

Reconsidering the EU as a Goeconomic Actor

– A Critical Discourse Analysis of the internal debate
regarding a New Industrial Strategy for the European
Union

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Abstract

In recent years there has been a growing internal debate within the EU regarding the direction of its trade policy. Circled around the understanding of a geoeconomic development within the international economic sphere, the Union is divided in terms of how to best respond in this proclaimed situation for ensuring its future success and prosperity. Where the European Commission has adopted several protectionist measures at the same time as upholding its liberal route one may ask what this implies for the future, as well as what the underlying forces behind this trend are, which is part of the general aim of this study. Previous research has provided both rationalistic and constructivist approaches to analyzing EU's trade policy agenda, where rationalistic approaches has investigated to which degree trade policy has been politicized and constructivists more focused to understanding to which degree ideas, norms and values has contributed to the Commission's legitimization and continuation of liberal trade politics. However, the area of discourse(s) role in this nexus is left relatively unexplored. With use of the IR theories of Realism and Liberalism as well as the methods of Critical Discourse Analysis and Norman Fairclough's three-dimensional framework for critical discourse analysis, this paper examines the main respective arguments of the debate regarding a New European Industrial Strategy, through three dimensions of discourse(s): as text, discursive practice and social practice. Findings suggests that realist discourses have gained traction within the Commission at the same time as it is constrained by institutional and integrational discourses, which are factors that indeed may result in troublesome years to come.

Key words: *European Union, geopolitics, geoeconomics, trade policy, industrial policy, Single Market, protectionism, discourses*

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Abbreviations

CDA – Critical Discourse Analysis

DA – Discourse Analysis

EU – European Union

EC – European Commission

EP – European Parliament

FDI – Foreign Direct Investment

IPE – International Political Economy

IMF – International Monetary Fund

IR – International Relations

SME – Small to Medium Enterprises

TNC – Transnational Corporation

TFEU – Treaty on the Functioning of the European Union

U.S. – United States of America

WTO – World Trade Organization

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“Global trade and trade policy has been under pressure recently, with many voices, often based on misinformed views, questioning its benefits”

Mr. Jean-Luc Demarty

Director- General for Trade, European Commission, DG Trade, May 2019
(Nilsson et al. 2019, p. 2)

1 Introduction

The concept of free trade has long been recognized as the fundamental blueprint for nation-state prosperity. Built upon the founding fathers of Adam Smith and David Ricardo, it is argued that international commerce when not constrained by artificial protection or subsidies is the ultimate and only system for maximizing economic growth. In a system where goods and services can flow freely across nation-states it develops a self-arranged competition that drives the most efficient allocation people, resources and capital. By the notion of sovereign states inability of providing enough internal wealth for financing economic development, governments must strive for attracting foreign investors into domestic markets. The capitalistic society has arguably developed a system where states have grown increasingly dependent and controlled by the capital markets. Due to the contemporary setting of states dependency on foreign investors, it has facilitated significant leverage of foreign investor communities. Specifically referring to their ability of shaping sovereign states overall economic policies and its regulations (Burchill, 2013, pp. 76-80). In the end it is a development that has arguably caused economic sovereignty as a distant past and as a result, an overall economic system built upon the compelling idea of increasing risk with possibility of high reward, questionably on expense of a mounting economic vulnerability.

As previously declared the world economy is today characterized by an overarching interconnectedness, which has not only facilitated an increasing inclination towards open market economies but has developed growing opportunities for external investments. In other words, Foreign Direct Investments (FDI) have today become a significant part of the global capital flow, where firms and corporations seek to either expand their businesses by obtaining a lasting interest of an enterprise located in another economy or establishing a new factory/office in an area outside the origins of the original enterprise. Which is often a decision based out of the notion of gaining competitive advantage in relation to market competition (EUROSTAT, 2021). In addition, these investments are often recognized as a driving component for overall economic development, an argument to a large extent founded on basis of its stimulating effect on market competitiveness (European Commission, 2021).

No surprise the European Union (EU) acting as one of the biggest players on the global trade scene, has an economic system very much characterized by openness. In a world of increasing political and economic competitiveness the EU has become deeply integrated into global

markets and is not only seen as the largest economy in the world (as in 2019), but in addition its largest trading block. As its general theme of economic policy follows a line of trade openness for stimulating economic growth it is also evident in its inbound and outbound investments, which both rank the highest in the world in relation to its global competition (European Commission, 2019).

The open trade policy within the EU Single Market has long been seen as the fundamental blueprint for economic prosperity of the EU, however interestingly a recent debate has started to emerge within the Union. Historically the aim and underlying foundations of the Single Market was never created with the purpose of increasing the competitiveness of European companies globally. One can say the contrary, meaning that extensive competition regulations was introduced such as the prohibition of state subsidies by virtue of fostering profitable internal competition within the Union. In other words, the decision was made based on means of ensuring that the internal market was not constrained by asymmetries that would result in weakening competitiveness of the market, which ultimately is a decision that has proved to be a great achievement for economic abundance of the Union. However, the conditions for world trade under legal order of the World Trade Organization (WTO) has not developed correspondingly to that of the EU and does not cover the same legal conditions in terms of competition policy as the internal trade within the EU. As a result, the WTO has little to say in terms of counteracting state subsidies, which in the end positions European competitiveness rather weak in relation to countries' such as China. With its authoritarian state-capitalism Chinese companies are not only often state-owned but are frequently receiving state aid, which brings an unfair playing field for European companies constrained by its internal regulations. The debate has developed to a point where Member States are questioning the legal framework of the Single Market, as rather sternly put by French ministers within the informal EU group "Friends of Industry": *"European rules are the rules of the old world"* as well as referring to the EU state aid regulations as *"outdated rules that does not correspond to a global economy"* (Hettne, 2020, pp. 1-2). The geoeconomic tension has kicked off the debate, is it time for the EU to let go of its soft liberal approach to trade policy in order to give room for a tougher more hard-edged trade policy? By the principle of giving European companies the necessary tools for competing in a world dominated by raw power politics (Youngs, 2020, pp. 1-3), (Wiberg, 2020, pp. 20-21).

1.1 Problem formulation

As a response to the continuously increasing geoeconomic tension of the world, the EU is now embarking on a New Industrial Strategy that is built upon the rationale of “defending European sovereignty in a more contested world”. Arguably it can be seen as a first step towards transforming the ethos of the EU in line of becoming a geopolitical power, as means of ensuring the necessary protection for its citizens in this new global environment (Engberg, 2020, pp. 11). Kicked off by the geoeconomic competition caused by continuously shifting power relations between China and the U.S. it has given rise to a global system where nationalism is dominating at the expense of multilateralism. Described by the strategy in other words is how this development has altered the playing field where new powers and competitors has emerged. Furthermore, where previously well recognized and established partners are choosing new paths. China is now defined as a systemic rival deliberately investing in critical infrastructure for the Union, as acquiring highly valuable European technology and intellectual property (ibid, 2020, pp. 11-12).

While the contributions by Hettne (2020, pp. 1-12), questioning the mismatch of the current internal market archetype, the absence of a coherent European industrial policy and the need for a more aggressive European position in a world where the rule-based international trade system is out of order. Together with (Youngs, 2020, pp. 1-12) discussion around the EU’s newly declared geopolitical ambitions and how it has generated an internal confusion and uncertainty about its international identity, arguing for how the EU has positioned itself in a precarious situation, where it is both questioning geopolitics as well as advocating for its position. In the end are aspects that combined have illustrated reasons for how this development bring forward doubts, mainly in terms of if this geopolitical position is really helpful framing for the Union’s future external action. The authors have revealed a significant paradox that can be further illustrated and is arguably delicately described in the European Commission’s New Industrial Strategy “...we must resist the simplistic temptations that come with protectionism or market distortions, while not being naïve in the face of unfair competition” (European Commission, 2020, p. 1). In addition, as described by Maria Wiberg it is not yet clear how the fundamental components of the EU Single Market can be preserved and enhanced while at the same time pursuing an industrial policy that arguably goes against its basic ideals and values (Wiberg, 2020, p. 24). Where state intervention such as giving economic aid to European companies for increasing their global competitiveness also would imply that the company would be strengthened in the internal market, as a consequence, infringing on the EU’s basic

ideals of competition policy (Hettne, 2020, p. 3). The research problem then becomes to first understand the discursive practices that are at play for this trade policy development but also provide a theoretical discussion as to what possible consequences these forces might have for the future of the Union, where it may leave the Union with a “competence mismatch” as stated by Hettne (ibid, 2020, p. 1). Meaning that while pursuing an industrial policy at the same time as trying to uphold an internal competition policy, it may leave the Union with two contradictory forces in which not only the fundamental ethos of the EU as an international actor will be less obvious but additionally as a result, possibly make itself visible through an unsustainable policy making where there is no coherent trade policy (ibid, 2020, pp. 2-8), leaving the Union worse off than before embarking on this transition.

1.2 Aim and research questions

Following the dynamics described in the introduction and the succeeding problem formulation portrayed in the previous paragraph, the interest of this paper seeks to closer examine the underlying factors behind this development. As a result, *the central aim of this study is with a deeper theoretical basis using the method of “Critical Discourse Analysis” describe, interpret, explain and systematically analyze the arguments behind the debate towards a New Industrial Strategy for the European Union.* It allows for a fruitful strategy on behalf of locating and understanding its underlying contributors, meanings and drivers. Furthermore, enables an analytical investigation as to what extent the role of dominant discursive practices plays for the development of the EU’s contemporary trade policy agenda. The rationale behind this aim is based upon the importance of further analytical inquiry to the effects that this debate might have on the future for the Union, as well as on a more comprehensive level understand its arguments and underlying discourse(s) by the incorporation of theory to the case at hand.

The aim of this study will be addressed by the following research questions:

- *What are the main pro and counterarguments of the debate towards a New European Industrial Policy (and how are they described)?*

This question formulation is important because it enables the research to be systematic by locating, categorizing and describing the opposite arguments of the debate. As a consequence, coherently structure its analysis (Jørgensen & Phillips, 2002, p. 73).

- *What deeper explanations can be made by including different theoretical considerations to the debate concerning the direction of EU's Trade Policy?*

This second question formulation enables a deeper understanding to the arguments of the opposing sides of the debate by directing attention to the interpretation of their respective discursive practices. In form of understanding in what theoretical context knowledge is derived from and how it affects the reality in which is portrayed, that will have a determining influence on the driving discourse in response to this reality. Which are elements that can be investigated by the analytical contribution of theory (Jørgensen & Phillips, 2002, p. 72).

- *To what extent are factors of power and influence entrenched in the language and discourse(s) of the debate regarding a New European Industrial Policy?*
- *What consequences does the debate and respective discursive practices bring by adjusting the original ethos of the EU towards a new geopolitical identity?*

These last two presented questions aim to highlight the critical aspect of this thesis by examining in what ways the role of discourse(s) functions as practices of power and further evaluate the possible consequences this might bring for the future of the Union (Jørgensen & Phillips, 2002, pp. 75-76).

1.3 Contribution and overall research design

This thesis is founded upon the notion of contributing to an enhanced understanding of the debate regarding the development, future and effectiveness of the EU's trade policy. Although an extensive literature review has been made regarding the topic of analysis to the EU's internal economic trade policy debate, there is little contemporary research as regards to further understanding of this newly suggested European Industrial Strategy launched in March 2020. Furthermore, scholarly literature suggests that additional research is needed to understand how third actors outside the scope of the U.S. and China will respond in this multipolar geoeconomic environment, and what effect this will have for the development of international trade. As well as arguing for how more in-depth analysis to the internal conflict concerning EU's trade policy can help contribute to understanding its trade policy directions and responses in this

environment. Aspects that are further scholarly highlighted by arguing for how additional analysis to discursive practices would help understand how these practices continuously is shaping this strategic economic environment by either legitimization or contestation. In summary, it can be said that there is little research in terms of analyzing this specific debate from a deeper more comprehensive theoretical foundation. With the use of *Critical Discourse Analysis* as well as the additional incorporation of the analytical framework that of *Norman Fairclough's three-dimensional model*, this paper provides a significant approach to the analysis of this specific topic by not only diving deeper into the context of understanding as to how discursive practices shape the strategic economic environment that of today, with specific focus to the EU, which arguably is a fundamental actor in this environment. But in addition, is significant in the sense of having a unique approach of incorporating different IR theories of *realism* and *liberalism* to Fairclough's model. Which in the end is considered to provide a fruitful tool for analysis that can systematically locate, describe and categorize the main arguments, underlying drivers and discourses behind the debate, as well as critically examine these driving forces, in addition to evaluate their proposed risks or pitfalls for changing the EU's trade policy direction. The advocated contribution is considered necessary as deeper theoretical analysis to a case of embarking on a new path towards more constrained trade policy and transforming the general ethos of the EU, is a development that would benefit from further constructive analysis. Furthermore, as this debate has kickstarted a policy development towards regarding the EU as a geopolitical actor, it entails great number of institutional changes with potential of causing macroeconomic effects that might either result in devastating effects, or on the contrary, resounding benefits for the EU as an actor in this new geopolitical environment characterized by raw power politics. Consequently, the aim of this paper opens up for interesting analyses whereby one can locate and interpret deeper meanings behind the debate and as a result make comprehensive inferences about the potential foreseeable future of the Union.

The proposed contribution of theoretical analysis to the case at hand can be further described and argued for by Professor Alan Bryman: "*Theory is important to the social researcher because it provides a backcloth and rationale for the research that is being conducted. It also provides a framework within which social phenomena can be understood and the research findings can be interpreted*" (2012, p. 20). In other words, by including a more comprehensive theoretical background to the internal debate one can better understand the phenomena at hand. Furthermore, the dynamics that not only has started the debate but also understand factors in

which has steered the debate towards a New EU Industrial Policy and interpret the potential implications and benefits that might follow.

1.4 Limitations

As a brief note, it is important to show transparency and awareness that this study is conducted in a manner that makes it heavily reliant not only upon the personal opinions of the economic and political officials that has conducted and written the communicative material of analysis. But also, in regard to where the population data is drawn, where the bulk of analyzed material is produced from within the EU, which arguably will have a significant influence on potential biases of opinions and perceptions located within the texts. Furthermore, although this research has an overall intention of providing an objective analysis of the internal debate regarding EU's trade policy, it is inevitable that the personal background of the researcher conducting this study will have an effect on the material collection, inferences drawn in analysis as well as the final conclusions. In addition, and as a final note, a qualitative case study of the EU will not be capable of enabling deeper generalizations as to how the geoeconomic tensions of the world has affected other regions. Which is a factor that has been carefully considered but deemed not affecting the validity of this study as it is not the aim of this particular research. The aspects highlighted are elements that will be further contemplated and scrutinized in the methodological section of the thesis.

