INTRODUCTION

There is widespread acceptance that the European Union (EU) is a “formidable power” (Meunier and Nicolaidis 2006: 907) in the international trading system. This is not least because of its economic weight; the EU is the largest exporter and importer of services and second largest exporter and importer of goods (WTO 2016: 95-97). Due to the size of its economic footprint and trade’s central importance to the EU (Young and Peterson 2014: 10-15), considerable attention in EU trade policy literature has been paid to primarily three questions; (1) what shapes EU positions in international trade agreements; (2) what influences the effectiveness of the EU in pursuing these positions (Young 2012: 422; Dür and Zimmermann 2007: 776; Orbie 2009: 35; Woolcock 2012: 1), and subsequently; (3) how well does the EU perform in international trade negotiations (Baldwin 2006; Da Conceição-Heldt 2014). This study is situated within the first of these central questions. It does however not focus on what positions the EU takes or trade policies it adopts in international trade negotiations, as this has been covered in EU trade policy literature all too often (Dür and Zimmermann 2007; Elgström and Jönsson 2005; Meunier 2005; Hoffmeister 2015; Van Schaik 2013; Woolcock 2012; 45-84). The aim here is to explain what trade positions EU member governments have in negotiations of bilateral free trade agreements (FTAs) and why. In particular, this study aims to account for variation across EU member governments’ trade positions by examining the domestic politics within the member states. Of importance from the very beginning of this study is that a particular distinction between member states and member governments, although often used interchangeably in EU trade policy studies, should be made. By stressing the importance of domestic politics shaping trade positions, this study explicitly focuses on member governments rather than on member states. Starting point here, which will be elaborated upon more in detail later, is scholars’ observation and assumption that these trade

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1 House of Lords (2008: 10).
3 Regarding the latter question see also Da Conceição-Heldt and Meunier 2014; Hill 1993; Hill 2004; Meunier 2005: 4; Orbie 2009: 35; Whitman 2010; Young 2013.
4 According to Mansfield and Milner (2012: 5) FTAs reduce or eliminate trade barriers on most or all products within the agreement.
positions substantially diverge. Most research however takes these trade preferences as effectively ‘exogenously’ given, mostly in a predictable way (Ahnlid 2005; Baldwin 2006: 931; Young 2012: 427). Although this consensus about variation in preferences exists, by observing or assuming these positions and by not analysing the domestic sources of these, there is a salient gap in knowledge about national trade policy formulation and understanding of how, and by whom, trade positions of EU member governments are formed (Dür and Zimmermann 2007: 783). Domestic politics within the member states therefore seems to play no significant role in EU trade policy making and studies which investigate how various societal actors affect trade policy making seem to no longer apply (Ehrlich 2009: 116). This evidently raises questions about the causes of variation in governmental trade positions. Inquiries concerning why EU member governments vary in trade positions and priorities, and how and by whom these are generated in the domestic preference formation process, remain largely unanswered. This study is thus motivated by the acknowledgment that these questions have received scant attention in the literature and by the desire that answering them will be crucial to a better understanding of the complex reality of EU trade policy making.

In order to fill this lacuna, this research goes contrary to most studies on EU trade policy making as these largely refer to the institutional framework and the institutional determinants (Dür and Poletti 2013) in which the central role of the European Commission (henceforth Commission), its relationship with the Council of the European Union (henceforth Council) representing the member states collectively, and the European Parliament (henceforth Parliament) is highlighted. With the Common Commercial Policy (CCP) under the exclusive competence of the Commission, it has been granted “the greatest external authority” (Jupille and Caporaso 1998: 216). It has the authority to act on behalf of the collective and is responsible for initiating, conducting and implementing EU trade policy and represents a “single external voice” (Meunier 2000: 103) on the international level. The EU’s trade negotiation positions are, amongst others, shaped by and reflect the aggregation of the

