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The European Union-New Zealand Free Trade Agreement: The Inclusion of Normative Provisions in a Like-Minded Partnership

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Abstract

This paper examines the European Union-New Zealand Free Trade Agreement as a key example of the European Union's normative power, emphasising sustainability, labor rights, and gender equality as core elements. Employing a qualitative case study methodology combined with Robert Entman's framing analysis and Ian Manners' tripartite ethical framework, this study investigates the rationale and motivation behind the EU's push to incorporate Trade and Sustainability Development provisions in the agreement. This study reveals that European Union advances its normative agenda by leading through example, acting reasonably in cooperation, and striving to minimise harm, especially by respecting New Zealand's robust preexisting standards. This study highlights how the Trade and Sustainable Development chapter employs cooperation rather than coercion to enforce commitments, modeling a newer generation of FTA. This agreement also reflects a strategic normative alignment between like-minded partners, integrating ethical considerations systematically into trade governance. Ultimately, this study argues that this FTA sets a new standard for embedding normative goals in trade agreements, offering a blueprint for future agreements balancing ethical ambitions with pragmatic economic cooperation. This balance enhances both normative influence and mutual economic benefit.

Keywords

European union, New Zealand, Free trade agreement, TSD Chapter, Normative power Europe

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Introduction

The European Union (EU) has increasingly leveraged its network of Free Trade Agreements (FTAs) not merely as economic instruments, but as vehicles for exporting its core normative values. Framed within its identity as a 'Normative Power', the EU incorporates commitments to sustainable development and environmental protection into its trade agreements, with additional provisions addressing labour standards and gender equality. These clauses serve both internal objectives -ensuring coherence with EU legal and policy frameworks, and external ambitions to promoting global standards aligned with its values. FTAs with strategic or like-minded partners thus become key platforms through which the EU attempts to diffuse its regulatory models and institutional norms beyond its borders.

The EU entered into a trade agreement with New Zealand on 1 May 2024 and a 30 percent increase in trade flows between New Zealand and the EU is expected to result from the agreement (Directorate-General for Trade European Commission, n.d.-b). Accounting for 6.1 percent of New Zealand's total exports and 14 percent of its imports, the European Union is currently the country's third-largest trading partner (New Zealand Foreign Affairs & Trade, n.d.-c). The agreement is designed to generate substantial economic opportunities for businesses, agricultural producers, and consumers, while in the same time using enforceable trade sanctions as a last-resort mechanism to uphold the Paris Climate Agreement and fundamental labour rights. It also serves to strengthen the EU's strategic partnership with a like-minded ally in the economically dynamic Indo-Pacific region (Directorate-General for Trade European Commission, n.d.-b).

New Zealand and the European Union recorded NZ\$20.2 billion in bilateral trade in goods and services in 2022 (New Zealand Foreign Affairs & Trade, n.d.-b). The European Union is a major destination for New Zealand's exports of dairy products, fish and seafood, meat, fruit, and beverages, while New Zealand is importing machinery (including aircraft), vehicles, and pharmaceuticals from the EU (New Zealand Foreign Affairs & Trade, n.d.-a). This trade agreement is expected to provide additional tariff savings of NZ\$100 million, complementing the existing framework.

The agreement is expected to improve New Zealand exporters' access to the European Union market, helping reduce competitive disadvantages compared to exporters from countries that already have free trade agreements with the EU (New Zealand Foreign Affairs & Trade, n.d.-c). Moreover, the implementation of the agreement will allow 91 percent of New Zealand's current exports to the European Union to enter the EU market duty-free, primarily through tariff elimination and duty-free quota arrangement (New Zealand Foreign Affairs & Trade, n.d.-c). After seven years, 97 percent of existing trade is expected to be duty-free.

Additionally, the agreement is designed to expand New Zealand's trade in sectors that have long been affected, particularly the dairy and beef sectors, which face restricted access to World Trade Organization (WTO) quotas and relatively high tariffs (New Zealand Foreign Affairs & Trade, n.d.-c). New Zealand's services exporters will benefit from greater certainty in the EU market under the agreement, enabling them to compete on terms comparable to those offered to other EU trading partners (New Zealand Foreign Affairs & Trade, n.d.-c). The agreement is expected to strengthen the investment environment by improving transparency and predictability in the treatment of investors from both New Zealand and the EU (New Zealand Foreign Affairs & Trade, n.d.-c).