1.5 Outline

This thesis will be structured as following: Having first presented the *introduction* of this paper; that is the topic of interest, research problem, aim, research questions, proposed scientific contributions and overall research design, as well as some general remarks regarding the limitations of this conducted research. The sections that follow will cover a *literature review* where previous research is summarized and presented. Starting on a broader more encompassing level as to then narrowing the scope towards the two most prominent approaches regarding the studying of EU's trade policy, in which also functions as means of highlighting and motivating the specific analytical approach that is in relation to the argued general scientific contribution. Later presented are the *theoretical considerations* that will function as the basis for deeper analytical inquiry to the debate in focus. Following the *methodological* section where the overarching method as well as the specific analytical framework are presented and discussed, that together will provide the basis and specific tools for structuring and guiding the

analysis in relation to fulfilling the aim of the research. Subsequently presented will be the *analysis* section, where the stated commitments will be undertaken in a logical manner by structuring the analysis into a respective descriptive, interpretive/explanatory and critical part. Finishing with a section of *discussion and conclusion* in which the findings will be highlighted, discussed and summarized in the context of answering the research questions of the study as well as suggesting areas for future research on this particular subject.

2 Literature review

2.1 Transformation of the international economic discourse

In order to reach a more comprehensive understanding on previous literature regarding the debate of EU's trade policy transformation it is first fruitful to bring forward previous research that has investigated on a global level the underlying forces behind this arguably transitioning global economic order. Succeeding research presented are aimed at narrowing the scope towards highlighting previous research closer to the aim of this paper. Which are categorized into rationalistic and constructivist approaches.

In a research article '*Toward a Geoeconomic Order in International Trade and Investment*' analyzed are the driving forces behind why the world is embarking on a new economic path, away from the neoliberal order that has dominated since the end of the Cold War towards a discourse that is considered characterized by "*securitization of economic policy and economization of strategic policy*" (Wesley, 2016, p. 4, as cited in Roberts et al. 2019, p. 655). As further described by Wesley arguing for how cross-border trade and investments decisions today are taken less frequently with sole economic purposes (ibid.). Indicating that contemporary international trade and investments often encompass other factors such as political objectives. In the article the authors investigate what rules, norms and institutional changes this will bring for the international economic order and further elaborates how the U.S.-China trade conflict has played a large part to this geoeconomic development in global trade. In addition to analyze its effects for global economic governance the authors discuss how the big players' rhetoric about the system has shifted from an emphasis on cooperation to competition. How it has contributed to the facilitation of an economic order turned towards relative gains, a zero-sum game where one actor's win is another's loss. Which is a development much based upon U.S. economic dominance being challenged by China, where the conflict specifically has encircled China's innovation imperative. The need to acquire technological innovations for long-term economic growth, which is partly achieved by Chinese companies investing or acquiring foreign strategic technological companies in which key innovations can be transferred. Similarly, where foreign investors have to transfer intellectual property in order to gain market access in China. Overall, it is argued that the consequences this development pose for global economic governance is fourfold. First in a multipolar world the rules and interests are influenced and developed by all major players. Secondly, de-legalization of the international economic law giving great powers increasing control over interpretation and

enforcement of existing rules, such as the extension of the concept of ‘national security’ for economic purposes and the politization of economic relations. Thirdly, efforts to create sectors of influence. When moving away from multilateralism countries such as the U.S. are seeking to export their own agenda to likeminded states. As example, more stringent approach to foreign investment screening. Lastly, this development will generate a convergence in styles of play. Meaning that other players will also adapt to this more securitized geopolitical economic order. As seen within the EU calling for the change of its antitrust rules to develop ‘European champions’, leveling the playing field in order to have the resources to compete with often state-aided Chinese companies (Roberts et al. 2019, pp. 655-676).

Although the authors propose interesting arguments for explaining the transitioning international economic order, they acknowledge that further analysis and understanding are required as to how third actors will respond and with what effect (Roberts et al. 2019, p. 676).

Other scholars such as Voinescu and Moisoiu have focused on the term “competitiveness” for analyzing economic policies and its effect for economic growth and convergence. The concept is currently one of the most frequently used in regional/national policy frameworks and strategies but there are still question-marks about what it actually implies and if it really is a premise for development. In the article the authors argue for how the term has been widely used within EU-Commission declarations and statements, but what the Commission fails to understand is how the concept does not have a universal understanding among the Member States. Specifically, at the institutional level where it is argued for that each sector (the internal market, industry, small to medium enterprises (SMEs) and research innovation space) together are taken under the “competitiveness umbrella” which encompasses a unified common vision for an overall strategy for competitiveness. However, the authors perceive this as problematic as the policies are developed separately and therefore as a whole it is not yet clear if they address the same goal of competitiveness altogether. In summary, it is argued that the EU is far from a homogenous actor that has the ability to act as one entity and major power in the global economic space, which are factors that undermines its overall competitiveness (Voinescu & Moisoiu, 2015, pp. 512, 517-520).

The paper interestingly highlights the conflicting forces within the Union, but it does not go into greater detail as to what the underlying drivers are as well as the dynamics within the EU’s internal economic debate.

2.2 Rationalistic approaches to EU's trade policy

A number of different research articles has covered ways in which trade policy within the EU has been politicized and further examined the Union's response to this development. In a research article conducted by Alasdair R. Young examined is how the EC has responded to the proposed recent development of increasing populism within the EU and the politization of trade. Mentioned is how the Commission proposes how the overarching environment in which trade policy is conducted has changed considerably in recent times and that its 'balanced and progressive' trade strategy can be understood as a response to this politization. The article examines first if the Commission actually has adequately recognized the underlying causes behind the politization of trade policy, as well as analyzing if this proposed strategy actually is addressing these causes (Young, 2019, p. 1883). Young argues that there is no general hostility towards trade liberalization in Europe, but rather that this hostility can be traced to specific trade agreements. In addition, he challenges the argument that the effects of globalization have driven the politization of trade policy, where the arguments have centered around its determining effect of factory closures, job losses, poor working conditions and lowered wages. An argument to a large extent based upon the reasoning that there is little evidence that indicates for protectionist measures in the political campaigning from European populist parties. In summary, Young contends that there should be little belief that this new 'balanced and progressive' trade policy approach would have significant effect on the politization debate. Mainly because the policy illustrates a high degree of continuity in addition to arguing that the general debate around the politization of trade policy essentially is "overstated" (Young, 2019, pp. 1885-1887, 1895-1896).

An extension to Young's arguments of the "overstated" debate concerning the politization of EU's trade policy agenda is found in a book chapter cowritten by the rationalists Alasdair R. Young and John Peterson named "*The Origins and Development of EU Trade Policy*". In the chapter it is argued that the politics of trade policy is not a development that is unique and static but has changed over time, following the dynamics of the international balance of power. Whereby different societal and governmental preferences as well as various intra EU-institutions continuously adapt and adjust to the environment in which it operates (Young & Peterson, 2014, p. 48). Which is an argument that can be interpreted as possibly the recent debate concerning the EU's path towards a stricter industrial policy, is a development that is by no means unique in terms of when analyzing the Union's trade policy development. In addition, the authors further describe how the EU's strategic approach to trade policy has shifted since

the mid 1990s where the Union went from being reactive and protectionist towards the international economic system, to later become proactive and strategic in international trade negotiations. This shift facilitated less government intervention into national economies by trade liberalization, freeing economic regulations, increasing competitiveness that would foster production efficiency that as an end result spurred economic growth (ibid, 2014, pp. 58-60). However, the authors conclude that while domestic liberalization and access to foreign markets has been the key objective and initiative for the EU. Its overall performance has been “patchy”, inciting sporadic relaunches of policy initiatives and arguing for new emphases but there have been no major changes of its policy objectives (ibid, 2014, pp. 65-66).

Interestingly the contributions by Young and Peterson highlights a noteworthy paradox that opens up for further analytical inquiry into EU’s trade policy development. Mainly why the EU continuously is sporadically relaunching policy strategies that arguably illustrates unbroken continuity, at the same time as these strategies has proven to underperform as they are frequently relaunched with new emphases. One can argue that a deeper analysis to the internal debate within the Union can contribute to research by providing further analytical inferences to this gap in research literature.

2.3 Constructivist approaches to EU’s trade policy

While the rationalist approaches rely on many assumptions such how political actors’ motivations and preferences are mainly driven by self-interest and can unmistakably be taken as given, meaning that it is unlikely that these preferences should change over time (Paster, 2005, p. 150). As can be seen in Young (2019) and Young and Peterson (2014) research where it is first argued that EU’s trade policy has been characterized by an overarching continuity, maintaining for the politization of trade debate as “overstated” furthermore, that little evidence suggests that EU’s strategy of domestic liberalization and access to foreign markets policy discourse has changed over time and will do so in the near future.

Other scholars have taken a more constructivist approach to analyzing EU’s trade policy debate. Proposing from a different ontological position centered around challenging the assumptions of preferences and interests being taken as fixed in policy making processes. In contrast, arguing for how ideas, interests, values and norms are factors of social construction. Meaning that they can change over time as well as prove to have significance for explaining

developments and results of policymaking (Paster, 2005, p. 150). One such article can be found written by Gabriel Siles-Brügge, contributing to the research topic by analyzing from a constructivist perspective, aspects as to why the European Commission (EC) chose to pursue a neoliberal agenda after the economic crisis of 2008, despite the increasing protectionist pressures from the European Parliament (EP) and the civil society. Where protectionists have argued for the EU policy-makers institutional insulation from outside political pressures as an explanation to why EU's trade policy agenda continues to illustrate traits of liberalization instead of protectionism at the time (Siles-Brügge, 2013, pp. 588-599). However, Siles-Brügge further argues that although protectionists have highlighted how EU's trade agenda continuously pursued a liberal trade policy at a time and in wake of increasing protectionist pressure, it cannot explain why the EC chose to trade away its 'pockets of protection' in return for greater market access. But where the role of ideas and language can give these valuable insights when it comes to the governance of trade policy (ibid, 2013, p. 599). The article concludes that the social construction of a discourse where there is no alternative to trade liberalization for increasing competitiveness made by the policy-making elite indeed had an impact, in which produced an idea and a powerful instrument appealing for pursuing a neoliberal agenda in times of protectionism. Rhetoric such as *"(C)reating more growth and jobs in the EU will require a stronger export orientation but without falling into mercantilism: competitive exports require competitive imports"* (European Commission, 2010, p. 4, as cited in Siles-Brügge, 2013, p. 610) made by the EC is one further illustration to this that can clarify the "how" aspect when it comes to explaining EU's pursuit of trade liberalization when there is internal protectionist pressure (Siles-Brügge, 2013, pp. 607-613).

Further emphasis has been made to the role of ideas in politics. In a cowritten chapter by Ferdi De Ville and Gabriel Siles-Brügge argued for is how research with focus to ideas has been largely overlooked in the study of EU trade policy. By implementing a constructivist perspective, it not only enables research to recognize how ideas can affect policy directions, what ultimate objectives to achieve as regards to trade policy, what course that is considered most beneficiary for achieving this objective as well as understand how ideas can function as a tool to convince or justify certain policy directives and objectives. The chapter is focused to explain to what extent the role of ideas has played in shaping external trade policies within the EU since the establishment of the Single Market Program in 1992 and the WTO in 1995, until today (as of 2018) (De ville & Siles-Brügge, 2018, p. 243). The authors find that the free trade paradigm has been the largely dominant idea following the last two decades of EU trade policy,

where other paradigms such as embedded liberalism and trade as foreign policy together are invoked to protect and reinforce the core value of free trade. Often by the use of instrumental measures for the protection of criticism, which also results in placing alternative paradigms at the sideline. By the use of constructivism, it is analyzed in a similar approach as the previously mentioned article by Siles-Brügge (2013) that communicative discourses serve political actors as means of persuasion to actors that are not directly involved in decision making. Such as bypassing mercantilist arguments by the notion of being forced to concede to the growing pressure of the contemporary globalist market, where potential opposition would be taken as outdated opinions from a long-gone era in the global trade environment (De Ville & Siles-Brügge, 2018, pp. 251-253). Which is an approach that is significant in relation to other constructivist analyses to EU trade policy that has largely had emphasis on the normative aspect of EU in terms of pursuing trade policy objectives. Concludingly, the authors highlight the striking gap in scholarly literature in terms of analyzing the general external economic policymaking from an ideational perspective, meaning that in times of “Trumpism” and Brexit there is need of further understanding to how discursive practices continues to shape the global economic environment, either by its role of legitimization or contestation (ibid, 2018, p. 258).

3 Theoretical considerations

In this chapter the overarching theoretical foundations that will form the basis for this thesis will be presented. The following sections will include a general overview of the International Relations (IR) theories of: *Realism* and *Liberalism*. As well as their corresponding equivalences that are in relevance to the International Political Economy (IPE): *Economic Nationalist perspective* and the *Economic Liberalist perspective*. The two last mentioned theoretical perspectives will function as having a role of guidance, focusing the research by means of systematically structuring and categorizing the arguments of the internal debate towards a New Industrial Strategy for Europe. Whereby subsequently the IR theories will complement by adding the explanatory function in the analyses. The decision of limiting the focus and analysis of the debate towards the respective theories and their economic equivalences is based upon the reasoning of the essential clarity between the arguably competing interests of EU's communicative discourse, arguing simultaneously for defending its sovereignty by "affirming its voice" while "upholding its values" and "fighting for a level playing field" (European Commission, 2020). As also described in a European Parliament Research Service report: "*the multiple dynamics that have put industrial policy back on the table are both wide-ranging and often in competition with one another, therefore necessitating the careful balancing of alternative views*" (Szczepański and Zachariadis, 2019, p. 1), which are further examples that highlights the internal uncertainty that comes with pursuing a geopolitical alteration while still preserving its original ethos. The two theories and their economic equivalences presented for this thesis are believed to contribute for creating a better understanding of this transitioning-debate by first systematically categorize the arguments into respective theoretical perspectives thus political-economic discourses, which later will form the foundation for deeper analysis to the case. As a last note, this chapter will include a section where the central concepts of this study, *Discourse* and *Industrial Policy* are defined. Followed by a brief historical overview to the emergence of a New European Industrial Strategy. Motivated by the purpose of providing the reader a tangible description to the actual meaning of discourse. Furthermore, what an industrial policy actually implies as well as providing an insight to the dynamics that has contributed to this development. Which together are considered necessary for understanding the background to the methodological decisions of this study, in which will serve as the overall framework as well as providing the necessary tools for investigating the research problem and fulfilling the aim of this paper.

3.1 Realism

The basic ideals of the realist thought are centered around an international system characterized by selfishness. Where there is no supranational governmental authority that regulates interactions in this system, actors have to maximize the notion of “power as security” to survive in this anarchic environment. Assuming the worst of mankind one must act as if actors in this system will always give in to the inherent malignity that is fundamentally incorporated in the minds of the people. Meaning that when opportunity presents itself the intrinsic action will always be power maximization. States are seen as the fundamental actor and the guarantor for security in this political power struggle. Furthermore, political structures are ordered and defined by states ability to allocate political functions and distribute capabilities of power (Donnelly, 2013, pp. 32-27). As skillfully stated by the structural realist Kenneth Waltz: every actor in this environment must *“put itself in a position to be able to take care of itself since no one else can be counted on to do so”* (1979, p. 107, as cited in Donnelly, 2013, p. 37). With this background in mind, it is clear that given the anarchic nature of the international system, trust is inherently absent meaning that states will seek to balance power instead of bandwagon or cooperate. In this sense, it reduces the risk of by consequence of cooperation or bandwagoning increasing the power of an adversary that later might turn on you, by instead lessen their risk by opposing this rising power. Lastly, as can be explained in the decision-making paradox called the “Prisoner’s Dilemma”, without any insurance schemes that manages the risk of cooperating with another actor or decides how to divide the gains from cooperation, even those who wants to cooperate will not do so due to inherent nature and vicious circle of an international environment built upon mutually destructive competition (Donnelly, 2013, pp. 37-39).