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5 Throughout this study, trade positions and trade preferences are used interchangeably.
7 It is surprising that research on EU national trade policy preference formation is so thin, especially in comparison to the large bulk of literature on US trade policy making (for an overview see Milner 1999).
8 Since the Treaty of Lisbon, the European Parliament also has to be formally consulted and its consent to all trade agreements is required. Most research has focused more on the relationship between the Commission and the Council, although scholars have increasingly examined Parliament’s role in international trade negotiations (Meissner 2016b; Richardson 2012; Van den Putte et al. 2015).
9 Member states still retain authority on services trade for particular issues. This will be described in Chapter 2.
preferences of the governments of its member states. In EU trade policy literature this is commonly referred to by the metaphor ‘three-level’ game, which entails the domestic, the EU and the international level (Collinson 1999; Patterson 1997). In practice however, most research tends to assume trade positions of the member countries and does not analyse the domestic level. Consequently, attention in a large number of studies is paid to the ‘two-level’ game approach (Putnam 1988). Although on the one hand, this research leads to a prominent focus on the Commission, on the other hand, it thereby neglects the domestic level (Woolcock 2005a: 245). As a consequence, the conventional approach in EU trade policy literature is thus to primarily view trade policy as a product of the Commission and “deference to Commission positions have become the norm” (Falke 2005a: 253).

Existing research on EU trade policy making thus tends to overlook the domestic level, where trade policy making actually begins and where EU member governments have to find negotiation positions reflecting preferences originating from domestic societal influences. This limited research on domestic politics is particularly striking “since trade is a large and critically important element of many countries’ economies” (Mansfield and Milner 2012: 2). First of all, negotiation of any type of trade agreement always carries benefits and losses for societal actors. Secondly, these actors are not homogenous and usually have diverging preferences with regard to trade agreements which include several negotiation issues categorised in trade in goods, trade in agriculture, investments, services and non-tariff barriers (NTBs) (Meissner 2016a: 61). According to Young (2007) three types of EU trade policies exist. First of all, trade policy is concerned with traditional market access, that is, provisions related to ‘at the border’ tariff barrier (TB) negotiations for goods, services and investment. Secondly, market regulation instead of market access has become increasingly important (European Commission 2006: 6) which involves reducing or coordinating commercial ‘behind the border’ regulatory barriers, covering non-tariff barriers (NTBs) including issues such as technical barriers to trade (TBT) and sanitary and phytosanitary (SPS) measures. Thirdly, apart from market access or market regulation, EU trade policy now also entails social trade issues, linking trade with fundamental value-based societal issues such as labour standards and environmental or public health protections (Young 2007: 790; Van den Putte et al. 2013). These societal values are included in separate sustainable development chapters which reveal that FTAs are not only negotiated to pursue free trade goals but also fair trade.

10 See EU Trade Policy Making section on other factors shaping EU negotiation positions.
11 This includes the investor-to-state dispute settlement (ISDS).
goals to promote social justice and cohesion (Bossuyt 2009: 703; Gstöhl 2009). In line with Ehrlich (2010: 1015), free trade deals with the impact of trade on the domestic economy while fair trade expresses concerns about the impact of trade on the environment or labour standards. These three types of trade policies, traditional, commercial and social, thus cover a broad range of trade issues which increasingly impinge the domestic politics of EU member countries. Also, these policies have divergent implications on different member governments’ trade positions and changes the way in which national trade policy is formulated. This refers to the concept of the EU being a ‘conflicted trade power’ as different member governments, shaped by the interaction of various societal actors, have discordant preferences with regard to above-mentioned specific trade issues, relating to both material interests and societal values (Bossuyt 2009: 713-714; Meunier and Nicolaidis 2006: 908-909; Da Conceição-Heldt 2014).

This discordance is mainly due to the broadening of the trade policy agenda which has led to an increasing involvement and interplay of a heterogeneous range of societal actors concerned about the different distributional implications of traditional, commercial and social trade issues. According to Baldwin (2006: 930) this means that “just at the time when the issues are becoming more, not less, complex and political, it is vital that member states (…) promote their interests”. Trade politics therefore is more than about competition between the so-called traditional trade actors, export-oriented and import-competing interests concerned about material considerations of market access, as usually assumed in EU trade policy and international political economy (IPE) literature (Dür 2007; Lake 2006: 762; Milner 2002: 450). Expansion of the trade agenda and inclusion of fundamental societal values has led trade policy to touch on many domestic issues within national economies (Bieler et al. 2014: 5) and increasingly “interferes with the way societies are organised” (Maes 2009: 100). EU trade policy has thus seen a shift away from a “purely distributive trade conflict” between societal actors, to conflicts centred on trade policy being viewed as a threat to fundamental societal values (De Ville and Siles-Brügge 2016: 95). This has resulted in trade policy becoming increasingly contested and politicised due to its growing impact “on almost every aspect of economic and social life” (McGuire and Scherer 2010: 4). This in turn has led to an increase of non-traditional trade actors, the so-called “new kids on the (trade politics) block” (De Ville and Siles-Brügge 2016: 98), such as (trans)national civil society groups interested in a stake

