

**EU Trade and Non-Trade Objectives:
New Survey Evidence on Policy Design and Effectiveness**

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Abstract: EU trade policy increasingly focuses on the achievement of so-called non-trade policy objectives (NTPOs) such as the promotion of human rights or environmental protection, motivating research on the political economy determinants and effectiveness of linking of trade policy and NTPOs. This research note reports selected findings from a new expert survey of stakeholder perceptions on trade-NTPO linkage. These suggest that EU institutions' views align more with those of civil society organizations than business, but also reveal significant differences in the perceived effectiveness of trade-NTPO linkage strategies. Many stakeholder groups believe that policy instruments other than trade agreements are better tools to pursue NTPOs. These preliminary findings suggest that further research on EU trade policy and nontrade issues should consider the broader range of external policy tools available to the EU in pursuit of NTPOs and the determinants of differences in preferences for alternative policy instruments.

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Introduction

The trade policy of the European Union (EU) increasingly includes a focus on so-called non-trade policy objectives (NTPOs) such as the promotion of human rights, labor standards or environmental protection in partner countries (Hirsch 2017; Lechner, 2016; Poletti and Sicurelli 2016; Raess et al. 2018). This is reflected in linkage strategies, i.e. conditioning access to the EU market on NTPO commitments by partner countries (Borchert et al., 2018), and inspired a long line of literature emphasizing that the successfully pursuing NTPOs through trade policy hinges on garnering support from domestic organized interests, including different business interests and civil society organizations (CSOs) (Meunier and Nicolaidis 2006; Young and Peterson 2014; Poletti and Sicurelli 2018; Dür et al. 2019). Yet, despite the quality of these works little is known about the alignment of EU policymakers' preferences with those of CSOs and other stakeholder groups and the degree to which different actors have similar preferences.

While research has found that EU trade officials often agree with the views of non-business stakeholders, when are they more (or less) likely to do so? Do the preferences of EU businesses and policymakers align in using trade agreements to pursue NTPOs? In this research note, we help answer these questions and focus on variation in actor preferences across alternative policy instruments available to the EU to pursue NTPOs. We present evidence from a new expert survey on preferences over NTPOs and perceptions on the salience and utility of alternative trade-relevant policy instruments, shedding light on a range of stakeholders' views over the EU's use of trade policy to pursue goals beyond trade.¹

The results suggest there is broad agreement to use trade policy conditionally (i.e., pursue trade-NTPO linkage), but substantial disagreement regarding the most appropriate (effective) instruments to achieve NTPOs. CSOs in particular perceive targeted assistance to NGOs as the most desirable instrument to pursue NTPOs, while partner country governments and European business, on the other hand, show strong support for technical assistance. Amongst businesses, the views of small and medium-sized enterprises (SMEs) mirror those of CSOs in preferring targeted assistance, while large firms are more supportive of bilateral expert dialogues. In general, unlike EU policymakers, European firms and business associations and CSOs are more skeptical regarding the effectiveness of conditioning trade agreements on NTPOs. These findings raise questions regarding the dynamics underlying this variation in interest alignment between different actors and policy instruments to

¹ The survey complements more general public opinion polls such as the Eurobarometer polls or Pew Research Centre global surveys on attitudes towards economic globalization and the EU Commission public consultations. See <http://ec.europa.eu/COMMFrontOffice/publicopinion/index.cfm> for Information on the different types of Eurobarometer editions and https://ec.europa.eu/info/consultations_en for EU public consultations. Pew surveys are at <https://www.pewglobal.org/category/publications>.

achieve non-trade goals in EU external relations. The findings thus contribute to academic research on societal preferences on linkages between trade and NTPOs and further help trade policy-makers to reflect about effective policy designs to pursue economic objectives and NTPOs.

Views on trade and non-trade policy objectives

Conventional accounts of EU trade policymaking suggest that businesses are largely hesitant or opposed to the inclusion of NTPOs, reflecting fears these may reduce competitiveness or market access (Lechner, 2016; Poletti and Sicurelli 2016). CSOs, on the other hand, are held to favor linking EU trade policy to strong labor, environmental, and human rights provisions in trade agreements and granting of preferential access (Fritz 2010; FIDH 2013; Young, 2016; Lechner 2016; Bossuyt et al. 2018). EU policymakers, in turn, are portrayed to be closely aligned with business interests, often overlooking the concerns of CSOs on trade policy (Elsig and Dupont 2007; Woll 2009). The logic underlying EU policy alignment on business preferences is that integrating business into trade policymaking increases EU bargaining power vis-à-vis third countries, strengthens legitimacy, and solidifies technical expertise (Bouwen 2002; Elsig and Dupont, 2007; Van den Hoven 2006; Woll 2009). These accounts have been complemented with more nuanced studies that aim to capture differences in business interests with regard to their preferences over NTPOS. For example, some scholars have postulated that import-competing firms and sectors are more likely to be proponents of labor and environmental standards because of their potential to impose additional costs on foreign competitors (Raess et al. 2016; DeSombre 2000; Vogel 1995). On the other hand, importers and vertically integrated multinationals that rely on imports may mobilize against NTPOs, since such policies may increase the cost of doing business (e.g. Lechner 2016).

The growing politicization of trade policy increases the salience of analyses of the political dynamics and coalitions underlying EU trade policy (De Ville and Siles-Brügge 2015; Young 2015,2016). Recent scholarship demonstrates that CSOs have significant influence in EU trade policy making (e.g. Eliasson and Garcia-Duran 2018) and that EU policymakers increasingly consider the views of CSOs in using trade policy to pursue NTPOs. The literature on ‘normative power Europe’ highlights the EU’s pursuit of sustainable development goals in ‘new generation’ of trade agreements, with civic society supporting the foundations of a value-based discourse in trade policy (Van den Putte and Orbie 2015; Poletti and Sicurelli 2018; Young and Peterson 2014). We complement this scholarship by providing new evidence on preference alignment between organized interests and policymakers on the one hand, and between various stakeholders on the other.

The survey instrument

The expert survey has several distinct features. It covers a wide range of stakeholder groups, in and outside the EU, and their views on EU trade policy making. The sample includes practitioners in EU

institutions, governments (both EU Member States and non-EU partner countries), businesses and associations, civil society organizations working on trade, and academics in and outside the EU. Such comprehensive coverage of actors with an operational stake in EU trade policy helps us identify patterns of preferences over NTPOs and the extent to which actors' views are aligned with each other in a more systematic way. The questionnaire also includes questions on the perceived effectiveness of different trade-relevant policy instruments used by (available to) the EU. This permits us to map perceptions on the usefulness of different instruments across actors within and outside the EU. With the inclusion of third-party participants, we are able to shed light on EU trade partner's views. This is important as they are key in ultimately implementing the non-trade policies pursued by the EU (Harrison et al. 2019).

