



## **Elżbieta Majchrowska**

PhD, Andrzej Frycz Modrzewski Krakow University  
<https://orcid.org/0000-0001-5980-2903>

# Economic defence as one of the pillars of total defence – the case of RTAs as an instrument of strengthening the EU’s competitiveness on foreign markets<sup>1</sup>

## Introduction

The modern world economy has been experiencing significant changes in recent decades. They result mainly from progressive globalisation accompanied by intensified competition on the international market and regional economic integration processes. The entanglement of the world’s two largest economies (the USA and China) in a trade war, increasing protectionism, as well as a substantial weakening of the position of the organisation that globally manages international trade – the World Trade Organisation (WTO) – are not without significance. These trends represent a major challenge for the EU trade policy in terms of strengthening its competitive position in the global economy. Striving to improve this position is one of the drivers of economic integration, and Regional Trade Agreements (RTAs) are an increasingly important part of EU trade policy.

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Building the right relationship with the actors on the international arena and, in particular, the appropriate formation of trade contacts is undoubtedly a key element in reinforcing the competitiveness and building the resilience of economies, especially in the context of economic defence. This is particularly important in a situation of dynamic changes in economic conditions and periodic regional and global crises, as it has been well exemplified by the COVID-19 pandemic and the war in Ukraine.

The choice of the research problem is closely related to the key changes taking place in the global economy. The topicality and significance of the problem necessitate in-depth analysis and evaluation of these phenomena, which have not yet been subjected to in-depth analysis in the literature on the subject, therefore the article is also an attempt at filling this gap.

The aim of this article is to present EU trade agreements in the context of their importance for the economic defence of the trade bloc, as well as to analyse the changes that have been introduced in the EU trade policy in the last two decades in relation to this issue. The main thesis of the paper is the assertion that the diversification of trade partners,<sup>2</sup> taking place especially through the conclusion of RTAs with countries with different levels of economic development, is vital for strengthening the competitive position of the EU in the global economy.

The analysis carried out in this paper is based mainly on original materials and scientific studies on the EU trade policy. Data from the resources of the European Commission and the WTO has also been used in the paper. In order to achieve the objectives of the article, mainly the analytical and descriptive methods were used. Due to the extent and complexity of the subject matter, the author focused on selected aspects of the problem at hand.

## Economic defence as an element of total defence – international competitiveness as a tool for increasing the resilience of the economy

The concept of total defence emerged in Sweden in the early 1950s. During the Cold War, it meant extensive military-civilian preparations for national defence, which required cooperation and coordinated action between the armed forces, other public institutions, and society. After the end of the Cold War, the concept of total defence was gradually extended to include crisis management, non-military threats, and challenges to the state and society in peacetime.<sup>3</sup>

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<sup>2</sup> The importance of this issue is particularly evident in the context of diversifying the directions of energy supplies, which is clearly visible during the crisis related to the war in Ukraine.

<sup>3</sup> P. Szymański, *New ideas for total defence. Comprehensive security in Finland and Estonia*, Warszawa: OSW, 2020, p. 11.

The six pillars<sup>4</sup> of total defence currently identified are: military, civil, social, digital, psychological, and economic defence. Their interaction is crucial in the face of a wide range of complex and multifaceted challenges and threats experienced by the economies of individual countries. However, taking into account the dynamic changes that the world economy has undergone in recent decades, the key aspects now seem to be those related to economic defence, which is associated with reinforcing the competitiveness and attractiveness of individual economies. It allows taking quick action in case of challenges or crises, such as a global slowdown or an economic crisis. Increasing the level of competitiveness which strengthens economic resilience allows for overcoming a crisis situation faster.<sup>5</sup>

Recent years have shown that economies operate in a complex and unstable economic environment to which they must constantly adapt. International competitiveness, understood as the ability to adapt to changing conditions, allowing the economy to maintain and improve its market position in global conditions,<sup>6</sup> or the ability to maintain leadership in trade<sup>7</sup> depends not only on internal resources, but also on many external factors that shape its position in the world economy. The most important of these include such aspects as the prevailing market situation, access to information,<sup>8</sup> and access to necessary resources.<sup>9</sup> International