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of the policy process (Jarman 2008: 27; De Bièvre 2014: 222). These societal actors are “distinguishable largely by the centrality of principled ideas or values in motivating their formation (Keck and Sikkink 1998: 1).

In traditional trade liberalisation, these societal actors’ stakes were low as it was assumed that they were to benefit from trade liberalisation. Before the broadening of the trade agenda these actors were thus largely ignored in trade policy research as it was assumed that they were indifferent to tariff liberalisation and thus were not expected to have a substantial interest in trade policy (Mansfield and Milner 2015: 59; Young 2016: 11). The likelihood that trade liberalisation results for example, in lowering environmental and consumer standards changes the stakes of these actors and provides them with strong incentives to engage in trade policy in order to defend fundamental societal values and rules. These less traditional trade policy actors, now actively engaged and at the centre stage of trade policy making are for example consumers, non-governmental organisations (NGOs) and citizens whose concerns are not directly related to material concerns but they share ideational beliefs concerning appropriate governmental policies, for example appropriate market regulation or their expectations regarding for example environmental and public health protections. As Young and Peterson (2006: 801) observe

“Once mobilised over trade policy, these new trade actors often become proactive, seeing trade rules not only as a threat to their policy objectives, but also as a possible tool for realizing them”.

EU trade policy thus has an effect on domestic politics in EU member countries and, in turn, domestic politics equally shapes EU trade policy making. Ehrlich finds that

“individual EU countries maintain sufficient control over their trade policies [and] that the politics and economics within the individual countries still influence the setting of that policy in much the same way as they do in other countries” (2009: 116).

The aim of this study, a domestic focus to account for variation across member governments’ trade positions thus offers a timely and relevant point of view. By not taking the domestic causes of variation in governmental trade positions into consideration, EU trade policy literature, so far, offers an incomplete picture on the three earlier mentioned central questions; (1) what shapes EU positions in international trade agreements; (2) what influences the

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13 Scholte (2011: 34) defines civil society as “a political space where associations of citizens seek, from outside political parties, to shape societal rules”.

14 NGOs can also be referred to as social movements or civil society organisations (CSOs). For sake of simplicity the term NGOs is applied here.
effectiveness of the EU in pursuing these; and subsequently; (3) how well does the EU perform in international trade negotiations. This picture will become more complete by complementing these questions with a deeper understanding of the domestic politics that shape member governments’ trade positions.

1. Research Question, Case Selection and Case Study Selection
This study’s analysis of the variation in governmental trade positions is tested against empirical evidence concerning the domestic politics through which two EU member governments, Britain and Germany, have come to define their governmental trade preferences in the EU-Korea FTA negotiations.\(^\text{15}\) In order to prevent any confusion, it should be noted from the very beginning of this study that focus in the case studies is on the pre-Brexit and pre-Trump administration period. The reasons for (1) the considerations for conducting a comparative analysis of British and German governmental trade preferences, (2) choosing the EU-Korea FTA negotiations, as well as (3) the specific trade issues concerned, are numerous and will be explained in detail in the methodological part of this study (Chapter 5: Methodology). Nevertheless, in order to set the scene all three aspects will be briefly described here. The conditions by which variation in governmental trade positions occur will be briefly addressed in the general hypotheses below and explained more in detail in the theoretical framework (Chapter 4: Theoretical Framework).