The agreement reflects New Zealand's Trade for All Agenda by incorporating commitments on labour rights, environmental protection, gender equality, support for small and medium-sized enterprises (SMEs), regional economic development, and Māori interests (New Zealand Foreign

Affairs & Trade, n.d.-c). The agreement further includes legally enforceable commitments on climate action and the implementation of the Paris Agreement (New Zealand Foreign Affairs & Trade, n.d.-c). Moreover, the New Zealand Government retains the ability to adopt policies fulfilling its obligations to Māori under the Treaty of Waitangi, as provided for by an exception incorporated into the agreement (New Zealand Foreign Affairs & Trade, n.d.-c). The agreement establishes a Māori Trade and Cooperation chapter that supports the advancement of Māori economic interests within the EU market.

Despite the economic benefits, the agreement also incorporates non-economic objectives. It fully reflects the revised EU framework for *Trade and Sustainable Development (TSD)*, as outlined in the European Commission's communication, "*The Power of Trade Partnerships: Together for Green and Just Economic Growth*" (Directorate-General for Trade European Commission, n.d.-a). The agreement incorporates binding and enforceable commitments to internationally recognized labour and environmental standards, particularly those set out in the Paris Agreement on Climate Change and the International Labour Organization's (ILO) fundamental principles and rights at work. The agreement also contains a dedicated provision addressing the relationship between gender equality and trade within the chapter on Trade and Sustainable Development, alongside measures addressing fossil fuel subsidies and their reform in the context of trade. In addition, the agreement eliminates tariffs on environmental goods, liberalises environmental services, and facilitates bilateral cooperation between the EU and New Zealand on carbon pricing and deforestation, as well as on the circular economy and protection of the marine environment (Directorate-General for Trade European Commission, n.d.-a).

In addition, the EU also adopted Directive (EU) 2024/1760 of The European Parliament and of The Council to promote sustainable and ethical business practices within companies and throughout their global supply chains (Directorate-General for Communication European Commission, n.d.-a). This Directive amends The Directive (EU) 2019/1937 and Regulation (EU) 2023/2859 and will require companies in scope to identify and address adverse impacts on human rights and the environment, both within and beyond Europe. The Directive creates a harmonised legal framework that ensures a level playing field for businesses in the EU Single Market while enhancing global competitiveness, fostering innovation, and providing greater legal certainty for companies addressing sustainability issues. It also promotes responsible business conduct and may establish a new global benchmark for mandatory environmental and human rights due diligence.

The extensive incorporation of TSD in the agreement reflects a strong commitment from both the EU and New Zealand. However, environmental challenges remain pressing. According to the *Climate Change Performance Index (CCPI)*, New Zealand ranked 41st in 2025, a drop of seven places compared to 2024 (Germanwatch, n.d.). Graphical data on New Zealand's greenhouse gas emissions shows a persistently high trend (Statistical Office of New Zealand, 2022).

The 2022 Environment Aotearoa report, prepared by the Ministry for the Environment and Stats NZ, identifies land-use change and intensification, pollution, invasive species, and climate change as the principal drivers of environmental degradation (Ministry for the Environment of New Zealand, 2022). New Zealand's unique ecosystems and native species face significant threats, with 94 percent of reptiles and nearly three-quarters of terrestrial birds endangered or at risk due to environmental changes (Ministry for the Environment of New Zealand, 2022). Between 2002 and 2019, the loss of highly productive agricultural land increased by 54 percent, while the impacts of climate change became increasingly evident through rising temperatures, glacier retreat, and sea level rise (Ministry for the Environment of New Zealand, 2022). Although air quality in New Zealand is gradually improving at most monitoring sites, pollution levels in many areas still exceed the WHO's 2021 guidelines (Ministry for the Environment of New

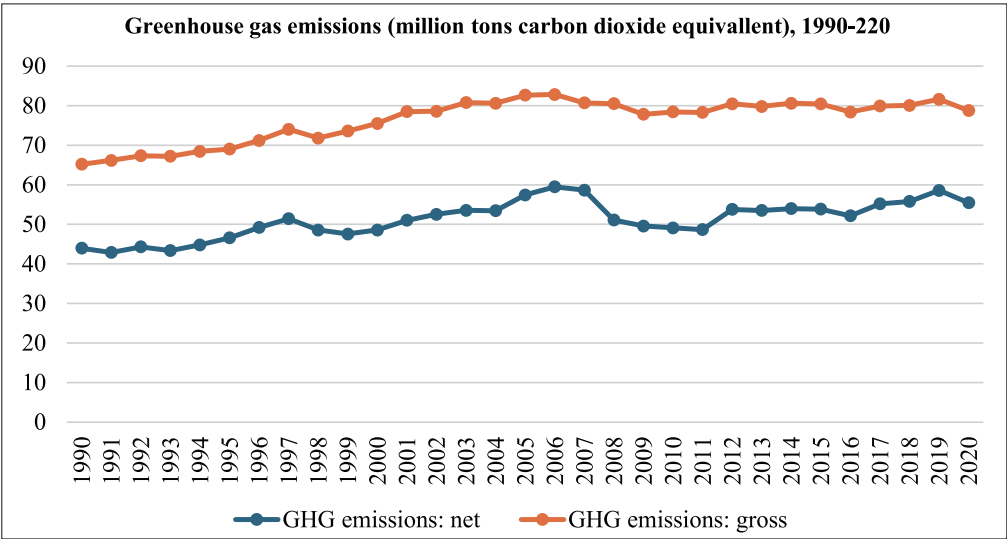


Figure 1. New Zealand’s greenhouse gas emissions data 1990-2020
Source: Statistical Office of New Zealand.