3.1.1 Economic nationalist perspective

As a political economic branch to realism described in the previous paragraph, economic nationalism’s central focus is the protection of the national unit. The economic methods for achieving this goal may alter but the main objective of economic interaction remains the same. The theory originates from two main assumptions: First, the anarchic nature of interstate economic interaction, which establishes a zero-sum game in the international economy. Secondly, states are seen as the predominant actor which puts economic policy as merely an instrument for power attainment (O’Brian & Williams, 2016, pp. 8-9).

With this interdependence between the political and economic sphere the global market is formed by a political power struggle, meaning that transnational corporations (TNCs) involved in economic exchange are simply seen as an economic instrument, an extended arm of the state, which is created by, and subject to its authority. In this anarchic political economic environment, it is essential that the state provides the necessary foundation for the citizens to reap the benefits of international economic exchange for the survival of the nation. In times of globalism and the contested nature of the system, as means of ensuring security of the nation, economic nationalists favor state assistance in key and strategic economic sectors. Whereas the protection from certain foreign exports can be argued for not only based upon its creation of dependence to specific goods, in which creates security concerns. But in addition to the notion of its “product pollution” character. In other words, its implementation of foreign values. In summary, economic nationalism is a perspective that is often evident in times of turbulence and economic stagnation, which normally gives its expression through increasing criticism towards foreign economies, retaliation and the closure of world markets (O’Brian & Williams, 2016, pp. 9-11).

3.2 Liberalism

As one of the most prominent theories of the IR paradigm, liberalism has been one of the largest influencers to the contemporary setting in international politics. Not only has the liberal thought facilitated a spread of democracy after the Cold War but also acted as one of the most profound contributors to the globalization of the world economy. In contrast to realism, liberals believe that peace is the inherent founding bedrock in international politics, meaning that the peaceful law of nature is formed by the harmonious and cooperative nature between peoples. Conflictive behavior is therefore interpreted as an irrational fiction which is not naturally incorporated into the ethos of human nature. The malady of conflict can always be managed by the spread of democratic values and commerce. On the notion of if states are based upon the same values of rule of law, equality before the law, human rights and accountable governments represented by popular consent, there should be little or no incentives for conflict with those states who embeds the same degree of legitimacy and founding values (Burchill, 2013, pp. 57-62). In addition, with the spirit of commerce liberals contemplate war and trade as mutually incompatible. Not only does trade break boundaries between nations through the mutual interest of wealth, but also limits any suspicions of interests by regular exchange and interactions in the international system (ibid, 2013, p. 65).

3.2.1 Economic liberalist perspective

When reflecting upon the ideas of the liberalist paradigm outlined in the previous paragraph one can first comprehend that liberals recognize a wide range of different actors outside the state as important in the dynamics of the international economy. Secondly, unlike economic nationalists' liberal economists perceive international economic exchange as a pie that grows bigger with more interdependence and cooperation in which everyone will have a fair slice of its deliciousness. In other words, a positive sum game where all actors will gain from cooperation by reasonably resolving any differences through communication and locating commonly shared interests, that as an end result will generate greater wealth for all parties. In elaboration, liberals' economists emphasize a system where the individual and firms are seen as the most important actors due to their inherent nature of pursuing self-interest, that stimulates an economic competition that in the end generates an economic force that will benefit the society as a whole. In this system it is argued that the state should have a minimal role of interference due to its nature of incorporating politics into the economic realm. State interaction and control will in the end only distort economic development by constraining an economic market that thrives at its best ability when actors are allowed to move freely into its realm, which will promote the most prosperous and efficient allocation of production, services, exchange and consumption. In summary and as a last note, it can be argued the liberal economic scheme has developed a system where large TNCs and powerful individuals have gained substantial influence on the contemporary government economic policy evolution. Much due to the fact of the liberal dominance incorporated into international economic institutions such as the International Monetary Fund (IMF) and the WTO (O'Brian & Williams, 2016, pp. 12-16).

3.3 Definition of key concepts

3.3.1 Industrial Policy

When trying to summarize the important attributions of the industrial policy concept into one coherent definition it is arguably not an easy task given its general elusiveness and wide spectrum of interest. Ironically, in terms of agreeing on a definition to the EU's industrial policy agenda makes it even harder, much due to its broader and wide-ranging objectives. However, for the case at hand it is arguably most legitimate to make use of the legal definition of industrial policy that is stated within one of the EU's constitutional treaties, the Treaty on the Functioning of the European Union (TFEU). With an aim of driving *“Europe's competitiveness and its*

strategic autonomy at a time of moving geopolitical plates and increasing global competition” (European Commission, 2021b). Stated is:

“The Union and the Member States shall ensure that the conditions necessary for the competitiveness of the Union’s industry exist.

For that purpose, in accordance with a system of open and competitive markets, their action shall be aimed at:

- *speeding up the adjustment of industry to structural changes,*
- *encouraging an environment favorable to initiative and to the development of undertakings throughout the Union, particularly small and medium-sized undertakings,*
- *encouraging an environment favorable to cooperation between undertakings,*
- *fostering better exploitation of the industrial potential of policies of intervention, research and technological development.*

(Consolidated version of the Treaty on the Functioning of the European Union, 2012, art. 173, par. 1).

3.3.2 Discourse

Important when defining the term “discourse” is first having awareness of the number of different ways in which it can be defined. That is directly connected to the various themes in which the term can put further emphasis towards. Meaning that it is important to understand how depending on the scope of research there are several ways in which discourse can illuminate the specific issue of interest, which in the end are factors that will determine the validity of the study. Hence, given the purpose of this research paper, which is relatively broad in its nature, seeking to illuminate deeper meanings behind not only specific linguistics used but also its social context, it demands for a broader more encompassing definition to the concept. As a result, “discourse” in this case is defined based on Phillips and Hardy (2002, p. 3) as: *“We define a discourse as an interrelated set of texts, and the practices of their production, dissemination, and reception, that brings an object into being...In other words, social reality is produced and made real through discourses, and social interactions cannot be fully understood without reference to the discourses that give them meaning”* (as cited in Bryman, 2012, p. 536). This definition largely builds upon the work by (Foucault, 1977, as cited in Bryman, 2012, p. 536) who put emphasis to the role of the extent in which discourse as representational properties functions as a tool for exercising power by constructing disciplinary

practices, partly in form of individual subjectivity in combination to rules and procedures that collectively enabled the formation of disciplinary practices and in the end a self-disciplining subject (Bryman, 2012, p. 536).

As briefly touched upon, this broader more encompassing definition is suitable for the study at hand by the argument of its potentiality to seemingly incorporate theory to the phenomena, in which nicely corresponds to the aim of this paper that contains a deeper theoretical layer of analysis.

3.4 Contextual background

3.4.1 The emergence of a New European Industrial Strategy

As part of the EC president Jean Claude Juncker's annual State of the Union speech in 2016, the president openly expressed that the EU was admittedly at verge of, or in part of an existential crisis. Proposing several contributors towards this development the president highlighted the rise of populism, internal disintegration between Member States, as well as the opposing priorities between EU institutions and national governments as the main contributors to this fragmentation. At the heart of the speech was how Europe must come together by recognizing what it means to be a European and preserving its way of life. To do this Juncker argued for how Europe couldn't disappear from the international scene but had to speak up with one voice promoting its values, fighting for a leveled playing field and respond forcefully to those who disrupt the internal market, as example by strongly upholding the Union's competition law and strengthen trade defense instruments (Juncker, 2016).

At the same time the following year the EC president emphasized that the Union ought to become a stronger player in the global politico-economic system. Europe could not be naïve free traders and stressed the importance of defending its strategic assets from foreign investors. Proposing a new EU investment screening regulation aimed at transparently locating and assess the risks of foreign investments, such as state-owned companies acquiring strategic European infrastructures. Were the president argued for how this regulation would help detect the motives behind these investments as well as emphasizing the collective political responsibility to protects these assets and realize what is going on in Europe's own backyard. At the same time Juncker introduced the idea behind a new European Industrial Policy Strategy which would help Europe to become a stronger global strategic and competitive player. Interestingly also

highlighted in his speech was the need to change the internal mindset of how someone's win is another's' loss as well as reassuring that Europe is more than money and the Single Market but about values and freedom, that there has to be compromises in order to progress, which can only be achieved by unity and the bridging of differences (Juncker, 2017).

When assessing the important elements highlighted in the former EC president's State of the Union addresses one can highlight common characteristics of both Realism/Economic Nationalism and Liberalism/Economic Liberalism. First notable is how the president maintains nationalism and the zero-sum mentality between Member States as well as the Union to be one of the contributors to economic decline and existential crisis. Which are arguments that can be categorized as liberal in its essence. However, interestingly also notable are critical arguments to actors who are believed to disrupt the EU's internal market and the need to strongly defend the Union from actors with such contentious tactics. In this case suggested were investment screening mechanisms that would help counteract those forces in addition to the development of a European Industrial Strategy. Which together are more protectionist in its nature, increasing the role of state intervening into the economic sphere by bolstering industrial potential and its effectiveness. As also can be seen in the general description of European industrial policy stated in article 173 of the TFEU previously presented.

As proposed, the State of the Union communications by the former EC president Juncker exposes underlying conflicted forces when it comes to EU's trade policy agenda, which provide an interesting platform of analysis, as to where one can explore in what ways discourses comes to play an important role for understanding the arguably inconsistent and contradictory policy suggestions specified in the two speeches above. Furthermore, exploring the forces behind why the EU now is embarking on a path towards a more industrially oriented trade strategy and what it would mean for the EU's future development and identity. In order to adequately explore the notions just conveyed the following section of this paper will discuss and present the research methods selected for soundly structuring and guiding this research process and in the and fulfilling the aim of this study.

4 Methodology

Before presenting the specific methodological approach for achieving the main objective of this study it is foremost necessary to highlight the general theoretical standpoint to research in which this paper is positioned. Which also is essential for a more complete understanding to the paper's overall approach to scientific knowledge and if the decided method can be argued as legitimate considering the given aim of this study.

4.1 Abductivism

As the aim of this study is set out to first describe and then analyze the debate and overall discourse towards a New European Industrial Strategy for Europe, it can be argued that the research conducted in this sense incorporates a scientific approach to theory which is inductive in its character. Meaning that I as a researcher will interpret observations, in this case the actors' arguments within EU's internal debate concerning industrial policy, in which theory later is developed out of the observations. However, one has to be careful making such a clear-cut distinction, were in this case theory will in part also constitute the foundation for investigation when analyzing the arguments at hand, as a result incorporate a deductive element (Bryman, 2012, pp. 24-27). Therefore, this research is argued to be predominantly founded upon abductive reasoning, as described by Bryman *"with abductive reasoning the researcher grounds a theoretical understanding of the context and peoples he or she is studying in the language, meanings and perspectives that form their worldview"* (ibid, 2012, p. 401). This implies that the research is reliant upon the understanding and explanations that upon the participants' and their worldviews but also incorporates elements of induction where I as a researcher will make inferences based upon the arguments of those actors highlighted in the debate (ibid.).

4.2 Ontology and Epistemology

Were the previous paragraph had an aim of presenting a transparent reflection upon the theoretical reasoning to ways in which this research paper is systematized for conducting analytical inferences and understandings to the interactions and dynamics of the empirical world. What is further important and closely related to this notion is providing a transparent discussion to the overall philosophy to science in which this paper is characterized. Which brings attention to two fundamental philosophical considerations. First, not only how I as a researcher and my personal interpretation to the meanings of specific social phenomena in the

outside world will have an effect on the research being conducted. But also, how the actors of interest and their interpretation behind the meaning of specific social phenomena likewise will have an effect to the inferences and conclusions that can be drawn from the debate. Which is a discussion that is connected and further illustrated in the theoretical deliberation previously presented. Consequently, the philosophical approach to since of this paper can be placed into an ontological perspective with a specific position to constructionism (Bryman, 2012, pp. 32-34). In addition, these considerations will also have an essential role to what can be considered as acceptable knowledge in social science. As this paper seeks to describe, interpret and generate an overall understanding behind the meaning of specific trade discourses, this research paper can by consequence be positioned into an epistemological position of critical realism. Which empathize the need of recognition to the reality of the natural order, which is formed by events and discourses and that we can only understand this social world if we identify the underlying structures that ultimately produces these events and discourses. But at the same time acknowledging that the knowledge that of the scientist is merely one way of perceiving, knowing and contributing to that social reality, it is only provisional and is dependent upon the distinction between the reality of the objects of inquiry and the terms used to describe and understand them. As a result, there are underlying mechanisms in work that has a constitutive impact to the social phenomena at hand that will be left unexplored, due to the inherent subjectivity of the researcher conducting this study (ibid, 2012, pp. 27-30). However, as acknowledged by the constructivist ontological characterization of this paper, social reality is not pre-given and can have different realities (ibid, 2012, p. 33) whereby the aim of this paper is not to propose a universal blueprint for explaining the driving forces of EU's trade policy discourse but give one possible understanding to the dynamics at play.

In summary, this philosophical discussion to research has put emphasis on highlighting potential loopholes when making qualitative inferences about the social world. By showing transparency and "reflexivity", that is being reflective about the potential implications of the methods, values, biases and decisions will have for the overall contribution to scientific knowledge of the social world. It aims to in a legitimate way illustrate personal awareness of how the cultural, political and social background of me as a researcher will produce knowledge that is unavoidably affected by my personal location in that specific time and space (Bryman, 2012, p. 393). Meaning that as a Swedish citizen and as a result an EU national, my acquired experiences and knowledge is directly influenced by and situated in the context of the area from

which I am born, living and studying, which undeniably to some extent will have a contributing factor for producing and reproducing EU's trade policy discourse.