1.1 Research Question and Case Selection
Although both the UK and Germany shared an interest in concluding the EU-Korea negotiations, this matching interest however did not translate into similar governmental trade positions.\(^\text{16}\) While Britain and Germany both have been traditional advocates of trade liberalisation (BIS 2011: 5; BMWi 2015; Bollen et al. 2016: 288), and were both expected to be key beneficiaries of the EU-Korea FTA, their stances towards this trade agreement were however far from being identical. Whereas the British government consistently signalled fervent support for signing the trade agreement, the German government’s position however, despite initially expressing enthusiasm for the EU-Korea FTA, noticeably varied throughout trade negotiations. As trade agreements affects societal actors differently, the country selection of Britain and Germany allows for highlighting the trade agreements’ potential opportunities and challenges; while certain societal actors were faced with the potential

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15 Throughout this study, the Republic of Korea will be simply referred to as Korea.
16 Great Britain, Britain and the UK will be used here interchangeably.
economic benefits and costs of the EU-Korea FTA, other societal actors had fundamental concerns about the role of government in steering the economy with regard to labour standards and protection of the environment. While both countries were however confronted with these competing preferences, it is striking that the German governmental stance towards the EU-Korea trade agreement was much more ambivalent than the British governmental trade position.

This investigation will therefore be guided by the following research question: Why and under which conditions did the British and German governmental trade positions in the EU-Korea FTA negotiations diverge?

The role EU member governments such as Britain and Germany thus play in trade policy making should not be neglected (Alons 2013: 505) because, although “national governments do not fully control EU trade policy” (van Loon 2013: 226), it has a significant intergovernmental basis, it is developed closely with national governments whose preferences shape the agenda and depends on their approval for the results of international negotiations (Meunier 2005: 21). Accordingly, and as observed by EU negotiators, national trade positions of the member governments can have a serious impact on the EU spending more time negotiating with itself than negotiating with others. Hugo Paeman, serving as Deputy Director of Directorate General for Trade (DG TRADE) from 1987 until 1995, stated the following

“In the area of trade policy, negotiations between the member states can sometimes be far more gruelling than negotiations with third partners. Inevitably, proposals intend to reflect the collective position - i.e., the Community interest – are amended to take account of the disparate national views until, in many cases, all that is left is the “lowest common denominator” (Paeman and Bensch 1995: 95).

Pascal Lamy, serving as European Commissioner for Trade (Trade Commissioner hereafter) from 1999 until 2004, said that he “spent probably two thirds of [his] time sorting out a policy line with the Member States, and one third negotiating with third countries” (Lamy 2001: 3). This has led to EU trade negotiations being referred to

“as if the commission is driving a Fiat 500 uphill, with 27 mothers-in-law in the backseat – and each one has a hand on the handbrake” (Lee-Makiyama quoted in Chaffin 2011).

Professor Rollo (Sussex University) referred to EU member governments’ shaping trade policy making in the Doha Development Round (DDR) as “the commission sits there, albeit
with the Council sitting on its shoulder like 27 parrots trying to whisper in its ear” (House of Commons 2011: Ev 98). Due to these national trade preferences shaping the EU’s trade negotiation positions and processes (Maull 2015: 418), EU member governments should therefore not be viewed as mere “substitutes on the bench waiting while the negotiations are being conducted” (Novotná 2015: 59). They are of importance in EU trade policy making because, on the one hand, they can spur the Commission to enter trade negotiations, whereas, on the other hand, they can also block such negotiations, if trade issues concerned are not in line with their preferences (Dür 2007: 836-837). As both British and German trade positions have been pivotal to the conclusion of trade negotiations, the question of why these governmental preferences vary thus seems pertinent.

1.2 Case Study Selection
It should be suffice to mention here that the importance of the EU-Korea FTA lies in that was the first trade agreement of the EU with an Asian country and the first new generation FTA which was concluded under the 2006 Global Europe trade strategy, signed in 2010 in the aftermath of the financial crisis. This trade strategy primarily focused on market access expansion for exporters through FTAs and on trade policy’s contribution to improve the EU’s external competitiveness and help in delivering domestic growth and jobs (European Commission 2006a: 11). The pre-eminent strong focus on the economic dimension of new generation FTAs however did not prevent that since the EU-Korea trade agreement, all FTAs have included a social dimension in the form of a chapter on sustainable development specifically dedicated to social and environmental standards (Van den Putte and Orbie 2015: 281). This is because the Global Europe strategy emphasised the linkage of trade with “social justice” (European Commission 2006a: 5) and “sustainable development (…) relating to labour standards and environmental protection” (European Commission 2006a: 12). Korea emerged as a priority partner for the EU and aims of negotiating the agreement was to be comprehensive in scope, liberalise substantially all trade with regard to TBs and NTBs by ensuring or improving regulatory convergence, to go beyond current WTO provisions, and to promote sustainable development (labour standards and environmental protection) (European Commission 2006: 12). By covering traditional, commercial and social trade issues, this study thus allows for a comparative examination of the impact of societal preferences in governmental trade positions with regard to the EU-Korea trade negotiations.