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<sup>4</sup> Military: it consists in building a strong and powerful defense force and the ability to defend itself in the event of an attack; civil: actions to protect the population, workplaces, and public utility facilities, as well as cultural goods, rescuing and helping war victims, and cooperation in combating natural disasters and environmental threats and removing their effects; social: building mutual trust and strengthening ties between different ethnic groups; digital: the ability to respond to cyberattacks targeting networks and infrastructure, as well as threats such as fake news and deliberate online forgery; psychological: the will and determination to defend lifestyle and interests, and a fighting spirit to overcome challenges and threats together. See: Total Defence, <https://www.mindef.gov.sg/web/portal/mindef/defence-matters/defence-topic/defence-topic-detail/total-defence> [accessed: 19 April 2022].

<sup>5</sup> *Ibidem*.

<sup>6</sup> K. Żukrowska, *Konkurencyjność systemowa w procesie transformacji. Przykład Polski*, [in:] *Konkurencyjność gospodarki Polski w dobie integracji z Unią Europejską i globalizacji*, eds. J. Bosak, W. Bieńkowski, vol. I, Warszawa: Szkoła Główna Handlowa, 2001, p. 83.

<sup>7</sup> Definition by N. Tunzelmann [as cited in:] J. Borowski, "Koncepcje teoretyczne konkurencyjności międzynarodowej", *Optimum. Studia Ekonomiczne*, no. 4 (76), 2015, p. 30.

<sup>8</sup> Providing timely and accurate information is critical to dealing with crises. An informed public is better equipped to make sound decisions, including on trade-related issues. Noteworthy in this context is a dedicated section on the WTO website that provides up-to-date trade information; COVID-19 and world trade, WTO, [https://www.wto.org/english/tratop\\_e/covid19\\_e/covid19\\_e.htm](https://www.wto.org/english/tratop_e/covid19_e/covid19_e.htm) [accessed: 12 February 2022].

<sup>9</sup> D. Bargłowska, *Metodologiczne aspekty oceny konkurencyjności firm*, [in:] *Strategie konkurencji przedsiębiorstw. Wybrane zagadnienia*, ed. J. Szablowski, Białystok: Wydawnictwo Wyższej Szkoły Finansów i Zarządzania, 2004, pp. 49–52.

competitiveness is also related to ensuring economic security which, as an element of overall security, has its roots in the concept of total defence.<sup>10</sup>

As a key category of international relations, security has been subject to significant transformations, especially since the early 1990s. Globalisation processes and the growing interconnectedness of actors in the world economy contribute to the emergence of new threats, which causes the analysis to include non-military aspects, especially those of an economic nature. This is related to the fact that the position of a country in the world economy is now largely determined by its economic potential. In this context, the foreign economic policy pursued by a given country/group is of particular importance, with trade policy being at its core.<sup>11</sup>

Among numerous definitions of economic security in the literature,<sup>12</sup> from the perspective of the issues of this paper, it is particularly relevant to point out that the term involves maintaining economic cooperation with other actors so that the benefits of exchange can be obtained.<sup>13</sup> A key element of economic security policy, on the other hand, is the appropriate “formation of relations with other entities in the international arena and entering into commercial relations with both states and other actors on the international scene.”<sup>14</sup> Therefore, building an ever-widening network of economic ties with multiple partners enables access to new markets and expands the cooperation that has already been undertaken.

Current changes in the global economic order are of great importance for the modern world economy. The acceleration of economic integration processes driven by increased trade flows, leads to new opportunities for economic growth and development, but also puts pressure on natural resources. The result of these processes is a change in the nature of world trade, so trade policy and the EU’s overall approach

<sup>10</sup> A holistic approach to security is considered to be a way of increasing a country’s resilience to external pressures. The importance of the holistic security concept will grow, also due to the experience of the COVID-19 pandemic and the negative effects of climate change. See: P. Szymański, *op. cit.*, p. 9.