4.3 Research design

With the given purpose of this study which is predominantly focused to the analysis of words and understanding how social practices are continuously encircled by discourses that gives meaning and drives certain policy directions, this paper takes on a qualitative research approach. Having a qualitative research strategy enables for a fruitful way of connecting to the philosophical and epistemological scientific approach of this study, as it has an overall emphasis to create a more comprehensive and alternative understanding to ways in which the actors of the debate regarding EU's trade policy discourse ultimately perceives the social world, and how this constructed social reality is opposite to constant, but under continuous adaptation to the evolving properties of individuals' world creation (Bryman, 2012, pp. 35-36). Given the scope of interest to specific analysis of the debate towards a New Industrial Strategy for the EU, it consequently positions this paper as a specific in-depth examination to a single case (case study). Which in turn needs to be specifically defined as there are various ways in which a case study can take form, where this decision of choosing the right approach has to be carefully contemplated as in regard to the purpose of this study. With consideration to the discussion just proposed this paper will make use of a case study approach which is interpretive in its character. Meaning that an *"...interpretative case study (disciplined configurative) uses theoretical frameworks to provide an explanation of particular cases, which can lead as well to an evaluation and refinement of theories* (Della Porta and Keating, 2008, p. 227). In addition, where the term 'case' in this context is understood as *"...a phenomenon, or an event, chosen, conceptualized and analyzed empirically as a manifestation of a broader class of phenomena or events"* (ibid, 2008, p. 226). As a result, where the case of interest of this paper is as previously stated, a deeper examination concerning the dynamics of the internal debate within the EU, in specific regard to the newly implemented industrial strategy, in which theory will act as the foundation for deeper analytical inferences to this particular phenomenon. However, as an important note is acknowledging how this decision limits the conducted research's ability to perform external generalizations to the outside world and as a consequence, its external validity. It is argued that this does not pose a problem for the paper's overall validity, which is an argument that is to a large extent based upon the fact that conducting external generalizations is not the primary purpose of this research paper, but instead the creation of a deeper

understanding to the dynamics at play of this particular phenomenon (Bryman, 2012, pp. 66-71).

Bryman further highlights the close relationship between methods of social research and the different versions of how social reality should be studied. Which directs attention to the various ways in which the nature of social reality is perceived and as a consequence, how it best can be examined (Bryman, 2012, p. 19). As argued in previous sections of this thesis, the characteristics of the EC president Junker's State of the Union speeches highlights a perceived social reality of a power struggle in the international economic system as well as the need to strengthen the Union's capacity to deal with unfair competition at the same time as upholding its fundamental values of freedom and unity. By means of generating a more complete understanding to the arguably conflicting underlying discourses behind these arguments and with further connection to the ontological and epistemological foundation of this paper. Which are principally based upon the notion of not perceiving social reality as pre given but under constant evolution, bound by the interpretation of this environment and locating the underlying structures that produces discourses and, in the end, the social reality in which is portrayed. The chosen qualitative method to achieve this objective has to incorporate the necessary tools with aim of locating the perceived social reality that of those actors involved. In specific regard to their production and reproduction of discourses and its relationship to perceiving discourse as an overall encompassing social practice and further examining its effect on EU's trade policy direction. Which are elements that will be further presented and discussed in the section presenting the specific analytical framework of this study. Nonetheless, as a result of this overarching discussion the chosen general method of application to this research paper is Critical Discourse Analysis (CDA). Motivated by its ability to locate discourses as generative mechanisms that gives meaning and justification to certain actions and positions (ibid, 2012, p. 537) in which has the ability to construct a self-disciplining subject (Foucault, 1977, as cited in Bryman, 2012, p. 536), which in this case is argued to be the New Industrial Strategy for the European Union.

4.4 Critical Discourse Analysis

Important to be aware of when making use of Discourse Analysis (DA) as an analytical research method is to be clear about the actual meaning of the term 'discourse' for the specific study at hand. As declared in the definition section, discourse in this study incorporates aspects that are

more encompassing than purely the analysis of language, but instead understanding the social reality in which this language is produced and how these discourses give meaning to objects and helps transform it into something that is being (Phillips & Hardy, 2002, p. 3, as cited in Bryman, 2012, p. 536). In this way the study can evade the pitfall of being too imprecise in its scope of analyzing discourses by more specifically stating its meaning for the particular study at hand, meaning that this research paper can manage to avoid the limitation of having a research method of DA that becomes “...*close to stand for everything, and thus nothing*” (Alvesson and Kärreman, 2000, p. 1128, as cited in Bryman, 2012, p. 540).

After having declared the potential pitfalls of using DA as an analytical research method it does nonetheless constitute as a suitable foundation for exploring the aim of this study. In general terms it can be summarized as having emphasis to ways in which different versions of the world, the society, certain events and developments are produced in discourse(s). In this sense the method does not consider the world as a static entity but bound by the way language is constituting and producing the social world. As a consequence, the method does not simply provide means of understanding the world but explore ways in which it can take different comprehensions and realities through discourses (Potter, 1997, p. 146, as cited in Bryman, 2012, p. 528). Hence, DA can provide a framework for analyzing talk and texts on a deeper level by devoting attention to how linguistics about an object forms the way we comprehend that object (discourse) and as a consequence, can function in ways as powerful justifications to certain policy directions on behalf of convincing how to best respond to and manage the portrayed reality (Bryman, 2012, p. 528). In this way, by making the carefully considered choice of conducting a discourse analysis it assists this research process with the provision of a suitable platform for deeper analysis to the case of interest by providing an area for unconventional explanations and exploring alternative ways of interpretation than purely describing the dynamics behind EU's newly suggested industrial strategy. But instead placing it into the context of understanding how the constructions of perceptions of social reality provides meanings and drivers to the inevitability of EU as an actor in the international political-economic sphere to turn towards more stringed industrial trade policy approach for its future success.

However, as previously stated and specified in the headline of this paragraph, this paper will make use of a specific branch to DA called Critical Discourse Analysis (CDA). What separates CDA from other forms of social analyses is mainly its position of being “...‘critical’ in the

sense that it aims to reveal the role of discursive practice in the maintenance of the social world, including those social relations that involve unequal relations of power” (Jørgensen and Phillips, 2002, p. 57). Which is an important aspect that provides significant usage for the purpose of this study by its position of not taking social reality as pre-given, but instead incorporating the use of a “critical lens” when exploring social phenomena, by actively locating the underlying drivers which gives meaning to policy directions. Where more specifically, having this position contributes to the ability of more comprehensive analytical inquiry to the case, by targeting and setting into context actors’ subjectivity that through analyzing and providing alternative understandings to their respective practices of production of texts in the end is part of the development of particular discourses, in which has an effect to the perception of social reality. And as a result, will have an effect to ways in which we not only see and interpret international developments, but also provide meaning in form of how to best respond in this environment and with what means. Which are aspects that arguably are directly related to the concept of power in two ways. First, as already mentioned how discursive practices has a constructive effect to representations of the world its social relations and thus power relations. Secondly, how these discursive practices can play a role of furthering the interest of particular social groups (ibid.).

In greater detail, one of the founding fathers of the CDA approach Norman Fairclough describes the tradition as both normative and explanatory critique. Normative in the sense that it does not simply describe the existing realities but evaluates them in relation to which extent they match up with the values of the society. Explanatory in the sense that the approach does not simply describe the existing realities but seeks to explain them by highlighting the extent to which they are effects of structures and forces that of the reality to whom is under study (Fairclough, 2012, p. 9). Consequently, in reasoning with the purpose of this paper the methodological approach proves as a useful method for the analytical and explanatory inclusion of theory, which is part of the research contribution of this paper. Which is an argument that is mainly based upon the notion as stated by Alan Bryman of how theory provides the framework from which social phenomenon can be understood as well as how the findings of the research conducted can be interpreted (Bryman, 2012, p. 20). In other words, how the contribution of different theories can help evaluate the “existing reality” in relation to the general values of the society. As well as help providing deeper alternative explanations to the “existing reality” as effects by the interpretation of the structures and forces associated with the international environment, that of

the respective actors of interest, which has a determining influence on the portrayed reality and how to act in it.

4.5 Consideration of different analytical approaches

While the attributes of the specific research method of CDA described above are as argued considered fruitful for exploring the problem formulation and fulfilling the general purpose of this paper, one has to be aware of that there are a great number of different analytical approaches to CDA, where choosing the specific right approach is essential by means of keeping the focus of analysis to the actual scope of interest and the phenomena in which is to be further explored (Jørgensen & Phillips, 2002, p. 58). Which also ties in with Alvesson and Kärreman's words as to how the practice of DA easily can become unfocused and stand for everything and as a result nothing (Alvesson and Kärreman, 2000, p. 1128, as cited in Bryman, 2012, p. 540). By reason of this potential limitation this paper will make use of a specific analytical approach to CDA developed by Norman Fairclough called the "three-dimensional model". This particular model will be elaborated and explained in the following paragraph but can in short be summarized as structuring the analysis of language as part of a communicative event in which can be separated into three different layers: as text, discursive practice and as social practice (Jørgensen & Phillips, 2002, p. 61). Which together corresponds with the aim and the guiding research questions of this study, by its ability for intricate empirical analysis to communication and the society, in form of first an analysis to the linguistic structure of text. Secondly, locating and analyzing discourses and genres which are part of the production of these texts and lastly, providing a consideration as to how these located discursive practices either produces or restructures the existing order of discourse and what possible consequences this might bring for the larger social practice. In other words, how discursive practices either is part of the maintenance of the social order or part of social change and further evaluate the consequences that might follow (ibid, 2002, pp. 61-62).

What is evident although can be further emphasized, is that in this way the CDA approach incorporated into this research paper is not simply an analysis of the discourse 'in itself', as stated by Fairclough but rather an "*analysis of dialectical relations between discourse and other objects, elements or moments, as well as analysis of the 'internal relations' of discourse*" (Fairclough, 2010, p. 4). Which means that the analysis then primarily becomes in relation to research themes that are presented to us (in this paper how the EU shall adapt to the new

geoeconomic development of the global politico-economic sphere), where the topic of interest then becomes to analyze the emergence of different strategies and competing approaches of how to best adapt in this portrayed environment. Furthermore, analyzing the process through which certain strategies can be implemented and as a result can contribute to the facilitation of a transformation in existing system and structures, that in the end is a useful aspect for further evaluation to the possible effects of the proposed policy direction and the actions that follows (ibid, 2010, pp. 5-6). Where finally the process towards a New Industrial Strategy for the EU becomes of interest for this particular study.

As already briefly mentioned, this analytical framework is merely one way of approaching the critical analysis of discourse(s). The scholars Martha Finnemore and Kathryn Sikkink have done a comprehensive overview as to various ways in which constructivists can go about researching social life. Where they argue that one of the core principles and areas of concern for constructivist research is the understanding of how social facts is an essential feature of continuous change and understanding ways in which these influence politics. In this sense they contend that *“Constructivism is not a substantive theory of politics. It is a social theory that makes claims about the nature of social life and social change. Constructivism does not, however, make any particular claims about the content of social structures or the nature of agents at work in social life. Consequently, it does not, by itself, produce specific predictions about political outcomes that one could test in social science research* (Finnemore and Sikkink, 2001, p. 393). Furthermore, in elaboration, they specifically argue that the theory in itself cannot provide explanations or predictions of political behavior unless attached to greater understanding of the relevant actors at play, what they want and lastly, what overarching content of social structures in which the dynamic is situated in (ibid.). This is one of the main reasons as to why this paper incorporates the well-recognized theoretical perspectives of *Realism* and *Liberalism*, as they are in essence substantive theories of politics which by notion provides the ability to deliver these alternative specific explanations and predictions of social behaviors and their possible consequences, whereas argued constructivism proves to be partly limited in these areas.

Given this discussion, the aspects highlighted in the previous paragraph are also of the contributing factors for why not choosing to apply an analytical approach and build explanations by using the specific course of laying emphasis to what is called “Norm Entrepreneurs”. This research approach focuses on the purposive exertions of individuals and

groups to alter social understandings. Where different actors who are in contention to existing rules and norms in politics, driven by similar motives of change assemble by the idea of changing them to their respective liking. This analytical approach puts emphasis into asking questions such as how these groups operate? Furthermore, exploring what possible conditions that has contributed or facilitated parts to their success? (Finnemore & Sikkink, 2001, p. 400). Dividing the analysis into a three-stage process: “norm emergence”, “norm cascade” and “internalization”. The three stages in the analytical process aims to first locate the emergence of norms by devoting attention as to how norm entrepreneurs create issues by framing specific matters with the use of certain language, interpretations and dramatizations. The second stage aims to analyze the tipping point in which the norm breakers become norm followers, where this process is referred to as “contagion” or a “cascade”, as norm entrepreneurs persuade targeted actors by a process of socialization for others to adhere to their new norms. In addition, where this is in part of the beginning of a process where countries adopt these new norms without domestic pressure. The last stage aims to highlight the end of where this norm cascade becomes so widely internalized and accepted among the community that they acquire a taken for granted status, which results in a powerful force to be reckoned with as behavior in accordance with the norms are rarely questioned as well as very hard to discern by rarely taking into consideration alternative views (Finnemore & Sikkink, 1998, pp. 895-905).

Although this approach could have been applied for this specific study Fairclough’s three-dimensional model is argued to be a more suitable approach, given its framework of not only describing what actors that are involved in the dynamics of change in the perception of social reality and how they operate, but providing a deeper alternative explanation as to understanding the reality in which these actors are driving for change, how this is done, under what arguments, as well as provide predictions and explanations to the possible consequences that might follow. In addition, and as a supplementary argument for strengthening this decision can be connected to what is further recognized in the article by Finnemore and Sikkink, mainly how the empirical study of norms often relies on one fundamental assumption, claiming norms to be a cause for behavior. However, where the authors argue that drawing such a distinction does not really tell us that much. But rather there are multiple ways in which actors can conform to a specific norm, where the various proposed motivations for behavior in scholarly research often is a topic of high disagreement amongst norm researchers (Finnemore & Sikkink, 1998, pp. 911-912). The discussion further bolsters the reason for applying Fairclough’s model to the case of interest, with specific notion to the cause for behavior nexus just described. It is an aspect that arguably

can be more systematically covered and explored in Fairclough's three-dimensional model, mainly by its ability of targeting the intersubjectivity that of the actors involved, steering the attention to their respective discursive practices and the construction of a social reality in which may lay the foundation for certain behavior or policy directions. Which in the end is a dynamic that can be systematically theorized and explained and proposed by the incorporation of different theories to the case.

Having provided several arguments as to why Fairclough's model will be applied for this specific study, it in turn provides a suitable passage for specifically presenting Fairclough's three-dimensional model, that will as previously stated act as the explicit framework for analysis to the case of interest regarding the debate towards a New Industrial Strategy for the EU.

4.6 Norman Fairclough's three-dimensional model

As previously argued for the analytical framework for conducting analysis to the case is something that requires careful consideration, not only based upon the notion of what the specific research aims to achieve. But in addition, how to provide a sound and coherent presentation of the analysis. In this way Fairclough's model is argued suitable by its structure of separating the analysis into three different stages, or dimensions if you will. In form of a descriptive, an interpretive and lastly an explanatory section to the analysis of discourse(s). The three different stages or dimensions are separate in analyses however, they also share an interrelated dimension as to the aspect of how language continuous to shape and also is shaped by the dynamics of the environment in which the actors are situated in (Jørgensen & Phillips, 2002, pp. 61-62). The different dimensions are reflected in the research questions of this study and will now be presented more specifically in the sections that follows. Starting with a figure containing a visual illustration to the different dimensions of the model, following an explicit explanation of each layer.

