European External Action Service (EEAS) (e.g. Woolcock 2012: 150-64). This is not to say that the trade-development nexus has not been considered, or indeed that commercial considerations have been seen to be absent from development policymaking. Maurizio Carbone (2008), for instance, writes of Member States’ commercial interests in the case of the ‘Everything But Arms’ (EBA) initiative – which since 2001 offers all LDCs duty-free-quota-free access to the EU market – and EU-ACP trade relations. However, even where it recognises the existence of such a thing as a ‘trade-development nexus’, this literature tends to emphasise its institutional roots. The reorganisation of the Commission in 1999, which saw DG Trade assume responsibility for trade negotiations with ACP states from DG Development, is thus often depicted as a key moment, with DG Trade playing a key role in

driving forward the Cotonou reform of the EU-ACP relationship (e.g. Ravenhill 2004: 130-1; Holland and Doidge 2012: 104, 130).

If we want to get to the bottom of the 2012 GSP reform, however, it is clear that we have to move beyond such institutional determinants of policy and a view of distinct policy ‘sub-systems’. DG Trade, after all, has already long assumed responsibility for such policy decisions. If anything, the focus on institutional reorganisation has had a tendency to overstate the ‘distinctiveness’ of the EU’s developmental and commercial trade relations – which also features prominently in Commission rhetoric on the issue. The broader problem is that much of the existing literature downplays the broader political economy of EU trade and development relations (for a fuller version of this argument, see Heron and Gabriel Siles-Brügge 2012). More specifically, institutionalist accounts have often neglected the ‘domestic-societal’ and ‘systemic’ drivers of policymaking identified in the broader International Political Economy (IPE) literature on trade. Not sufficient attention is paid to either the distributive politics of liberalisation – which leads to the emergence of interest group politics on the basis of collective action (see Olson 1965) – or to the ‘systemic’, global context within which trade policy decisions are made (for a similar argument, see Dür 2008; Sbragia 2010).

Informed by such insights, a number of authors have begun to argue that the entwinement of EU trade and development is increasingly driven by commercial imperatives (e.g. Icaza 2010; Bishop 2011; Langan 2011; Heron and Siles-Brügge 2012). The focus of such accounts has often been on the EU-ACP relationship, in particular the negotiations over EPAs. These in themselves represented an important shift in the relationship between the EU and its ACP trade partners. Originally foreseen by the 2000 Cotonou Agreement, they represented a distinct move away from the principle of non-reciprocity embodied by the previous Lomé Convention. In essence, the Commission chose to abandon this model of trade-based development in the wake of the unfavourable ‘banana dispute’ rulings at the WTO, adopting a formula of regional FTAs with several sub-groupings of ACP countries. One can already see an entwinement between EU ‘commercial’ trade policy and EU-ACP relations at this stage. There is evidence to suggest that the Commission found it expedient to settle a dispute at the WTO that potentially threatened its offensive export interests in the upcoming Doha Round by finding a WTO-compliant alternative to Lomé (Hurt 2012; Heron and Siles-Brügge 2012: 255-6; Siles-Brügge forthcoming: Ch. 5).

However, the significance of the EPAs for the trade-development nexus is argued to be most significant under the tenure of Trade Commissioner Peter Mandelson, who began pursuing the EPAs with renewed vigour after a period of neglect under Lamy. More broadly, this development dovetailed with a new commercial trade strategy that emphasised the pursuit of market access (especially regulatory liberalisation) in emerging markets (Heron and Siles-Brügge 2012; see also Siles-Brügge forthcoming). With the ‘Global Europe’ strategy (announced in October 2006), the EU was effectively abandoning its previous policy of ‘multilateralism-first’ by seeking bilateral free trade agreements with Latin American and (especially) South and East Asian economies (including India, South Korea and members of the Association of South East Asian Nations [ASEAN]). A crucial role was played here by ‘domestic-societal’ pressure from exporters who, fearing ‘systemic’ competition for markets from EU rivals (especially the US and Japan), pushed the Commission to seek wide-ranging (and often discriminatory) regulatory liberalisation provisions. Although ‘Global Europe’ at no point mentioned the EPAs other than to state that they lay outside of the EU’s area of immediate economic interest (European Commission 2006: 10-11), a detailed study of the services and investment provisions of the only ‘full EPA’ signed to date with CARIFORUM has found that the provisions closely mimicked those being sought from commercial FTAs. Moreover, the Commission has sought similar provisions in other EPAs (Heron and Siles-Brügge 2012). The increasingly significant trade-development nexus in EU policy following ‘Global Europe’ thus points to the increasing importance of commercial imperatives in shaping EU trade relations with developing countries. Indeed, the ‘Global Europe’ strategy was subtitled ‘Competing in the World’ and was intended as DG Trade’s contribution to the Lisbon competitiveness agenda (Hay 2007).

EU trade and development policy after the crash³

The post-crash landscape provides a further reason to move beyond the institution-centric view of EU trade and development policy. Clearly the EU-ACP relationship is the flagship of EU development policy, with DG Development tasked with handling development issues with regards only to the ACP (Holland and Doidge 2012: 100) – its role in dealing with other developing countries and regions progressively eroded by other DGs and the creation of the EEAS (Woolcock 2012: 156-8). This explains why institutionalist accounts have often seen the trade-development nexus in terms of a particular brand of inter-Commission rivalry

³ In this sub-section, I draw on interviews with European Commission officials, Brussels, May 2011.

between DG Trade and DG Development. However, with the stagnation of the EPA agenda after the departure of Mandelson – with no region having signed a full EPA after the Caribbean – there is a good reason to move beyond the ‘ACP-centric’ view of the trade-development nexus. The GSP reform is a case in point, as it clearly suggests that the EU’s ‘commercial’ and ‘developmental’ trade agendas have remained entwined. It also provides further interesting insight into the political economy of EU trade policy during the economic crisis. By restricting imports, the GSP reform could be seen to indicate the growing influence of protectionists in trade policy following the crash (e.g. Nowakowska 2010). In this vein, the reduction of preference margins for some products of interest to retailers and other importers – such as textiles and clothing (see Gasiorek *et al.* 2010: 8) – could be said to be a sign of the marginalisation of such groups at the expense of protectionists, as has happened on other occasions in the EU (Heron 2007; De Bièvre and Eckhardt 2011).