<sup>11</sup> Cf.: M. Czerwińska, *Wspólna polityka handlowa Unii Europejskiej. Znaczenie dla ochrony jednolitego rynku wewnętrznego i międzynarodowego bezpieczeństwa ekonomicznego*, Toruń: Adam Marszałek, 2019, p. 125.

<sup>12</sup> See: J. Czaputowicz, *System czy nieład? Bezpieczeństwo europejskie u progu XXI wieku*, Warszawa: WN PWN, 1998, p. 23; E. Frejtag-Mika, Z. Kołodziejak, W. Putkiewicz, *Bezpieczeństwo ekonomiczne we współczesnym świecie*, Radom: Politechnika Radomska, 1996, p. 10; K.M. Książkowski, *Ekonomiczne zagrożenia bezpieczeństwa państwa. Metody i środki przeciwdziałania*, Warszawa: Dom Wydawniczy Elipsa, 2004, p. 51; T. Szubrycht, “Współczesne aspekty bezpieczeństwa państwa”, *Zeszyty Naukowe Akademii Marynarki Wojennej*, R. XLVII, no. 4 (167), 2006, <http://yadda.icm.edu.pl/baztech/element/bwmeta1.element.baztech-article-BWM9-0001-0016> [accessed: 6 June 2022].

<sup>13</sup> Z. Nowakowski, *Bezpieczeństwo państwa w koncepcjach programowych partii parlamentarnych w Polsce po 1989 roku*, Warszawa: Towarzystwo Naukowe Powszechne, 2009, p. 121.

<sup>14</sup> J. Sojka, E. Wąloszczyk, *Bezpieczeństwo ekonomiczne państwa w procesie globalizacji gospodarki*, Wrocław: Wydawnictwo Uniwersytetu Wrocławskiego, 2008, pp. 82–83.

to international competitiveness need to be adapted to this situation. Eliminating restrictions on access to resources is becoming a priority, as measures taken by some trading partners to limit the availability of raw materials can threaten EU industry.<sup>15</sup> As mentioned before, this is especially important in crisis situations such as the war in Ukraine.

Restrictions on access to resources, unless justified on security or environmental grounds, should therefore be removed using the opportunities offered by trade agreements, which will contribute to improving the competitive position and building the resilience of the EU economy, which also means the position of all national economies will be reinforced indirectly.

### RTAs as part of EU trade policy in the context of strengthening the EU's competitiveness on foreign markets

Regional trade agreements are defined as international agreements to create a free trade area or customs union that deal primarily with issues involving aspects of trade policy.<sup>16</sup> Goode identifies trade regionalism with the set of actions that governments take to liberalise or facilitate trade in a region, taking the form of trade agreements in the nature of regional trade agreements (RTAs) or preferential trade agreements (PTAs).<sup>17</sup> Referring, in turn, to the definition used by the WTO, RTAs<sup>18</sup> are reciprocal trade agreements between two or more partners.<sup>19</sup> On the other hand, they do not have to be regional partners from a geographical point of view, thus, it is possible to conclude trade agreements between countries/trade blocs from distant regions of the world. These agreements are now an important part of the EU's trade policy, which should be viewed through the prism of two key factors. The first is the position of the EU as an economic power and key

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<sup>15</sup> An important element determining security and stability is the diversification of raw material supplies, thanks to which the state is able to ensure an appropriate level of resources for its functioning. See: Global Europe. Competing in the world. A Contribution to the EU's Growth and Jobs Strategy, Brussels: Commission of the European Communities, 4.10.2006, <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2006:0567:FIN:en:PDF>, pp. 3–4 [accessed: 15 February 2022].

<sup>16</sup> A. Budnikowski, *Ekonomia międzynarodowa*, Warszawa: PWE, 2017, p. 269.

<sup>17</sup> W. Goode, *Dictionary of Trade Policy Terms*, Cambridge: Cambridge University Press, 2003, p. 302.

<sup>18</sup> The terms regional trade agreements (RTAs) and preferential trade agreements (PTAs) are sometimes used interchangeably in the literature on the subject. According to the WTO, PTAs refer to unilateral preferences. In the present paper, the author relies on the WTO definition and thus applies the indicated distinction. See: Regional trade agreements and the WTO, WTO, [https://www.wto.org/english/tratop\\_e/region\\_e/scope\\_rta\\_e.htm](https://www.wto.org/english/tratop_e/region_e/scope_rta_e.htm) [accessed: 2 February 2022].