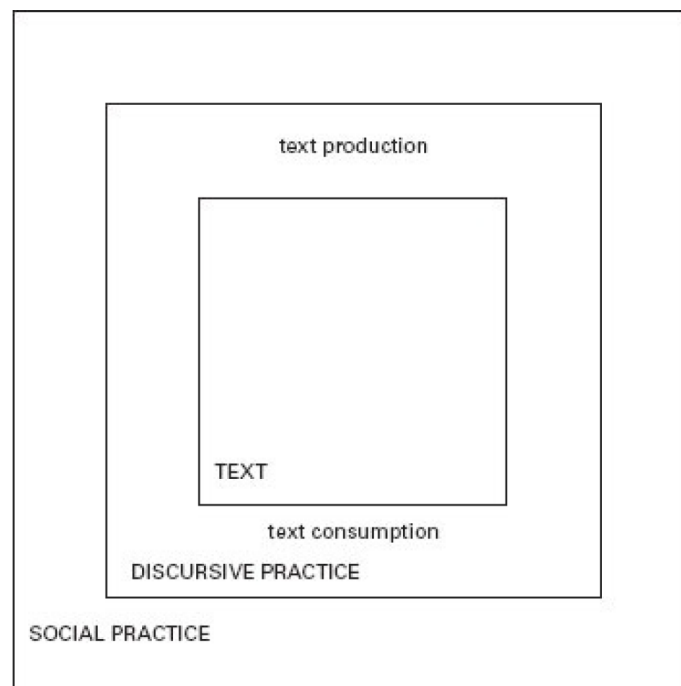


Figure 1: A visual illustration of Fairclough’s three-dimensional model for CDA (Fairclough, 1992, p. 73, as cited in Jørgensen & Phillips, 2002, p. 61).

Before going into detail as to the specific dimensions of the model presented it is foremost important to mention how Fairclough argues for how when analyzing the description of text, it can never be treated or understood in isolation. But rather how it has to be understood in relation to a wide arrange of other texts as well as the social context in which it is situated. Only then can one target the critical aspect of the CDA practice by understanding the aspects as to how and by what role discursive practices play for the maintenance of the social order or social change (Jørgensen & Phillips, 2002, pp. 60-64). Which in turn is connected to ideology (that provides the general “meaning in the service of power”) (Fairclough, 1995, p. 14, as cited in Jørgensen & Phillips, 2002, p. 66) and hegemony (how it is in part of a hegemonic struggle in the context of power relations and the strive for influence) (Jørgensen & Phillips, 2002, p. 67). In this sense, every communicative event (that is an instance of language use, such as: a political speech, a manifest or an article as examples) is in part of these three dimensions listed in the figure: a text, discursive practice and social practice which must be analyzed in relation to the order of discourse. Which in turn provides the ability to analyze how the communicative event either maintains or challenges the existing order of discourse and as a result, analyze what effect it will have for the overall social order (ibid, 2002, pp. 61-66).

With that said, as can be seen in the box of *Figure 1*, the model contains several layers and respective tools for analyses, although this research paper has high aspirations of contributing to new significant inferences of understanding to the development of EU's trade policy, it cannot dive into detail of all respective aspects of each layer. Meaning that with the limitations that of a master thesis it would be too comprehensive of an analytical process in regard to what can be expected and achieved with the given boundaries of this student paper. This results in a decision of not including the consumption of text as regards to giving analytical attention to the respective actors of interest's consumption, interpretation and allocation of text (Jørgensen & Phillips, 2002, p. 72). Which is a highly interesting aspect in itself but carries a sociological element that would be difficult to adequately examine within the boundaries of this paper. This is a rational decision based upon the argument of how this paper instead aims to pay more analytical weight and focus to theoretical explanations of discourses that lay the foundation to the production of text, knowledge and the projection of a specific social reality. Although the consumption element of analysis combined with the production element would contribute to even more profound analytical inferences and contributions to the case it is simply not feasible for this paper to include this level of analysis. Although it is however an area that could benefit or be included in future research on this particular subject.

4.7 Structure of analysis

Previously argued for is how this paper follows the logical progression of analysis that of Fairclough's three-dimensional model which is divided into three parts: a descriptive part, an interpretive part and lastly an explanatory part, which also is reflected in the structure and logical pattern of formulations to the guiding research questions of this study. Which in this way enables me as a researcher to not only provide a tangible analysis for the reader where the understanding of the case is built progressively, but in addition, helps facilitate a fruitful procedure for staying true to the respective aims of each layer, that in the end can provide support with the information gathering process. In other words, an assistance in the process of what to look for, which actors, materials that are of interest, furthermore, how to present it in the best logical manner. The following section will now present the three respective dimensions of analysis to discourse(s) in greater detail.

Dimension one – Text

This initial dimension of analysis can be recognized as the descriptive part of the model in which the systematic and detailed analysis of text takes place. By the use of particular tools for locating specific linguistic characteristics within the communication of texts, this dimension aims to provide a constructive and closer examination as to how discourses come into force textually by providing meaning and support for a particular interpretation of social reality, social identity and social relations (Jørgensen & Phillips, 2002, p. 73). Whereby in this case official documents from key actors of the debate regarding EU's trade policy direction will be scrutinized (key actors and material will be explicitly stated in the following section). The tools of interest for achieving this notion will have to pinpoint and cover various components of influence that would have effect on EU's trade policy development regarding industrial policy. In this case, based on Fairclough's proposed tools this paper will first pay attention to: a) *Interactional control*, that is investigating the relationship between speakers and who arrays the conversational agenda; b) *ethos*, that is focused to the construction of identities by the use of language; c) *metaphors*; d) *wording*; e) *grammar* and; f) *modality*, are together focused to understanding how metaphors, particular framings of words, affirmation to statements and key formulations are relevant for the categorization of particular discourses and as a consequence a certain view and interpretation of social reality and social relations (Fairclough, 1992, pp. 152-194, as cited in Jørgensen & Phillips, 2002, p. 73). The respective tools selected are chosen on basis of their considered ability to provide a thick description of the debate towards a New Industrial Strategy for the EU. Whereas not only the pro and counterarguments towards this strategy can be pinpointed but also go deeper into how they are linguistically described. In addition to locate arguments and viewpoints as to the implementation of specific instruments in regard to trade policy, in which can be categorized to either the economic nationalist paradigm or the liberal economist paradigm, that later can be further interpreted and explained as consequences of discursive practices in the following dimension encompassing a theoretical inclusion. This step will in turn highlight the relevant actors of the debate and can subsequently as previously mentioned give the ability for deeper analysis of their respective discursive practices in this dynamic, that is in part of the second dimension of this analytical framework.

Dimension two – Discursive Practice

As previously mentioned, this second dimension to the analysis of discourse(s) aims to pay analytical attention to the environment, context, setting and events in which these texts are produced. As a result of having described the texts produced, furthermore, located the actors in

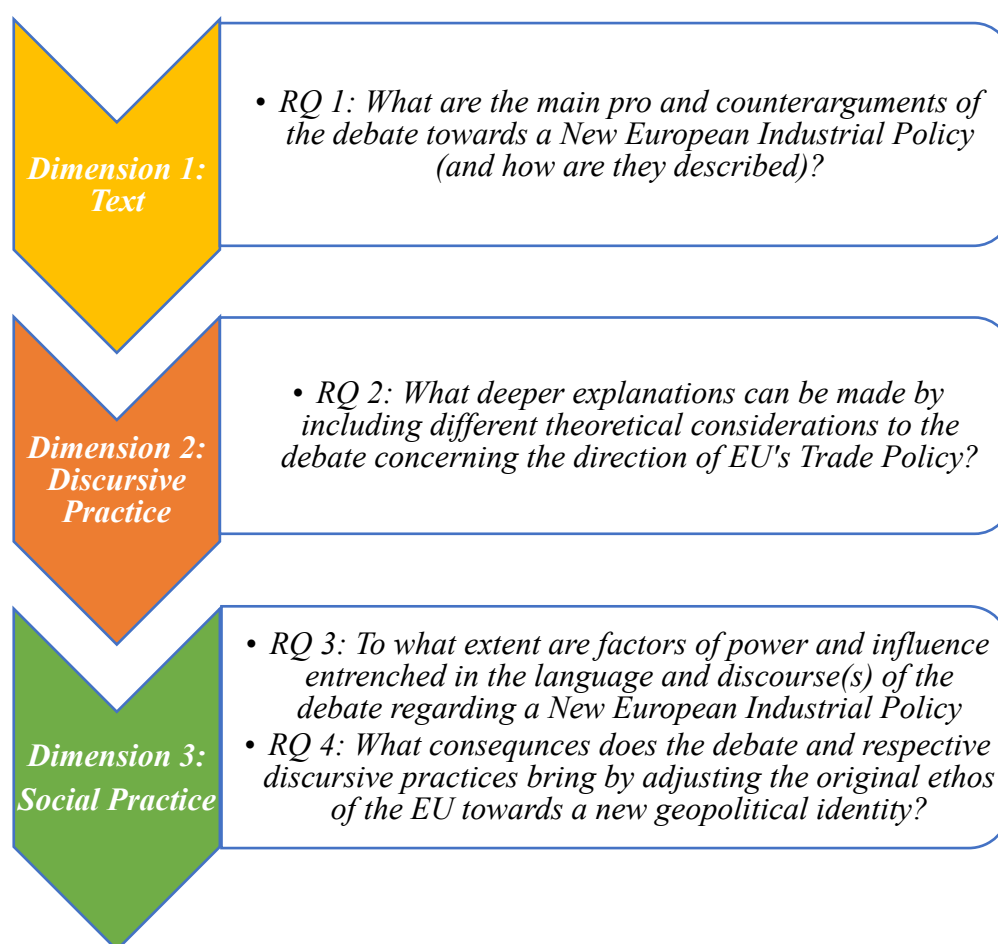
which has formed and produced these texts one can go deeper into interpreting the conditions under which these texts are produced, the actual background of the actors, their respective ideological foundations. And as a consequence, go deeper into interpretation and explanation as to how the two explanatory theories of IR (for this paper *Realism* and *Liberalism*) is part of an underlying force as to how these respective actors of interest, perceive the social reality and social relations. Which are factors that as argued will not only have a determining effect as to understanding the discursive practices that either produces discourses of driving force for change or, discursive practices for the maintenance of the social order. But in addition, will as maintained have significant influence as to the respective discourse(s) contention and backing for different specific instruments as in regards how to best respond to this portrayed and constructed social reality (Jørgensen & Phillips, 2002, p. 72). In this sense, this dimension enables an incorporation of a second layer to investigating how these texts come about, which in turn can be categorized into certain discourse(s) – *interdiscursivity* (ibid, 2002, p. 65) that can provide an interpretation and explanation to the recent direction of EU's trade policy direction towards industrial policy.

Dimension three – Social Practice

This last dimension of Fairclough's analytical framework aims to highlight and analyze the broader picture of as to how the discursive practices pinpointed in the second dimension is contextualized into a wider social practice. Meaning that this section will shed light to aspects such as in what way these discursive practices present themselves, whereby one has to cover events and structures as the institutional settings and economic conditions that these discursive practices are subject to. But also, elaborate on the social context in which elements of ideological and cultural relations comes into play. This dimension in turn will incorporate the critical aspect of this thesis by not only showcasing how these discursive practices embeds power and influence in the language of the actors involved (Jørgensen & Phillips, 2002, pp. 75-76). But also, how this is in relation to, as described by Jørgensen and Phillips: "*The use of discourses and genres as resources in communication is controlled by the order of discourse because the order of discourse constitutes the resources (discourses and genres) that are available. It delimits what can be said*" (2002, p. 64). In this way one can critically examine how these communications as part of discourse(s) is powerful by their delimitation of other ways of viewing social reality, in which also can be connected to certain powerful interest groups and ideology. Which in the end positions this dimension as having a role and function of a summarizing stage of analysis, whereby one can conclude, theorize and potentially criticize

the potential ideological and political-economic effects that these discursive practices might have for the EU in this case (ibid, 2002, pp. 75-76). As a result, this dimension enables a fruitful base of analytical inquiry for answering the two last mentioned research questions for this study. Which evident are summarizing in character.

Figure 2: *Is a visual illustration of the analytical steps for addressing the research questions of this study.*



4.8 Actors

In order to provide an encompassing investigation and analysis that is in relation to the respective research questions sequentially outlined in *Figure 2* presented above, one has to pay careful consideration when deciding upon the delimitation of the relevant actors involved in this debate of focus. Which is important by notion, due to this specific delimitation's overarching impact as regard to the general legitimacy of the conclusions and inferences that

in the end can be drawn from the study. Having this consideration in mind, this paper will include two different actors, that in general can be maintained as constituting the core foundation for empirical research of the phenomenon in focus. Furthermore, representing two opposite positions of the debate concerning trade policy. In addition, the respective actors will naturally also indirectly provide, guide and help administer the material collection for the study by their plain function of constituting arguments. By result, acting as producers of text in which can be described, interpreted, explained and evaluated in relation to the aim and purpose of this specific study.

With the background to the decision presented, this paper will first include the **European Commission** as one of the primary actors of this debate. The EC is chosen on basis of its fundamental role within EU policy making. *“The European Commission is the EU’s **politically independent executive arm**. It is alone responsible for drawing up proposals for new European legislation, and it implements the decisions of the European Parliament and the Council of the EU* (European Union, 2020). By reason of the Commission’s sole role of tabling laws for adaptation it is logically a natural actor to include in the analysis of this trade policy debate. Furthermore, with specific focus to the Directorate General for Trade together with the EU’s Trade Commissioner in which collectively bear the responsibility for developing and putting into practice EU’s trade and investment policy in the areas of: Global trade, opening foreign markets, trade disputes and defense, and lastly the area of morals, values and ethics (European Commission, 2021c). The second actor of inclusion to the analysis of this debate is a group named **Friends of Industry**. They are constituted by various Member States that of the EU and are described as *“...a group of likeminded EU Member States, that meet once a year to discuss recent developments related to industrial policy at EU Level. The group is inclusive and open to any Member State* (Federal Ministry Republic of Austria Digital and Economic Affairs, 2019). The decision of including this group as an actor of analysis within the debate of trade policy is motivated by first their composition of significant and highly influential European states, which carries a fruitful element as this paper seeks to interpret and explain factors of power and influence embedded in discursive practice (which also connects to the EC). Secondly, by their interestingly mercantilist position when it comes to trade policy questions (in which later will be explored) and how it can be interpreted as in opposition to the EC’s more liberal stance.

4.9 Timeframe

Having stated the actors included in this analysis, further considerations have to be specified that is in connection to the time period for textual analysis. The analysis will be covering the years starting from 2015 until 2019, which is a decision based upon two notions. First, the year of 2015 was when the EC presented their new trade and investment strategy “Trade for All”, that was specified as an approach in response to the new economic realities and foreign policy goals that of the EU. Furthermore, as an acknowledgment to rising opinions regarding this area of policy (European Commission, 2016). Which arguably can be seen as the starting point of which the debate gained momentum and kicked of the transitioning policy direction for the EU towards industrial policy. In addition, the time span includes the following year of 2016 which was a year of pronounced political change as a result of both the EU referendum where the people of the United Kingdom voted in favor of leaving the Union (GOV.UK, 2021), as well as the U.S. election where the populist businessman Donald Trump prevailed in the presidential election against the adversary and former Secretary of State Hillary Clinton (BBC NEWS, 2016). But also, this is the year when the former EC president Jean Claude Juncker stated in his annual State of the Union speech that the Union was in fact part of an existential crisis (Juncker, 2016). The data will only be stretched until the end of 2019 which mainly is a decision based out of the consequence to the time when the EC declared its communication on a New Industrial Strategy for the EU the following year of March 2020, as well as where no official declaration could be found from the “Friends of Industry” the year of 2020. The restricted timespan of analysis can further be defended as made due to the fact of its exhaustive process of explicit textual analysis to the relevant texts of the debate as well as adequately following the steps of Fairclough’s model.