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17 The EU-Korea FTA was the first FTA to include such a sustainable development chapter.
The EU-Korea FTA trade issues considered in these country studies are those where British and German governmental trade positions have shown considerable variation; this is trade liberalisation in the automobile and services sectors in the EU-Korea FTA negotiations (Elsig and Dupont 2012: 497). Of importance also is that the EU-Korea FTA was a mixed or shared agreement (Lasik and Brown 2013: 32), meaning shared competence between the EU and the member governments. This enables the latter “to influence the negotiation process and the content of the agreement” (De Witte and Thies 2013: 36; Maurer 2012: 138), which underlines the importance of why the domestic politics within member governments should be analysed.

2. Theoretical Framework
A brief encounter should also be given here on this study’s theoretical framework. This project employs Schirm’s societal approach to governmental preference formation in order to explain the variation in British and German governmental trade positions (Chapter 4: Theoretical Framework). This approach emphasises the role of domestic level variables and analyses these demands in explaining variation in governmental positions (Schirm 2009; 2011; 2013a; 2013c; 2015; 2016, 2017). The domestic pressures featured in the societal approach, and which are of importance in the trade realm are the independent variables domestic interests and ideas, which are employed in this study to explain variation in the British and German governmental trade positions, treated as the dependent variable.18 The societal approach holds that variation in governmental preferences arises from differences in material considerations and fundamentally shared values held by countries’ societies. Specifically, the societal approach stresses the importance of empirically testing the impact of these domestic variables alone and in combination with one another. Additionally, it focuses on the conditions for the prevalence of either of the independent variables, but also on the possible interdependencies between these variables in shaping governmental preferences (Schirm 2016: 68). The core hypothesis of this project is thus that variation in governmental trade positions correlates with differences in interests and ideas in the domestic politics of the UK and Germany. Governments’ actions are viewed “as a reaction to endogenous influences – as instruments that either accede to or resist domestic pressures” (Schirm 2002: 7) and hence, core assumption of the societal approach is that governments in democratic systems are responsive to societal actors’ influences because they want to be re-elected (Schirm 2017:

18 In its complete version, the societal approach also includes domestic institutions as an independent variable (Schirm 2016). See Theoretical Framework for an explanation of why this study does not analyse this independent variable.
3). Applying said approach thus seems promising for the comparative empirical analysis of governmental trade preferences because, as mentioned earlier, trade liberalisation directly affects the domestic level, that is, domestic societal influences which are presumed to have shaped both countries’ governmental trade positions. This allows for the conduct of a systematic analysis of two different sets of interests and ideas, domestic material interests and value-based ideas, i.e. the difference in both domestic cost-benefit calculations and ideational settings.

2.1 Hypotheses
This dissertation generates two hypotheses which rest on the societal approach and have been inserted within the context of this study. These hypotheses are presented again in the theoretical chapter (Theoretical Framework), where they are explained in more detail and where all variables, of independent and dependent nature, will be defined. Also, the specific conditions, in a narrow sense captured already by the hypotheses presented here, are equally accounted for in the same chapter. In line with the employed approach, it is important to note here, that the domestic variables under scrutiny are featured in both hypotheses, but their prevalence in shaping the British and German governmental trade positions varies (Schirm 2009; 2011; 2013a; 2013c; 2015; 2016, 2017).