<sup>19</sup> *Ibidem*.

trading partner of many countries, the second is the already mentioned dynamics of change in the global economy, which requires entities such as the European Union to constantly review their approach to foreign policy.

The lack of progress in WTO negotiations, observed for more than a decade and leading the organisation towards an inevitable reform of its activities, and the significant involvement in the construction of new RTAs by other actors<sup>20</sup> in different regions of the world, have influenced a change in the approach to EU trade policy.<sup>21</sup> Thus, the main instrument for implementing this policy is precisely the trade agreements concluded with third countries,<sup>22</sup> which leads to the reinforcement of existing economic ties and the identification of new areas of cooperation.<sup>23</sup>

Therefore, the EU is taking concrete steps to implement regional agreements safeguarding its trade interests, filling a gap in an increasingly ineffective multilateral system, and thus moving away, at least to some extent, from liberalisation of a multilateral nature, since this approach, although promoted by the EU, has not contributed sufficiently to deepening liberalisation and strengthening the competitive position of the member states.<sup>24</sup> Hence, the moratorium on new FTA negotiations<sup>25</sup> was suspended, and the official documents emphasised the significance of RTAs for EU trade policy as a complement to the solutions applied in the multilateral forum of the WTO. The initiative undertaken on the EU forum in 2000, called the Lisbon Strategy, which was supposed to make the EU the most competitive

<sup>20</sup> This includes not only countries but also economic groups that are crucial for the EU in terms of their importance for its trade flows, but also for strengthening the EU's position in the global economy and building resilience to economic crises.

<sup>21</sup> Several reasons are identified for changes in the approach to the EU's policy on RTAs. In addition to those mentioned above, there have been changes in US trade policy, the booming economic growth in Asia and the accompanying conclusion of a number of FTAs, but also changes within the EU – for instance, the replacement of Pascal Lamy as the EU's Commissioner for Trade, who had a moratorium on new FTA negotiations, by Peter Mendelson, who has been more willing to consider FTAs. See: S. Woolcock, "European Union Policy towards Free Trade Agreements", *ECIPE Working Paper*, no. 3, 2007, p. 2, <https://www.econstor.eu/bitstream/10419/174818/1/ecipe-wp-2007-03.pdf> [accessed: 6 June 2022].

<sup>22</sup> The steps taken are also a response to the current changes in world trade, including, among others, the intensification of protectionist tendencies in US trade policy. Hence, the conclusion of agreements with Japan and Vietnam is a signal of support for the principles of free trade.

<sup>23</sup> B. Michalski, *Porozumienia regionalne w świetle zasad WTO*, [https://www.ism.uni.wroc.pl/sites/ism/art/michalski\\_porozumienia\\_regionalne\\_w\\_swietle\\_zasad\\_wto.pdf](https://www.ism.uni.wroc.pl/sites/ism/art/michalski_porozumienia_regionalne_w_swietle_zasad_wto.pdf) [accessed: 22 January 2022].

<sup>24</sup> See: A.M. El-Agraa, *The European Union. Economics and Policies*, New York: Cambridge University Press, 2011, pp. 4–15.

<sup>25</sup> The moratorium was based on a consensus among member states and the EC during preparations for a comprehensive multilateral round of negotiations in the late 1990s; S. Woolcock, *op. cit.*, p. 2.

economy in the world within a decade, did not bring the expected results.<sup>26</sup> That is why, in 2006, it was decided that it was necessary to take action to strengthen bilateral trade policy, which would lead to an increase in the EU's competitiveness through the signing of new trade agreements (competitiveness-driven free-trade agreements).<sup>27</sup> The 2006 strategy marked a turning point in EU efforts, as the important role assigned to RTAs has been noted ever since. It is also important that the strategy sets out the main economic criteria for new FTA partners. These criteria included market potential (economic size and growth) and the level of protection against EU export interests (tariff and non-tariff barriers). Great importance was also attached to the issue of negotiating trade agreements with EU competitors in specific regions.<sup>28</sup>