Before turning to the specifics of interest group politics, however, we have to situate the GSP reform within the broader context of EU economic policymaking following the crisis. At the level of the macroeconomy, the crisis has led to the drafting of the so-called ‘Europe 2020’ macroeconomic strategy – formulated as a restatement of the 2000 Lisbon Agenda’s competitiveness objectives. As part of this, there has been a move towards consolidating the EU’s offensive ‘Global Europe’ agenda in the new ‘Trade, Growth and World Affairs’ strategy under the leadership of Karel De Gucht, who took over as Trade Commissioner in February 2010. This has stuck to the ambitious liberalisation agenda set back in 2006 noting that it was ‘the right course for Europe to follow’ (European Commission 2010c: 9). The only significant variation with respect to the ‘Global Europe’ communication was in terms of the new emphasis placed on ‘reciprocity’. As stated in the strategy, the argument expounded by DG Trade was that ‘for an open trade policy to succeed politically, others – including both our developed and emerging partners – must match our efforts, in a spirit of reciprocity and mutual benefit’ (European Commission 2010d: 4). The reference to reciprocity, however, betrays a concern with ensuring the EU possesses sufficient *leverage* in on-going trade negotiations, rather than representing any mercantilist move towards greater domestic protection as some may have concluded (for more details, see Siles-Brügge forthcoming).⁴

⁴ Of course leverage in negotiations is itself a means to obtain a more *reciprocal* trading relationship with such economies. The fact remains, however, that the EU is seeking to use the tactic of enforced reciprocity in order to

Indeed, the EU has since concluded an ambitious FTA with South Korea (see Siles-Brügge 2011), with the WTO's most recent policy review finding that the EU has 'maintained the overall openness and transparency of its trade and investment regime' (WTO 2011: vii). The problem from DG Trade's perspective is that there is now even more pressure to deliver tangible liberalisation gains (for exporters) to boost growth and counter protectionist sentiment, but fewer negotiating chips to accomplish this with; the EU's market is perceived to be already largely open to the world – with the obvious exception of agriculture where the EU has little room to negotiate trade concessions (Siles-Brügge forthcoming: Ch. 6). Moreover, in the context of growing austerity the Trade Commissioner has eagerly noted that trade liberalisation 'is the cheapest stimulus package you can imagine' (De Gucht 2013: 3).

In this context the Commission announced a new trade and development strategy in January 2012. The aim of 'Trade, Growth and Development: Tailoring Trade and Investment Policy for Those Countries Most in Need' was to 'propose[...] concrete ways to enhance synergies between trade and development policies' (European Commission 2012a: 2, emphasis omitted). Crucially the communication 'stresse[d] the need to increasingly differentiate among developing countries to focus on those most in need' (European Commission 2012a: 2), with trade preferences seen as a crucial instrument in the fight against poverty. This is, of course, not an entirely new sentiment. Differentiation between developing countries in the area of trade has featured prominently in the EU's policy discourse for a number of years, particularly in the context of the Doha Round (see, for example, Mandelson 2005: 13; Woolcock this issue). The communication, however, has not only reiterated this point, but rather taken it beyond any previous initiatives: indeed it represents the first ever communication linking trade and development explicitly and does so under the mantra of 'differentiation'. Moreover, if we consider the communication's flagship policy announcement – a proposal for a new GSP regulation – this appears to offer the prospect of differentiation without a particularly coherent developmental rationale. This is a point I return to below, after having considered the design of the new GSP regulation.

obtain trade concessions by (among other things) restricting access to the EU market in targeted areas where other countries have failed to match EU trade openness (see Siles-Brügge forthcoming: Ch. 6).

REFORMING THE GSP SCHEME⁵

The new GSP regulation was adopted in October 2012 and is due to enter into force in January 2014. It largely reflects the Commission's original proposal from May 2011 (European Commission 2011a), introducing three key changes with respect to the previous scheme. Firstly, the Commission successfully changed the eligibility criteria for GSP so that high income or upper-middle-income countries – in other words, those which meet the appropriate World Bank definitional criteria for the most recent three consecutive years – are no longer entitled to preferences (this is referred to as 'income graduation' in a study from the Overseas Development Institute ODI 2011). According to the Commission this reduces the pool of eligible countries and territories from 176 (in essence any country or territory self-classifying under WTO rules as 'developing') to around 89 (European Commission 2012b: 4). Secondly, it would also render countries with a trade agreement with the EU 'which provides the same tariff preferences as the scheme, or better, for substantially all trade' ineligible for the scheme (Regulation (EU) No 978/2012, Article 4; see also Table 1).

The final key innovation is a series of changes to the graduation principle for GSP imports. Under the old regulation, products were grouped into 21 so-called 'sections' (or groups of products). If any country's exports under GSP for a particular product section exceeded the so-called 'graduation threshold' – 15 per cent of the total EU GSP imports for a particular section (12.5 per cent for textiles) – they were no longer eligible for GSP (on the basis that such products are competitive enough to establish a foothold in the EU market). In this respect, the new GSP regulation makes it easier for products to be graduated ('product graduation', again to use the term from ODI 2011) even though the threshold values will be increased to 17.5 per cent and 14.5 per cent for textiles. This is because the number of product categories will also increase to 32, while the value of total imports used to calculate market share (the so-called 'denominator') will decrease due to the significant reduction in the number GSP beneficiaries. As a result of the increased ease with which imports could surpass thresholds, 5.3 billion euro worth of trade (2009 data) – spread among only six countries (China, India, Indonesia, Nigeria, Thailand and Ukraine) – was originally estimated by the Commission to no longer be eligible for GSP treatment (European Commission 2011a: 115). The tariff lines on which these estimates were based seem to quite closely correspond to the first list of products graduated under the new regulation (for the years 2014-2016), which

⁵ In this section, I draw on an interview with a European Commission official, Brussels, 25 January 2013.

Table 1 – Income and product graduation under the new GSP scheme from 1 January 2014