The data were collected through an online survey application from July 5 2018 to June 24 2019. The survey was sent to people identified through a contact list of trade policy experts).² All responses were anonymized by the software application used. A total of 416 respondents affiliated with the stakeholder groups analyzed here took the survey, of which 348 completed the questionnaire.

Findings

The four groups we focus on in what follows are EU policymakers, distinguishing between EU institution staff and Member State officials; businesses, distinguishing between firms and business associations; civil society organizations; and government officials of EU trade partner countries. We report results for two additional categories which are covered in our survey: respondents from academia (and think-tanks), and from non-EU international organizations.³ To understand stakeholder positions on trade-NTPO linkage and views on its effectiveness, we focus on three statements presented to participants from our survey instrument, outlined in Figure 1 below. These concern support for the strategy of using trade policy to achieve NTPOs, the perceived effectiveness trade-NTPO linkage, and the types of instruments that are most appropriate (effective). The results are

² Respondents always had the option not to answer a question, creating a missing value for the associated variable. The survey was disseminated by email using a contact list of about 2600 experts including practitioners and stakeholders (an initial email was followed by 6 reminders, staggered over time). Further dissemination of the survey within the relevant population of EU trade policy stakeholders was promoted by encouraging respondents to forward the questionnaire to colleagues (i.e., a snowballing approach). Note this methodology does not permit computing response rates as the size of the total population invited to take the survey is unknown to the analysts. Moreover, the anonymity of responses does not permit identifying the subset of contacts that did not take the survey.

³ While these two categories represent respondents whose interests are less directly at stake with EU trade policy, they can be the source of policy advice which shapes preferences and actions of stakeholders. One caveat here is the fact that academia and think tanks are relatively over-represented in our data. All patterns discussed in this research note are robust to the exclusion of these two categories from the data.

consistent with the growing literature highlighting civic society's influence on EU trade policy design, but also reveal both expected and surprising differences in stakeholder preferences over NTPOs.

We start by presenting descriptive evidence from the survey. Moreover, to better understand the association between stakeholder groups and their support for questionnaire statements on NTPOs we complement descriptive analysis with results of ordered probit regression models.⁴ We integrate both the descriptive and regression analysis with the study of relevant sub-categories that are identifiable in our data by splitting respondents into groups. In particular, we report separate results for SMEs and for large firms; public stakeholders in Western versus Eastern European EU member states; and government officials from partner countries with high vs. low levels of economic development.⁵

1. Support for linking non-trade policy objectives to trade policy

The first question we analyze concerns support for linking NTPOs to trade policy. With regards to conditioning access to the EU market on non-trade issues, EU member state government officials and EU institutions' views are most aligned with those of CSO respondents in supporting the linkage strategy (Figure 1, Panel 1.1). Amongst business interests SMEs are the least positive towards conditionality, while large firms are more supportive of trade-NTPO linkages. While we refrain from generalizing given our small sample size on firms, large companies (likely to be multinationals) may be more able to accommodate costs associated with burdensome regulations – hence less likely to oppose them. Partner country officials are highly skeptical as well, consistent with hypotheses that national comparative advantages may be curbed by non-trade regulations (Harrison et al. 2019). Nonetheless, a majority of respondents in all six groups supports or is agnostic about linking NTPOs and market access.

The results from the associated probit models (Panel 1.1 of Figure 2) point to a statistically significant preference alignment between CSOs and EU policymakers. On the negative side of the spectrum, the ordered probit model suggests statistically significant alignment between partner country government respondents and companies. There is no statistically significant difference between SMEs and large firms, low vs. high-income partner countries, or between western and eastern EU Member States. The confidence intervals around the point estimates for these pairs of categories overlap (see Figure 2 panel 1.2).

⁴ We provide the details of the model specification in the appendix.

⁵ See the appendix for alternative operationalizations.

2. Do actors think pursuing NTPOs through trade policy works?

Turning to views on the efficacy of the trade-NTPO linkage strategy a different pattern obtains. From Panel 2 of Figure 1 and Figure 2 we can observe that respondents from EU institutions are more aligned with businesses (especially business associations) in thinking trade policy supports the realization of NTPOs. In contrast, CSOs are less inclined to believe that the strategy is effective. Thus, while CSOs are in favor of trade-NTPO linkage, they are not convinced of its efficacy – in contrast to EU policymakers. The data suggest no significant divergence between sub-categories of firms, partner countries and EUMS.⁶

3. Does pursuit of NTPOs come at the cost of trade goals?

Panel 3 of Figures 1 and 2 reports stakeholder responses to the question whether EU trade policy is 'less effective with NTPOs'. Mirroring the results shown on Panel 2, businesses and government officials of EU partner countries perceive trade policy becomes less effective as a result of pursuing non-trade goals. The business result is clearly driven by SMEs (panel 3.2 of Figure 2), suggesting that smaller firms are particularly sensitive to trade-NTPO tradeoffs. CSOs, on the other hand, disagree strongly. While many of the CSOs do not think the strategy pays off in achieving NTPOs (as shown in Panel 2), they do not believe it adversely affects the realization of trade objectives. In other words, CSO responses suggest that trade policy *can* be used to induce change non-trade related areas, such as human rights and environmental protection. On this there is again alignment with respondents from EU institutions.

The patterns of preferences across the eight main categories of professional affiliation highlighted so far are robust to alternative exercises, including ordered probit models with responses coded to take only 3 values instead of 5, as well as binomial probit specifications on dichotomized outcome variables.⁷ These robustness tests provide evidence of heterogeneity in the preferences of sub-categories of professional affiliations. In particular, SMEs and high-income partner countries reveal relatively weaker support for the conditionality strategy. Low numbers of observations as well as heterogeneous results across alternative models indicates further work is needed to better investigate the preferences of different sub-categories of stakeholders.

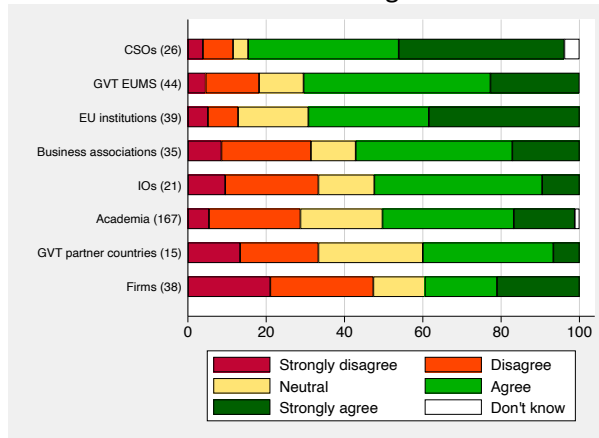
⁶ The small number of data points for each subcategory implies very limited statistical power and thus generates rather imprecise estimates.

