EU Trade Governance and Policy: A Critical Perspective

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Citation


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Abstract

This article offers a critical analysis of EU trade policy. It does so by highlighting the political and economic enclosures within which EU trade policy is embedded and that continue to hamper more holistic and interdisciplinary analyses that are argued to be necessary in order to comprehend the obstacles to and avenues towards a more sustainable and socially just world. The article critically analyses economic and political hegemony by drawing on two strands of critical international thought, namely neo-Gramscian analysis and global political ecology, employing a critical realist approach. The article identifies the perceived twin shortcomings of conventional analyses: firstly, the neglect of understandings of power relations and social justice, and secondly the lack of attention to criteria of sustainability. Within critical debates about European governance, including the governance of trade and trade policy, neo-Gramscian perspectives highlight the power relations within EU governance, exposing the mechanisms of hegemony as well as identifying potential counter-hegemonic forces. While this offers important insights, the article argues that a critical perspective cannot be complete without attention to sustainability. Political ecology makes a vital contribution to critical perspectives by highlighting the natural limits within which by necessity all human activity takes place. Using illustrations from trade policy debates, the article argues that current EU trade policy and governance is not best placed to meet the challenges of sustainability and social justice and it points to the need for more holistic systems thinking to challenge orthodoxy.

Keywords

Critical international political economy; hegemony of economic and political orthodoxy; political ecology; social justice, sustainability

Increasing and incontrovertible scientific evidence demonstrates that the planetary boundaries within which life on this planet flourishes are being breached to dangerous levels and if left unchecked could have severe consequences for the continued survival of human and other life forms (Rockström et al. 2009). At the same time we face a convergence of financial, energy, food, population and development crises. The sustainability movement recognises that solutions to these crises must be both sustainable and equitable (Fortnam et al. 2010, Raworth 2012). However, there is no consensus on how to deliver on both sustainability and social justice, despite decades of a discourse on sustainable development (Brand 2012). Evidence of unsustainability and injustice is widely documented and despite global efforts to address these issues, as witnessed in numerous global policy documents from the UN to the World Bank, action on these issues has been weak. Take for example the UN Convention on Climate Change, which has so far failed to negotiate a successor to even the rather unambitious Kyoto Protocol. Similarly, slow progress is being made in meeting the Millennium Development Goals, which end in 2015 (Fukada-Parr et.al. 2012).

Critical political ecological voices identify unsustainable economic doctrine – including, for example, unquestioned demands for continued and unbridled economic growth – as being at the root of both unsustainability as well as social injustice (see Kovel 2009; Foster 2009), but economic discourse is rarely questioned in the neoliberal mainstream. Indeed, economic growth is seen as the solution to questions of unsustainability and social injustice (OECD 2011; Withagen and Smulders 2012). In Europe, we find there is much progress in creating and implementing progressive environmental and social policies (Kronsell 1997; Jordan 2005). And yet in Europe too there is tension and contradiction between the creation of an economic project that is globally focussed on expansion and competition and a political project that pays attention to concerns such as social justice and sustainability. Nowhere is this tension more visible than in EU trade policy, hence this article takes trade policy as the focus in which it seeks to analyse some of these tensions.
Trade is one of the core elements of the EU’s 2020 Strategy, which emphasises growth above all else. The new mantra ‘smart growth, sustainable growth, inclusive growth’ is speckled throughout the 34 page document (European Commission 2010). To roll out a synergistic trade policy that chimes with the 2020 strategy, the European Commission’s Directorate General Trade brought out the document *Trade, Growth and World Affairs: Trade Policy as a Core Component of the EU’s 2020 Strategy* in the same year (European Commission 2010a). These documents address questions of sustainability and social justice, all within a continued framework of economic growth. And yet, critical political ecological commentators might legitimately ask the question, how sustainable and just is EU trade policy? Is it possible to square current neo-liberal trade policy with the preservation of ecological and social diversity? The mining of tar sands for petroleum, for example, is a hugely destructive business both ecologically and socially, and yet is a central controversy in the current bi-lateral free trade negotiations between EU and Canada, to do with creating market access for European firms (Bartels and Henckels 2011; UK Tar Sands Network, 2011; CANC 2012). Neo-Gramscian analysis helps us to analyse these unequal power relations within EU trade policy making, where corporate interests have more sway than social and ecological voices. They help us to analyse these power relations in terms of capitalist hegemony and they show the tensions and power struggles present within European elites, over which the social European contract is fought out. Neoliberal demands for liberalisation and opening up of markets are currently taking precedence over ecological and social concerns.