Income graduation (countries no longer eligible for GSP)	Product graduation (product sections no longer eligible for GSP)
<p><i>Overseas countries and territories (OCTs) (recipients of other preferential market access or part of developed economies)</i> Anguilla, Netherlands Antilles, Antarctica, American Samoa, Aruba, Bermuda, Bouvet Island, Cocos Islands, Christmas Islands, Falkland Islands, Gibraltar, Greenland, South Georgia and South Sandwich Islands, Guam, Heard Island and McDonald Islands, British Indian Ocean Territory, Cayman Islands, Northern Mariana Islands, Montserrat, New Caledonia, Norfolk Island, French Polynesia, St Pierre and Miquelon, Pitcairn, Saint Helena, Turks and Caicos Islands, French Southern Territories, Tokelau, United States Minor Outlying Islands, British Virgin Islands, US Virgin Islands, Wallis and Futuna, Mayotte.</p> <p><i>Other countries and territories benefitting from preferential market access</i> Euromed agreements: Algeria, Egypt, Jordan, Lebanon, Morocco, Tunisia CARIFORUM EPA: Belize, St. Kitts and Nevis, Bahamas, Dominican Republic, Antigua and Barbuda, Dominica, Jamaica, Saint Lucia, Saint-Vincent and the Grenadines, Barbados, Trinidad and Tobago, Grenada, Guyana, Suriname. Market Access Regulation (Interim EPAs): Côte d'Ivoire, Ghana, Cameroon, Kenya, Seychelles, Mauritius, Zimbabwe, Namibia, Botswana, Swaziland, Papua New Guinea, Fiji. Other FTAs: Mexico, South Africa.</p> <p><i>High income countries and territory</i> Saudi Arabia, Kuwait, Bahrain, Qatar, United Arab Emirates, Oman, Brunei Darussalam, Macau.</p> <p><i>Upper middle income countries</i> Argentina, Brazil, Cuba, Uruguay, Venezuela, Belarus, Russia, Kazakhstan, Gabon, Libya, Malaysia, Palau.</p>	<p>China (27 product sections graduated) Live animals and animal products excluding fish (S-1a); fish, crustaceans, molluscs and other aquatic invertebrates (S1-b); vegetables, fruit and nuts (S2-b); coffee, tea, mate and spices (S-2c); cereals, flour, seeds and resins (S-2d); prepared foodstuffs, beverages, spirits and vinegar (S-4b); inorganic and organic chemicals (S-6a); other chemicals (S-6b); plastics (S-7a); rubber (S-7b); raw hides and skins and leather (S-8a); articles of leather and furskins (S-8b); wood and wood charcoal (S9-a); cork manufactures of straw and other plaiting materials (S9-b); textiles (S-11a); articles of apparel and clothing accessories (S-11b); footwear (S12a); headgear, umbrellas, sun umbrellas, sticks, whips and prepared feathers and down (S-12b); articles of stone, ceramic products and class (S-13); pearls and precious metals (S-14); ferro-alloys and articles of iron and steel (S-15a); other base metals and articles of base metals (S-15b); machinery and equipment (S-16); railway and tramway vehicles and products (S-17a); motor vehicles, bicycles, aircraft and spacecraft, ships and boats (S-17b); optical instruments, clocks and watches, musical instruments (S-18); miscellaneous (S-20).</p> <p>Costa Rica (1 product section graduated) Vegetables, fruit and nuts (S2-b).</p> <p>Ecuador (2 product sections graduated) Live plants and floricultural products (S-2a); preparations of meat and fish (S-4a).</p> <p>India (6 product sections graduated) Mineral products (S-5); inorganic and organic chemicals (S-6a); other chemicals (S-6b); raw hides and skins and leather (S-8a); textiles (S-11a); motor vehicles, bicycles, aircraft and spacecraft, ships and boats (S-17b).</p> <p>Indonesia (3 product sections graduated) Live animals and animal products excluding fish (S-1a); animal or vegetable oils, fats and waxes (S-3); other chemicals (S-6b).</p> <p>Nigeria (1 product section graduated) Raw hides and skins and leather (S-8a).</p> <p>Ukraine (1 product section graduated) Railway and tramway vehicles and products (S-17a).</p> <p>Thailand (3 product sections graduated) Preparations of meat and fish (S-4a); prepared foodstuffs, beverages, spirits and vinegar (S-4b); pears and precious metals (S-14).</p>

Sources: Commission Implementing Regulation (EU) No. 1213/2012; European Commission (2012b : 18-19).

was released in December 2012 (Commission Implementing Regulation (EU) No. 1213/2012; see Table 1). Moreover, an ODI study from 2011 found that there was significant potential for an additional two countries (Iraq and Vietnam) to lose preferences from product graduation (ODI 2011).

As noted in the framing communication on ‘Trade, Growth and Development’, the Commission and its officials have maintained that the reform is intended to ‘focus the GSP preferences on the countries most in need’ (European Commission 2011a: 2). These are, in their eyes, LDCs and so-called ‘vulnerable economies’ – in other words, those lacking product diversification and being poorly integrated into the world economy (see European Commission 2011b: 11) – the respective current recipients of EBA and the so-called GSP+ scheme.⁶ Based on the analysis of a study it had commissioned, the Commission has argued that the main beneficiaries of GSP were in fact emerging economies with increasingly competitive sectors, at the expense of countries in greater need of preferences (European Commission 2011b: 11-13). This placed competitive pressures on these poorer economies. New eligibility criteria were needed so that GSP preferences could be refocused on those countries in need, while the new graduation mechanism would serve to ‘weed out the more competitive product sections’ among those economies that remained eligible for the scheme (European Commission 2011b: 24).

Interrogating the Commission’s rationale⁷

There are grounds for doubting the Commission’s stated rationale for reforming GSP. If the primary driver of the EU’s reform of the GSP was to help those ‘most in need’ by improving the value of their non-reciprocal preferences, then why was it seeking elsewhere to put trade relations with such countries on a contractually reciprocated basis in the form of EPAs and FTAs? Although very few LDCs have signed an EPA or interim EPA, the Commission’s wish is quite evidently for more of them to sign such agreements. Similarly, out of fourteen GSP+ recipients, the EU has recently signed FTAs with eight – Peru, Columbia, Costa Rica,

⁶ GSP+ provides additional market access in addition to GSP to a series of countries qualifying as ‘vulnerable’, provided they sign up to a series of conventions on core human and labour rights, the environment and other ‘good governance standards’. Moreover, under the new GSP regulation, recipients of GSP+ will not be subject to product graduation.

⁷ In this section I draw on interviews with European Commission officials, Brussels, 25 May 2011 and 22 and 25 January 2013.

El Salvador, Guatemala, Honduras, Nicaragua, Panama as part of its agreements with Andean Community and Central American nations – and had previously also sought an agreement with two others (Bolivia and Ecuador) before talks broke down. Similarly, how could the Commission reconcile what amounted to be an espousal of non-reciprocal trade preferences as a development model – a model, one should remember, it renounced in the 1996 ‘Green Paper on EU-ACP relations’ (European Commission 1996) – with its clear preference for contractually enshrined free trade?