Among the subsequent documents emphasizing bilateral actions, the following are particularly noteworthy:

- EUROPE 2020. A strategy for smart, sustainable, and inclusive growth – it emphasised the fact that Europe's development should be driven by its external policy instruments through the activity in the WTO and the maintenance of bilateral contacts providing better access to markets and a level playing field with external competitors;<sup>29</sup>
- Trade for all. Towards a more responsible trade and investment policy – a 2015 strategy aimed at enabling the effective implementation of bilateral trade agreements, which also underlined the complementary nature of these agreements in relation to actions taken at the WTO. It was stressed that the multilateral system, as a set of rules underpinning the world trade order, should remain the foundation of EU trade policy;<sup>30</sup>
- Trade Policy Review – An Open, Sustainable and Assertive Trade Policy – the EU's new 2021 trade strategy which highlighted how trade policy can contribute to the resilience of the EU economy by ensuring a stable, rules-based trade framework, opening new markets to diversify sources of supply, and developing a cooperative

<sup>26</sup> J. Piotrowski, "Strategia Lizbońska – przyczyny niepowodzenia", *Unia Europejska.pl*, no. 1 (212) 2012, p. 39 ff, [http://cejsh.icm.edu.pl/cejsh/element/bwmeta1.element.desklight-60a830f3-390d-4d87-94ea-7ec6db187d01/c/UE.pl\\_1\\_2012.39-50.pdf](http://cejsh.icm.edu.pl/cejsh/element/bwmeta1.element.desklight-60a830f3-390d-4d87-94ea-7ec6db187d01/c/UE.pl_1_2012.39-50.pdf) [accessed: 6 June 2022].

<sup>27</sup> Global Europe..., *op. cit.*

<sup>28</sup> *Ibidem.*

<sup>29</sup> EUROPE 2020. A strategy for smart, sustainable, and inclusive growth, Brussels: European Commission, 2.03.2010, <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:2020:FIN:EN:PDF> [accessed: 10 February 2021].

<sup>30</sup> It is not only a set of rules in the form of international standards and procedures governing trade, but also a system of dispute settlement that has helped to limit unilateral retaliation and effectively counteract the growing protectionist tendencies in the global economy; Trade for all. Towards a more responsible trade and investment policy, Luxembourg: European Union, 2015, [http://trade.ec.europa.eu/doclib/docs/2015/october/tradoc\\_153846.pdf](http://trade.ec.europa.eu/doclib/docs/2015/october/tradoc_153846.pdf) [accessed: 15 February 2021].

framework for fair and equitable access to key supplies. The paper stressed the significance of reforming the WTO, but particular emphasis was placed on the implementation and enforcement of bilateral trade agreements.<sup>31</sup>

Consequently, the strategies adopted emphasise the growing prominence of concluded and negotiated RTAs while stressing the role that the WTO plays or should play, which is justified by the share of preferential partners in total EU trade, discussed below. Importantly, bilateral agreements have also been described as a “testing ground for global trade liberalisation,” meaning that their implementation can also contribute to supporting multilateral liberalisation and restoring the WTO’s role as the main forum for global trade negotiations.<sup>32</sup>

The EU enters into trade agreements<sup>33</sup> of varying levels of sophistication, and the motives behind these actions vary. However, the economic reasons are particularly important and include the search for new markets, which is crucial in the context of the problem of increasing competitiveness and building resilience of the EU economy analysed here. Thus, the goal of the EU’s trade agreement negotiations is mainly to bolster its competitive position in the global economy, which strengthens its economic defences. Trade agreements contribute to this in two ways: they allow European enterprises to gain access to the raw materials and supplies they need more easily and at lower prices, which helps them to remain competitive. On the other hand, they allow them to compete more effectively abroad and export more to countries and regions outside the EU, which is also important for building competitive trade agreements, especially in regions of high importance to the EU’s economic interests.<sup>34</sup>