Critical social theory points to the entrenched political, economic, and socio-cultural structures that reproduce unsustainability and social injustice. The challenges to planetary boundaries as well as social injustices in general force us to rethink the contours of human existence: how we, as a species, live on planet Earth, how we meet our needs through production and consumption thereby transforming nature, how we collectively organise to meet these needs. To begin to answer these questions an examination of power relations is necessary. These questions also lead to a deeper questioning of the epistemological and ontological contours of orthodox thinking on political economy, including the political economy of trade, globally and in the European domain. This article seeks to contribute to these critical conversations and interrogations, by specifically looking at EU trade governance and policy.

There is a diversity of paradigms that seek to make sense of EU trade policy. Mainstream functionalist and rationalist analyses of trade theory tend to eschew analyses of power relations as well as wider economic, political or socio-cultural structures. The main purpose is to explain trade through the rational actor model (see Dür and De Bievre 2007). This may explain actors’ behaviour within very narrow margins, but does not allow for broader questioning of economic models. Core mainstream economic assumptions are taken for granted and reproduced without critical reflection. For example, Andreas Dür equates trade liberalisation with the public good ‘trade policies that further the public good, that is, achieve trade liberalisation’ (2008: 27). More recent constructivist approaches bring in the role of interests and ideas and allow for the analysis of non-state actors (Wallace et al. 2005). However, these ideational approaches fail to locate policy-making within the wider structures of the global political economy.

This article proposes a more holistic and critical realist framework, which enables us to take seriously our real dependence upon the physical world, as well as the real causal effects of ideology (Bhaskar et al. 2009). This allows analysing how current trade policies reflect and perpetuate broader economic, political and socio-cultural structures that at present can be described as embedded in neoliberal capitalist global hegemony (Kovel 2007; Gamble 2009), which exacerbates environmental degradation and social injustice (Gorz 1987; Foster 2002, 2009). Conventional neo-classical analysis does not reflect upon its own location within this broader terrain but rather focuses on how trade can be made more efficient, or more open. In some cases it may reflect upon how trade could be made to be more inclusive and fair (see COM 2009) and most recently trade has been
employed as part of perceived solutions to climate change through mechanisms such as carbon emissions trading (Directive 2003/87/EC; Ellereman 2009). In terms of external trade policy, however, the EU shares the WTO’s emphasis on liberalization and opening up of markets and thus a commitment to concluding the WTO Doha Round (European Commission 2010a, 2010c) as well as increasingly operating a system of bilateral trade agreements (Siles-Brugge 2011; Hurt 2013: 51).

Rather than an in-depth analysis of EU trade policy, this article offers a critical analysis of the frame within which EU trade policy is located, drawing on two strands of critical international thought, namely neo-Gramscian analysis and global political ecology. Illustrations of concrete, empirical trade policy are used throughout the article, rather than organising the article into discrete sections of theory and the empirical. This is predominantly a conceptual piece, which does not make it any less causally relevant in the world. Indeed, the power of ideas and conceptual frameworks within which trade policy and trade policy making is seen to be located is very real indeed, with very real consequences for people and planet (Bhaskar et.al. 2010; Fairclough 1989). The methodological, epistemological and ontological contours of such a critical approach will be laid out below in the first section.

The second section shows how within critical debates about European governance, including the governance of trade and hence trade policy, neo-Gramscian perspectives highlight the role of particular social forces in maintaining neoliberal hegemony, notably transnational capitalist class and business elites, as well as counter-hegemonic social forces (Bieler and Morton 2001; van Apeldoorn 2001; Cafruny and Ryner 2003). Neo-Gramscian perspectives serve to highlight the power relations within EU governance, exposing the mechanisms of hegemony. While neo-Gramscian critical analyses offer important insights with regards to power and social injustice, there has been a lack of attention to issues of sustainability. This article argues that a critical perspective cannot be complete without attention to sustainability. A critical realist framework enables us to take the neo-Gramscian critique further by reminding us of the real dependence on the biosphere. In the third part I show how political ecology makes a vital contribution to critical perspectives by highlighting the natural limits within which by necessity all human activity takes place (Gorz 1987; Foster 2002, 2009). It poses a fundamental challenge to orthodox thinking, particularly economic thinking. This article argues that analyses of trade policy and governance need to include the analytical categories of both social justice and sustainability, which in turn pose fundamental challenges to orthodox theory and practice. The conclusion posits that an international political ecology and an adequate ecological economics will need to advance dialogically in order to assist in the project of sustainability and social justice.