A further challenge to the Commission’s development-based argument can be found in the aforementioned ODI report on the GSP changes. This argues that ‘[p]roduct and income graduation [as found in the new regulation] is not an effective way of helping poor, uncompetitive states’ (ODI 2011: iii). Firstly, it finds that many of the goods for which there will be graduation are not ones that lower-income countries export. Moreover, even if a lower-income country does export an affected product, the preference margin afforded by GSP may be insufficient to counter a graduating country’s existing export competitiveness. Finally, even where the preference margins are significant, other, higher income countries are likely to be the biggest beneficiaries of the GSP changes. The report finds that even for products where poorer countries account for at least 5 per cent of EU imports – products in which such states could potentially establish a foothold in the EU market and which could thus contribute to poverty reduction – high-income and upper-middle income countries currently account for almost two-thirds of EU imports (ODI 2011: 12-13). Very similar findings are echoed in another recent study of the GSP scheme undertaken by the Centre for the Analysis of Regional Integration at Sussex (CARIS) (Gasiorek *et al.* 2010a: 8). Although this does not rule out any beneficial effects for lower-income countries, and is based on static analysis that neglects potential dynamic effects of changing export patterns (as noted by one Commission official) – the study does suggest that large-scale benefits of the GSP proposals for this group of states are far from certain, in contrast to more predictable gains from trade diversion for higher-income countries. In this vein, the CARIS study of the GSP scheme found that ‘there is little evidence that the EU’s preference regimes have led to a diversification of exports into new products’ (Gasiorek *et al.* 2010a: 8).

As a result, I argue that these changes to the supposedly ‘developmental’ side of EU trade policy have to be situated within the wider context of the EU’s commercial trade policy – where they are more likely to have a discernible impact than in contributing to poverty-

reduction. More specifically, the reform of GSP has to be seen as part of the move towards improving leverage in on-going trade negotiations as a means of delivering on the ‘Global Europe’ objectives of access to emerging country markets. All of the FTA partners originally identified by the ‘Global Europe’ communication – with the exception of Korea and Singapore – are current GSP beneficiaries, with most being significantly and *negatively* affected by the new regulation. For one, preference utilisation rates are relatively significant for almost all these emerging economies (see Table 2). As a result, the fact that Argentina, Brunei, Brazil, Malaysia and Uruguay are to lose all of their non-reciprocal trade preferences (as they are ‘income graduated’) is potentially quite significant. The same may be said of ‘product graduation’ for those who remain within GSP, with Commission estimates based on trade data for 2009 seeing India lose preferences on 2.81 billion euro worth of trade, or about 11.1 per cent of its total goods exports to the EU for that year (author’s calculation, using data from Eurostat 2013 and European Commission 2011a: 115). Moreover, only for emerging economies do these changes potentially affect exports that would have benefitted from GSP – in contrast to the situation for Iraq, Nigeria and Ukraine where the product sections likely to be graduated face low or no MFN tariffs. In India’s case, the ODI study estimated that almost half (44.8 per cent) face MFN tariffs of 5 per cent or more, while the equivalent figures are 27.6 per cent for Thailand and a whopping 76.1 for Vietnam (ODI 2011: 10)! These figures are reproduced in Table 2.

In appraising the GSP changes, DG Trade unsurprisingly argued that these ‘ha[d] nothing to do with other [commercial] trade negotiations’. But it was quick to point out that they ‘might still have the unintended consequence of providing more advanced developing countries with a greater incentive to enter into and conclude reciprocal trade negotiations with the EU’ (European Commission 2011b: 15).⁸ DG Trade singled out India in this respect by noting that while it ‘enjoys relatively good market access for goods to the EU under the GSP [...] [it also] maintains fairly high tariffs and some peaks in areas particularly important to EU industry (such as cars, wines and spirits) and significant non-tariff barriers in other sectors important to EU exporters’ (European Commission 2010d: 8). Another, related aim of the move to scrap or limit preferences for emerging economies is putting free trade on a contractual (and reciprocal) footing with such countries – as De Gucht explicitly recognised

⁸ It also emphasised ‘consistency with overall trade objectives, whether bilateral or multilateral’ as one of the ‘specific objectives’ of the new proposals (European Commission 2011b: 19).

in a speech launching the proposals in May 2011. In his view, not only would ‘this updated [GSP] system [...] give poorer countries a competitive edge [but it would also] recognis[e] that others are now ready to take their rightful place on the world trade stage – for example **by entering into Free Trade Agreements with the EU**’ (De Gucht 2011: 2, emphasis added). This sentiment also informed the specific proposal to scrap GSP for those in receipt

Table 2 – The effects of the Commission GSP proposal on ‘Global Europe’ FTA partners: enhancing the EU’s negotiating leverage

Trading partner	GSP exports (€ million, 2008)	Product (P) or Income (I) graduation?	Preference utilisation rates for exports to EU15 (2008)	Percentage of affected GSP exports facing MFN tariffs >5%
India	13780.3	P	85.8	44.8
ASEAN*				
Brunei	0.2	I	4.6	N/A
Indonesia	3328.8	P	66.8	25.7
Malaysia	2931.4	I	62.7	11.6
Philippines	900.2	P	64.3	N/A
Thailand	4559.5	P	67.2	27.6
Vietnam	3666	P	69.4	76.1
Mercosur				
Argentina	1974.3	I	89.7	23.1
Brazil	4355.8	I	78.2	11.2
Paraguay	26.1	P	89.6	N/A
Uruguay	154.1	I	84.0	11.9

Sources: The data for GSP exports is from European Commission (2010a); the data on the percentage of GSP exports facing certain MFN tariffs is from ODI (2011) and preference utilisation rates are from Gasiorek *et al.* (2010b).

Note: *ASEAN minus Singapore (which is not eligible for GSP); Laos and Cambodia (which have market access guaranteed under EBA) and Burma (which, even after an eventual lifting of the GSP suspension, will be eligible for EBA).

of preferences under an FTA. As illustratively noted by a Commission official, there are no countries that stand to lose GSP that are not already in advanced FTA negotiations with the EU; the crux of their argument was that such countries therefore had the option of maintaining their access to the EU market. In this vein, the press has reported the EU’s Ambassador to Thailand lobbying that government to start FTA negotiations in the light of the GSP reform (Pratruangkrai 2012). This strategy, moreover, has also begun to bear fruits.

Several sources have since noted that the reform has been a key factor in driving Thailand to agree to start FTA negotiations with the EU in March 2013, with Thai policymakers allegedly keen to complete the trade talks before GSP preferences run out (Pratruangkrai 2013; Foreign and Commonwealth Office 2013).