⁷ We replicated the ordered probit regressions reported in Figure 2 after aggregating responses to a 3 values support: $y = 1$ if "strongly disagree" or "agree"; $y = 2$ if "neutral"; and $y = 3$ if "agree" or "strongly agree". Standard statistical tests for the parallel regressions assumption for each specification with both the 5- and the 3-values outcome variables support the assumption to be verified for each specification for at least one of the two definitions of the outcome variable. Results do not change if binomial probit regressions are run by dropping neutral answers and recoding remaining responses to take only 2 values: $y = 0$ if "strongly disagree" or "agree"; and $y = 1$ if "agree" or "strongly agree". Results are available upon request.

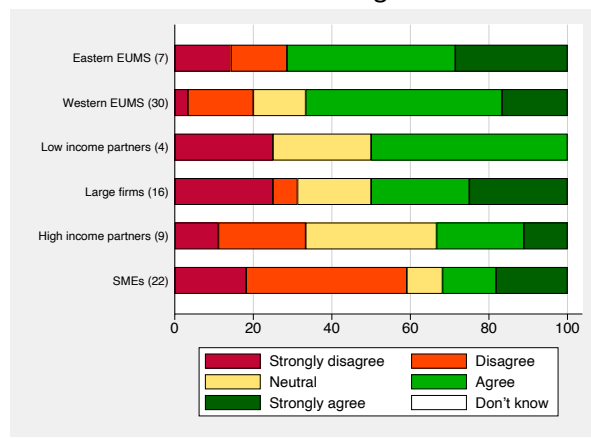
Figure 1: Selected survey results - descriptive analysis

Panel 1 question: The EU should make access to its markets by other countries conditional on non-trade outcomes (such as human rights, labor, environmental protection)

Panel 1.1: Main categories

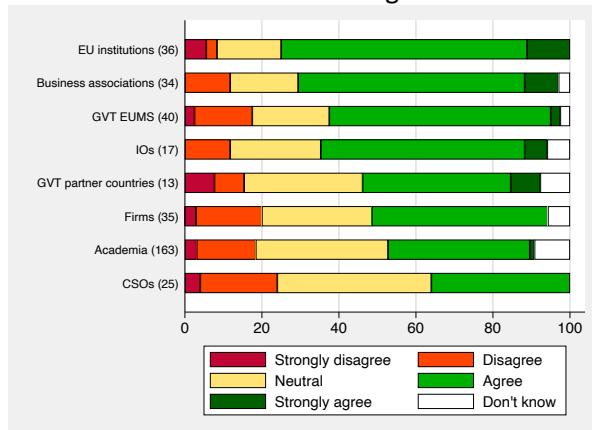


Panel 1.2: Sub-categories

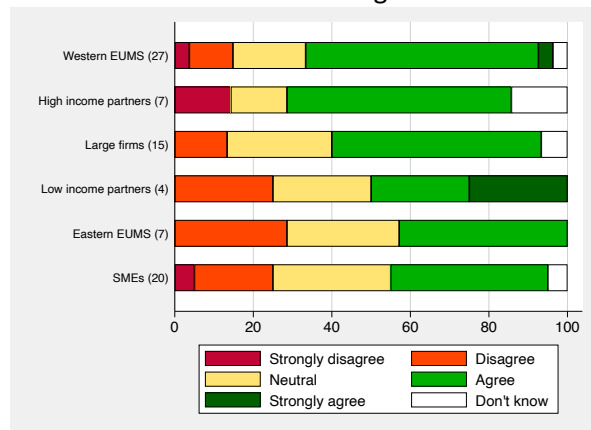


Panel 2 question: EU trade policy supports the realisation of EU non-trade objectives (such as human rights, labor, environmental protection)

Panel 2.1: Main categories

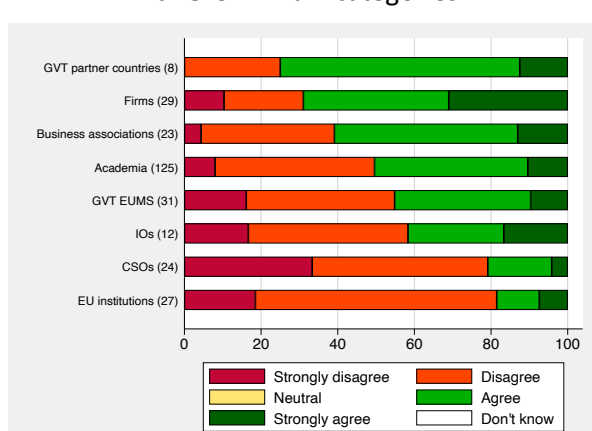


Panel 2.1: Sub-categories

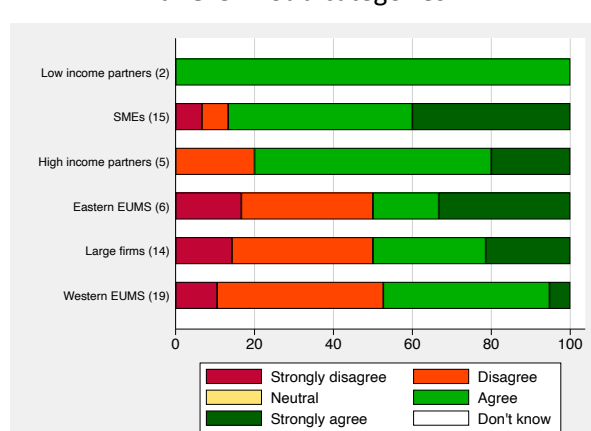


Panel 3 question: Inclusion of non-trade objectives reduces the effectiveness of EU trade policy

