



TRADE POLICY IN THE EUROPEAN UNION IN THE LIGHT OF EUROPE 2020 STRATEGY

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Abstract

In the European Union, trade between Member States and trade relations with third parties is an important element in terms of economic development especially in the long term. Increasing wealth and improving living conditions for people depend heavily on trade relations between the EU member states and extra EU, economic growth being closely linked to the manner in which it can be driven and supported by policies implemented in the field. Changes and especially their dynamics in terms of the pressures upon the global economy in the context of globalization of markets and not only cause permanent change of the parameters of business undertakings both at Community level and internationally, in trade relations. The EU responsibilities in local, regional and global areas are significant, the European Union being among the most powerful world economic actors.

Key words:

Economy, commercial policy, Europe 2020, commercial relations, member states

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1. Introduction

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Increasing wealth and improving living conditions for people depend heavily on trade relations between the EU member states and extra EU, economic growth being closely linked to the manner in which it can be driven and supported by policies implemented in the field. Changes and especially their dynamics in terms of the pressures upon the global economy in the context of globalization of markets and not only cause permanent change of the parameters of business undertakings both at Community level and internationally, in trade relations.

The EU responsibilities in local, regional and global areas are significant, the European Union being among the most powerful world economic actors.

Free movement of capital, services, goods and people has led to the expansion of trade relations with significant effects primarily through job creation.

Given current economic recovery amid the existing economic climate, trade policy seeks to support the measures taken for recovery.

2. Trade in the European Union

International trade is the key in obtaining a lasting economic development that ensures the European Union to consolidate its position as a leading global player in intra-Community trade and the trade relations with third parties. Current economic conditions or trying to recover from the economic crisis whose effects were manifested in this field scale and determine a coordinate frame whose approach involves more sustained efforts by the European Union in terms of readjustment the new market environment.

The essential elements that define the outcomes of the commercial policy concern the following aspects:

- Creating jobs;
- Increased competitiveness;
- Ensuring a diversified offer;
- Poverty reduction;
- Best products and services;
- The spread of innovation and new technologies;
- Improved relations between states and nations.

In terms of factual data, statistics, the European Union, in 2013, when compared to China and the United States, presents the following aspects revealed in Table 1.

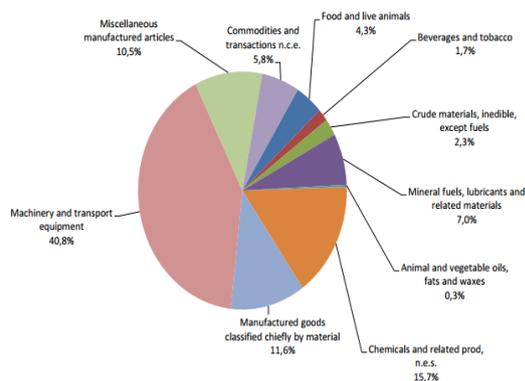
Table 1. Global Trade of Goods (billion EUR)

	Exports	Imports	World Trade (%)
EU 28	1738	1682,6	15
United States	1189,4	1753,7	12,9
China	1663,3	1468,3	13,7

(Source: European Commission, Directorate General for Trade, Statistics)

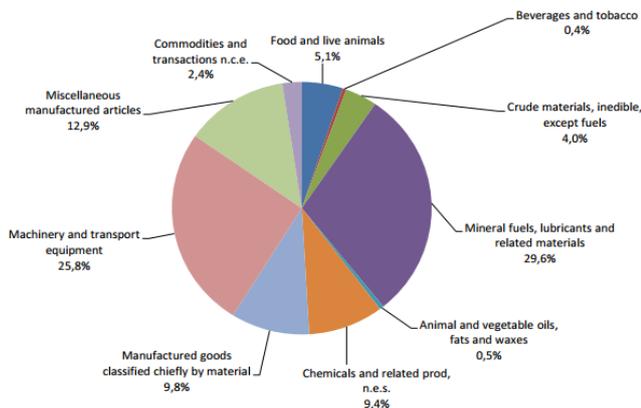
Regarding the structure of exports and imports, graphs 1 and 2 highlight the fact that European Union recorded the highest exports for machinery and transport equipment, the most significant share in imports being represented by Mineral Fuels, lubricants and related materials.

Graph 1. EU-28 exports of goods to extra EU-28 by sector, 2013 shares (%)



(Source: European Commission, Directorate General for Trade, Statistics)

Graph 2. EU-28 imports of goods from extra EU-28 by sector, 2013 shares (%)



(Source: European Commission, Directorate General for Trade, Statistics)

3. European Trade Policy in Achieving Europe 2020 objectives

Crossing the economic crisis and especially the spillover effects from the developed countries to developing countries involved major efforts by policy makers at European level, the implementation of measures related requiring sustained action in all fields, especially in the international trade.