**A NOTE ON METHODOLOGY**

This first section explains and situates the article’s approach in terms of its philosophy of social science. Broadly speaking the approach employed is informed by critical social theory, which is sometimes usefully juxtaposed to problem-solving theory (Cox 1981). Problem-solving theory describes mainstream approaches, such as functionalist and rationalist analyses, that work within the parameters of the “real” world. They do not seek to challenge or disrupt the status-quo, nor indeed ask how that status-quo evolved. Critical theory, on the other hand, seeks to analyse how and why ideas and practices become mainstream, seeks to understand the dynamics behind that and indeed how it might be disrupted or challenged (Cox 1981: 128-129). These two approaches differ ontologically in that problem-solving theory tends to focus on an empirical world that is observable, whereas critical theory, in line with critical/or scientific realism also ascribes ontological status to unobservable, such as economic, political or socio-cultural norms, values or beliefs that are historically specific and may vary over time and space (Sayer 1992; Bhaskar et al. 2010).
Critical social theory is concerned with unearthing underlying theoretical assumptions which reproduce and are reproduced in the "concrete" world and are historically specific. Theory and practice as such are intimately interwoven. Likewise the separation of economics from politics and other dichotomies are rejected (see Maclean 1999; Peterson 1992). Critical social theory recognises that all theory is necessarily value-laden and that knowledge is produced and reproduced through linguistic, conceptual, cultural and material means and shapes both theory and practice (Sayer 1992:16). Of fundamental concern are the power relations at work in the reproduction of theory and practice which are pervasive in all areas of social life. Alongside this, critical realism’s explanatory critique is emancipatory, in that it allows for the possibility of alternatives – i.e. non-actualised possibilities to emerge. The real is not limited to the actual – i.e. to what “is”, but includes the possible (non-actualised) (Lacey and Lacey 2010; Bhaskar et al. 2010).

Similarly, critical social theory is committed to an emancipatory project of radical social change, that is to a challenging of all forms of domination (e.g. of gender, class, race, nature). However critical theory has been quite notorious for failing to theorise links between social and ecological systems of concern to the sustainability project (Dickens 2007). Hence the need for a critical political ecology that can effectively link critical social thought with ecological science in order to meet the sustainability challenge.

I use the concept of enclosures as an analytical tool. The term enclosure refers to both the material and conceptual enclosures that have emerged through as well as frame power relations within modernity; also it is traced back to the European enclosure movement, a practice integral to the historical project of the state and its institutions and providing the ground for the industrial and urban revolutions. Jeremy Rifkin has argued that it is in the nature of the nation-state to enclose ecosystems, commodify and privatise nature, optimise the expropriation of scarce resources, expand production and consumption, and advance utilitarian self-interest in the quest for progress (1991).

However, the idea of enclosure does not just refer to physical boundaries, but crucially also has social content, delineating social boundaries and relationships of power and knowledge (Saurin 1993: 51). Thus, the process of enclosure occurs not only through material practices but also in the realm of institutions and ideas. Many critical thinkers have reflected upon such dynamics of power, employing a variety of concepts that can be likened to the concept of enclosure. Notably, the Gramscian concept of hegemony has been deployed by neo-Gramscian scholars to denote the way in which dominant power relations are maintained through socio-cultural norms and institutions as well as material practices. Critical realist and discourse analyst Norman Fairclough has also argued that we should understand ideological common sense as ‘common sense in the service of sustaining unequal relations of power’ (1989: 84). Rather than purely a coercive process, these relations of power can also be consensual (Cox 1981: 137). The institutionalisation of certain norms, ideas and values then serves as a means of ‘stabilising and perpetuating a particular order’ (1981: 136). Similarly, Michel Foucault talks about governmentality as a process whereby dominant power/knowledge configurations maintain and reproduce social institutions (Foucault 1980). Enclosure further relates to what Pierre Bourdieu has called the ‘realm of discourse’ (1977: 168). In Bourdieu’s model the possibility of competing discourses within this realm are by no means precluded, indeed it is a universe of heterodoxy as well as orthodoxy, while drawing a line between its legitimised realm and the doxa or ‘the universe of the undiscussed’ (1977: 168). These realms closely mirror social relations of power and can be observed in the domain of policy making, including within the EU. A critical social theory is not just concerned with how these enclosures come about and how they are maintained, but also how they are being challenged. Neo-Gramscian scholars are also concerned with the counter-hegemonic ideas and practices seeking to unsettle and challenge hegemony (see Gill 2003). Of fundamental concern in this paper is how power relations maintain particular enclosures that enable ecological degradation and social injustice. Ecology teaches us the need for a holistic approach, or systems approach, in opposition to thinking which is fragmented by existing boundaries. The concern of critical
theory is with breaking down the boundaries that prevent a holistic approach, as well as looking towards emancipatory agency and practices. A recent collection (Bhaskar et al. 2010) demonstrates how disciplinary approaches fail to deal with the complexity of climate change, and how this further disables interdisciplinary action.

REGIONAL AND GLOBAL TRADE POLICY AND GOVERNANCE: SITUATING EU TRADE GOVERNANCE

Following on from the critical theoretical framework laid out above about how power operates through institutions and discourse, in this section I contend that EU trade policy and the governance thereof must be located within its wider politico-economic context, readily identified as neo-liberal capitalist. Further, as has been widely argued by critical scholars, the persistence of neo-classical economic thought powerfully encloses global and regional hegemony (Newell and Paterson 2010, Cato 2011). European trade governance can be located within a wider context of global trade governance. Indeed, some neo-Gramscian scholars identify European integration and governance building as part of global hegemony, rather than a discrete trend (Cafruny and Ryner 2003).