4.10 Material and Data Collection

The bank of material that will form the foundation for analysis is mainly considered on basis of providing the necessary content for adequately investigating the problem formulation as well as the aim of the paper. As a consequence, the data collection process is guided by the research questions in which sets the contours for what material is needed for providing comprehensive answers to the questions (Bryman, 2012, pp. 12-13). In this sense, this process is highly dependent and sensitive upon the intuition, recognition and interpretation of important attributes that I as a researcher consider valuable for the analysis in relation to answering the research questions. Having awareness and transparency of that the selected material will most

definitely affect the conclusions that can be drawn from the case, this factor is considered inevitable and is argued to not harm the validity of this study. By reason of that the consideration of material as well as the inferences drawn, are as previously argued for, merely one way of perceiving the social reality, which is directly affected by my personal subjectivity and thus will most likely take a different form and understanding if another scholar were to do this same research. Which are factors that has been presented and reflected upon in the ontological and epistemological section of this this chapter, as part of the overall scientific philosophy of this research (ibid, 2012, pp. 27-34).

Having discussed the data collection process, the material that have been selected for empirical analysis is predominantly constituted by official declarations, communication-documents and publications published by the two actors of focus for this study, the “Friends of Industry” group as well as the European Commission. Which also is a decision based on the notion if material from third actors and sources would be analyzed, with the analytical framework of use in this paper one would also have to consider the social context and discursive practices of those specific actors, which significantly complicates this analysis. With that said, the material selected is primarily concentrated to the discussion of trade policy, however, having awareness and consideration as to the all-encompassing nature of interconnected dimensions that could be relevant when analyzing policy transformations and most definitely can provide contributory inferences to this case. By reason of the constraints that comes with writing a student paper, this research will have to limit the material to concern trade policy in particular. Which by argument is the main scope and remains the core interest of analysis for this specific study. Furthermore, an additional argument in relation to the restrictions of this paper has to be made. As this research seeks to illustrate and critically examine the discourses at play for reforming EU’s trade policy agenda, it is by great interest to illuminate the changing rhetoric that of the actors involved in the debate. Given this notion one has to consider whether to stretch the timeframe and as a result, also the documents included and selecting a few key statements from each document to illustrate this rhetorical development. Or on the contrary, limiting the timeframe even more and provide an even larger base of statements from each document. The first alternative is chosen on basis of reasoning that with given the aim of this paper the indicated alternative would provide a better overview as to the understanding of this trade policy development. Although having awareness of that this decision puts stress on the fact that the statements chosen are considered a legitimate sample and interpretation as to the nature or essence of the whole document, it is still considered the most fruitful alternative.

4.10.1 Official declarations by the Friends of Industry

These declarations are summarized joint statements from each yearly ministerial conference in which ministers of the Member States of the Friends of Industry group conclude their arguments, opinions and suggestions in regard to the trade policy direction of the EU. These specific declarations are following:

1. The “Joint Warsaw Declaration” on the occasion of 4th Ministerial Conference of Friends of Industry Warsaw, 22 April 2016. Focused on policy changes for increasing the competitiveness of European Industry (2 pages) (Federal Ministry for Economic Affairs and Energy, 2016).
2. The “Berlin Declaration” on the occasion of 5th Ministerial Conference of the Friends of Industry, June 30th 2017 – Berlin. Focused on reiterating their commitments to tackle European insecurity by realizing a “Pulse of Europe: Industry edition” (5 pages) (Federal Ministry for Economic Affairs and Energy, 2017).
3. The “Friends of Industry 6th Ministerial Meeting”, Paris 18th December 2018. Focused on calling upon the action to maintain the competitiveness of a European industry that is at a crossroads (7 pages) (Federal Ministry for Economic Affairs and Energy, 2018).
4. The “Vienna Declaration” seventh Friends of Industry Ministerial Conference, 4 October 2019. Focused on proposing ideas on how to address the challenges of “3 transformative processes (Digitalization – Decarbonization – Globalization)” (7 pages) (Federal Ministry Republic of Austria Digital and Economic Affairs, 2019b).

4.10.2 Official documents by the European Commission

The documents and publications used in this paper are all commissioned on behalf of the EC and are selected on basis of their clarity for illustrating the general views, arguments and propositions that of the EC in regard to the trade policy direction of the EU. The selected material is following:

1. The “Trade for all” trade and investment strategy document. Presented in 2015, it represents the EC’s views on how to best achieve a trade policy that is as beneficial for all (36 pages) (European Commission, 2015).
2. The “COM(2016) 690 final” document, is a communication from the EC to the EU Parliament, EU Council and Council on behalf of sharing its proposals for achieving a robust trade policy in the interest of job creation and growth (5 pages) (European Commission, 2016b).

3. The “COM(2017) 492 final” document, is a communication from the EC to the EU Parliament, Council, the European Economic and Social Committee and the Committee of the Regions, on behalf of sharing its proposals for harnessing globalization by a balanced and progressive trade policy (8 pages) (European Commission, 2017)
4. The “COM(2018) 772 final” document, is a communication from the EC to the EU Parliament, EU Council, Council, the European Economic and Social Committee and the Committee of the Regions, on behalf of sharing its commitments for upholding a strong Single Market in a changing world and how this asset is in need of renewed political commitment (21 pages) (European Commission, 2018)
5. The EC publication “EU industrial policy after Siemens-Alstom: Finding a balance between openness and protection” is a publication in response to an increasing debate on EU industrial policy” (20 pages) (European Commission, 2019b).

4.11 Validity and Reliability

As this study takes on a qualitative approach for conducting research it is by nature not as clear what the validity of the study refers to, as it is not conducting measurements in the same sense as statistical quantitative research would. However, it is still highly relevant by staying true to identifying, observing, and examining what you say you are (Mason 1996, p. 24, as cited in Bryman, 2012, pp. 389-390). Furthermore, set out to do. Which also is connected to the coherence and interrelation between the theory set out to explain the observations and the phenomena of interest (LeCompte & Goetz, 1982, as cited in Bryman, 2012, pp. 390). By this notion, when conducting this analysis, the aim and problem formulation will consistently be reviewed so as to staying focused to the purpose of the study. In terms of reliability, as this study reviews social contexts, interpretations are of primary concern which results in a difficulty of directly replicating the study at another time. However, by being transparent in the tools of use for both locating material and observing specific content in texts, this is a rational decision for clarifying the research process that can enable similar but not identical research to be made at a later time (ibid.). As a brief note, and as already mentioned, by having a limited and partial selection of material the external validity and generalizability will be limited. However, as these are factors in which are not directly part of the aim of the study as previously argued for, it will as a result, not be aspects that will have significant negative effect to the actual overall validity of this conducted research (Bryman, 2012, pp. 66-71).

4.12 Critical remarks

One of the most prominent critical comments that can be made to the CDA approach and Fairclough's analytical framework is the theoretical distinction between discursive and non-discursive elements. Meaning that is not particularly clear how one can empirically demonstrate a dialectical relationship between different elements. In other words, it is difficult to draw the distinction between when and how discursive practices influence or contributes to changing non-discursive elements or the other way around. Jørgensen and Phillips specifically marks how a problem can arise when one treats the broader social practices as a background for discursive practices (Jørgensen and Phillips, 2002, pp. 77-78). More specifically and as an example, where one in this case has to consider whether factors such as "globalization" is in fact a reflection of discursive practices or if it is considered a non-discursive element in which can be affected by discursive practices. This is where the authors propose that one can draw an analytical separation between discursive practices and non-discursive practices rather than an empirical one, to avoid this difficulty. In this case, one has to consider whether to treat the element such as the example: globalization as either a discursive practice, a subject to meaning making by continuous interactions from different actors within the society, or a non-discursive element obeying its own logic. However, the distinction often remains very difficult to make, as when conducting research within this field often makes the researcher drawn or compelled to perceive everything as subject of underlying discourse(s) (ibid.). This is where one at times has to analyze social reality as if it is more than just meaning making even though our knowledge about social reality is bound by representation (Chouliaraki, 2002, as cited in Jørgensen & Phillips, 2002, p. 78). In addition, another aspect that can be seen as a shortcoming in both the CDA method and consequently also Fairclough's analytical framework is the relatively weak theoretical understanding as to the process of group, subject and agency formation. Which also is further connected to assumptions about the degree of control people have over their own use of language, that in the end comes down to questions regarding aspects of subjectivity and subjectification. However, where Fairclough's analytical framework covers the aspects as to how discourse(s) is in part of the construction of social identities and relations, one cannot fully say that this analytical approach entirely neglects this sociopsychological element (Jørgensen & Phillips, 2002, pp. 78-79). As can be further said with the theoretical contribution of the two IR theories Realism and Liberalism incorporated in this paper, it can partly fill this void in understanding, by arguing for how actors' underlying view of social reality contributes to the formation of discourse(s) and the creation of social identities and relations, as well as discourses that presents themselves in form of texts.

5 Analysis

This section will follow the logic and be structured according to the CDA method as well as Fairclough's three-dimensional model. As a result, will initially start with presenting and describing the arguments found and pinpointed in the official material that of the Friends of Industry group in yearly sequence, where these arguments later will be categorized into respective paradigm economic nationalism or economic liberalism. Following the same procedure that of the material from the EC. The analysis will then focus to interpretation and explanation of the discursive practices found from a theoretical point of view as to Realism or Liberalism. The last dimension of analysis is primarily where the critical part as well as the predicated consequences of the arguments and respective discursive practices are discussed. Finally, as a brief note, the different dimensions are all closely related to each other, which as a result show itself in the analysis, where cross references of discussion between the three dimensions will be made.

5.1 Dimension one – Discourse in the form of text

By using the tools presented in the “structure of analysis” section, textual examples from each document will be presented and discussed. Furthermore, categorized in order to arrive at an understanding as to how the pro and counterarguments of the debate regarding EU's trade policy development towards industrial policy illustrates how discourses arrive textually.

Friends of Industry

One first observation that is made and can be held as an overarching theme as to further the argument towards a stricter industrial policy is the proposed challenging environment facing European industries as illustrated in the Warsaw declaration: “...it is *advisable* that the Commission publishes a Communication dedicated specifically to the industry, that assesses *the current situation of European industry as a whole*, a Communication that explains the measures put in place from 2014 up to now. This Communication should have an Action Plan to *tackle the challenges that the industrial sectors are facing*. Only such a comprehensive approach can lead to the *strengthening of the production base of the EU economy*” (Federal Ministry for Economic Affairs and Energy, 2016, p. 1). The statement can be said as setting the standard as to portraying a reality where European companies are facing increasing challenges, whereby a reformation is needed to strengthen the “engine of Europe”. The rhetoric is relatively

modest but can be seen as targeting the EC as the one responsible for this development, furthermore, responsible for implementing the necessary actions of reformation.

A second and third statement uses similar rhetoric and exemplifies the many challenges facing these European industries but also proposes legislative measures: *“During our discussion the following groups of **problems of particular concern** were identified. First, **over-regulation** in some sectors, including automotive, cosmetics, chemical, pharmaceutical sectors, **reduces their ability to compete globally**. Second, the energy costs for energy-intensive industries (including the chemical and steel industry) significantly inhibit new investments and **weaken their external competitiveness**. And third, **issues related to current EU trade policy**, i.e. need for **quicker and more effective use of the trade defense instruments against unfair trade practices** (especially in steel, chemical, construction materials, paper, cement, wood, automobile, textile industries)”* (Federal Ministry for Economic Affairs and Energy, 2016, p. 1). The third statement denotes attention to arguments of more sovereignty for Member States policy implementation: *“We **believe** that State-of-the-art EU industrial policy **should** take into account the **differences in the industrial base in Member States** and offer **instruments tailored to the needs of industries and regions** concerned thus improving the **competitiveness** of the entire Union”* (ibid.).

The rhetoric of the arguments somewhat changes in the second “Berlin Declaration” as can be seen in an initial statement that is arguably pressuring the EC: *“...while the European Commission incorporated a strong industrial dimension into several major initiatives since 2014. **Member States have yet to receive an answer to their appeals relating to industrial policy**”* (Federal Ministry for Economic Affairs and Energy, 2017, p. 1). In addition, interestingly strong framings that of the social reality, social relations and identity construction of competitors are evident: *“It is **essential** to **prepare an adequate answer of the EU to the industrial strategies of third countries**, based on the principle of **mutually beneficial trade and investment and rules based trade** with our partners at both multilateral and bilateral level, whilst ensuring that a **level playing field** is maintained and strengthened. It is **vital** to address **challenges** that are raised by **competitive foreign industries** which are **supported through tools that are not in accordance with their obligations under international law or the applicable principles of the EU internal market including EU competition law** and **find an appropriate and balanced response**”* (ibid, 2017, p. 4). And is further summarized: *“We reiterate the*

therein mentioned necessity for the European Commission to draw up a new industrial policy strategy” (ibid, 2017, p. 5).

In the third declaration further emphasis is devoted to the argument of a troublesome global trade situation which calls for an “elbows out mentality”, a development that is maintained as to a large extent a result of third parties’ unconventional methods: *“Our industry is facing increasing fierce competition from other major economic blocks, which are developing their own proactive industrial strategies. Global trade environment is currently undergoing important trouble and European industry tends to suffer from increasingly protectionist trade measures from third countries”* (Federal Ministry for Economic Affairs and Energy, 2018, p. 1). Additionally, further stressing the need to react: *“European industry is, in fact, at a crossroads. We must act quickly to maintain its competitiveness”* (ibid.). On the similar note, arguments of third parties use of protectionist measures are used to legitimize a legislative reformation and responding with similar methods: *“The European Union must build a European industrial policy that encourages the creation of major economic players capable of facing global competition on equal terms while protecting European consumers. While the major powers do not hesitate to defend their national champions, Europe must take account, in its competition policy, the evolution of the global competitive environment in terms of investment, trade and industry”* (ibid, 2018, p. 4). Examples of specific proposals of legislative measures are presented which evidently are mercantilist in nature by emphasizing a higher degree of state interference into the economic sphere: *“Competition and state aid : identification of possible evolutions of the European rules applicable to competition and state aid”* (ibid, 2018, p. 2), *“Competition and antitrust : identification of possible evolutions of the antitrust rules to better take into account international markets and competition in merger analysis”* (ibid.).