Zealand, 2022).

Hon Simon Watts, New Zealand’s Minister for Climate Change, Minister of Energy, Minister of Revenue, and Minister of Local Government, stated in his speech that New Zealand is committed to addressing climate change by meeting its targets through expanding renewable energy, advancing sustainable agriculture, and strengthening its emissions trading scheme to drive meaningful reductions (*New Zealand’s COP29 National Statement*, 2024). New Zealand has set a target of reducing greenhouse gas emissions by 51–55 percent from 2005 levels by 2035 (Minister for the Environment of New Zealand, 2025). This demonstrates New Zealand’s commitment to addressing environmental issues.

This study explores the rationale and motivation behind the EU’s push to incorporate TSD provisions in the EU-New Zealand FTA, despite New Zealand’s existing commitments to environmental and labour standards. This study aims to explore the rationale and motivations through the lens of framing analysis, specifically how the provisions on sustainable development, environmental protection, labour standards, and gender equality is brought by various stakeholders (such as businesses, NGOs, and media).

Literature Review

Normative Power Europe (NPE) has become an important subject of scholarly debate, particularly regarding how the EU uses FTAs to advance and diffuse its normative values. A central mechanism for this is the TSD chapter and human rights conditionality, which aim to enforce labour standards, environmental protection, and governance reforms. Studies show contrasting outcomes regarding the effectiveness of these normative clauses. Some research highlights the positive impact of the EU’s normative influence, such as in the EU-Peru FTA, which encouraged Peru to adopt a greener and more inclusive export model that prioritises environmental sustainability and labour rights (Ivanova, 2019). However, other studies indicate

limited impact, as seen in FTAs with Caribbean countries, South Korea, and Moldova, where labour standard governance experienced minimal improvement (Harrison et al., 2019).

In the EU-Korea trade agreement, both the EU and South Korea agreed that the absence of sanctions within the TSD chapters may protect them from having to implement major domestic reforms (García, 2022). Both the EU and South Korea also view these commitments as similar to clauses in other agreements that simply prevent countries from weakening existing standards for trade benefits. This inconsistency raises questions about the EU's ability to enforce its normative agenda effectively, as there is indeed exclusion of punishments or sanctions if one party fails to meet certain sustainability or labor standards. This is due to neither the EU nor South Korea feels pressured to make big changes to their domestic laws or policies to meet those commitments. In the EU-Korea trade agreement, the influence of the Domestic Advisory Group (DAG) is rather limited and its impact on decision-making remains very low (Martens et al., 2020). DAG serves as civil society platforms designed to monitor how the TSD chapters are implemented. DAGs bring together civil society representatives and government officials for dialogue, while disputes are handled through a non-binding process that does not impose sanctions.

Despite the EU's continues inconsistency in enforcing its normative agenda within the FTA framework, another issue emerges from the EU's motivation. As in EU's FTA with China where the FTA is used as a tool to by adopting a more gradual approach in negotiating with China, hence the EU could take advantage of China's growing economic interdependence with Europe to strengthen its bargaining position (Sampson & Theuns, 2025). A stronger bargaining position would then enable the EU to push for a wider range of concessions, including normative commitments related to human rights, the rule of law, and democratic governance.

The EU-New Zealand FTA advances the EU's "green" trade agenda by integrating climate change and sustainability commitments, aligning with New Zealand's strong environmental policies (Lee-Makiyama, 2015). The agreement also carries symbolic significance, positioning the EU as a global leader in progressive trade policies and as a strategic actor in the Indo-Pacific, especially in response to geopolitical shifts like AUKUS (Kelly & Doidge, 2023; Leal-Arcas & Al Saif, 2024). As such, the agreement may serve as a blueprint for future EU trade agreements that seek to merge normative ambitions with strategic and environmental considerations -integrating economic, environmental, and geopolitical objectives (Lai, 2024; Leal-Arcas & Al Saif, 2024).

A similar pattern can be observed in the EU-Japan Economic Partnership Agreement (EPA), ... where the EU's normative objectives are strengthened through cooperation with a like-minded partner that shares key principles such as the rule of law, democracy, human rights, sustainable development, and support for a rules-based WTO system (Pereira, 2018). This EU-Japan EPA is mentioned to represent a collaborative initiative between the EU and Japan to influence globalization, promote sustainable growth, and establish high standards in international trade.