Discursive enclosures

Key assumptions about the economic organisation of the world are implicit within economic governance structures, including EU trade policy. For the purposes of both questions of justice and sustainability, the two key assumptions that are maintained and highlighted is that trade is the engine of economic growth (as distinct from development), and economic growth strategies are the unquestioned solutions to current crises, be they financial, economic, social or ecological (European Commission 2010d, European Commission 2010c). In orthodox economic discourse, problems such as poverty, inequality or environmental degradation are seen as externalities that can be internalised. The fact that poverty, inequality and environmental degradation appear to grow alongside economic growth is not readily explained. This is not to say that there is no awareness of these trends. The Annual Reports of organisations such as the United Nations Development Programme (UNDP) or indeed the International Monetary Fund (IMF) and World Bank, give eloquent descriptions of the state of the world. They tell the two stories of on the one hand deepening global economic, cultural and political integration and on the other increasing inequality, insecurity and unsustainability (UNDP 1999; IMF 1999; UNDP 2007/8; UNDP 2009; UNDP 2010). The solution put forward to balance these two stories and deal with the negative consequences is to enhance global governance and sustain economic growth. In the UNDP Report’s own words: ‘Reinventing global governance is not an option - it is an imperative for the 21st century’ (UNDP 1999: 97). Likewise, at the European level, the European Commission declares that the EU itself has ‘a clear interest in promoting global governance as a means to achieving the core objectives of sustainable development, security, peace and equity, objectives no territorial actor can secure alone’ (Madelin 2001:3). At the same time, the EU also holds steadfast to the liberalization of trade and economic growth argument, as seen for example at the Lisbon Summit, where it was agreed that the EU should become ‘the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion’ (European Council 2000). Subsequent EU policy documents continue to echo these sentiments (European Commission 2010d; European Commission 2010a; European Commission 2010c). A critical analysis of the relationship between these two converging trends suggests there needs to be an analysis of the deeper causal relationship between the two.
Central to the maintenance of these governance structures is a constellation of norms and ideas promoted by mainstream economic thought. Orthodox economics separates the economy and nature hierarchically, subordinating nature to the economy which mitigates against holistic analysis (Kallis et al. 2009). In the orthodox economic view the economic system is the space/market where individuals and institutions interact rationally, to distribute scarce resources efficiently and thereby satisfy human needs and wants. Here an artificial boundary is placed around an abstract notion of the economy as separate, closed and capable of functioning perfectly rationally. Nature and the environment are external to this closed system, amounting to a collection of ecosystems that provide the raw materials for input into the economy (see for example Daly and Cobb 1990; Daly and Townsend 1993; Mellor 2006). Where value is attributed to nature, it is phrased in terms of “ecosystems services” which is readily reduced to monetary value (Sullivan 2009). Environmental problems such as climate change are viewed as externality problems. Because nature is seen as subordinate to the economy, it is believed that the economy can grow indefinitely. Implicit in this is a further assumption that nature is at the disposal of the economy. Our fundamental dependence on nature is seen as incidental, since it is believed that any resource shortages or the problem of non-renewable resources can be overcome by human ingenuity, technological development and through market mechanisms (Cato 2011; Panayotakis 2012). Not all discourses of sustainable development and environmental economics challenge the growth imperative (WCED 1987; Field 2009; Hanley 2006); and some believe there is a safe operating space within the planetary boundaries that can contain a continued strategy of economic growth (Rockström et al. 2009; LNAS 2010).

Growth remains one of the main pillars of orthodox, economic thought, is taken as an axiomatic good and rarely questioned by economists or policy makers (Jackson 2009). Environmental problems are seen as a problem of market failure that can be remedied through market mechanisms (Jacobs 1991; Foster 2002; Barry 2012). Orthodox economic doctrine also stipulates that trade liberalization amongst countries and companies across the globe is beneficial to economic growth; with trade perceived as the very engine of growth (Todaro 1994). The pursuit of growth and the benefits of trade liberalization are cornerstones of the orthodox model of global trade governance institutionalised in the WTO and in EU trade policy. Like the EU 2020 Strategy, recent policy papers from the European Commission’s DG Trade echo the pursuit of growth and in addition emphasise speed: ‘The over-riding aim of European economic policy is faster growth’ (European Commission 2010a: 4; European Commission 2010; European Commission 2010c). In other words, both global trade governance and regional (EU) trade governance share the same fundamental assumptions and objectives. The EU is embarked upon a trajectory of liberalization and seeks to maximise its global competitiveness, consistent with neo-liberal restructuring globally (European Commission 2010). At the same time it is embarked upon a series of measures to try to embed sustainable use of resources and reduce environmental impacts of growth. In this the EU is expressing the contradictions inherent in the attempt to stay within the current economic paradigm as well as deliver a sustainable future for its citizens.