THE INTEREST GROUP POLITICS OF THE GSP REFORM

At this point – and in line with my aim of situating the study of EU trade and development policy within the context of political economy debates – it makes sense to consider the role of interest group politics in shaping the GSP regulation. As I noted earlier, by restricting imports at a time of economic crisis the GSP proposals could be interpreted as the product of lobbying by protectionists trumping the interests of importers. In contrast, I find that while importers may well have been marginalised, the new regulation reflects, to a large extent, the interests of *exporters*. These made their views most apparent to the Commission during a stakeholder consultation exercise held from March to May 2010. The main concern for such businesses was the issue of leverage in negotiations, particularly with India (which, as became apparent above, was also the bugbear of DG Trade officials). As one such organisation representing pan-European business interests was to note: ‘GSP undermines the EU’s negotiating position in bilateral and especially multilateral trade negotiations because partners already have preferential access to the EU market or they are concerned about preference erosion’ (European Commission 2010b: 4). More broadly, exporters consistently stressed two things during this consultation. Firstly, they underscored the need to restrict eligibility by excluding higher (and even, in some cases, middle-income countries) from the scheme and, secondly, they requested facilitating the graduation of imports by allowing for the graduation of individual products (e.g. European Commission 2010b: 4, 9-12, 18-20, 86, 147, 157, 204, 207-10). Although the Commission’s initial proposal and the regulation were slightly more moderate than this – excluding only high-income and higher-middle-income countries and increasing the number of product sections rather than allowing for individual product graduation – exporting interests were still surprised at the degree to which their requests were reproduced in the Commission’s proposal. Although already reflected in the consultation document cited above, these were most clearly and succinctly expressed in a paper co-authored by a leading Brussels trade lobbyist (Quick and Schmülling 2011; see also *BUSINESSEUROPE* 2011).

It is naturally difficult to determine to what extent exporters are responsible for the content of the Commission proposal, beyond highlighting the similarity of their requests to the final regulation. There are, however, two additional pieces evidence to suggest that their influence was not negligible. Firstly, the views of the Commission appeared to shift after its 2010 consultation of business groups. Indeed, if we examine the previous state of Commission thinking on the matter under Peter Mandelson and Pascal Lamy, we find an interesting contrast to the current proposals. Although the Commission was proposing back in July 2004 to amend the GSP regulation to better ‘[t]arget the GSP on the countries that most need it’, and doing so by tinkering with product graduation, there was no mention of income-based graduation (European Commission 2004: 7). Moreover, in justifying the then move to a system of product graduation based on 21 product sections the Commission was to write that this

ha[d] the advantage that it would graduate only groups of products from the biggest beneficiaries. Only the countries that were, on average, competitive for all the products in a section would be graduated for these groups of products. Small beneficiaries, competitive for just a few products, or group of products would under no circumstances be graduated solely on the basis of those few products (European Commission 2004: 9).

In other words, the Commission at the time was concerned that entire sections be graduated on the basis of only a few products. This was quite different to the emphasis placed in the current regulation on creating a greater number of product sections; indeed, the Commission – echoing the views of business on the matter (European Commission 2010k) – criticized the previous system in its justification of the new regulation; the fact that ‘the graduation has been barely used’ and was therefore ‘insufficiently responsive’ to the competitiveness of product sections was said to require a more disaggregated approach to graduation (European Commission 2011b: 16). Although this does suggest that the idea of graduation in the context of GSP is not entirely new – as I have noted above – it also points to the fact that, following the lobbying efforts of exporters, it has taken on an entirely new dimension.

The second piece of evidence to suggest exporters played a key role in shaping the new regulation is that the Commissions appears to have privileged their views over the wishes not only of importers (in particular retailers) and European development NGOs but also import-

competing interests (notably textile, clothing and leather producers). The former, concerned with maintaining predictable access to global supply chains, had called for the maintenance of the original two-tiered system of classifying developing countries (as developing and ‘least developed’); product graduation with higher thresholds (especially for textiles and clothing) at the section level (where each section should cover a large group of products) and a decrease in the frequency of graduation (e.g. European Commission 2010b: 184, 217, 227, 234; EuroCommerce 2010: 2; Foreign Trade Association 2010: 2-3). For their part, European NGOs largely called for the maintenance of the existing system of unilateral preferences and for the focus to be on the developmental impact of preferences (e.g. European Commission 2010b: 34, 49, 52, 57, 96-7). Crucially, import-competing interests did call for a more restrictive GSP regime – but their requests for an extension of the sectors to be covered by special safeguards; an extremely rapid withdrawal of GSP benefits and for a product graduation criterion based on global rather than EU market share went far beyond what the Commission proposed (e.g. European Commission 2010b: e.g. 12, 164, 211; EURATEX 2012: 16). In sum, and in contrast to exporters, neither importers nor NGOs were not happy with the Commission’s May 2011 proposals (EuroCommerce 2011; CONCORD 2011) while protectionists were also not completely satisfied – even if they were inclined to see the benefits of the proposed regulation in terms of restricting imports (e.g. EURATEX 2012: 16).

When it came to lobbying the Council of Ministers and European Parliament (EP) over approval of the Commission’s proposals, the impact that these more critically-minded groups was also minor; the final regulation very closely corresponded to the Commission’s initial proposal. Indeed, both the Council and the EP were generally quite favourably-inclined to the proposed changes in terms of ‘income’ and ‘product’ graduation (see European Parliament 2012a: 31-3; Council of the EU 2012: 3) and so where revisions were sought by the Council and the EP these did not challenge either of these features of the original Commission proposal. Although one amendment postponed its initial application until 2014 – and another included a transitional period for those countries having initialled an FTA with the EU by November 2012 but not yet ratified to prevent them from losing their market access under GSP – this can be hardly be seen as a major concession to the interests of importers in facilitating market access under GSP. Much the same can be said for NGOs and the very modest increase in product coverage for GSP introduced by the EP and Council on developmental grounds. Import-competing interests appear, at first sight, to have been more successful. In line with their wishes, the regulation was amended to extend the special

safeguards to include all textiles (and not just clothing); lower the threshold for this special safeguard and more generally strengthen safeguard provisions (on all these changes, see European Parliament 2012a; Council of the EU 2012; Regulation (EU) No 978/2012).⁹ It should be remembered, nevertheless, that ‘safeguard clauses have only been invoked by the EU in extreme rare circumstances’ given more burdensome requirements in establishing injury when compared to anti-dumping (Siles-Brügge 2011: 646). Similar concessions were made to ‘protectionist’ Member States over the approval of the EBA regulation in 2001 (Faber and Orbie 2009b: 772-4) without these EBA being used at all since (European Commission 2002-2012).