Panel 3.1: Main categories



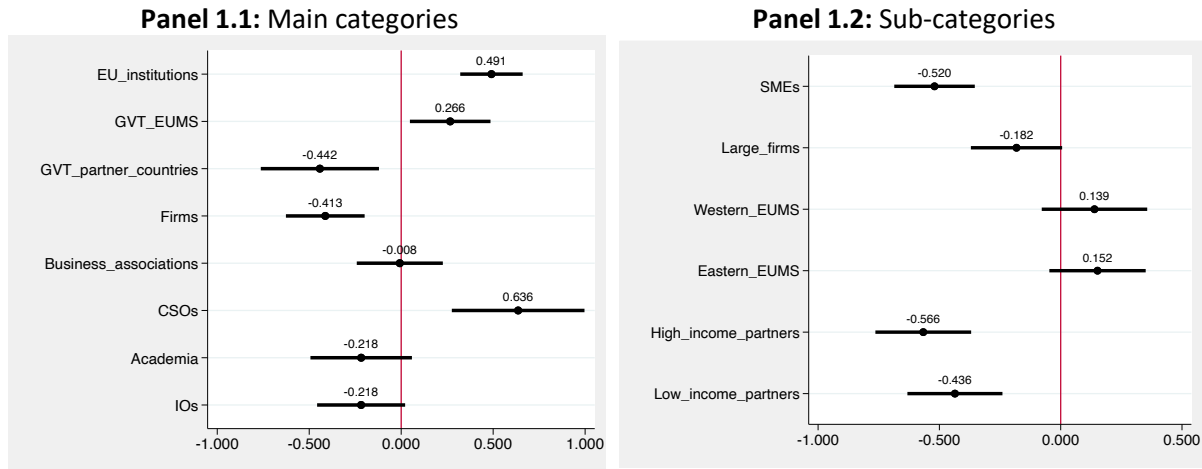
Panel 3.2: Sub-categories



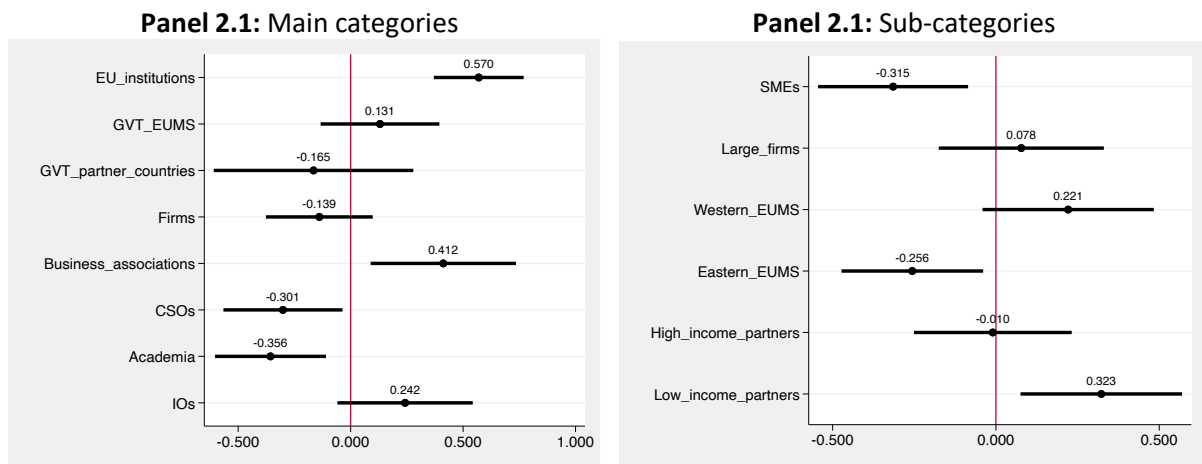
Notes: in the panels professional categories are sorted according to the percentage of strongly agree plus agree responses (from highest to lowest).

Figure 2: Selected survey results - regression analysis

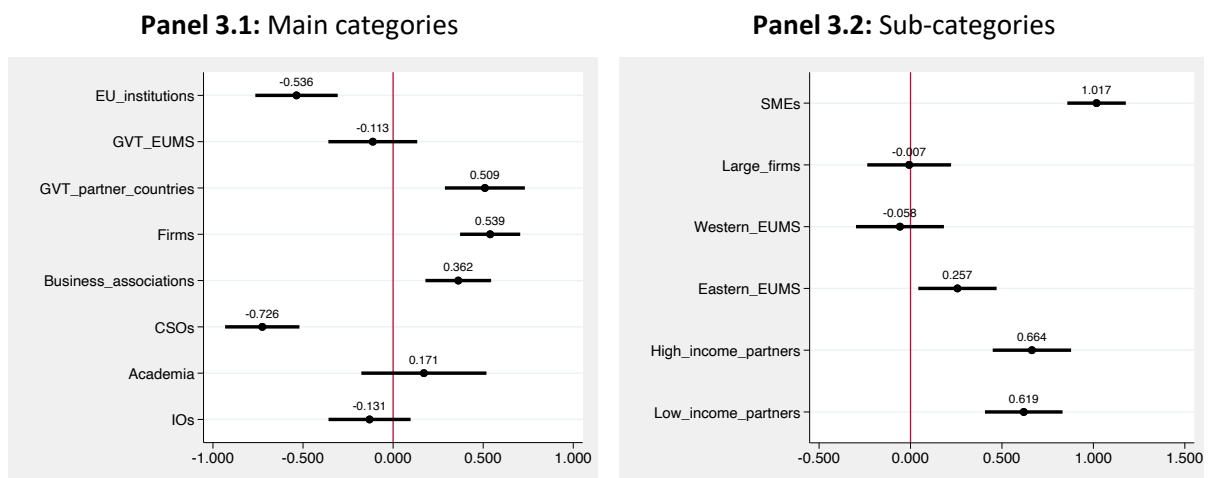
Panel 1 question: The EU should make access to its markets by other countries conditional on non-trade outcomes (such as human rights, labor, environmental protection)



Panel 2 question: EU trade policy supports the realisation of EU non-trade objectives (such as human rights, labor, environmental protection)



Panel 3 question: Inclusion of non-trade objectives reduces the effectiveness of EU trade policy



Notes: Panels report point estimates and respective 95% confidence intervals from ordered probit models.

Which policy instruments are preferred?

CSO respondents, companies and business associations all support the trade-NTPO linkage strategy in principle, but CSOs seem less sanguine it is effective. This raises a corollary question regarding the instruments that are perceived to be most salient to pursue NTPOs. The EU has access to many instruments in addition to trade agreement conditionality. Much if not most of the literature on EU trade policy and NTPOs views matters through the lens of market access linkage: trade agreements and unilateral trade policy (i.e., trade preferences).⁸ But market access is just one type of instrument. In order to explore stakeholders' views on alternative policy instruments to achieve NTPOs the survey includes a question the appropriate (most effective) trade-relevant policy instruments available to (used by) the EU, including technical assistance, trade promotion, investment promotion, training and expert dialogues.⁹ The results are presented in Table 1.