**The EU project: a Neo-Gramscian perspective**

While, as seen above, Europe is part of a transnational trend of neoliberal restructuring, internally it displays qualities of embeddedness, or embedded neo-liberalism, which Baastian van Apeldoorn argues remains ‘neo-liberal at its core and reflects the outlook of the most globalised sections of European capital, while at the same time seeking to accommodate the orientations of other social forces’ (2001: 70). Certain factions within the political elites have sought to create something more than an economic zone. Notably, the social democratic federalists’ emphasis on safeguarding a ‘European model of society’ based on a social market economy as well as social protection (van Apeldoorn 2001: 76). The result has been the “embedded” variant of neoliberalism, which has seen
many progressive environmental and social policies within the European domain. Neo-Gramscians maintain, however, that these social and environmental concessions could be likened to the passive revolution whereby the acquiescence of countering forces is secured. In the case of the EU they are the social-democratic forces at the heart of the project to create a European polity that believes in safeguarding the interests of industry as well as society.

Within the theory and practice of international relations, the concept of global governance is invoked in addressing questions of global change. In the dominant literature, global governance is seen as the key tool for addressing global problems that states are not able to solve unilaterally. It is perceived to be a governance of various layers, including but going above and below the state-level, involving business and civil society (see CGG 1995; Held 1995; Ruggie 2004). Within critical literature, this pluralist view of global governance is treated with more caution and seen rather as a trajectory for global order, rather than an altruistic attempt to solve global problems. Indeed Richard Ashley refers to it not as “governance” but rather as “purpose” (Hewson and Sinclair 1999: 11; see also Cox 1987). As such it operates as a political enclosure.

From this perspective the EU project is located within processes of globalization, part of global governance, not somehow reacting to it, though in its policy documents it emphasises the social element and good governance, as seen for example in the EU White Paper on Governance (European Commission 2001). In so far as global governance is embedded in the neoliberal global political economy, which is hegemonic in the sense that dominant power relations are maintained predominantly by consent with the back-up of coercion; similarly, European governance is connected to the broader transnational trends of globalization with its 'attendant, essentially neoliberal raison d'etre' (Cafruny and Ryner 2003: 3). It remains to be seen whether European social movements and other actors disillusioned by the failure to act on the key challenges of inequality and environmental crisis can mount a challenge to the globally dominant economic model. The current crisis of the Euro is arguably an opportunity to develop some alternatives that have wider support.

The analysis above suggests that from a neo-Gramscian perspective European trade governance has to be understood in terms of both economic and political discourses, the operation of social forces and contestations over policy directions. Thus there is no single model but rather the transformation of policy over time as a result of changes in the balance of forces. For example, Bastiaan van Apeldoorn identifies a shift in the thinking of EU business elites, exemplified by the European Roundtable of Industrialists (ERT), from a neo-mercantilist protective regionalism to a globalism in the form of embedded neoliberalism (van Apeldoorn 2001). This is still widely reflected in EU policy making and a willingness and indeed recognition of the necessity to retain at least a semblance of social features and concessions, absorbing what Polanyi calls the double movement, whereby a retreat of state will result in counter-movement and a re-embedding of state (1957). The shift of attitude amongst corporate elites has not occurred without a fight, but rather as a result of struggle over time between factions of the European capitalist elite with a gradual triumph of the globalist camp and its accompanying discourse of the imperative of competitiveness (van Apeldoorn 2001).

Neo-Gramscian analysis demonstrates the operation of hegemony within the EU. As we saw above, these enclosures are not just maintained by social forces and institutions but also by economic doctrine. Also, challenges to these enclosures do not just consist of social forces, actors and institutions, but also new ideas and discourses that seek to challenge the entrenched economic orthodoxy. It is argued next that sustainability presents a key challenge and must be part of any critical analysis.
THE CHALLENGE OF SUSTAINABILITY

This section explores the way in which sustainability challenges current dominant forms of trade policy and governance in the EU. As we saw above, orthodox economic doctrine still views the economy and nature as relatively discrete entities. Environmental issues are seen as market failures (Stern 2007). This failure can be remedied, it is believed by environmental economists, by putting a price on nature, giving it a value, in order to be able to internalise the problem. There is merit in these arguments, and it is indeed possible to apply cost-benefit analyses to alleviating discrete environmental problems, including in trade policy debates (Newell 2005; TEEB 2011). However, critical ecological economists argue that adequate sustainability approaches require a fundamental shift in the way the relationship between nature and society is conceived, requiring attention to questions of distribution and social power (Kallis et al. 2009). Further, political ecologists argue that the social and ecological contradictions of economic reductionism will literally cost us the earth and there is a need for a new social contract with nature, a new economy, and a new kind of politics that nurtures sustainability and social justice (Foster 2002).