Methodology

The study uses qualitative methods to examine the EU's motivations for incorporating TSD provisions into the EU-New Zealand FTA, and to assess the broader implications of these provisions for norm diffusion and domestic policy alignment. Qualitative research involves interpretive and material practices that aim to make sense of social phenomena through the collection and analysis of empirical materials, such as case studies, interviews, and policy documents (Denzin & Lincoln, 2018). This study aligns with this approach by conducting a comparative analysis of the EU's TSD provisions and New Zealand's existing environmental and labour policies to assess the necessity and impact of these commitments.

This study employs a single case study method, focusing on the EU-New Zealand FTA. This case is selected due to its contemporary relevance and potential to illustrate how the EU works toward advancing sustainability norms through its trade agreements. The agreement also offers an opportunity to examine how these norms interact with New Zealand's legal and political frameworks, providing insights relevant for other Indo-Pacific countries engaging with EU trade policy. Case study research examines contemporary real-world phenomena through in-depth data collection from multiple sources, such as documents, interviews, and audiovisual materials, with findings presented through detailed case descriptions and thematic analysis (Creswell, 2013). Moreover, referring to a study as a case study can imply several things: (a) that it employs a qualitative, small-N research method; (b) that it involves ethnographic, clinical, or participant-observation research, often conducted in the field; (c) that it is characterised by process-tracing; (d) that it focuses on analysing a single case; or (e) that it examines a specific phenomenon, instance, or example (Gerring, 2004).

Furthermore, this study analyses official documents, policy statements, and trade agreements, specifically examining the EU-New Zealand FTA text alongside online media sources. To interpret these documents, this study employs Robert Entman's framing analysis framework (1993) which identifies two essential processes in framing: selection and salience. Framing is the process of highlighting certain aspects of reality in a text to influence how a problem is understood, what causes are identified, how it is evaluated, and which solutions are considered appropriate. The framing process involves four interconnected elements: the communicator, the text, the receiver, and the cultural context. The frames constructed by communicators are shaped by both conscious and unconscious beliefs and assumptions; texts manifest frames through word choice, imagery, and sourcing; receivers interpret messages through cognitive filters; and culture provides the shared reservoir of meanings that shapes both production and reception.

Entman conceptualises salience as making particular information more visible, meaningful, or memorable to audiences, often through repetition, placement, or cultural resonance. However, the mere presence of frames in texts does not guarantee audience influence; salience emerges through the dynamic interaction between message and receiver. Framing, therefore, involves both inclusion and exclusion, highlighting certain aspects while omitting others, to guide interpretation and construct dominant narratives. This study aims to reveal how institutional and media framings interact to define key issues, especially EU's norms. Through examining the processes of selection and salience, this study aims to uncover EU's motivation behind the inclusion of the TSD chapter.

Theoretical Framework

This study examines Ian Manners' concept of NPE within the context of the EU-New Zealand Free Trade Agreement. The inclusion of the TSD chapter and human rights conditionality in the agreement demonstrates how the EU integrates its normative power into trade relations. The expansion of the EU's Common Commercial Policy (CCP) following the Lisbon Treaty has reinforced the notion of a "deep trade agenda," where trade policy serves as a tool for promoting non-commercial objectives (Velluti, 2020). This aligns with Manners' argument that the EU's civilian power has traditionally been rooted in an economic framework (Manners, 2001).

The EU's use of normative power is further shaped by the gap between international expectations and its capacity to fulfil its normative ambitions, especially in security policy (Manners, 2002). This gap refers to the discrepancy between expectations placed on the EU -both internally and externally, to play a significant global role and its actual ability to meet those

expectations (Larsen, 2020). To address this, the EU increasingly relies on ideological power, or what Manners describes as “power over opinion” and *idee force* (Manners, 2002). This shift allows the EU to exert influence not through military means, but through diplomacy, trade, and legal frameworks -as seen in the EU-New Zealand FTA’s emphasis on sustainability, human rights and labour standards.

NPE provides a key perspective in understanding whether the EU’s external policies reflect civilian power or military power. Manners argues that while civilian power is often linked to national interests -whether in a state or supranational context, normative power is distinguished by its commitment to distributive justice and human-centric concerns over security and order (Manners, 2001). The difference between Military Power Europe and Normative Power Europe lies in their approach to force: while military power relies on coercion, normative power searches for a redefinition of the role of force in international relations (Manners, 2001). The EU-New Zealand FTA, by embedding sustainability and labour standards within a trade agreement, reflects the EU’s strategic use of trade policy to project its normative power.