Overall, all eight categories of actors identify the same top two instruments to promote realization of NTPOs: targeted assistance to NGOs and expert dialogues between the EU and partner countries. CSO respondents reveal a strong preference for targeted assistance to themselves, suggesting CSOs are skeptical of instruments that involve other stakeholders (such as partner country governments or business groups) in addressing NTPOs. Respondents from enterprises and business associations show a strong preference for expert dialogues as well as technical assistance. Respondents put trade agreements in 6th place (7th if considering only sub-categories) when 'ranking' EU policy instruments in terms of salience for realizing NTPOs. Neither SMEs or large firms are in favor of PTAs either, and are more likely to support targeted or technical assistance. Respondents affiliated with EU institutions are the outlier here: this is the only group that puts trade agreements as a top choice. Other actors – and in particular policymakers from partner countries – consider this instrument to be less effective than assistance to relevant NGOs and regulatory bodies in partner countries, expert dialogues and technical assistance projects more generally. This finding is consistent with expectations that partner countries and business seek to avoid the inclusion of costly labor or environmental standards in trade agreements, but the fact that other instruments dominate in the responses of all stakeholder groups suggests there is broad alignment in views that trade agreements are not the most effective instrument to attain NTPOs. These findings are only suggestive given the small sample size but they point to diverging preferences on what particular instruments to use to pursue NTPOs, and the salience of efforts by the EU to enhance policy coherence (Carbone and Keijzer, 2016) and to

⁸ The research agenda proposed by Dür et al. (2019) does not address the question of instrument effectiveness or interdependencies between instruments.

⁹ The list of instruments included in the survey question was developed in collaboration with members of the broader research project that the survey was part of. Instruments designed specifically to address NTPOs – such as import restrictions – were excluded. Our main interest is in policies that do not directly aim to tackle NTPOs but include a variation in support to link them to achieve non-trade policies.

complement trade agreements with aid for trade (Hynes and Holden, 2016). One potential explanation lies in the low consideration that expressed belief of respondents reveal with respect to the capacity of the EU to effectively monitor how the implementation of trade agreements impacts on non-trade outcomes.

Table 1: Instruments for the realization of NTPOs

	Targeted assistance for NGOs / unions / regulatory bodies	Expert dialogues between EU and partner country stakeholders	Technical assistance	EU assistance funds (e.g. European Development Fund)	Bilateral development assistance programs of EU member states	Trade agreements	Study tours and student exchanges	Development assistance for infrastructure improvement	Direct investment by European multinational firms	Twinning of cities and similar partnership initiatives	Other instruments	National export promotion activities	Total number of respondents by professional category	Total number of responses by professional category
EU institutions	20	20	11	15	5	16	2	4	5	0	2	0	33	96
GVT EUMS	20	15	12	9	15	7	8	3	3	5	1	2	39	143
GVT partner countries	18	15	15	10	10	0	8	8	10	5	0	0	13	39
Firms	17	19	12	7	5	8	12	3	7	5	3	1	33	95
Business associations	16	18	14	8	8	8	8	4	6	6	4	0	33	106
CSOs	23	14	10	10	8	9	9	3	5	2	4	3	25	92
Academia	17	15	12	12	8	9	9	8	4	4	2	0	150	466
IOs	13	15	13	8	13	8	7	5	8	3	3	2	18	60
Total number of respondents from main categories	196	174	132	116	99	96	87	61	55	44	27	10		
SMEs	21	21	13	10	2	8	6	2	10	2	2	2	18	48
Large firms	13	17	11	4	9	9	17	4	4	9	4	0	15	47
Western EUMS	21	16	11	8	16	4	7	4	3	5	1	3	26	95
Eastern EUMS	18	9	18	9	18	14	5	5	0	5	0	0	7	22
High income partners	21	17	17	8	13	0	8	0	8	8	0	0	7	24
Low income partners	8	0	17	17	8	0	8	25	17	0	0	0	4	12
Total number of respondents from sub-categories	46	39	31	21	28	15	22	11	14	13	4	4		

Note: The green parts of the table report percentage shares of each instrument (columns) as chosen by a respondent category (row) over the total choices made by that category (e.g. 20% of all choices made by respondents from EU institutions indicated targeted assistance for NGOs/unions/regulatory bodies as one instrument most effectively promoting non-trade objectives). Instruments (columns) are sorted according to the total number of respondents selecting each instrument across the 8 main professional categories in our analysis. The first orange row of the table reports these totals while the second orange row (last row of the table) gives the total number of respondents choosing each instrument across the 6 sub-categories. The final two columns report the total number of respondents and responses per professional category. There are more responses than respondents, as each respondent could select more than one instrument.

An expanding research agenda

The survey results suggest that EU policymakers and CSOs concerned with EU trade policy have similar views on the trade-NTPO linkage strategy, but differ on its effectiveness. The findings confirm recent

observations on evolving alignments between EU policy-makers, business and CSOs on NTPOs. EU policy makers, CSOs and even various business actors seem to hold similar views on the role of NTPOs in trade policy. These alignment patterns vary considerably in terms of preferred policy instruments, which suggests differences in views regarding the specific instruments to pursue NTPOs through trade policy. These observations call for further investigation why actors prefer different policy instruments. What informs their choices? To what extent are perceptions supported by evidence on effectiveness of alternative instruments? These questions are not only of academic interest. They are relevant for policy design. For example, research has shown that EU trade policy is more effective if complemented by supporting policies, e.g., service sector regulation in the context of services trade policy reform (Fiorini and Hoekman, 2019).

Future research should consider EU trade policy-related instruments more broadly, suggesting an agenda that goes beyond the predominant focus on (reciprocal) trade agreements and (nonreciprocal) trade preferences in the literature. Understanding differences in (determinants of) actor preferences across these traditional trade policy tools is important (Dür et al. 2019) but risks being too narrow. Research is needed as well on the design of different types of linkage strategies in the pursuit of nontrade objectives (Aidt et al. 2019) and the underlying mechanisms explaining stakeholder choices over a broader range of salient policy instruments. Moreover, as noted above, our design is unable to substantially take into account differences in firm-level preferences over NTPOs. While we are able to observe business preferences overall, and certain differences between SMEs and larger firms, further research will benefit greatly from untangling particular firms' preferences and mobilization over policies linked to trade.

Finally, the survey reveals both the importance and the challenge of getting a comprehensive overview of stakeholder interests. Previous research often focuses on a subset of stakeholders involved in trade policymaking (e.g., Raess et al. 2018). The survey results complement existing studies by generating empirical evidence on perceptions and actor preferences on non-trade issues for many relevant stakeholders in a single study. The low number of responses we gathered from experts illustrates the difficulty in reaching the parties involved in or affected by the design and implementation of EU trade policies, and in a broader sense, mapping views on using trade as an instrument to achieve non-trade policy objectives.