It is also worth noting that the EU is the most active participant in RTAs in the global economy, and the range of trade agreements concluded by the EU is expanding every year. This is definitely an upward trend, especially because of the many RTAs that are under negotiation. In 2020, the EU implemented 45 trade agreements with

<sup>31</sup> Trade Policy Review – An Open, Sustainable and Assertive Trade Policy, Brussels: European Commission, 18.02.2021, [https://eur-lex.europa.eu/resource.html?uri=cellar:5bf4e9d0-71d2-11eb-9ac9-01aa75ed71a1.0001.02/DOC\\_1&format=PDF](https://eur-lex.europa.eu/resource.html?uri=cellar:5bf4e9d0-71d2-11eb-9ac9-01aa75ed71a1.0001.02/DOC_1&format=PDF) [accessed: 10 January 2021].

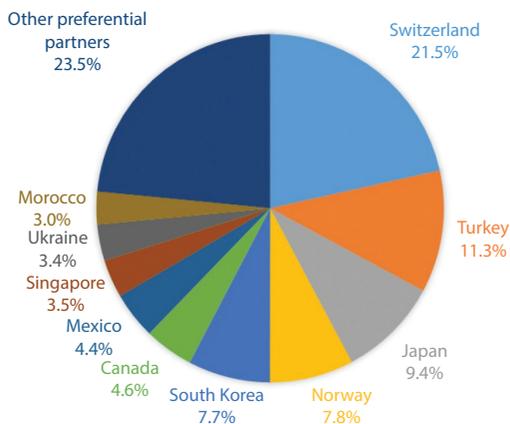
<sup>32</sup> Trade for all..., *op. cit.*

<sup>33</sup> The European Commission, on behalf of the EU, negotiates trade agreements with third countries. The Council of the EU, on the other hand, gives a negotiating mandate to the Commission and signs agreements on behalf of the EU. At the final stage of the procedure, once the European Parliament gives its consent, the Council adopts a decision concluding the agreement and implementing it into EU law; EU trade agreements, European Council – Council of the European Union, <https://www.consilium.europa.eu/en/policies/trade-policy/trade-agreements/> [accessed: 19 April 2022].

<sup>34</sup> The Asia-Pacific is such a region, with two regional agreements of particular importance to EU interests: Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and Regional Comprehensive Economic Partnership (RCEP).

77 partners.<sup>35</sup> Trade with these partners amounts to €1,300 billion, representing almost 35% of the EU's external trade.<sup>36</sup>

Figure 1. EU merchandise trade by preferential partners (2020)



Source: Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Implementation and Enforcement of EU Trade Agreements, Brussels: European Commission, 27.10.2021, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021SC0297&from=EN> [accessed: 11 January 2022].

Building resilience to crises in the context of economic defence through a network of bilateral agreements is particularly evident in the case of the current COVID-19 pandemic and the war in Ukraine. Negative impacts on trade are inevitable, but available evidence suggests that the EU's extensive network of trade agreements can nevertheless effectively contribute to counteracting or at least mitigating these negative impacts, also through diversification of supply chains.<sup>37</sup> This is confirmed by the fact that, as far as annual trade growth by partner (2019–2020) is concerned, trade under preferential agreements registered a lower decline than with non-preferential partners. Trade with the EU's preferential partners declined by 9.1% during the period under review, compared to a decline of 11.1%

<sup>35</sup> The Vietnam agreement is not included here since it came into force on 1 August 2020. Similarly, the EU-UK TCA, which entered into force on 1 January 2021, is not included here since it was not applied in 2020.

<sup>36</sup> Given the EU's success in negotiating trade agreements, it should be borne in mind that almost two-thirds of the EU's trade with the rest of the world, including trade with the United States, China, Russia and India, is now taking place on the basis of rules guaranteed by the WTO (MFN), which also demonstrates the need for a well-functioning global organisation to govern international trade.

