

# Realizing Europe's Soft Power in External Cooperation and Trade (RESPECT)

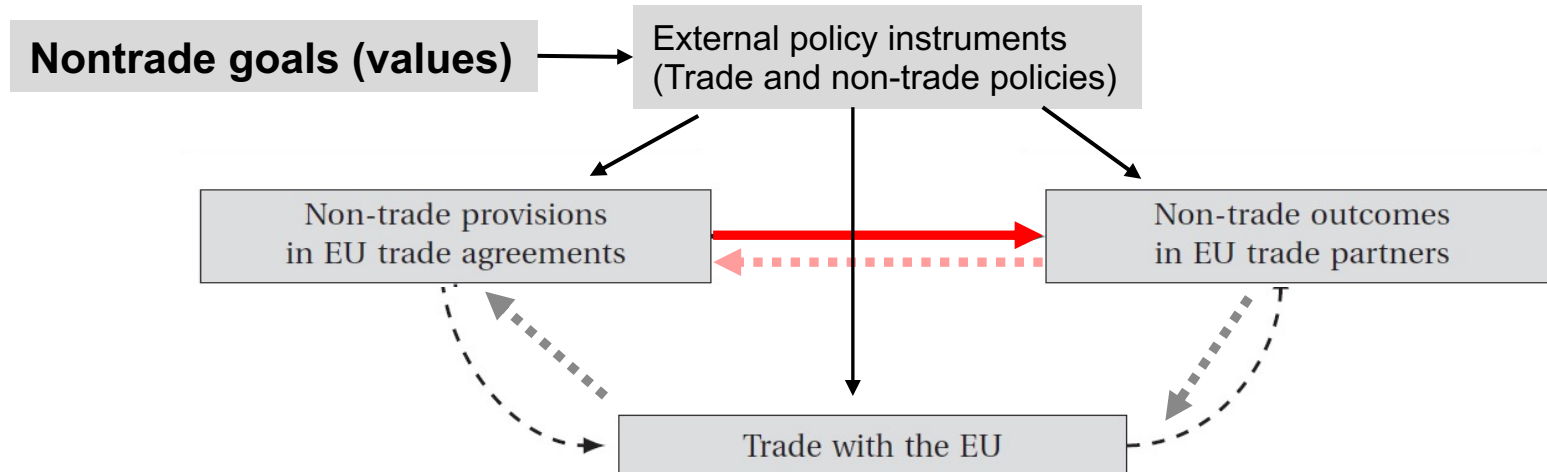
**Selected findings**  
(see <http://respect.eui.eu/>)

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# Conceptual Framework

- **Direct Effect:** External policy (EU and Member States) impacts on trade and non-trade outcomes
  - Inclusion of non-trade policy objectives (NTPOs) in policy implementation (e.g., trade agreements) trigger changes in partner country policies, improving non-trade performance indicators
- **Indirect Effect:** Impacts on non-trade outcomes are intermediated by trade, i.e., non-trade provisions impact on trade (investment and this has effects on non-trade outcomes of interest)



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## Selected findings: trade policy is being asked to do too much

- Strong support among stakeholders for linking trade policy to non-trade goals (EU values) & high degree of coherence in the *values* projected by the EU and its member states
- But: little robust evidence of a causal relationship between non-trade provisions in EU trade agreements and partner-country nontrade outcomes
  - More positive evidence for FDI
- Achieving NTPOs calls for combining a range of policy instruments:
  - Technical assistance, enterprise networks, policy dialogues, regulatory cooperation, private standards, development finance entities, trade promotion ...
- Policy dialogue: under-appreciated instrument of EU external engagement.
- Private standards in supply chains can help improve non-trade outcomes.
  - EU trade agreements with environmental protection provisions complement the effect of private standards in reducing air pollutants and greenhouse gases.

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## Selected findings: “walk the talk” on multilateral cooperation

- Increasing geopolitical/geo-economic tensions and recourse to unilateral interventions by major partners – and by the EU
- Taxation of multinationals, subsidies, climate action (CBAM), procurement, sanctions
- Pursue more open plurilateral cooperation as a complement for bilateral engagement with US and China and vehicle for (gradual) multilateralization of good regulatory practices that are consistent with EU values
- Many examples: cooperation on digital economy regulation, data privacy; cross-border data flows; implementation of the Green Deal and realization of Paris Agreement national commitments
- A greener and increasingly digital global economy requires cooperation with like-minded and active engagement with those who are not

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## Selected findings: transparency, impact assessment and evaluation