A crucial aspect of NPE is that the EU is built not only upon normative principles but also acts as a norm entrepreneur in global governance. As such, the EU actively extends its values into the international system, reinforcing its identity as a global actor seeking to advance international norms (Manners, 2001). Furthermore, proposes a tripartite analytical framework that assesses the EU’s principles, actions, and impacts/outcomes by drawing on three approaches of normative ethics: virtue-based ethics, deontological ethics, and consequentialist ethics. Together, these approaches provide a theoretical foundation for understanding how the EU exercises its normative power in world politics by leading through example, acting reasonably, and minimising harm (Manners, 2008).

According to Manners, five core norms underpin the EU’s normative foundations: peace, liberty, democracy, the rule of law, and respect for human rights and fundamental freedoms. These are supplemented by four additional norms concerning social progress, combating discrimination, sustainable development, and good governance (Manners, 2002). In agreements like the EU-New Zealand FTA, these norms are operationalised through legally binding trade provisions, demonstrating how the EU uses trade partnerships to strengthen its role as a normative power in international relations. Thus, NPE not only provides a theoretical lens to analyze the EU-New Zealand FTA but also helps assess whether the EU’s normative ambitions translate into tangible regulatory alignment and global norm diffusion.

Results and Discussions

Framing Analysis

Framing analysis begins with selection process (which aspects of reality to emphasize) and salience (making those aspects prominent to shape understanding). In the case of EU–New Zealand FTA, the EU selectively emphasises sustainability, labour rights, and gender equality as central elements of the agreement, while New Zealand emphasized economic growth and market access. In addition, civil society groups highlight equity, climate action, and human rights concerns, demonstrating alternative frames.

A statement from Valdis Dombrovskis -EU’s Commissioner for Economy and Productivity, who mentions that despite the geographical distance between them, the EU and New Zealand maintain close political, cultural, and normative ties, including a shared commitment to meaningful climate action (Directorate-General for Communication European Commission,

Table 1. Discursive differences

Actor	Primary Focus	Normative Framing	Key Quotes
EU	Sustainability, Labour Rights, and Gender Equality	Values-based trade, TSD commitments as essential	Von der Leyen, Dombrovskis, Malmström
New Zealand	Economic Growth	Trade gains, GDP & export increase	McClay, Hipkins
Civil Society (EU/New Zealand)	Justice & Equity	Critiques of old trade model, climate concerns	ECVC, Green Party

Source: Compiled by Authors.

2023). The European Commission also highlights that the agreement is the EU’s first FTA to incorporate enforceable commitments to the Paris Agreement and the core labour standards of the International Labour Organization (Delivorias, 2024).

Through its 2001 Communication on *Promoting Core Labour Standards and Improving Social Governance in the Context of Globalization*, the EU has made a clear commitment to advancing social norms internationally through its external relations and development cooperation policies, with its international trade agreements reflecting this through three main categories of social norms: (i) general social norms aimed at fostering social cooperation, which are largely not legally enforceable; (ii) human rights-based norms, such as the ILO’s four Core Labour Standards, which entail a high level of commitment; and (iii) social governance norms, including provisions on social dialogue and social protection (Velluti, 2015).

Furthermore, the EU also launched the *Global Europe* strategy in 2006, marking a significant shift in its external trade policy by prioritising deep and comprehensive FTAs, not only as instruments for political and security objectives that go beyond WTO provisions but also as mechanisms for addressing behind-the-border issues through the dissemination of rules and governance structures that reflect its normative values, relying on regulatory influence rather than military power or coercion (Araujo, 2016). The EU’s climate ambition has increasingly shaped its trade policy, reinforcing the use of regulatory conditions -such as import restrictions and baseline standards, to extend its environmental and labour norms globally (Sutton & Saha, 2025).

This shows that the agreement exemplifies the EU’s deep trade agenda by incorporating enforceable provisions requiring compliance with the Paris Agreement and the International Labour Organization’s core labour standards, ensuring that sustainability and social protections are legally enforceable rather than aspirational. By using trade agreements as regulatory instruments, the EU extends its normative values globally, incentivising partners to align with its environmental and labour standards as conditions for market access. Valdis Dombrovskis’ statement is important as it reflects the EU’s effort to construct a normative framing, emphasising environmental and social standards.

In October 2015, EU Trade Commissioner Cecilia Malmström unveiled the five-year “*Trade for All*” strategy, which this reflects growing public interest in how the EU handles trade. The strategy focuses on three key areas: (1) making trade work fairly for everyone, (2) being transparent by engaging stakeholders in a meaningful way, and (3) upholding values by protecting the EU’s right to regulate. The strategy also says that it will be guided by European values -which can be deduced into the EU’s normative values which have been mentioned above. Cecilia Malmström mentions (Publications Office of the European Union, 2015):

(...) the Commission is adapting its approach to trade policy to take all of these lessons on board. As a result, trade policy will become more responsible, meaning it will be more effective, more transparent and will not only project our interests, but also our values.