Notwithstanding their relatively minor impact, these amendments broadly satisfied protectionist interests in the Council and EP – as well as those concerned about the ‘predictability’ of EU market access arrangements for importers and the developmental impact of the regulation. The amended regulation was therefore approved without much controversy at a ‘first reading’ of the EP in June 2012 and subsequently by Member States in October (d’Imécourt 2012). As one Member of the EP (MEP) representing the Progressive Alliance of Socialists and Democrats parliamentary group put it in the plenary debate on the approval of the regulation, ‘we can very confidently say that we are granting unilateral advantages without jeopardising any jobs within the European Union’ while noting that it ‘also helps to strengthen sustainable development on the global level’. Similarly expressing the majority view, another MEP noted that it ‘gives importers inside the European Union a period of stability’ (European Parliament 2012b). It is therefore fair to say that the lack of serious opposition from protectionists (or indeed importers and NGOs) was a factor in facilitating the relatively smooth passage of the proposed legislation through the Council of Ministers and the EP – although the content ultimately reflected the interests of exporters. Turning to the broader political economy of the GSP regulation, it appears that the Commission is still privileging the interests of exporters at a time of economic crisis while making token concessions to protectionist interests (see Siles-Brügge 2011).

⁹ The final substantive change pushed for by the EP and Council was a limited duration of 10 years for the new regulation, while the Commission had wanted it to be open-ended.

CONCLUSION

My aim in this paper has been to situate the EU's supposedly 'developmental' trade policy in the case of the GSP reform within the wider context of its developing exporter-driven trade agenda. The EU has put forward a reform of the GSP scheme which, although justified in 'developmental' terms as an effort to improve the value of preferences for the neediest, is in fact driven by efforts to improve its leverage in negotiations with emerging economies. The beneficiaries of 'income' and 'product' graduation are more likely to be more developed economies rather than the intended LDCs and 'vulnerable' economies. Moreover, the 'targeting' of non-reciprocal trade preferences (and indeed their broader reinvigoration) as an instrument of poverty-reduction is not entirely consistent with the move away from non-reciprocity in the EU's other trade relations with developing economies – where FTAs are seen as the preferred option by Commission policymakers. Finally, it appears that policymakers in DG Trade were sympathetic to the arguments of exporter lobbies in a domain supposedly not driven by concerns for economic gain. In this vein, my empirical findings challenge the common EU policymaker narrative that trade and development policy are driven by distinct imperatives.

These findings chime with the findings of previous studies, which showed how the objectives of the Commission's supposedly developmental trade agenda – its EPA negotiations with the ACP group – were converging with the objectives of its commercial trade policy, specifically the drive towards ensuring regulatory liberalisation for exporters in emerging markets (Heron and Siles-Brügge 2012). Much the same can be said of today's GSP reform in that it is driven by the same commercial imperatives informing the EU's wider trade policy: improving the EU's leverage in on-going trade liberalisation talks, although it is of course only one of the tools used to this effect.¹⁰ A focus on the institutional determinants of the trade-development nexus may well have overlooked this development by overstating the distinctions between policy 'subsystems' in the EU. In this vein, this paper contributes to a literature which seeks to show how the study of the EU's trade and development policy can benefit from being situated within the wider discipline of political economy (e.g. Dür 2008; Sbragia 2010). Indeed the fact that exporters played an influential role at a time where protectionists might

¹⁰ The Commission is also proposing a new instrument to push for market access in government procurement. This would see the EU potentially close its markets to countries failing to 'reciprocate' EU market access (see Siles-Brügge forthcoming).

have been expected to be shaping the policy agenda – given the current economic crisis in Europe – appears to add grist to the mill to accounts which have stressed the continued commitment of the Commission (and the EU more broadly) to (neo)liberal trade policies (see Siles-Brügge 2011; De Ville and Orbie 2011). This is of interest to the broader discipline of IPE, where a number of authors have been puzzled by the ‘strange non-death of neoliberalism’ after a crash brought on by inherent problems of the neoliberal project of marketisation (Crouch 2011).

In a short paper such as this there is of course no space to fully explore the implications of such a development – but it does raise questions as to the normative desirability of the current trade-development nexus. If the EU’s primary concern in trade policy is to establish liberal markets which its firms can compete in, even at a time of great economic turmoil, to what extent can it contribute to the economic development of its developing country partners? The GSP reform is perhaps an even starker reminder of the problems associated with the entwinement of commercial and developmental trade policy than the previous controversy surrounding the EPA negotiations, where critics accused the EU of restricting the policy space available to ACP countries (e.g. Hurt 2012). The difference lies in that whereas before the argument could be made that in seeking the EPAs DG Trade was genuinely *convinced* of their value as developmental tools, in the case of GSP the Commission’s development-based arguments in favour of reforming the scheme – to help LDCs and ‘vulnerable’ economies – jar with its clear preference for placing trade relations with such countries on a contractually enshrined basis. We are, thus, left with a situation where the EU’s developmental policy has been clearly subordinated to wider commercial imperatives.

ACKNOWLEDGMENTS

I would like to thank Jan Orbie, Stephen Woolcock, Patrick Holden and the other participants in the workshop on ‘The European Union and the Developing World: Agendas, Tensions, Partnerships and the Trade-Development Nexus’, held at the University of Glasgow on 8 March 2013, for their helpful insights and Maurizio Carbone for organising a very productive session. I also owe thanks to Tony Heron, Peg Murray-Evans, Mark Langan and Stephen Hurt for their insightful comments on a very early draft and the UK Economic and Social Research Council for funding some of the research behind this paper.

REFERENCES

- Alting von Geusau, F.A.M.A. (1977), *The Lomé Convention and a New International Economic Order* (Leiden: A.W. Sijthoff).
- Bishop, M. (2011), 'Lost in Translation? EU Development Policy in the Anglophone and Francophone Eastern Caribbean', *European Journal of Development Research*, 23 (3), pp. 337-53.
- BUSINESSEUROPE (2011), 'Revision EU Generalised System of Preferences', Policy Briefing, September, Brussels: BUSINESSEUROPE. Available from: <http://www.businessseurope.eu/content/default.asp?PageID=568&DocID=29337> [accessed 18 March 2013]
- Carbone, M. (2008), 'EBA, EU trade policy and the ACP', in G. Faber and J. Orbie (eds), *European Union Trade Politics and Development: 'Everything but Arms' unravelled* (London: Routledge).
- Council of the European Union (2012), 'Draft Minutes: 3154th Meeting of the Council of the European Union (FOREIGN AFFAIRS) Held in Brussels on 16 March 2012', 4 April, Brussels: Council of the European Union.
- CONCORD (2011), 'Recommendations by the CONCORD Trade Reference Group for a Development-Centred Reform of the EU's Generalised System of Preferences', 30 June. Available from: http://www.djei.ie/trade/marketaccess/euccp/concord_submission.pdf [accessed 18 March 2013].
- Crouch, C. (2011), *The Strange Non-Death of Neo-Liberalism* (Cambridge: Polity).
- De Gucht, K. (2011) 'Remarks at the Press Conference on the Review of the Generalised System of Preferences', speech delivered in Strasbourg, 10 May. <<http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/11/323&format=PDF&aged=0&language=EN&guiLanguage=en>> (accessed 18 July 2011).
- De Gucht, K. (2013) 'A European Perspective on Transatlantic Free Trade', speech delivered in Cambridge, MA, 2 March. Available from: http://trade.ec.europa.eu/doclib/docs/2013/march/tradoc_150707.pdf [accessed 15 March 2013].
- De Ville, F. and Orbie, J. (2011), 'The European Union's Trade Policy Response to the Crisis: Paradigm Lost or Reinforced?', *European Integration Online Papers*, 15 (2). Available from: <http://eiop.or.at/eiop/texte/2011-002a.htm> [accessed 10 June 2011].