In hypothesis 1 (H1), the independent variable which represents British and German domestic interests prevails. H1 accordingly claims that *if trade liberalisation issues focus on distributional concerns, domestic interests will dominate domestic ideas in shaping British and German governmental trade positions.*

In hypothesis 2 (H2), the independent variable which represents British and German domestic ideas prevails. H2 accordingly claims that *if trade liberalisation issues focus on fundamental issues about acceptable governmental policies, that is the role of government in steering the economy and domestic interests are affected diffusely, then domestic ideas will dominate interests in shaping British and German governmental trade positions.*

2.2 Societal Actors
The relevant actors studied in this research in relation to the independent variables domestic interests and ideas will be briefly mentioned here, but equally discussed further in detail at a later stage of this study (Chapter 5: Methodology). The domestic actors under scrutiny in the
societal approach are elected politicians, domestic sectoral interest groups and voters (Schirm 2013: 693). The fundamental domestic actors in the societal approach hence are individuals and private groups, who are on the average rational and risk-averse and who organise exchange and collective action to promote variation in trade positions under constraints imposed by diverging material considerations and discordant shared values. It should be suffice to mention here that these relevant societal actors for both the independent variable of domestic interests and the independent variable of domestic ideas are complemented by further societal actors. In the project here, domestic sectoral interest groups are complemented by trade unions to be considered as sources for domestic material interests, and voters are complemented by NGOs to be considered as sources for value-based ideas.

This project undertakes a theoretically-guided, systematic empirical analysis of two EU member governments, Great Britain and Germany. By applying this theory-guided approach (Levy 2008: 4), these governmental trade positions are not specified by observation or by assumption like, as mentioned earlier most scholars have done but are derived on the basis of pre-existing theory. By employing the societal approach to governmental preference formation, “we know features of the actor [or actors], and theory predicts that in a determined context these will lead to a particular set of preferences” (Frieden 1999: 61). According to Frieden, this is

“analytically valuable [because] the preferences deduced in this way are expected to vary along with conditions that are more readily or ‘objectively’ assessed than the preferences themselves” (1999: 62).

By investigating when each of the domestic variables matters in shaping governmental trade positions, this study examines the conditions by which this variation across EU member governments occurs and aims to account for the interaction of the two types of independent variables, interests and ideas, in the domestic preference formation process (Schirm 2016: 68).

3. Research Design
In EU FTA negotiations, member governments are involved in each of the four stages of the negotiation process; from (1) designing the negotiation directives (mandate hereafter), through (2) the various negotiation rounds up until (3) the eventual ratification and (4) implementation of the negotiated outcome (Meunier and Nicolaidis 2000: 328). Ultimately, member governments can informally veto the mandate (Meunier and Nicolaidis 2011: 282)
and agree on its (non-)flexibility. Equally, as mentioned above, they are prone to shape the content of trade agreements during negotiations (Woolcock 2015: 394). In order to trace the domestic preference formation process, and in order to account for potential governmental position change during the negotiations, the first two of the four negotiation stages in EU trade policy making are analysed in this study, in particular the period leading up to the negotiation mandate being designed and the actual period of when the negotiations rounds took place up until the FTA was signed.

In order to avoid confusion one disclaimer should be mentioned here, which is that although the period during which the EU-Korea FTA negotiation rounds took place is part of the examination, the intergovernmental negotiation process which takes place on the EU level is not under scrutiny. It is therefore not possible to analyse how governmental trade preferences were aggregated and eventual trade-offs have been made. For the particular aim of this examination however, this is not imperative because, in line with the societal approach, governmental positions reflect preferences originating from domestic influences prior to international strategies and interstate negotiations (Schirm 2014: 2). As the primary aim of this research is to account for variation across member governments’ behaviour, its focal point is to analyse the domestic sources that have a stake in a prospective trade agreement and not how and whether aggregation and trade-offs between member governments were made.