Policies adopted at EU level with ramifications across member states aimed at sustained economic growth, in order to guarantee a more rapid recovery that manages to sustain the gaps recorded during the economic crisis.

In this sense, under Europe 2020, trade policy will have to contribute to the objectives, namely:

1. smart growth;
2. inclusive growth;
3. sustainable growth.

Enrollment in the sphere of growth and development imposed by Strategy 2020 objectives, we must consider first the impact of trade policy in order to achieve economic growth that ensures long-term development at economic, social and environmental level.

Following the purposes of *smart growth*, trade policy contributes in obtaining it by acquiring a competitive advantage in terms of innovative products with improved quality capable of sustaining the economic well-being and quality of life at the highest level, and removing obstacles for investments and trade of goods and services.

The European Commission has proposed a series of measures designed to ease the transition to such a model of growth through the following key points in the analysis of "Trade, Growth and World Affairs. Commercial policy - a key component of the EU 2020 strategy":

- opening markets for service providers (transport, telecommunications, financial), by removing barriers to trade, which recorded an increased scale compared to other sectors;
- implementation of European policies in investments in order to align the requirements of investors within member states;
- public procurement is an area where foreign markets are particularly closed for EU companies. EU efforts will be directed in this direction by removing barriers and discriminatory practices;
- the proliferation of innovation and new technology arena are essential in trade policy- smart growth oriented with effects on consumers and on

economic agents, providing a competitive environment to boost value creation and to generate jobs and keep them for the long term;

- trade regulation within the EU and at international level has advantages both from a consumer perspective, providing breakthrough the internal market of high quality products with enhanced features and enhanced levels of health and environment protection, and in terms of partners trade to the extent that they are respected and known by both parties;
- differences in legislation or the absence of common standards or mutual recognition may be legitimate in some cases, but most often they are an important source of business costs for companies abroad. Strengthen regulatory cooperation - both progress equivalence or convergence (of rules, standards, testing and certification practices) at international level in order to minimize unnecessary costs related to the regulations worldwide - is an important aspect of our commercial relations, especially with our main partners, as well as part of FTA or similar negotiations;
- emphasis on strengthening cooperation in terms of regulation between trading partners in order to improve competitiveness on domestic and foreign markets;
- providing labor movement in order to increase the competitiveness of enterprises through the highly skilled workers.

An *inclusive growth* cannot be achieved without the policy that boosts the jobs creation and manages the climates generated by opening new markets in which benefits targeted at certain sectors may cause malfunctions in others (transfer of resources to the best performing sectors). Such a situation can have adverse effects and may cause an increase in the gap between countries and regions (OECD 2012).

Also, besides the main aim of generating jobs, we must ensure that under the conditions of increasingly globalized economy whose boundaries also include less developed countries with different legislation regarding working conditions and social protection, concluding cooperation agreements can help create international standards to support workers and develop measures for economic development and poverty eradication (COM 2011).

Sustainable growth is closely linked to complying environmental needs by creating a sustainable economy focused on the efficient allocation of resources, Europe 2020 Strategy mentioning them as (Europa.eu):

- Reducing carbon dioxide emissions;
- Technologies and organic production methods;
- Introduction of intelligent electrical networks based on characteristics of efficiency;
- Ensuring competitiveness by harnessing local European networks;
- Improving the business environment;
- Consumer education.

Organic products can contribute to this objective to the extent that this type of lifting barriers for goods and services is made more efficient.

Promoting a commercial system based on sustainability criteria is necessary since major imbalances caused by economic activities of the environment can develop adverse effects on economic growth and development.

An important measure in ensuring sustainable growth is represented by energy. Promoting alternative energy sources, diversification of supply, liberalization of transit, and boosting trade in sustainable energy in third countries are just some measures that we can rely in achieving the objectives of the Europe 2020 strategy.

If the EU would increase the share of renewables to 20% there could be created 600,000 new jobs - and other 400 000 if reached the 20% energy efficiency. (Europa.eu/ Europe 2020)

4. Conclusions

EU trade policy is designed to improve economic conditions with the tools and measures implemented thus generating economic growth and development.

The economies of the world increasingly globalized and interdependent led to the need to take into account in designing a scenario to position ourselves in a healthy competitive climate in order to boost the creation of jobs and enhance the environmental and social protection.

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