<sup>37</sup> It is also important from the point of view of the need to minimise the risks resulting from actions taken by other key EU economies which, by participating in the network of trade agreements, gain better conditions for trade. On the other hand, one should also bear in mind the problem of trade dependence, mainly on China.

with non-preferential partners. The same trend was reflected in preferential exports of goods, with declines of about 2 percentage points less than in non-preferential trade.<sup>38</sup> Just as in 2018, when there was a slowdown in global trade and an increase in protectionist tendencies, EU preferential agreements resulted in trade facilitation, so now, despite the COVID-19 pandemic having a major negative impact on trade in 2020, EU agreements continued to facilitate trade significantly and strengthen the EU's position in the global economy in this regard.

## Conclusions

Dynamic changes occurring in the global economy make it necessary to operate in a complex and unstable economic environment to which economies must constantly adapt. This requires entities such as the European Union to continually reassess their approach to foreign policy, which involves taking steps to build resilience to crises and secure commercial interests. Filling a gap in an increasingly ineffective multilateral system, but also responding to actions taken by other actors, the EU is focusing on implementing bilateral trade agreements, an increasingly important component of EU trade policy that aims to bolster the EU's competitive position in the global economy, which strengthens its economic defence.

Therefore, a stronger and more resilient EU requires the use of trade instruments to pursue its policy objectives. The implemented trade agreements allow European companies to gain an easier and cheaper access to the raw materials and supplies they need, helping them to remain competitive. By opening up foreign markets, such as those of South Korea, Canada and Japan, trade agreements make EU products more competitive and improve the export competitiveness of the member states, which is also important for the development of other economic powers and their participation in a network of trade agreements, especially in regions of great importance for the EU's economic interests. By taking these actions, the EU is seen as a pillar of economic security for member states, because by strengthening the EU economy as a whole and building its resilience in general, the position of all its members is reinforced indirectly.

The results of the analysis carried out lead to the confirmation of the thesis adopted in the introduction – in the light of the current problems occurring in the world economy, including the war in Ukraine, it turns out that the diversification of trade partners, especially through concluding RTAs with countries with different

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<sup>38</sup> Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Implementation and Enforcement of EU Trade Agreements, Brussels: European Commission, 27.10.2021, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021SC0297&from=EN> [accessed: 11 January 2022].

levels of economic development, is of key importance for building the EU's competitive position in the global economy and thus allows to become independent of a single supplier, especially as far as strategically important raw materials are concerned.

As in the aftermath of the 2008+ global economic crisis, trade will be crucial to the EU's economic recovery from the COVID-19 pandemic. Particularly as the global organisation that governs international trade weakens, trade liberalisation through bilateral agreements can contribute to a significant reinvigoration of trade relations and the strengthening and expansion of cooperation, especially in difficult (post)pandemic times. The effective implementation of EU trade agreements would therefore strongly support the long-term competitiveness and resilience of the European economy and thus strengthen economic defence, increasing the EU's prospects for leadership and competitive advantage in the global market.

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## Economic defence as one of the pillars of total defence – the case of RTAs as an instrument of strengthening the EU's competitiveness on foreign markets

### Abstract

Dynamic changes taking place in the global economy make it necessary to function in a complex and unstable economic environment, to which economies must constantly adapt. This compels entities such as the European Union to systematically review and appropriately shape its foreign policy, which involves taking actions to build resilience to crises and secure commercial interests. Particularly in view of the weakening position

of the organisation globally managing international trade, the EU focuses on the implementation of Regional Trade Agreements (RTAs), which are an increasingly important element of EU trade policy and are aimed at strengthening the EU's competitive position in the global economy and building resilience to crises, which bolsters its economic defence. These aspects constitute an important and current research problem, especially in the context of current events in the global economy.

The aim of this article is to present EU trade agreements in the context of their importance for the economic defence of the trade bloc, as well as to analyse the changes that have been introduced in the EU trade policy in the last two decades in relation to this issue.

The analysis is based mainly on original materials and scientific studies on EU trade policy, as well as data from the European Commission and the World Trade Organisation (WTO). The analytical and descriptive methods were mainly used.

The results of the analysis carried out in the article showed that the implemented trade agreements lead to the strengthening of the competitive position of the EU and the strengthening of economic defence. By taking these actions, the EU is perceived as a pillar of the economic security of the Member States.

Key words: economic competitiveness, economic defence, trade policy, RTA, UE