The aim of this project is to give the reader “a feel” (Levy 2008: 7) for a theoretical argument by providing a concrete example of application of the societal approach to governmental preference formation. In order to demonstrate the empirical relevance of its theoretical prepositions a case study approach (George and Bennett 2004: 151) is implemented which includes a methodological multi-step analysis, in line with Carsten Mahrenbach (2013: 27). The results from two cases within the cross-country analysis aims at providing a clear comprehensive answer to the research question posed earlier:

*Why and under which conditions did the British and German governmental trade positions in the EU-Korea FTA negotiations diverge?*

This will be done by correlating societal preferences for domestic interests and ideas with the presence of these independent variables in the statements made by British and German government officials in the case studies. For one, this provides an opportunity to test both

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19 Author’s emphasis.
governments’ responsiveness to its own societal groups individually, and simultaneously it will identify the similarity or variation in both governments’ responsiveness to these societal actors, thereby highlighting similarities or differences in their domestic preference formation processes. The multi-step analysis and the methodological triangulation (Dür 2008b: 569), combining three qualitative primary research methods – discourse analysis, analysis of public opinion polls and expert interviews will be explained further in the methodology chapter (Chapter 5: Methodology).

4. Contribution of the Study
By focusing on trade politics of preference formation on the domestic level, this study’s research approach is innovative as it goes contrary to most EU trade policy studies by analysing the domestic politics *within* member states. As such it aims to offer an original contribution to expand the empirical knowledge on both (1) trade policy making in the EU in general, and (2) on the domestic politics of trade policy making within EU member states in particular. This study thus complements existing research by aiming to generate a fuller picture of EU trade policy making. The research question this study addresses therefore is not only that of identifying the conditions by which different societal actors succeed in having their concerns represented in governmental trade positions. Nor only that of explaining the factors which influence whether societal actors shape their preferences on the basis of ideas rather than interests, vice versa, or even both. The ambition of this study is to integrate this research question and to apply it in the analytical framework of the societal approach which allows examining the explanatory power of two domestic (independent) variables causing variation in governmental trade positions (dependent variable). In other words, in order to account for this variation in preferences, the aim of this study is to provide the conceptual tools to put forward plausible arguments on the question of ‘who’ dominates the domestic politics of trade preference formation, and on the question of ‘why’, i.e. under which conditions societal actors’ dominate in shaping domestic preference formation. As a result, empirically *testing* governmental responsiveness to societal preferences in Great Britain and Germany is considered as the major contribution of this project.

5. Outline of the Study
Having provided an overview of the investigation concerned and the research question to be answered, a roadmap for the remainder of this study is now put forward. This project is divided into three parts. *Part 1 Chapter1: Institutional Environment* gives discussion to the
institutional determinants encompassing the conventional approaches of EU trade policy making. This will be done through a review of the existing literature which has largely adopted a rational choice institutionalist approach, with its primary focus on the ‘institutional triangle’ of the Commission and its relationship with the Council and Parliament and two frameworks, the principal agent theory and the multi-level approach which have played a central part in explaining EU trade policy making. This section will also provide information on studies’ contradictory results regarding the role of interest groups influencing EU trade policy making and concludes that societal actors remain important in trade policy making. This is then followed by Chapter 2: Literature Review which highlights the state of the art on trade preferences in general, trade positions of EU member states and then those of EU member governments in order to identify the gap in research. Part II equally consists of two chapters. Chapter 3: Theoretical Framework presents the framework including the hypotheses of this work as well as the conditions to explain variation in governmental trade positions. Chapter 4: Methodology concerns the methodological considerations which include the justification for the case study selected and the qualitative methods employed. Part III has three chapters that deal with the empirical cases of this study as well as the conclusion of this work. Chapter 5: Great Britain and Chapter 6: Germany present the empirical findings related to the country cases. A multi-step analysis is applied and divided into the following steps: (1) Contextualisation of Independent Variables and Hypotheses, (2) Identification of Independent Variables, (3) Identification of Independent Variables’ Presence in Governmental Trade Positions and, (4) Testing Hypotheses and Determining Governmental Responsiveness Correlations. This is followed by the methodological triangulation of three major, qualitative methods employed in this study: (1) discourse analysis, (2) public opinion polls and, (3) expert interviews. Finally, Chapter 7: Conclusion is a conclusion which first of all deals with answering the key questions of this research. It then evaluates whether the conditions and hypotheses are confirmed accordingly with the empirical results. This is then followed by a smaller empirical abstract of the TTIP negotiations, which is applied to draw attention to the need to close the research gap on the limited knowledge of countries’ trade positions by calling for stronger focus on the domestic level and to the origins of these positions.