What is sustainability?

It is widely agreed in international reports that sustainability does not pertain to environmental matters alone, but that it is fundamentally interdisciplinary, comprising nature, society and the economy, as well as inter-generational (UNDP 2007). Although many international agreements are in place they are generally weak measures of sustainability or social justice, and reflect more on the effectiveness or non-effectiveness of international environmental cooperation (Obereke 2008). Sustainability as defined and measured in the Millennium Development Goals (MEA 2005) is remorselessly decreasing. The unsustainability of our current global development model is clearly demonstrated by the strong continuing link between this development and environmental degradation. Equity issues are also key: ecological footprinting demonstrates that we need three and half planets for all humans to live at western consumption levels with current technologies and levels of affluence (Shah 2005).

Within the European polity, questions of sustainability have long been on the agenda. From an environmental economic perspective, the EU has been successful in greening a lot of its agenda and policy (see Kronsell 1997; Jordan 2005). The EU’s Emission Trading Scheme, for example, is held up as a proto-type globally (Ellerman 2009). Questions of sustainability are now addressed in policies across the board, including EU trade. In these documents, contradictions between pursuing economic growth and prosperity strategies and the challenges of sustainability are muted. The wording often remains vague and the onus is on the environmental impact assessments of trade agreements to mitigate negative impacts rather than rethink trade policy and trade agreements themselves, as from the document, Trade as a Driver of Prosperity:

‘In the context of the EU2020 emphasis on sustainable and inclusive growth, more attention will need to be paid to assessing the social and environmental impact of trade agreements, including on greenhouse gas emissions, and measures that can be taken to mitigate potential negative impacts.’ (European Commission 2010c:4)

However, as Annica Kronsell points out, a true greening, a true incorporation of sustainability goes much deeper than a “greening” of policy discourse. What is required is a mobilisation towards ecocentricity in both theory and practice, at both the micro and macro level (1997). This is part of a much wider, inter-disciplinary task to challenge the deeper economic and political enclosures within which EU policy making sits.
Nonetheless, a “greening” of discourse does at the same time provide some leverage towards a more radical challenge.

TOWARDS A GLOBAL POLITICAL ECOLOGY APPROACH

Sustainability raises problems in its demand for interdisciplinarity in terms of the learning, knowledge and skills sets required. It is recognised by many reflective practitioners that in order to deal with real joined-up problems what is needed is a holistic approach that can bring a multiplicity of factors into some kind of meaningful relationship. Ecological economics is one developing field that is attempting this, though within this field there are diverging paradigms. On the one hand a more conservative strand remains fairly wedded to neo-classical orthodoxy (Kallis et al. 2009: 15). Here monetary formulations are still employed; planetary “ecosystem services” conceived of this way include provision of stable climate and constitute the “natural capital” underpinning human livelihoods. It has been estimated that biodiversity loss in Europe will cost 1.1 trillion Euros per year by 2050, greatly reducing human wellbeing (Braat and Ten Brink 2007). This is additional to the predicted impacts of climate change on Europe (EEA 2008).

While it is certainly important to see sustainability as interdisciplinary and as comprising society, nature and the economy, there is a danger of just blending these spheres superficially without considering their actual relationships in the world, specifically that some may be dependent on others. Some want to claim that economies are actually sub-systems of societies, depending on the connective features and unpaid caring relations of these societies for their existence. For example they claim that functioning economies depend upon the rule of law, habits and practices of trust and care between people (Reed 2001; Stark 2005). An ecological political economy approach goes further, to argue that human societies are sub-systems of the wider life systems of planet Earth that supports them (Perkins et al. 2005).

Many proponents of sustainability claim that economic rationality wrongly assumes that human societies and ecological systems are sub-systems of the economy. This view is illustrated by the (still operational) use of Gross Domestic Product (GDP) to assess progress. This approach has been criticised by numerous commentators as being fatally misleading because it is an exercise of quantitative addition, rather than qualitative change (Mayo 1999). Whilst GDP is still used as a measure by the World Bank and the OECD, it is now qualified by the use of various sustainability indicators. The World Bank (2008) is developing a conception of National Wealth and the OECD (2008) is examining the global sustainability effects of national growth policies. In 2010 the UNDP report for the first time acknowledges that economic growth is not necessarily the panacea that it has previously been seen as.