- d'Imécourt, L.V. (2012), 'Council Approves New GSP Scheme', *Europolitics*, 4 October. Available from: <http://www.europolitics.info/external-policies/council-approves-new-gsp-scheme-art343676-46.html> [accessed 15 March 2013].
- De Bièvre, D. and Eckhardt, J. (2011), 'Interest Groups and the Failure of EU Anti-Dumping Reform', *Journal of European Public Policy*, 18 (3), pp. 338-59.
- Dür, A. (2008), 'Bringing Economic Interests Back into the Study of EU Trade Policy-Making', *British Journal of Politics and International Relations*, 10 (1), pp. 27-45.
- Elgström, O. and Pilegaard, J. (2008) 'Imposed Incoherence: Negotiating Economic Partnership Agreements', *Journal of European Integration*, 30(3): 363-80.
- EURATEX (2012), 'Activities of the Year: Annual Report 2011', Brussels: EURATEX. Available from: <http://www.euratex.org/system/files/attached-files/Euratex+Annual+Report+-2011.pdf> [accessed 15 March 2013].
- EuroCommerce (2010), 'The GSP: Importers Need it Simple, Stable, Predictable', Brussels: EuroCommerce. Available from: http://www.eurocommerce.be/media/7812/position-trade-gsp_consultation-20.05.2010.pdf [accessed 15 March 2013].
- EuroCommerce (2011), 'Briefing: Generalised System of Preferences', Brussels: EuroCommerce. Available from: <http://www.eurocommerce.be/media/11174/briefing-trade-gsp.pdf> [accessed 15 March 2013].
- European Commission (2002-2012), '20th-30th Annual Report from the Commission to the European Parliament on the Community's Anti-Dumping, Anti-Subsidy and Safeguard Activities', Brussels: European Commission.
- European Commission (2004) 'Developing Countries, International Trade and Sustainable Development: The Function of the Community's Generalised System of Preferences (GSP) for the Ten-Year Period from 2006 to 2015', COM(2004) 461 final, Brussels: European Commission.
- European Commission (2006) 'Global Europe: Competing in the World', COM(2006) 567 final, Brussels: European Commission.
- European Commission (2009) 'Introduction to the CARIFORUM-EC EPA'. Available at: http://trade.ec.europa.eu/doclib/docs/2010/march/tradoc_145879.pdf.
- European Commission (2010a), 'GSP: 2008 Statistics by Country', Brussels: European Commission. Available from: <http://trade.ec.europa.eu/doclib/html/145945.htm> [accessed 18 July 2011].

- European Commission (2010b) ‘Public Consultation on the EU Generalised System of Preferences (GSP): Listing of Answers Received’, Brussels: European Commission. <http://trade.ec.europa.eu/doclib/docs/2010/september/tradoc_146463.edited.pdf> (accessed 18 July 2011).
- European Commission (2010c) ‘Trade, Growth and World Affairs: Trade as a Core Component of the EU’s 2020 Strategy’, COM(2010) 612, Brussels: European Commission.
- European Commission (2010d), ‘Report on Progress Achieved on the Global Europe Strategy, 2006-2010: Commission Staff Working Document Accompanying the Commission’s Communication on “Trade, Growth and World Affairs”’, SEC(2010) 1268/2, Brussels: European Commission.
- European Commission (2011a) ‘Proposal for a Regulation of the European Parliament and of the Council Applying a Scheme of Generalised Tariff Preferences’, COM(2011) 241 final, Brussels: European Commission.
- European Commission (2011b) ‘Vol. I: Commission Staff Working Paper: Impact Assessment, Accompanying the Document for a Proposal for a Regulation of the European Parliament and of the Council Applying a Scheme of Generalised Tariff Preferences’, SEC(2011) 536 final, Brussels: European Commission.
- European Commission (2012a), ‘Trade, Growth and Development: Tailoring Trade and Investment Policy for those Countries Most in Need’, COM(2012) 22 final, Brussels: European Commission.
- European Commission (2012b), ‘The EU’s New Generalised System of Preferences (GSP)’, Brussels: European Commission. Available from: http://trade.ec.europa.eu/doclib/docs/2012/december/tradoc_150164.pdf [accessed 28 February 2013].
- European Parliament (2012a), ‘Report on the Proposal for a Regulation of the European Parliament and the Council Applying a Scheme of Generalised Tariff Preferences’, A7-0054/2012, 8 March, Brussels: European Parliament.
- European Parliament (2012b), ‘Debates: Monday, 11 June 2012, Strasbourg’, Brussels: European Parliament. Available from: <http://www.europarl.europa.eu/sides/getDoc.do?type=CRE&reference=20120611&secondRef=ITEM-019&language=EN&ring=A7-2012-0054> [accessed 15 March 2013].