In their public communications, both the EU and New Zealand have emphasised the agreement as a progressive and comprehensive pact, highlighting its commitments to sustainability, labour rights, and gender equality. European Commission President Ursula von der Leyen phrased the agreement as “ambitious” and “very balanced,” underscoring its role in promoting “fair and green growth while strengthening Europe’s economic security.” (Euronews, 2023). Similarly, New Zealand Prime Minister Chris Hipkins hailed the agreement for delivering “enormous benefits” to both partners (Euronews, 2023).

The EU’s framing and narrative often place a stronger focus on the agreement’s role in advancing environmental and social standards, aligning with its broader agenda of integrating sustainability into trade policies. Despite its strong emphasis on normative aspects, the EU has not entirely abandoned its traditional trade agenda, which continues to prioritise economic and commercial interests. According to Olof Gill -European Commission Spokesperson for Trade & Agriculture, The EU–New Zealand agreement is projected to generate substantial economic benefits by reducing annual duties for EU businesses by €140 million, increasing EU exports by up to €4.5 billion, and raising EU investment in New Zealand by 80 percent (Lappa, 2024). Moreover, the agreement secures key benefits for EU farmers and producers, including tariff eliminations on pig meat, wine, chocolate, and biscuits, as well as strong protections for Geographical Indications (GIs). At the same time, the EU carefully safeguards sensitive agricultural sectors like beef, sheepmeat, and dairy through tariff rate quotas, ensuring that its domestic interests remain protected.

In contrast, New Zealand’s framing tends to highlight the economic advantages of the agreement, as the agreement underscores New Zealand’s strategic economic interests in expanding market access and strengthening trade ties with the EU. By analysing the New Zealand Foreign Affairs & Trade’s webpage on the agreement’s key outcomes, economic discourse dominates, emphasising increased market access. This is also evidenced by projections of up to a \$1.4 billion annual increment to GDP and a \$1.8 billion increment in exports to the EU by 2035, immediate tariff eliminations on 91 percent of New Zealand’s merchandise exports -alongside \$100 million in annual tariff savings from day one, as stated by Todd Michael McClay, the Minister of Agriculture, Minister of Forestry, Minister for Trade and Investment and Associate Minister of Foreign Affairs of New Zealand (McClay, 2024).

The agreement’s ambitious provisions on climate action and the Paris Agreement, including legally enforceable commitments, has only occupied one point from the agreement’s key outcomes. This highlights New Zealand’s official position to engage in competitive in global markets while limitedly adhering to shared values like sustainability and labour rights with the EU. A statement from Damien O’Connor, New Zealand’s Minister for Trade and Export Growth, during the vote to approve the agreement (O’Connor, 2023):

I’m delighted to hear of the successful vote to approve the NZ-EU FTA in the European Parliament overnight. This is an important step towards the agreement entering into force, (...) The broad support for the agreement from across the European Parliament demonstrates the value of this deal to both parties. The FTA will provide a boost to the already strong trade and investment links between New Zealand and Europe.

During the negotiation round, New Zealand also proposed measures to reform fossil fuel

subsidies and address subsidies that have harmful effects on the environment, but the EU declined to include these provisions in the final agreement (New Zealand Foreign Affairs & Trade, 2020).

On the gender equality, during the second round of negotiation, at the time, negotiations between the EU and Chile included the EU’s first dedicated chapter on Trade and Gender, hence both the EU and New Zealand were open to considering what could be included in the text agreement (New Zealand Foreign Affairs & Trade, 2018). The discussion on the Trade and Gender chapter also appeared during the the fifth, ninth and tenth round of negotiations, citing the recognition of synergies between the EU and New Zealand on the chapter (New Zealand Foreign Affairs & Trade, n.d.-a). These negotiation rounds demonstrate that although New Zealand frames the agreement primarily in economic terms, but it also acknowledges the agreement as a vehicle for promoting “progressive trade,” especially on the gender equality.

In addition, a couple of civil organisations in the EU and New Zealand show its concerns and critics on the agreement. In a joint statement, the Green Party of Aotearoa New Zealand and the European Greens called for the agreement to strengthen climate action, phase out fossil fuel subsidies, cut agricultural emissions, protect human rights, and uphold Te Tiriti o Waitangi (Ghahraman, 2022). Moreover, the European Coordination of Via Campesina (ECVC) criticises the agreement as a continuation of an outdated trade model that treats agricultural goods as mere bargaining chips, ignoring both the climate crisis and the financial struggles of European farmers (Ody et al., 2022). According to ECVC, by prioritising agro-export interests and the elites who profit from them over the urgent transformations needed for farmers, citizens, and the environment, the European Commission undermines its own credibility in advancing the European Green Deal and the Farm to Fork Strategy. In this case, civil society provides counterframes, questioning whether EU commitments are implemented meaningfully through the FTA.