Sustainability requires an economics that can deliver on the broad goals of human and ecosystem well-being as appropriate to different contexts (NEF 2010). In line with the continuing dominance of monetary approaches such as GDP, much work is now being done to assess the contribution of “ecosystem services” in monetary terms (DEFRA 2007, ESP undated). Whilst we can estimate future losses of “natural capital” using current knowledge, these are generally considered to be conservative estimates as there is a great deal we do not know about how complex ecosystems work (IAP 2010). Thus whilst policy may attempt to maximise trade-offs between climate stabilisation and biodiversity for example, we are dealing with ecological limits that are still unknown and key cycles whose interactions are still largely unidentified.

Critical strands of ecological economics emphasise the need for holistic analysis that sees the economy and nature as being in co-constituted, metabolic relationship, which necessitates an alteration in the neo-classical economic tools (Martinez-Alier 1987; Daly
An ecological political economy approach views production and consumption as essential for the maintenance of society, but also sees the ways in which production and consumption are organised as having a formative effect on social relations and institutions, and recognises the economy/society complex as being dependent upon wider ecological life-support systems. These approaches indicate that a basic understanding of systems relationships is necessary for understanding sustainability and the problems and questions it raises for the ways we humans organise our societies and our economies. Theorists point out that capitalism is capable of assimilating many things, including fair trade, emissions, but ultimately the ecological contradictions may overwhelm it (Cato 2009, 2011; Kovel 2002, 2007, Foster 2002, 2009). As the research behind biodiversity and ecosystem degradation reveals (TEEB 2010) capitalism is the most ecologically inefficient system in history to date, highlighting the need for fundamental assessments of our current political economy.

Both political ecology and political economy have their roots in the term *oikos*, from the Greek word for “household”, which invites us to develop a more holistic understanding of the relations between society, ecology and economy. However, within hegemonic discourse a separation of economics and politics has taken place, even within dominant strands of International Political Economy (IPE). The focus has been on the politics of world order. IPE has forgotten its ecological roots and remains anthropocentric (Lafferiere and Stott 1999, 2006). Political ecology is not just about ethics, but at heart is about the material conditions for life on Earth. It reminds us of this material basis, the ecosystems, upon which society is dependent. Historical materialist analysis has been slow to take on board ecology, but this analysis is becoming more widespread (Foster 2002, 2009).

Political ecology challenges political economy in a variety of ways. At heart it points out how ecological structures are integral to politico-economic processes. It critiques the idea that the economy has become separated and disembedded from society in the historical period of the great transformation to the market economy, not just in material terms but also in ideational ones, which has fundamental repercussions for the contours of social relations, by reconceptualising nature as subordinate (see Polanyi 1957; Mitchell 1997). This disembeddedness enables the commodification of externalities, such as for example environmental degradation and climate change. Trade policy is not substantially challenged by internalisation of externalities. In the case of climate change, for example, a lucrative market has been created in emissions trading, of which the EU has the most successful variant as seen above (Ellerman 2009). Critical thinkers doubt such measures will avert ecocide and that merely internalising the externalities does not radically redefine the relationship between nature and society (Cato 2011).

The idea of limits, both ethical and material, that stem from a political ecology approach, present a fundamental challenge to orthodox economic thinking. Likewise, they present a fundamental challenge to political orthodoxy. There are ecological limits to globalization and the expansion of market society. From an ecological perspective, disciplinary neo-liberalism (Gill 1995) cannot rely on exponential economic growth. Global and regional governance, then, needs to do more than manage global trade and economics, but questions of social and ecological justice require a discussion about redistribution of access to wealth and resources. Ultimately, society and the economy need to be re-embedded within their ecological limits, and this challenges not just economics, but also governance.

**EU policy making, ecology and social justice – the case of extracting petroleum from tar sands**

In this section, the analysis selects the case of the trade negotiations between the EU and Canada. The EU is negotiating a bilateral trade agreement, in line with its general
move towards external liberalization through bilateral agreements alongside a commitment to multilateral trade fora. The Canada-EU Comprehensive Economic and Trade Agreement (CETA) intends to cover trade, investment, movement of workers, trade in services, intellectual property and government procurement, amongst others (Bartels and Henckels 2011: 1; European Commission undated; European Commission 2009). In line with EU policy orthodoxy, it takes for granted that liberalization is good, because it contributes to increases in GDP (EC Enterprise and Industry 2009:2). In addition, preparatory documents highlight in particular that the private sector in both countries is welcoming of this opening up of markets:

‘The private sectors in both EU and Canada have shown strong support for an ambitious and comprehensive economic agreement, both publicly and in response to the consultations undertaken by both parties in the framework of the joint study. They believe advancing a closer EU-Canada economic partnership would send a powerful pro-growth signal to investors and businesses within the EU and Canada as well as internationally.’ (EC Enterprise and Industry 2009: 3)

Like many EU trade policy documents, its focus is on economic growth, market access and liberalization, and like many EU trade documents it makes an obligatory, if brief, reference to sustainable development where it agrees to looking into environmental and labour rights (EC Enterprise and Industry 2009: 7). A core controversy surrounding this trade deal is the extraction of petroleum from tar sands, although this controversy is viewed differently by different stakeholders. Predominantly, the controversy is couched in terms of market access for foreign companies and investors – in particular the access of European petroleum companies to Canadian tar sands, thus diminishing Canada’s power to regulate extraction of petroleum from tar sands on its own soil (Bartels and Henckels 2011).