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Appendix

This appendix provides further information complementing our analysis in the research note (RN). It primarily reports selected findings from a new expert survey of stakeholder perceptions on trade and non-trade policy linkage. We provide a test of proportional odds assumption, provide alternative specification to the outcome variable, give details of our model specification, and outline our operationalization of respondent categories found in the survey.

It should be noted that our RN aims to shed light on the preferences of informed stakeholders – e.g. policymakers and trade associations – who we believe shares our broader understanding of EU trade policy. In this sense we consider trade policy to include measures falling under Art. 206-207 Treaty of the Functioning of the European Union (TFEU) on the Common Commercial Policy and Article 3.5 TFEU on the EU’s objectives in its external relations. Further, we consider ‘EU trade policy’ to encompass measures coming under shared or national competences that however are managed or co-managed by the Commission’s Directorate General for Trade, the Council’s Trade Policy Committee and the European Parliament’s International Trade Committee. The definition adopted in the analysis is willingly broad as we did not characterize the concept of EU trade policy in the survey.

Testing for the proportional odds assumption:

We have conducted a statistical test for the proportional odds assumption in the ordered probit models. We used the test of equality of coefficients available with the STATA command "omodel". The results for these tests across all specifications used in the analysis are reported in Table 1 below. In 10 cases (highlighted in red) out of 42 (24%) we have to reject the null hypothesis of equal coefficients given a 0.05 threshold of statistical significance. These cases become 4 (9%) when setting the threshold for statistical significance at 0.01.

Table 1 – Results from the proportional odds assumption test

Regressor	Panel 1 question		Panel 2 question		Panel 3 question	
	chi2	p-value	chi2	p-value	chi2	p-value
EU institutions	3.43	0.3302	5.71	0.1266	5.11	0.0775
GVT EUMS	2.61	0.4550	2.30	0.5116	0.23	0.8895
GVT partner countries	1.71	0.6340	1.72	0.6333	2.39	0.3031
Firms	10.14	0.0174	32.40	0.0000	4.26	0.1190
Business associations	2.36	0.5019	2.21	0.5305	1.23	0.5418
Civil society	4.69	0.1957	23.45	0.0000	0.16	0.9231
Academia	7.87	0.0488	6.49	0.0902	3.30	0.1925
IOs	2.17	0.5382	0.75	0.8624	1.47	0.4798
SMEs	4.74	0.1921	14.63	0.0007	2.44	0.2949
Large firms	6.43	0.0923	11.06	0.0040	0.21	0.8987
Western EUMS	2.61	0.4555	1.53	0.6764	1.47	0.4800
Eastern EUMS	2.91	0.4051	6.49	0.0390	1.98	0.3721
High income partners	8.71	0.0128	8.01	0.0182	1.04	0.5955
Low income partners	6.73	0.0345	3.04	0.3854	3.61	NA

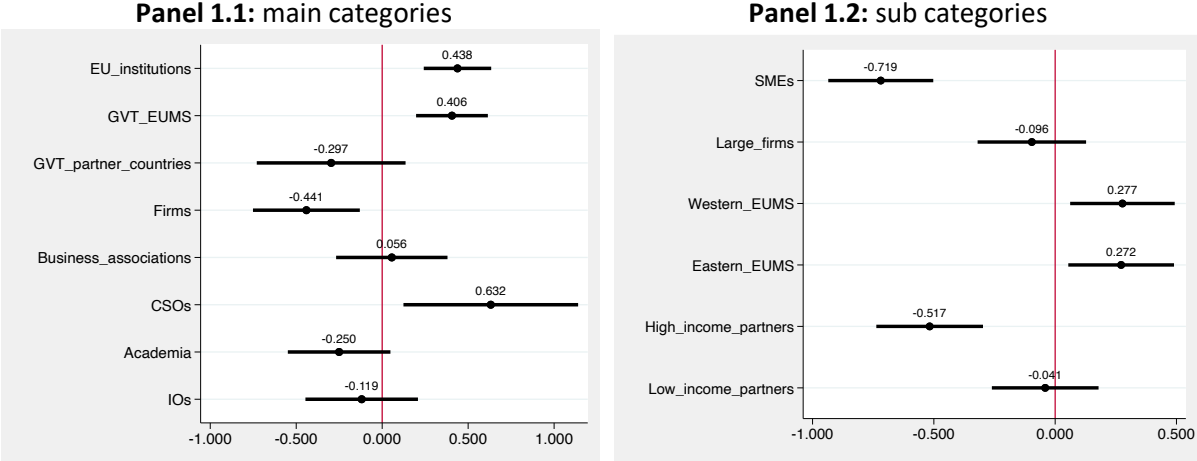
Note: the p-value for the case of panel 3 question regressed on low income partner dummies cannot be estimated as there is no variation in the responses of this professional category to this question.

Instead of moving to a generalized ordered probit model which would complicate the interpretation of our estimates we replicated the standard ordered probit after having aggregated responses to a 3 values support: $y = 1$ if "strongly disagree" or "agree"; $y = 2$ if "neutral"; and $y = 3$ if "agree" or

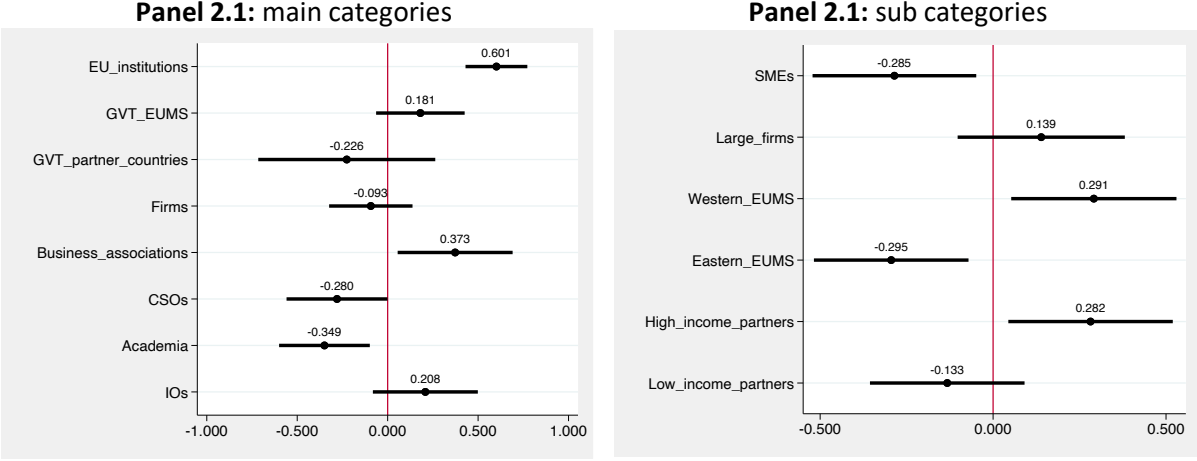
"strongly agree". The qualitative patterns for the main categories of respondents discussed in the paper are qualitatively robust when using 3-categories dependent variables. However, we find more heterogeneity across sub-categories (SMEs vs Large firms for Panel 1 question; Western VS Eastern EU for Panel 2 Question; and High VS Low income countries for Panel 3 question). Results are reported in Figure 1.