The agreement negotiations show coordinative discourse, as the EU and New Zealand agree on some priorities while leaving others unresolved, for example on key norms like sustainability, labour rights, and gender equality are included, but issues like fossil fuel subsidies are less clear. This shows how selection and salience work: different actors choose which points to highlight and which to leave in the background.

Normative power Europe Analysis

Based on Ian Manners’ classification of five core norms and four minor norms, the EU focused on three minor norms: social progress, combating discrimination, and sustainable development. These norms were reflected in the agreement’s sustainability and environmental, labour, and gender equality provisions. The provisions on sustainability, labour rights and gender equality are all located within ‘Chapter 19 Trade and Sustainability Development’ in the agreement text (Free Trade Agreement between the European Union and New Zealand, 2024).

The inclusion of the TSD chapter shows the commitment to normative principles by embedding climate action into the agreement. The agreement also requires the parties to take

Table 2. References to normative principles in the EU-New Zealand FTA text

Chapter, Article	Norms to pursue
Chapter 19 Article 1 and 2	Framing economic, social, and environmental goals as interdependent
Chapter 19 Article 3	ILO standards and non-derogation principles
Chapter 19 Article 4	References to CEDAW and promotes women’s access to trade benefits

Source: EU-New Zealand FTA text

effective steps to implement the United Nations Framework Convention on Climate Change (UNFCCC) and fulfil their commitments under the Paris Agreement. Articles 19.1 and 19.2 establish sustainable development as a core principle of the agreement: framing economic, social, and environmental goals as interdependent. These articles lay the groundwork for the inclusion of labour, environmental, and gender provisions, signaling a shift toward value-based trade governance.

Concerning labour rights, the Article 19.3 of the agreement outlines both parties' adherence to uphold and promote internationally recognised labour rights as part of their trade relationship (Free Trade Agreement between the European Union and New Zealand, 2024). The Article also confirms the parties' commitment to the ILO's fundamental principles and rights at work, covering freedom of association, the abolition of forced and child labour, and equal treatment in employment. The article also emphasises that labour standards should not be weakened to gain trade or investment advantages, reinforcing a non-derogation principle.

Moreover, Article 19.4 of the agreement affirms both parties' commitment to promoting gender equality in the context of trade and sustainable development (Free Trade Agreement between the European Union and New Zealand, 2024). The agreement also recognises the importance of international instruments, including the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), while encouraging cooperation to expand women's access to trade-related benefits. The article also upholds a non-derogation clause, ensuring that gender-related protections are not weakened for trade or investment purposes.

Applying Virtue Ethics (Live by Example)

The agreement demonstrates the “live by example” dimension of Manners' virtue ethics through the incorporation of sustainability, social progress, and equality into its core objectives. Articles 19.1 and 19.2 portray sustainable development as an approach that brings together economic development, social inclusion, and environmental protection, an approach consistent with the EU's “Trade for All” strategy and its broader ethical commitment to responsible globalization. This embodies NPE, where the EU leads by example through norm diffusion rather than coercion. Two real policy cases show this ethical posture in action. First, the European Green Deal, introduced by President von der Leyen in 2019, positions the EU as a leader for climate neutrality, committing to cut greenhouse-gas emissions by 55 percent by 2030 and reach net zero by 2050 (Directorate-General for Communication European Commission, n.d.-b). Joint Research Centre outlines 154 binding and non-binding targets that constitute the Green Deal, which 32 are currently ‘on track’; and 64 are identified as ‘acceleration needed’, meaning that progress is being made, although more progress is needed to meet the targets on time; however, 15 targets are identified as ‘not progressing’ or ‘regressing’, and data are currently unavailable for 43 targets (Joint Research Center, 2025). Between 1990 and 2022, net greenhouse gas (GHG) emissions across the EU-27 declined by 31 percent while GDP continued to grow significantly over the same period (European Environment Agency, 2024).

Second, the EU Deforestation Regulation (EUDR), adopted in 2023, prohibits imports linked to deforestation, setting an ethical precedent in sustainable trade governance. The regulation seeks to ensure that EU consumption does not contribute to further forest loss or degradation, while also helping to reduce greenhouse gas emissions and global biodiversity loss. The European Green Deal and EUDR initiatives reinforce the EU's credibility as a moral actor that practices what it preaches, an institution that embeds environmental and social norms into its internal and external economic relations.