Finally, the “Vienna Declaration” interestingly acknowledges the new Commission letters priority on a comprehensive long-term strategy for European industry, which suggests that an alteration in regard to trade policy has been set in motion. With that said the declaration is rhetorically more persuasive and convincing in its tone and rests upon three proposed transformations: Digitalization, climate change and an overhaul of the post WWII multilateral order. Starting with the statements of a *“...fourth industrial revolution”* (Federal Ministry Republic of Austria Digital and Economic Affairs, 2019b, p. 1) as well as *“...harnessing the potential of the digital transformation will be essential for ensuring the future competitiveness*

of European Industry” (ibid.). Together with: “...we **need to improve the collaboration of our industries across borders and create competitive clusters of technological advancement**” (ibid, 2019b, p, 3), can be seen as part of constructing a social reality by describing reality as if it were in a stage of revolution, where the EU has to change its ways to compete in this new setting. The last statement arguably points to a notion where the merging or clustering of companies is the only way to effectively be competitive in this new environment. Which also ties in with the argument that “... *European industry continues to contribute to the transition towards a climate neutral economy* (ibid, 2019b, p. 5), which arguably contributes to on a cognitive level perceiving positively on: “**Review the competition law framework and speed up enforcement in order to ensure a level playing field with companies from third countries and better cope with the challenges of digitalization**” (ibid, 2019b, p. 7) as well as: “**Review existing State Aid Rules in order to support change towards a climate neutral EU and the implementation of the Paris Agreement**” (ibid.) as legitimate and necessary actions towards this portrayed new post WWII multilateral order.

Categorization into political economic paradigms

The rhetoric and arguments as well as the proposed instruments in regard to trade policy highlighted considerably points to the *economic nationalist paradigm*. Meaning that a tendency of viewing the international economic environment as anarchic is arguably evident as well as pressuring the Commission to implement specific mercantilist measures in response to this proposed geopolitical development is critical for dealing with these challenges. Furthermore, in detail where proposals of increasing state involvement and protectionist measures are evident, specifically in regard to the protection of strategic economic sectors (which will be further scrutinized in the following chapter), this similarly point to the same direction.

European Commission

The wide-ranging “Trade for all” publication by the EC most definitely illustrates strong traits of liberal rhetoric, whereby first acknowledging the intensified debate as interpreted around generally questioning who the EU trade policy really is for? And further responses that: “...*EU trade policy is for all*” (European Commission, 2015, p. 7). Furthermore, clarifying that “...*the strategy is about ensuring EU trade policy is not just about interests but also about values*” (ibid, 2015, p. 5). Which goes in hand with the argument of: “*An effective trade policy should, furthermore, dovetail with the EU’s development and broader foreign policies, as well as the external objectives of EU internal policies, so that they mutually reinforce each other. The*

impact of trade policy has significant repercussions on the geopolitical landscape — and vice versa” (ibid, 2015, p. 7). The statements demonstrated can be said as showing signs of warning to the mercantilist wave amongst Member States that these opinions can in fact be a part of and directly is affecting the geopolitical development, as well as how a liberal trade policy in line with the broader liberal objectives of EU foreign policy is the best and right way to stop this trend.

Although the EC continues arguing for how an open based trade system is paramount for economic growth, job creation and competitiveness, the rhetoric arguably has changed to a significant extent where it at the same time is acknowledging the fact that: “*The **challenge of unfair trade practices by third countries** is getting more **acute**. Government intervention, massive subsidies and policies that distort prices have resulted in huge overcapacities and ultimately in dumped exports on the EU market*” (European Commission, 2016b, p. 2). Additionally, arguing for how “...it is now **imperative** for the EU's Trade Defence Instruments to be updated, **strengthened** and made legally more **robust**” (ibid, 2016b, p. 3). However, interestingly at the same time a conflict seems to be evident where the EC expresses its dissatisfaction to the Council’s “**impasse**” in finding an agreement to this proposal (ibid, 2016b, 4).

In a 2017 communication the EC acknowledges the reality of increasing criticism towards the rule-based multilateral trading system and how the international trade environment is changing, furthermore a resurgence of protectionism amongst the international sphere (European Commission, 2017, p. 2) at the same time it is still continuously showing signs of its commitment to a liberal agenda of: “...**open trade anchored in the rule-based multilateral trading system**” (ibid, 2017, p. 3). Similarly, where it is emphasizing its confidence in international economic institutions for managing this development: “...*the EU is leading the way on **reshaping the WTO negotiating agenda**, seeking to modernise world trade rules and to **restore the primacy of the WTO in rule-making**, especially at a time of increasing **protectionism***” (ibid, 2017, p. 3). Although liberal rhetoric and arguments are noticeable underlying mercantilist winds are still seemingly progressing within the EC as illustrated in its new proposals regarding trade defense mechanisms, such as a screening regulation where FDI’s into the EU can be strictly monitored and evaluated in regard to **security, public order** and the **protection of essential interests** (ibid, 2017, pp. 5-6).

The following year the EC issued a communication concerning the need for renewed political commitment towards the European Single Market. With arguments of a rapidly changing environment the market has to adapt and reform in order to reap the benefits of globalization as well as coming to terms on how to regulate it (European Commission, 2018, p. 1). Emphasizing the need for further integration towards the market to overcome these challenges the Commission as example stated that: *“The external impact of further integration of the Single Market in **an increasingly volatile world** should not be underestimated, as it will make the Union even more attractive to international trading partners and provide it with **additional leverage on the international stage**”* (ibid, 2018, p. 11). Although this is the goal it has not shown itself in practice where it is acknowledged that: *“We are too often confronted with a situation where the consensus which appears to exist at the highest level on **the need to deepen the Single Market is not matched by a political willingness to adopt the concrete measures that the Commission proposes** and that would make a difference, or to transpose and implement measures which have already been agreed. Even when **they** express support for further market integration or for further harmonisation, **Member States often promote only their domestic approaches** as a basis for European rules, which can lead to **political tensions**”* (ibid, 2018, p. 1). The conflict between Member States and the EC are further evident where rhetoric used can be seen as underlining the power of the Commission where sentences such as how the EC ensures compliance of Member States accordance to Union rules by acting: *“As **guardian of the Treaties**”* (ibid, 2018, p. 10). Furthermore deciding: *“...to further **increase the focus of State aid control and infringements on measures with a significant impact on the Single Market**, for example as regards State aid in the field of corporate taxation”* (ibid.). Where the latter can be seen as an example of a measure taken as a precaution to the development of proliferation of certain national approaches that are considered by the Commission as fragmenting the Single Market (ibid, 2018, p. 11).

Finally, this trend and conflict is further empirically exemplified in the case where the EC prohibited the German industrial company Siemens AG acquisition of Alstom, a French transporting company, which kicked of renewed political tensions and criticism as to the competing views between the Commission and Member States regarding EU’s industrial policy agenda (European Commission, 2019b, p. 2). In the publication the EC called for the need of finding a “balance between openness and protection” (ibid.). The conflict can be seen as having taken an increasing negative spiral where the Commission in regard to the prohibition stated that: *“While **feelings** are understandingly **still raw**, **attention needs to focus on the real***

challenges Europe is facing, rather than losing time and energy on finding a scapegoat” (ibid, 2019b, p. 4). Which allegedly illustrates a worrisome incoherence in EU’s trade policy direction and development. In addition, the EC stated that: “...*it must be clear that relaxing merger control, antitrust or state aid rules presents no panacea to alleged weaknesses and competitiveness challenges of European industry*” (ibid.). Which is one further illustration to the arguably competing interests regarding the direction of EU’s industrial policy between Member States and the Commission. As final illustrations to the mismatch of finding a coherence regarding this policy, the EC further emphasizes the danger of China’s unfair trade practices but still promotes the institutional path of strengthening WTO’s capacity of rule enforcement at the same time as updating its strategic trade tools for coping with external circumstances and ensuring a **level playing field** (ibid, 2019b, p. 10).

Categorization into political economic paradigms

The rhetoric used as well as arguments and proposed instruments concerning EU’s trade policy direction made by the EC is in this case not as directly clear as the Friends of Industry declarations. However, although strong *economic liberalist* traits are considerably evident, such as the emphasis on remaining an open trade block is the best way for continuous prosperity of the Union, as well as, placing significant emphasis on the role of international institutions for regulating the market in the most beneficial way for all parties. Interestingly, progressing throughout the documents are also mercantilist views as example of the need for responding to unconventional tactics from third parties. In addition to not being naïve in the international trade environment and implementing specific measures for defending strategic assets. Arguably, the rhetoric and arguments have to some extent changed towards incorporating more mercantilist traits throughout the texts, which tells us that nationalist discourses to a certain degree probably have had an influence in this development, although the Commission still evidently holds a firm grip to its liberal discourse and defending it by to some extent criticizing Member States, which together are aspects that can be seen as a future problem for the Union. Which are aspects that will be interpreted, explained and scrutinized in the following dimensions of this analysis.

5.2 Dimension two – Discourse in form of discursive practice

This dimension will initially pinpoint argued for discourses found and presented in the documents outlined previously, separated by respective actor, then later go into detail as to how

the practices of their production can be explained in relation to the IR theories of *Realism* and *Liberalism*.

Friends of Industry: *The geopolitical discourse*

In order to more completely understand the line of communicated arguments by the Friends of Industry group one has to first cover the way in which they arguably perceive social reality and social relations, that in the end has a determining effect as to interpreting and explaining following discourses and the practices of their production. In this way the group in their communications are arguably constrained by their *realist* perception of viewing the international environment and the relations within it as anarchic and malicious by nature (Donnelly, 2013, pp. 32-33). This is particularly evident in the way they represent the contemporary international trade as a situation that has provided increasing challenge for the Union, in particular regard to the industrial sector (Federal Ministry for Economic Affairs and Energy, 2016, p. 1). Which is not particularly surprising, given the fact that the group and its members are all part of, and summoned within this group and its yearly conferences on basis of their likeminded perceptions, ideas and opinions concerning the direction of EU's trade policy (Federal Ministry Republic of Austria Digital and Economic Affairs, 2019). In addition, as can further be interpreted as with the purpose and interest of boosting their individual industries as to increasing relative gains in relation to outside competition, where an additional argument can be made that many of the countries included within this group has largely industrial production-based economies such as Germany, France, Italy and Sweden (Federal Ministry Republic of Austria Digital and Economic Affairs, 2019b, p. 1). Which is an aspect that devotes attention to their arguably larger stake in producing the necessary projections and arguments (in this case, that there is in fact a geopolitical and anarchic environment that is hampering European industry and prosperity) to the Commission. That as a result, can respond to this projection in line with the interests of the Friends of Industry group. Similarly, and in relation to the first argument, the geopolitical discourse is particularly visible and can be explained through a *realist* lens as to how the projection of third parties' illegitimate industrial tactics outside the obligation of international law have raised increasing challenges to European industry and has to be responded to accordingly (Federal Ministry for Economic Affairs and Energy 2017, p. 4). The rhetoric and arguments used falls in line with how *realists* assume the worst of mankind, as where opportunity presents itself selfishness and the intrinsic action will always be power maximization (Donnelly, 2013, p. 33), which can explain why the underlying driver of the group falls towards perceiving the international trade system as dominated by

geopolitics and the need for increasing individual capacities as there is no higher governmental body capable of governing it.

Friends of Industry: *The neomercantilist discourse*

In relation to the constraining essence of perceiving the social reality and social relations as anarchic and malicious by nature this in turn highlights a second discourse, which is not only closely related to the proposed geopolitical discourse but can be seen as a fundamental first step as to confining the direction of arguments as to how a legislative reform towards state control is needed in order to remain competitive in this anarchic trade system. As the Friends of Industry group is constituted and comprised by states, this as well should mean no surprise that the arguments, proposals and rhetoric used are to a large extent state centric. Which can be seen in the arguments of the already defined challenge posed by unlawful trade strategies from third parties. In addition, as *realists* are confined by the lack of trust which steers away the incentives for cooperation it is no surprise that statements such as: “*The European Union must build a European industrial policy that encourages the creation of major economic players capable of facing global competition on equal terms while protecting European consumers. While the major powers do not hesitate to defend their national champions, Europe must take account, in its competition policy, the evolution of the global competitive environment in terms of investment, trade and industry*” (Federal Ministry for Economic Affairs and Energy, 2018, p. 4) are evident. That also is in line with arguing for the notion of an overregulated European competition policy (Federal Ministry for Economic Affairs and Energy, 2016, p. 1) as well as maintaining that a *review of existing competition and state aid policies* as well as European *antitrust rules* are essential to remain competitive (Federal Ministry for Economic Affairs and Energy, 2018, p. 2). Which are examples of arguments in which together would enable European companies to gain state funding furthermore provide the ability to merge companies to create “European champions”. Finally, these are in the end factors that by notion would contribute to a *leveled playing field* where European companies can compete on equal terms against foreign competitors. Interestingly, the rhetoric and arguments made by the states within the group can be seen as not only being bound by a neomercantilist discourse but also reproduces it by having communications that all steer towards the direction of protecting the national unit as well as increasing Member States’ legislative autonomy by instances such as subsidizing own industries, moreover on the contrary, imposing screenings and tariffs on foreign competitors.

The discursive practices located can on a broader level be interpreted and explained as a case of a classical *realist* contemplation such as balancing. Meaning that the actors within the Friends of Industry group intuitively has the mindset of avoiding the risk of having a trade situation where cooperation would lead to the strengthening of adversary actors, as absolute gains is a fictional idea (Donnelly, 2013, pp. 37-39). As a consequence, by using rhetoric and arguments that calls for instruments and legislative reformations in line with the discourse of neomercantilism, it arguably falls within the frame of *realist* thought, a subconscious intuition where legislative reformation will function as means of balancing power structures in order to remain competitive and leveling the playing field.

European Commission: *The institutional discourse*

One first reflection can be made that the representations communicated by the Commission in regard to EU trade policy interestingly to some extent seems to incorporate the discursive geopolitical narrative similar to that of the Friends of Industry group throughout its publications and communications. Meaning that specific EC arguments such as the *imperative* for the EU to update, strengthen and develop a more vigorous legal framework as regards to trade defense mechanisms, that is in response to the argument of an *acute challenge* posed by third countries *unfair* trade practices (European Commission, 2016b, pp. 2-3), together indicates that the geopolitical discourse has to a certain degree gained traction within the Commission. However, what is even more interesting is the arguably competing ideas as to determining what overall agenda the EU should embark on, that is in response to this projected reality and by what specific means. Although it should be no surprise that the discursive practices portrayed steer towards what can be expected within the confining space of regularities and structures that of an institution (that can be defined as an “*establishment (...) devoted to the promotion of a particular cause or program*”) (Dictionary.com, 2021). Which is a factor that evidently has had an impact to the suggested rhetorical arguments located within the Commission documents. Examples such as the “Trade for all” being a “*...strategy (...) about ensuring EU trade policy is not just about interests but also about values*” (European Commission, 2015, p. 5), as well as its commitment to: “*... open trade anchored in the rules-based multilateral trading system*” (European Commission, 2017, p. 3), similarly seek “*...out partners who want to build open and progressive rules for the realities of the 21st century trade and (...) strengthen global governance*” (ibid.). Furthermore, the argument of seeing the EU’s commitment to the WTO as: “*...the basis of our trade relations around the world*” (ibid.), and lastly the rhetoric of arguing for the EU: “*...leading the way on reshaping the WTO negotiating agenda, seeking to*

modernise world trade rules and to restore the primacy of the WTO in rule-making, especially at a time of increasing protectionism” (ibid.). Together the listed illustrations are all examples in which signifies the discursive practices that are confined within the reproducing regularities and nature of a liberal institution. Meaning that even though Member States have shown increasing criticism towards the liberal policies pursued by the Commission and the need for a stricter industrial policy, it is still reproducing and illustrating its commitments towards the institutional discourse by continuously committing and emphasizing the primacy, trust and necessity of having WTO as an institutional body governing the international trade environment, contributing to the spreading of liberal, fair, transparent and trustworthy trade that would be most socially and environmentally sustainable and beneficial for all (ibid, 2017), (European Commission, 2015).