Figure 1

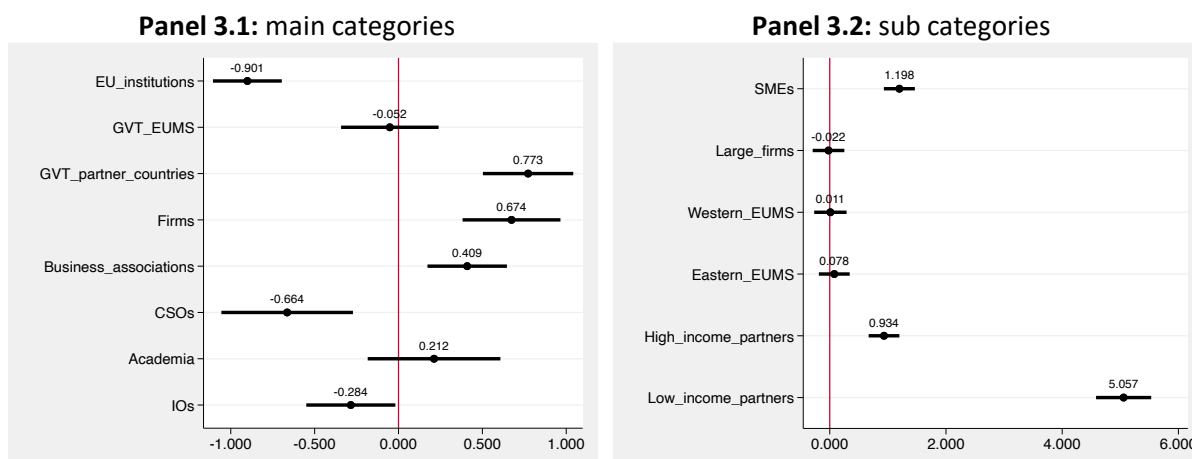
Panel 1: The EU should make access to its markets by other countries conditional on non-trade outcomes (such as human rights, labor, environmental protection and anti-corruption)



Panel 2: EU trade policy supports the realisation of EU non-trade objectives (such as human rights, labor, environmental protection and anti-corruption)



Panel 3: The inclusion of non-trade objectives reduces the effectiveness of EU trade policy



Notes: panels report point estimates and respective 95% confidence intervals from ordered probit models derived from the latent variable specifications of the kind: $y^* = \beta_j D_j + e$ with D_j being a dummy equal to 1 when the respondent belongs to professional category j and $e|D_j \sim \text{Normal}(0,1)$. The observable dependent variables have been recoded to take only 3 values: the value 1 reflecting "strongly disagree" and "disagree" responses; 2 for a neutral response; and 3 for "agree" and "strongly agree" responses.

We then run the same statistical test for the parallel regression assumption on the problematic cases identified above. For only one case we have to reject the null of equal coefficients taking a 0.05 threshold of statistical significance (we can accept the null if we set the threshold to 0.01).

Table 2

Regressor	Panel 1 question		Panel 2 question	
	chi2	p-value	chi2	p-value
Firms	3.12	0.0771	0.59	0.4409
Civil society			0.94	0.3324
Academia	3.89	0.0485		
SMEs			0.03	0.8578
Large firms			0.00	0.9914
Western EUMS				
Eastern EUMS			0.08	0.7742
High income partners	1.93	0.1651	0.38	0.5358
Low income partners	0.19	0.6604		

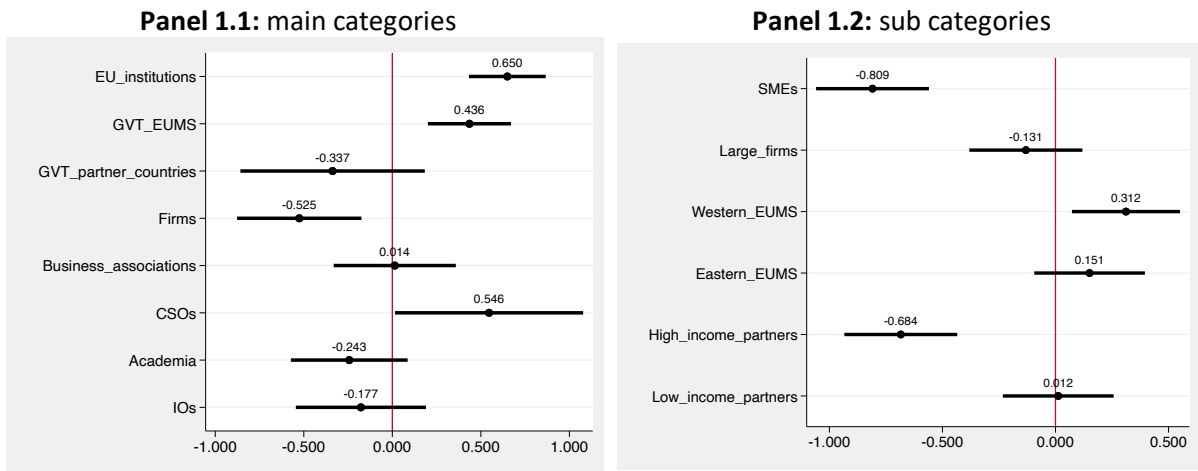
We interpret this as a good robustness test for the qualitative patterns characterizing the 8 main types of respondents. As for sub-categories this exercise reveals lack of robustness which strengthens our call for further research in that direction.