Applying Deontological Ethics (Be Reasonable)

The be reasonable dimension reflects the EU's attempt to fulfil its normative duty while maintaining consistency, fairness, and dialogue in external relations. Although TSD chapter advances ambitious labour and environmental standards, its reliance on non-binding cooperation mechanisms rather than enforceable sanctions reveals a tension between moral intent and political pragmatism, as the EU's pursuit of emerging market opportunities underscores the challenge of reconciling economic ambitions with normative commitments -illustrating how strategic interests may occasionally temper adherence to fundamental ethical principles (Garcia & Masselot, 2015).

The EU's deontological commitment is similarly visible in its EU-Vietnam FTA, where in 2023 the EU invoked an expert-panel process on labour-rights violations, favouring dialogue and capacity-building instead of punitive measures (Navasartian, 2020). Another illustration is the EU legislation banning the import, sale, and export of products made with forced labour, approved by the European Parliament in 2024. The law requires authorities to investigate and intercept goods suspected of being produced through forced labour, particularly those originating from high-risk regions such as Xinjiang, China, reflecting the EU's principled stance on human rights and corporate responsibility (Reuters, 2024). Collectively, these policies demonstrate the EU's effort to act reasonably, upholding ethical duties through cooperative governance while respecting partners' sovereignty and operational constraints.

Applying Consequentialist Ethics (Do Least Harm)

From a consequentialist point of view, the agreement shows how the EU tries to act with caution by doing the least harm while still promoting its values. As EU and New Zealand already share similar standards on labour rights, gender equality, and environmental protection, the agreement does not use any force or big changes in domestic laws or institutions. Instead, the agreement focuses on cooperation, dialogue, and keeping the same high level of commitment. This reflects the EU's practical side of being a normative power: promoting shared values without creating unnecessary costs or tensions for its partners (Ballingall, 2023).

Instead, the TSD chapter includes strong commitments to the Paris Agreement and ILO core standards (Ballingall, 2023). These ambitious goals are built, basically, on what both parties already follow, which makes the cooperation smoother and less disruptive. At the same time, the agreement introduces an important safeguard: if either the EU or New Zealand fails to meet its climate obligations or acts against the purpose of the Paris Agreement, the other side can temporarily suspend trade preferences (Ballingall, 2023). This rule shows that the EU prefers to use firm but balanced actions, only applying pressure when absolutely necessary.

The agreement shows how the EU tries to act responsibly by avoiding harmful outcomes. When early sustainability assessments raised concerns about environmental impacts, the EU built cooperative and enforcement tools into the trade deal to keep partners, in this case New Zealand, accountable but not overburdened (Carrillo, 2024). This careful balance captures the EU's "do least harm" logic, pursuing its values through cooperation rather than coercion. New Zealand's existing legal framework already incorporates robust protections aligned with the normative goals outlined in the agreement, particularly in the areas of labour rights, gender equality, and environmental sustainability. The Employment Relations Act 2000 promotes fair labour practices and collective bargaining (Employment Relations Act 2000, 2000), while the Equal Pay Act 1972 and the Human Rights Act 1993 ensure gender equality and non-discrimination in the workplace (Equal Pay Act 1972, 1972; Human Rights Act 1993, 1993). On the environmental

front, the Resource Management Act 1991 provides the foundation for sustainable resource use and environmental protection (Resource Management Act 1991, 1991). These laws reflect New Zealand's longstanding commitment to international norms, such as ILO standards and the Paris Agreement. As a result, the agreement does not necessitate new domestic legislation or enforcement mechanisms in these areas, but rather reinforces and aligns with New Zealand's pre-existing legal and policy commitments.

Conclusion

The European Union-New Zealand FTA exemplifies the EU's commitment to advancing its normative power through trade by embedding strong sustainability, labor rights, and gender equality provisions. Using Ian Manners' tripartite ethical analysis, the EU leads by example through ambitious climate policies, exercises reasonable cooperation avoiding coercion, and aims to do the least harm by respecting New Zealand's preexisting high standards.

The agreement's TSD chapter enforces commitments via cooperative mechanisms rather than sanctions, reflecting a newer FTA model that integrates ethical considerations systematically into trade governance. This cooperative approach aligns with the EU's normative role by promoting shared values without imposing unilateral changes, illustrating Manners' virtue, deontological, and consequentialist ethics dimensions effectively in practice. The EU-New Zealand FTA represents a milestone in embedding normative power within trade agreements, offering a model for future agreements balancing sustainable development goals with mutually beneficial economic cooperation.

AI Acknowledgment

Generative AI or AI-assisted technologies were not used in any way to prepare, write, or complete essential authoring tasks in this manuscript.

Conflict of Interest

The authors declare that there are no conflicts of interest in this research.

Funding

The authors declare that financial support was received for the research and/or publication of this article.

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