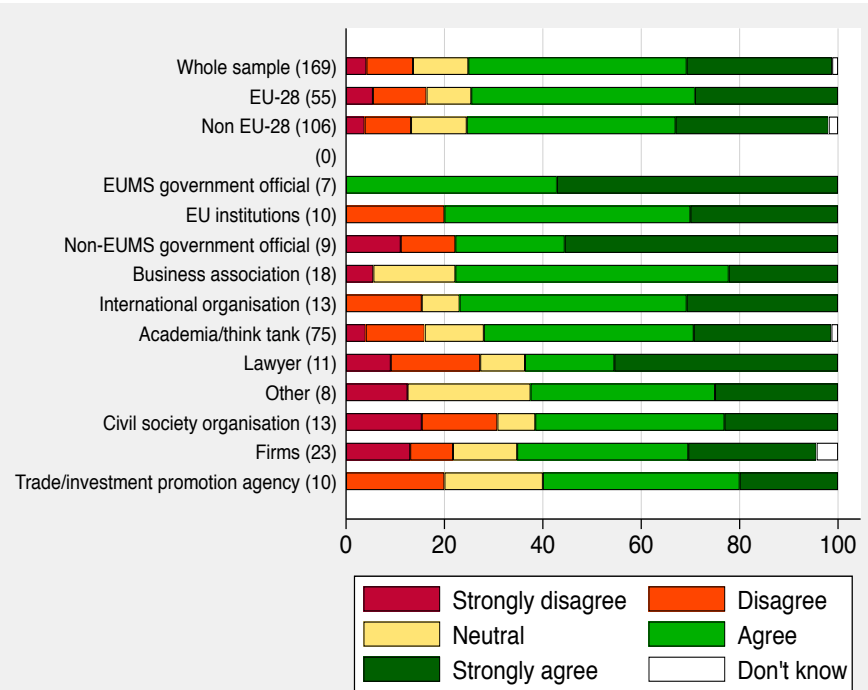
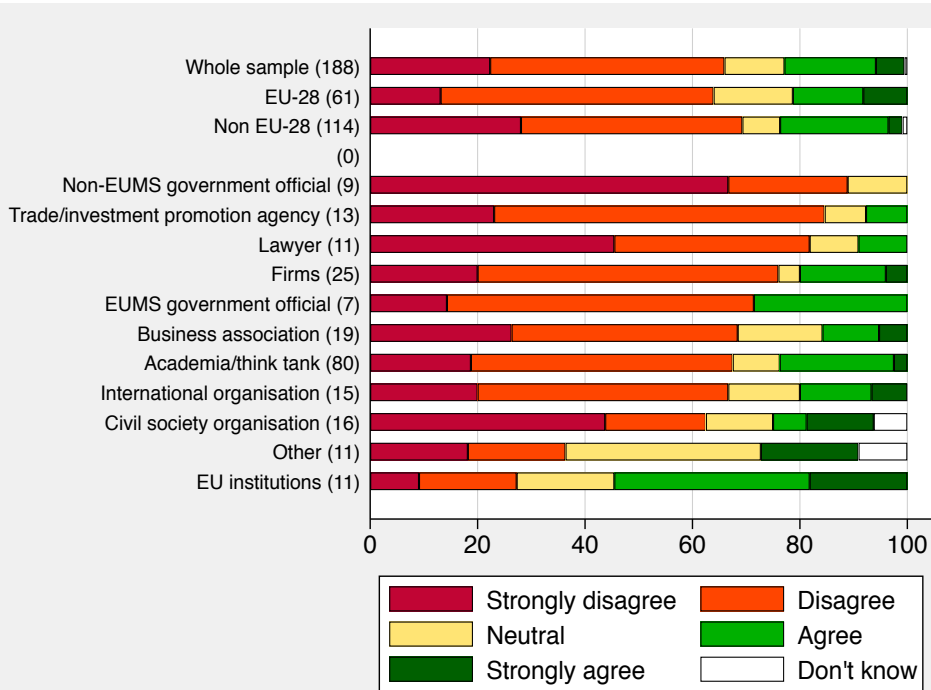
- Current mechanisms to assure transparency and analysis of (joint) effects of policies are inadequate.
- The EU can better balance material interests with values by using impact assessments to identify stakeholders' non-trade priorities and instruments to pursue them
  - Redesign stakeholder surveys; use deliberative polling; value chain partnerships
- Beyond “enforcement” and “compliance”: stronger linkages between ex-ante assessments and monitoring and evaluation of outcomes needed to enhance effectiveness, ownership & accountability
  - More regular analysis of the effectiveness of EU external action a necessary input into learning and adjusting EU strategy to achieve goals.
- Necessary condition: baseline performance indicators and track use of instruments
  - Corollary: invest more in data collection and analysis of impacts

# Survey responses on selected RESPECT research findings

## International cooperation through treaty instruments

*Use same approach to NTPOs in all agreements*

*Pursue plurilateral agreements for NTPOs*



# Survey responses on selected RESPECT research findings

## Alternative (complementary) instruments

*Require due diligence standards in value chains*

*More use of expert dialogues to achieve NTPOs*