From neo-Gramscian and critical ecological perspectives, there is a fundamental conflict between trade liberalization including dirty extractive industries and the EU’s own sustainability targets and commitments to reducing greenhouse gases, including low-carbon growth and commitment to clean fuel through initiatives such as, for example the Fuel Quality Directive (Directive 2009/30/EC). A neo-Gramscian analysis would identify the tensions in these discussions between the dominant capitalist interests, such as here the extractive industry seeking market access or the Canadian government on behalf of Canadian extractive industries, while also identifying the social forces seeking to challenge the dominant voices. In this case, for example, other stakeholders such as the First Nations, social movements and NGOs across the world view this controversy quite differently. According to them, this should not be about which corporations end up getting access to mining tar sands, but rather from an ecological and social justice perspective, they are arguing that the mining of oil or tar sands exacerbates environmental degradation, CO2 emissions as well as having detrimental social and health impacts on local populations, and thus should not be carried out at all (Shrybman 2011).

The severity of the problem has triggered a global campaign to highlight the detrimental impact of this industry (UK Tarsands Network 2011), which has been campaigning outside the CETA negotiations. Further, they have been campaigning within the European Parliament in collaboration with progressive MEPs to insist the European Fuel Quality Directive highlights the high carbon content of fuels extracted from tar sands, something the Canadian government has been lobbying to keep out of the document (UK Tarsands Network 2011; CANC 2012).

Echoing the developments in critical social theory, any effective counter-hegemonic struggle needs to address both social justice and questions of sustainability. Social movements are speaking up for sustainability and social justice in order to challenge EU trade policy. They are seeking to influence the course of EU trade policy through direct action and campaigning by exposing the contradictions and tensions between continued
economic growth strategies on the one hand, and meeting the challenges of sustainability and social justice. Within the democratically elected bodies of the European Union, the European Parliament also provides a route to influencing the direction of trade policy. A recent report adopted in the European Parliament on international trade policy in the context of climate change imperatives highlights the need to reconcile the conflicting pulls of sustainability and social justice on the one hand and the focus on liberalization and economic growth on the other (European Parliament 2010). Influencing the frame within which policy making takes place is a struggle to break through the economic and political enclosures within which trade policy making takes place; an ongoing struggle over hegemony.

CONCLUSION

Ecological economics is still in development, and an international political ecology that is adequate to address trade issues must develop alongside. Inclusion of the power issues that a neo-Gramscian analysis can bring to the table will be essential for any social and political project in support of an ecological economics. This analysis implies that such new economics will need to be fought for politically and will need to be taken up by progressive movements in a much more direct and informed way. Theorists can help in continuing to raise these issues and in strongly arguing for the need for radical reformulation of social theory to respond to the challenges of sustainability and social justice. This article has argued that it is not enough to critique EU trade policy through an assessment of whether it meets its stated goals or not. Rather, a critical perspective seeks to uncover the political and economic enclosures underpinning EU trade policy and governance and it interrogates the obstacles to achieving a more sustainable and socially just world through trade policy. This analysis explored the discursive hegemony of neo-classical economic thought and the contours of EU governance. It argued that the hegemonic discourse of economic growth and trade liberalisation provides a limited and limiting framework for the construction of EU trade policy. Furthermore, the article analysed the social and political context of the EU project. The trajectory of EU governance is not simply a functional response to the demands of the market but is instead the outcome of a process of contestation and elite compromises. The final part of the article focused on the challenges of sustainability and the limitations of environmental economics in meeting these challenges. It argued that an ecological political economy perspective might provide a better starting point for building a global society that is ecologically sustainable and socially just. Analysing EU trade governance from a critical perspective was one attempt to highlight the way in which political and economic enclosures operate through often implicit, taken for granted assumptions, such as around economic growth. This paper has sought to contribute to a wider critical theoretical project of unearthing implicit assumptions that might hinder progressive, socially just and sustainable policies.

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Critical social theory includes a wide spectrum of analyses. My concern with the twin benchmarks of sustainability and social justice is one that emanates from critical ecological thought. This is not to say that these twin concerns are more important than other concerns, such as for example attention to other forms of domination, for example through class, race, gender, etc. Indeed, social justice should be broadly understood as intersectional, though this paper does not offer a detailed analysis in this regard (for further elaboration on intersectionality, see McCall 2005).

In this article I am not centrally concerned with the analysis of emancipatory practices, but I have discussed this elsewhere (Ford 2005).
REFERENCES