- Eurostat (2013), *COMEXT Database* (online), Brussels: European Commission. <http://epp.eurostat.ec.europa.eu/portal/page/portal/external_trade/data/database> (accessed 28 February 2013).
- Faber, G. and Orbie, J. (eds) (2009a) *Beyond Market Access for Economic Development: EU-Africa Relations in Transition*, London: Routledge.
- Faber, G. and Orbie, J. (2009b), 'Everything But Arms: Much More than Appears at First Sight', *Journal of Common Market Studies*, 47 (4), pp. 767-87.
- Foreign and Commonwealth Office (2013), 'Thailand/EU FTA: Out of the Starting Blocs', British Embassy Bangkok: Bangkok. Available from: <http://opentoexport.com/article/thailand-eu-fta-out-of-the-starting-blocs-january-2013/> [accessed 15 March 2013].
- Foreign Trade Association (2010), 'Position Paper: The Revision of the Currently Applicable Generalized System of Preferences from 1 January 2014 (at the latest)', Brussels: Foreign Trade Association. Available from: <http://www.fta-eu.org/doc/unp/opinion/en/Position%20Paper%20on%20GSP.pdf> [accessed 15 March 2013].
- Gasiorek, M. *et al.* (2010a), 'Mid-Term Evaluation of the EU's Generalised System of Preferences: Final Report', Brighton, Sussex: CARIS.
- Gasiorek, M. *et al.* (2010b), 'Mid-Term Evaluation of the EU's Generalised System of Preferences: Appendices to the Final Report', Brighton, Sussex: CARIS.
- Grilli, E.R. (1993), *The European Community and the Developing Countries* (Cambridge: Cambridge University Press).
- Heron, T. (2007), 'European Trade Diplomacy and the Politics of Global Development: Reflections on the EU-China "Bra Wars" Dispute', *Government and Opposition*, 42 (2), pp. 190-214.
- Heron, T. (forthcoming), *Pathways from Preferential Trade: The Politics of Trade Adjustment in Africa, Caribbean and Pacific* (London: Palgrave Macmillan).
- Heron, T. and Siles-Brügge, G. (2012), 'Competitive Liberalisation and the "Global Europe" Services and Investment Agenda: Locating the Commercial Drivers of the EU-ACP Economic Partnership Agreements', *Journal of Common Market Studies*, 50 (2), pp. 250-66.
- Holland, M. and Doidge, M. (2012), *Development Policy of the European Union* (Basingstoke: Palgrave Macmillan).

- Hurt, S.R. (2012), 'The EU-SADC Economic Partnership Agreement Negotiations: "Locking In" the Neoliberal Model in Southern Africa', *Third World Quarterly*, 33 (3), pp. 495-510.
- Icaza, R. (2010), 'Global Europe, Guilty! Contesting EU Neoliberal Governance for Latin America and the Caribbean', *Third World Quarterly*, 31 (1), pp. 123-39.
- Langan, M. (2011), 'Private Sector Development as Poverty and Strategic Discourse: PSD in the Political Economy of EU-Africa Relations', *Journal of Modern African Studies*, 49 (1), pp. 83-113.
- Mandelson, P. (2005), 'Trade at the Service of Development', speech delivered at the London School of Economics, 4 February. Available from: <http://www2.lse.ac.uk/publicEvents/pdf/20050204-Mandelson.pdf> [accessed 19 March 2013].
- Nowakowska, M. (2010), 'Reform of the GSP Regime and its Potential Impact on Sub-Saharan Africa', in S.J. Evenett (ed.) *Africa Resists the Protectionist Temptation: The 5th GTA Report* (London: Centre for Economic Policy Research), pp. 113-35.
- ODI (2011) 'The Poverty Impact of the Proposed Graduation Threshold in the Generalised System of Preferences (GSP) Trade Scheme', October, London: ODI.
- Olson, M. (1965), *The Logic of Collective Action* (Cambridge, MA: Harvard University Press).
- Orbie, J. (2012), 'The EU's Role in Development: A Full-Fledged Development Actor or Eclipsed by Superpower Temptations?', in S. Gänzle, S. Grimm and D. Makhan (eds), *The European Union and Global Development: An Enlightened Superpower in the Making?* (Basingstoke: Palgrave Macmillan).
- Peterson, J. and Young, A.R. (2013), 'We Care About You, but...: The Politics of EU Trade Policy and Development', *Cambridge Review of International Affairs*, DOI: 10.1080/09557571.2012.734782.
- Pratruangkrai, P. (2012), 'In View of GSP Reform, EU Pushes for Trade Talks', *The Nation*, 20 January. Available from: <http://www.nationmultimedia.com/business/In-view-of-GSP-reform-EU-pushes-for-trade-talks-30174105.html> [accessed 15 March 2013].
- Pratruangkrai, P. (2013), 'Announcement on FTA Talks with EU Expected', *The Nation*, 5 March. Available from: <http://www.nationmultimedia.com/business/Announcement-on-FTA-talks-with-EU-expected-30201270.html> [accessed 15 March 2013].
- Quick, R. and Schmülling, U. (2011), 'A New Approach to Preferences: The Review of the European GSP Scheme', *Global Trade and Customs Journal*, 6 (1), pp. 9-15.

- Ravenhill, J. (1985), *Collective Clientelism: The Lomé Conventions and North-South Relations* (New York, NY: Columbia University Press).
- Ravenhill, J. (2004) 'Back to the Nest? Europe's Relations with the African, Caribbean and Pacific Group of Countries', in V.K. Aggarwal and E.A. Fogarty (eds) *EU Trade Strategies: Between Regionalism and Globalism*, London: Palgrave Macmillan.
- Sbragia, A. (2010), 'The EU, the US, and Trade Policy: Competitive Interdependence in the Management of Globalization', *Journal of European Public Policy*, 17 (3): 368-82.
- Siles-Brügge, G. (2011) 'Resisting Protectionism after the Crisis: Strategic Economic Discourse and the EU-Korea Free Trade Agreement', *New Political Economy*, 16(5): 627-53.
- Siles-Brügge, G. (forthcoming), *A Constructivist International Political Economy of EU Trade Policy: A Global Idea of Europe* (London: Palgrave Macmillan).
- Stevens, C. (2000) 'Trade with Developing Countries: Banana Skins and Turf Wars', in H. Wallace and W. Wallace (eds), *Policymaking in the European Union*, 3rd edn, Oxford: Oxford University Press.
- van den Hoven, A. (2008), 'Bureaucratic Competition in EU Trade Policy: EBA as a Case of Competing Two-Level Games?', in G. Faber and J. Orbie (eds), *European Union Trade Politics and Development: 'Everything but Arms' Unravelling* (London: Routledge).
- Whalley, J. (1990), 'Non-Discriminatory Discrimination: Special and Differential Treatment under the GATT for Developing Countries', *The Economic Journal*, 100 (403), pp. 1318-28.
- White, R.C.A. (1975), 'A New International Economic Order', *International and Comparative Law Quarterly*, 24 (3), pp. 542-52.
- Woolcock, S. (2012), *European Union Economic Diplomacy: The Role of the EU in External Economic Relations* (Farnham: Ashgate).
- WTO (2011), 'Trade Policy Review: European Union', WT/TPR/S/248, Geneva: WTO. Available from: http://www.wto.org/english/tratop_e/tpr_e/s248_sum_e.pdf [accessed 19 July 2011].