Alternative specification of the outcome variable:

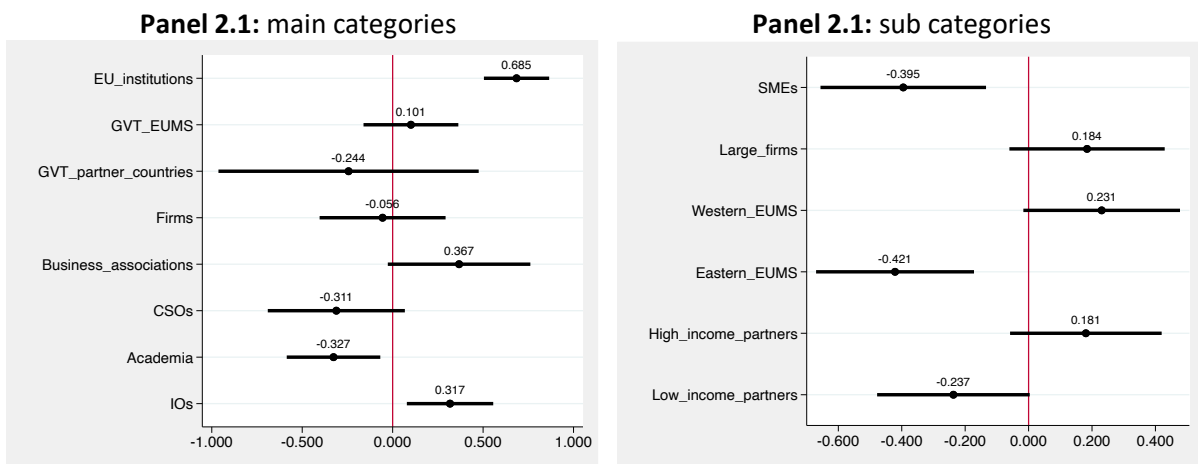
We also make our dependent variables dichotomous by dropping the neutral answers and coding $y = 0$ if "strongly disagree" or "agree"; and $y = 1$ if "agree" or "strongly agree". Results are reported in Figure 2 below. Once again, the patterns shaping the preferences relationship between the 8 main categories of respondents are robust while more heterogeneity emerges within sub-categories.

Figure 2

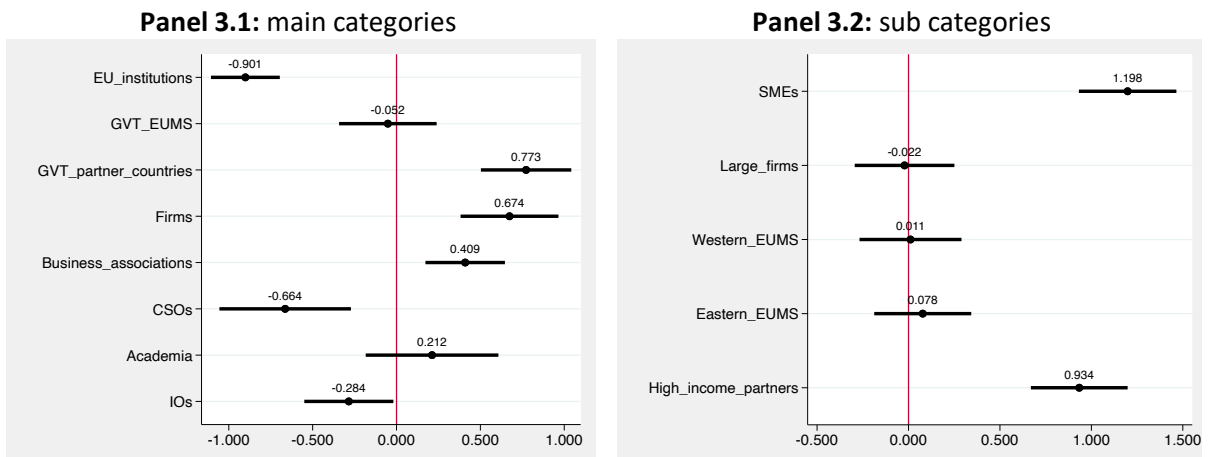
Panel 1: The EU should make access to its markets by other countries conditional on non-trade outcomes (such as human rights, labor, environmental protection and anti-corruption)



Panel 2: EU trade policy supports the realisation of EU non-trade objectives (such as human rights, labor, environmental protection and anti-corruption)



Panel 3: The inclusion of non-trade objectives reduces the effectiveness of EU trade policy



Notes: panels report point estimates and respective 95% confidence intervals from binomial probit models derived from the latent variable specifications of the kind: $y^* = \beta_j D_j + e$ with D_j being a dummy equal to 1 when the respondent belongs to professional category j and $e|D_j \sim \text{Normal}(0,1)$. The observable, dependent

variables have been recoded to take only 2 values: the value 0 reflecting "strongly disagree" and "disagree" responses; and 1 for "agree" and "strongly agree" responses.

Details of our model specification:

Our specifications are derived from latent variable models of the kind: $y^* = \beta_j D_j + e$, where D_j is a dummy variable equal to 1 when the respondent belongs to professional category j and $e|D_j \sim \text{Normal}(0,1)$ and the latent variable can be interpreted as continuous support for the statement specified in the survey question (for instance, support for the strategy of making trade policy conditional on the realization of NTPOs). While continuous support is not observed by the analysis, the responses to question in the survey are based on a 5 point Likert scale, the lowest levels of support are associated with a "strongly disagree" response coded as $y = 1$ rising to the highest levels of support associated with a "strongly agree" response ($y = 5$).¹⁰ The sign of point estimates can be interpreted in terms of the conditional expectation of the associated latent variable that is of interest for our analysis. Each point estimate indicates whether belonging to a given stakeholder group is associated with weaker support (if negative) or stronger support (if positive) for the statement specified in the question (e.g. for the strategy of linking NTPOs to trade policy). If the associated confidence interval lies completely to the left or completely to the right of the 0 vertical line, this association is statistically significant. Moreover, when the confidence intervals for two professional categories overlap their preferences relative to the average respondent are not statistically different from each other.

Operationalization of categories:

Firms size is identified in terms of employment, with SMEs having less than 250 employees. The EUMS of the Western Europe region covered in our sample are: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Portugal, Spain, Sweden, The Netherlands, and the UK. Those from the Eastern Europe region instead are: Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Poland. High (low) level of income are assigned to high income and upper middle income (low income and lower middle income) countries as identified by the 2020 World Bank income group classification. High income partner countries in our data are: Canada, China, Japan, New Zealand, Norway, Russia, Turkey and the US. Low income partners are instead: Ghana, Malawi and Mozambique.

¹⁰ The complete scale is given by the following mapping: "strongly disagree" coded as $y = 1$; "disagree" as $y = 2$; "neutral" as $y = 3$; "agree" as $y = 4$; and "strongly agree" as $y = 5$. We drop observations where the answer is "Don't know".