By incorporating a *liberal* theoretical approach for interpreting and explaining the EC’s rhetoric and developing arguments within the boundaries of the institutional discourse, one can reason that given the background of the EU project being based upon the solving of differences and the risk of conflict through trade (European Union, 2021), institutions are in this sense at the heart of the EU project. By reiterating commitments to international economic institutions, it facilitates the ability to broaden the conception of self-interest and as a result also the scope for cooperation (Keohane & Nye, 1977, as cited in Burchill, 2013, pp. 66-67). By agreeing upon mutually acknowledged and desired principles, rules, values and norms it becomes both normatively and materially unmeaningful to break these agreements, where institutions would have a governing role of encouraging cooperative behavior as well as monitoring compliance and sanctioning cheaters (Burchill, 2013, p. 67), hence is the best way forward to break the protectionist trend.

European Commission: The *integration discourse*

In relation to the institutional discourse one can further argue that although industrial policy attributes continuously are developing within the selected EC material regarding EU’s trade policy, such as the FDI screening mechanism proposal in 2017 aimed at protecting essential interests, security and public order (European Commission, 2017, pp. 5-6). Similarly, finding the need of a “balance between openness and protection” (European Commission, 2019b, p. 2). However, the conflict still remains where arguably the Member States are calling for increasing sovereignty in legislative measures. Furthermore, are alleged as not having the “political willingness” to adhere to the proposals by the Commission but instead are claimed to promote

their own domestic approaches that is maintained as increasing the risk of political tensions (European Commission, 2018, p. 1). It is here that one can locate the argued for second discursive practice, within the boundaries of integration discourse. By making the argument that the Commission is virtually constrained and preoccupied by the belief of further integration as the only way of moving forward, not only as means of solving internal differences but also increasing EU's "leverage on the international stage" (ibid, 2018, p. 11). As also seen in its statement of: "...attention needs to focus on the real challenges Europe is facing, rather than losing time and energy on finding a scapegoat" (European Commission, 2019b, p. 4). That perceivably is undermining the discontent from Member States, in principle of adhering to the inherent ambition of supranationalism which by notion can be interpreted as almost path dependent by nature.

The practices interpreted and explained can be further understood by the theory of *Liberalism* as their inherent nature of demising the importance of the nation-state. Where liberals want to remove the influence of states' in not only commercial relations but also political relations (Burchill, 2013, p. 86). Furthermore, arguments towards commitments of integration in relation to the EU project can also be explained as its deliberation of perceiving sovereign states inability to solve global issues without the institutional foundation that provides regularity, stability and trust in the system (ibid, 2013, pp. 66-67), hence the arguments towards further continuous integration within the EU project.

5.3 Dimension three – Discourse in form of social practice

As part of the last step in Fairclough's analytical framework this final stage of analysis will dive deeper into the wider social context that the texts and discursive practices highlighted in the previous stages are subject to. Meaning that in order to form a more complete understanding of the drivers and meanings behind the creation of these texts and their subordinate relation to underlying discourses, one will have to focus and give analytical attention to aspects of certain events, political along with economic settings and conditions, as well as societal aspects of cultural and ideological foundations. In which together enables a critical incorporation as part of the CDA method, whereby one can examine to what extent powerful interests of resilient resolve are part of wider social settings and examine the potential impact these aspects might have for the future identity and function of the EU.

Starting with the aspects of power, interests and influence following the two actors in analysis, one can locate and argue for several contextual factors in which can be maintained as affected the communications and as a consequence, also the dynamics within the debate regarding a New Industrial Strategy for the EU. By opening with the Friends of Industry group it is safe to say that based upon not only their strategic industries but also the sheer size and respective countries' dependency upon the income, taxation and success of large TNCs with basis in several of the Members States within the group (Fortune, 2020), these particular interest groups as stated within UN statistics not only accounts for enormous assets (such as the world's largest top 100 TNCs holding 5 trillion US dollars' worth of assets) (Burchill, 2013, p. 80), but can as a result, also be said as holding significant ideological, cultural and political influence to the communications and arguments within the Friends of Industry group's yearly declarations. Where rhetorical arguments such as the: *".... over-regulation in some sectors, including **automotive, cosmetics, chemical, pharmaceutical sectors**, reduces their ability to compete globally, Second, the energy costs for energy-intensive industries (including the **chemical and steel industry**) significantly inhibit new investments and weaken their external competitiveness. And third, issues related to current EU trade policy, i.e. need for quicker and more effective use of the trade defense instruments against unfair trade practices (especially in **steel, chemical, construction materials, paper, cement, wood, automobile, textile industries**)"* (Federal Ministry for Economic Affairs and Energy, 2016, p. 1), ultimately are examples that provides backing for the argument that these interest groups have had significant powerful cultural and ideological impact by their sheer commercial force of striving for economic gain, that is directly related to the pursued direction of industrial strategy that of the Member States within the group, and further response to the development of partly China's economic presence and progression within the international economy.

In the context of the Commission one can first highlight the aspect as to what extent Brexit has played for the communicated arguments within the selected Commission documents. Meaning that in the context of large influential Member States deciding to leave the Union, the fear for the European institutional project disintegrating can arguably be seen as having triggered the rhetoric of powerful dominative exercises towards other Member States within the Union, such as diminishing the relevance of the internal conflict within Union by the need to focus on "the real challenges Europe is facing, rather than trying to find a scapegoat" (European Commission, 2019b, p. 4). Furthermore, powerfully projecting their statutory principle, exercising their role: *"As guardian of the Treaties"* (European Commission, 2018, p. 10) and providing a statutory

example as of hindering the merging of the German and French company-giants Siemens-Alstom deal (European Commission, 2019b), with the defense of how relaxing state aid, merger control and antitrust rules presents “no panacea” for increasing the industrial competitiveness of European companies (ibid, 2019b, p. 4). Arguably the Commission illustrates their resolve and means of action for committing to uphold the ideology and culture that of the initial EU project, which can be seen as aiming for an internal integration towards supranationalism. Furthermore, go as far as to blocking initiatives by Member States even though there is a great internal force driving for trade policy and legislative transformation.

In a final discussion one may then ask the hypothetical question as to what potential consequences these argued for discursive practices within the overall debate regarding European industrial policy might bring for the future of the EU in the years to come. In order to adequately examine this question, one must go back to the basic foundation that of the EU. On basis of the most liberal of ideas the Union was primarily constructed by the notion of fostering economic cooperation within Europe, as partners of trade would rarely or find no incentives to partake in armed conflict with each other. Since then, the Union has become so much more than the Single Market, institutionally integrating within a vast span of various policy areas (European Union, 2021). This is precisely where the bedrock of the potential consequences can be argued for. Firstly, Europe is a continent with a history of violence, along with large cultural and ideological differences, meaning that both the geopolitical and mercantilist discourses presented can be seen as a reflection upon these internal ideological and cultural differences. At the same time, the Commission’s discursive practices within the boundaries of intuitionism and integration are still tirelessly trying to hold on to its liberal path dependency of restoring trust in international institutions and internal political integration, as means of coping with outside politico-economic forces. This is where the potential consequences arguably arise. As illustrated, the geopolitical and mercantilist discourses have successively to some extent gained traction within the Commission’s perception of social reality and social relations, calling for protectionist measures, which also to some extent has been adhered to and implemented with EU’s trade policy. However, at the same time the Commission is clinging on to its path dependence of liberalism showing increasing resolve to uphold the ideas, methods and values that has historically been so economically successful for the Union at large. The result might imply that it leaves the Union with an incoherency in both its overall ethos but also transpiring to its policy, where adjusting but not completely committing to institutional and legislative reformation can potentially significantly hamper the

future success of the EU project. As suggested, the discourses presented may indeed become a significant contributor to this projected worrisome development, where they are so strong that neither will completely adhere to the practices of one another, causing further disintegration which also would be materialized and apparent in its future international undertakings.

6 Discussion and Conclusion

As part of the last chapter of this thesis there are noteworthy points that have been revealed that can provide fruitful insights as to not only developing a greater understanding concerning the recent trade policy development of the EU. But also, as part of the critical aspect of the CDA method as well as Fairclough's three-dimensional model, provide additional hypothetical predictions as to discussing the possible implications and consequences that these discursive practices highlighted in the analysis might bring for the future of the Union. Starting with one of the most prominent findings the *geopolitical* discourse, furthermore, to a somewhat lesser extent also the *neomercantilist* discourse and their narratives, has as empirically demonstrated within the official material documented not only been highly prominent factors for interpreting and explaining the rhetorical arguments made by the opposing side to the Commission within the debate. But also in addition, the analysis has highlighted how these discourses have been further explained as results of a realist wave of theoretical conception that of several Member States within the Union, as to perceiving the outside world and its relations within the confining space of anarchy. Although also highlighted are the *institutional* and *integration* discourse of the Commission, that has been argued as countervailing forces to the aforementioned discourses. What is striking and has been argued as factors that might prove as becoming increasingly problematic for the future years to come is how not only the Commission outside the liberal boundaries that of institutional and integrational discourse has incorporated traits of these more realist discursive practices, such as the examples of perceiving trade practices from third actors as "unfair" and increasingly "acute". Furthermore, the "imperative" necessity of updating, strengthening and create legally more "robust" trade defense instruments in response (European Commission, 2016b, p. 2-3). At the same time as still evidently is further devoted to its liberal commitments within the confining space of institutional discourse, emphasizing further trust in restoring primacy in "rule based" multilateral trade with international economic institutions such as the WTO having the leading role (European Commission, 2017, pp. 2-3). In addition, calling for not underestimating the impact that further European integration would have for responding in a "volatile world" and increasing the Union's "leverage on the international stage" (European Commission, 2018, p. 11). The problem has been argued as arising where the Commission is adapting and incorporating realist discourses within its policies, at the same time as it is so strongly confined within upholding the founding values, methods and ideas of the original foundations of the EU project, leaving an incoherence in both policy actions but also in its basic founding values where the original ethos will no longer be

as clear as it has historically been, which as a result might cause confused and disjointed actions in the future years to come, leaving a possible disintegrated Union unable to respond and adapt within the ever changing dynamics of the international environment.

In final concluding remarks, this research has been conducted with the aim and motivation of providing a deeper comprehensive understanding regarding the contemporary development of EU's trade policy agenda, with specific scope of analysis as to the internal debate within the Union, where it has been investigating the role of discourses, discursive practices and their overall situational context within the field of broader social practices. By the explanatory incorporation of the IR theories of Realism and Liberalism as well as their economic equivalences of Economic Nationalism and Economic Liberalism, the thesis has not only provided the ability to categorize the various arguments of the opposing sides of the debate to into respective political economic theories but also, provided a theoretical interpretation and explanation as to suggesting an alternative understanding concerning the practices of production within these various discourses located and argued for. Lastly, with the foundation of the CDA approach the paper has also included the critical aspect of providing a hypothetical discussion regarding future consequences for the EU that the internal debate and its underlying drivers might bring about.

In detail, the paper has asked the questions of: *What are the main pro and counterarguments of the debate towards a New European Industrial Policy (and how are they described)?* Where it has been argued that the opposition lays emphasis on the anarchic nature of the contemporary trade environment as the foundation for legislative reform, the need for protectionist measures and more sovereignty in legislative implementation. In contrast, how to the Commission who has incorporated traits of the realist conception of perceiving the outside world but argues for increasing power and trust in international economic institutions as well as political willingness for further integration within the EU as the solution to the outside challenges. Secondly, *what deeper explanations can be made by including different theoretical considerations to the debate concerning the direction of EU's Trade Policy?* It has been argued that the practices within the geopolitical and neomercantilist discourses are results of the constraining nature of realists' anarchic perception of social reality and its relations. Moreover, the institutional and integrational discourses that of the Commission has been explained through liberalism on basis of their inherent trust in international institutions for governing compliance based on similar interest, values, norms and rules that fosters cooperation. Furthermore, demising the call for

sovereignty by further integration, where liberals inherently overlook the importance of nation-states. The last questions of: *To what extent are factors of power and influence entrenched in the language and discourse(s) of the debate regarding a New European Industrial Policy?* In addition to, *what consequences does the debate and respective discursive practices bring by adjusting the original ethos of the EU towards a new geopolitical identity?* Has first been analyzed in the social context of the fundamentality and sheer economic and political power of contemporary TNC's, as to where certain Member States are dependent upon the income of these incorporations where these states ingrained industrial interest groups embeds highly influential ideological and cultural forces of commercial interests, which steers trade policy towards industrial relaxations and advantages. As well as where the Commission emphasizes their monopoly and powerful role in regard to suggestions and implementation within legislative issues. The analysis came to a final discussion regarding this paradox, where forces of remarkable resolve has contributed to a development where the Commission has been adapting to the geopolitical voices of Member States but is further committing to its liberal agenda and arguably liberal path dependency within the founding principles of the EU. Which as a result, possible leaves an incoherent disintegrated Union far away from its original ethos unable to respond with one voice to the contingent development within the international sphere.

This study has provided an initial glimpse behind the door on the particular subject to understanding discourse(s) role and effects within the international political economic environment, partly due to its limited scope that of the EU. But also, as one of the limitations within the given boundaries of this particular paper, as well as Fairclough's three-dimensional model, mainly how the consumption of text and the sociopsychological aspects of meaning making within and between groups are aspects that remain modestly unexplored, although they are highly interesting and most likely can give valuable insights to understanding the relationship between discourses and changing dynamics within the international political economic sphere. Future research can therefore be suggested using the method of "norm entrepreneurs" targeting the dynamics within the field of meaning making and subject formation as means of altering social understandings (Finnemore & Sikkink, 2001); (Finnemore & Sikkink, 1998), which as a suggestion could possibly be done by personal interviews with various stakeholders believed to affect the relationship of interests. Which by notion could fill this gap by asking questions of how information is gathered, interpreted, consumed and distributed, that goes in relation to how these groups operate and provides meaning to both alter and feed alternative social understandings. In addition, as briefly mentioned where this

particular conducted study is limited to the scope of the EU, one can consider including stakeholders from a wider range of continents around the world. Which would enable greater ability for conducting external generalizations and as a consequence, also give a greater understanding as to how meaning making and subject formation in relation to discourses are involved in the causal dynamics to the ever changing international political-economic sphere.

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