



The Transatlantic Trade & Investment Partnership (TTIP): Prospects and Challenges for EU-US Economic Cooperation

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Conference Participants: Abstracts

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Dr. Canan Balkir

Professor of Economics, Jean Monnet Professor on European Economic Integration
Former Chairperson of EU Studies and Coordinator of Jean Monnet Centre of Excellence
Dokuz Eylul University, Izmir Turkey

Title: The Impact of TTIP on the EU-Turkey Customs Union

Abstract

Turkey is one of the countries closely observing negotiations of the US–EU Transatlantic Trade and Investment Partnership (TTIP). The country’s primary concern is TTIP's potential impact on the Turkish economy given its long-term trade relation with the EU under the Customs Union (CU), even though this deal has gradually become less equipped to handle the new dynamics of global trade integration. In a way, this concern also reflects the difficulty of being the lesser party to an old generation trade deal challenged by the new generation free trade agreements of the greater party, the EU. Asymmetries in Turkey’s participation and consultation on decisions relating to the trade deals stem from the initial design of the CU agreement which itself was established as a transitory mechanism leading to Turkey’s full EU membership at a future date. Thus, the paper discusses the possible impact of TTIP on Turkey due to EU-Turkey CU, considering that this might even trigger a critical juncture to modernize the CU.

Dr. David Bullock

Professor in the Department of Agricultural and Consumer Economics
University of Illinois-Urbana Champaign
(The presentation is co-authored by Dr. Klaus Mittenzwei of the Norwegian Institute of Bioeconomy Research.)

Title: Agricultural Obstacles to a TTIP Agreement

Abstract

Agricultural issues have long been at the heart of EU-US trade agreements and disagreements. Especially large differences exist between European and American attitudes about the safety and desirability of genetically modified crops and meats from hormone-treated livestock. In essence, while the EU and US agricultural sectors take up small shares of their economies, the issues that involve play an outside role in the politics of EU-US trade agreements and disagreements. We present an up-to-date review and assessment of the roles being played by agriculture in EU and US domestic politics and EU-US trade agreements. We include discussions of the policy proposals and political issues most important in TTIP negotiations.

Melanie Goergmaier

Doctoral Student, EU Center, University of Miami

Title: The Trans-Atlantic Trade and Investment Partnership (TTIP): Consequences for the European Union and the United States

Abstract

After the disasters of two world wars, the main priority for Europe in the 20th century was the creation of an area of freedom, security, peace, and human rights. The general integration intention was to create an economic and political union, a free trade area, a customs union, as well as a common market including the free movement of goods, services, capital and people. Consequently, the original European Community developed into the European Union. The Maastricht Treaty enacted in 1993 led to the official creation of the European Union and Economic Policy Integration. It is essential to understand the institutions of the European Union when looking at the recent events of the world's financial crisis. Due to globalization, new economic great powers are developing in Asia and Latin America creating a potential risk of displacement of the U.S. and Europe in the global competition. Therefore, the Transatlantic Trade and Investment Partnership (TTIP) creates new opportunities for both sides of the Atlantic Ocean. Besides tariff abolishment and increased legal security, transfer of technology in the automobile economy and in the information and communication technology (ICT) industry will improve which will in turn lead to cost advantages created by common service management including fixed exchange rates for Euro and Dollar. In view of the carbon dioxide (CO₂) increase and the dramatically increasing climate change, energy supply with renewable energy sources combined with a better climate and environmental protection presents a further challenge, which can only be mastered jointly by the U.S. and Europe. On both sides of the Atlantic, more than 200,000 jobs and economic situation impulses of up to 200 billion Euros are expected to be created by the TTIP. Likewise, public health policy is to be mastered more easily on both sides in solidarity in view of aging societies.

Deniss Kaskurs

PhD Student in Political Science

Steven J. Green School of International and Public Affairs, Florida International University

Title: TTIP: Economic recession, international devaluation and Latvia's international investment and trade patterns (with Russia)

Abstract

The recent global economic downturn has inflicted a substantial amount of economic hardship throughout the world. Many countries experienced a drastic fall in gross domestic product (GDP) and domestic wages. Republic of Latvia experienced about 21 percent decrease in its GDP and a government deficit increase by about 20 percent. Upon suggestions from the European Central Bank and the International Monetary Fund, Latvia's government response to the crisis was an implementation of a long term fiscal consolidation policy that relied on internal devaluation and nominal wage policies. The policy's anchor was to stimulate economic growth through the rise in net exports, increase in inflow of capital, and decrease in the government deficit until it was feasible to adopt the Euro. The following paper analyzes how the austerity program has affected Latvia's economy and the transatlantic economic relations between Latvia and the United States. This paper utilizes current account balance, foreign direct investment (FDI) flow and domestic consumption indicators to evaluate the internal devaluation program. Evidence shows that the economy is growing with the help of increased net exports and foreign direct investment flows. The main foreign investments originating from the United States were made in the telecommunications, oil pipelines, real estate, retailing and banking sectors. The number of direct investing projects grew substantially, allowing for the creation of employment, mainly in the pharmaceutical and new technologies sectors. Latvia, at the same has signed bilateral agreements that avoid double taxation and safeguard intellectual property rights to promote easier conduct of business between the United States and Latvia

Dr. Maxime H. A. Larivé

Associate Director and Director of Graduate Studies
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Title: Trade, TTIP and Transatlantic Perceptions

Abstract

TTIP was supposed to be a done deal between two of the largest world economic and trading powers, the United States (US) and the European Union (EU). The TTIP is not a traditional trade deal, it is a new generation of agreement between two advanced economies. The TTIP is highly technical and deals more with harmonization of regulations and standards than traditional politics seeking to lower tariffs.

In parallel to the TTIP negotiations led by the European Commission and the United States Trade Representative (USTR), a transatlantic debate on the benefits of trade has emerged in recent years. Political campaigns in the US and in Europe have been highly sceptical and negative towards trade and more broadly globalization. The EU has been dealing with a rising challenge to defend the TTIP and the whole concept associated to it, globalization.

This analysis will seek to study the forces informing perceptions and understanding of trade and globalization within the Euro-Atlantic community over the last decade. It will try to explain the factors associated and informing popular oppositions to the TTIP negotiations, and even the recent CETA negotiations with Canada. Issues related to health, environment, food security and standard, agriculture, Investor-to-State Dispute Settlement (ISDS) mechanism and so forth have been at the center of European's reticence towards the deal. In the US, the TTIP is quite unknown as Americans are primarily concerned with the TPP and too some extent NAFTA. In the case of the US, the anti-trade sentiment is more informed by feelings towards domestic unemployment and the global role of the US.

Dr. Maria Lorca Susino

Professor in Economics and International Studies
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Title: TTIP and Energy Chapter: Energy Security vs Energy Diplomacy

Abstract

One of the most debated issues after the British vote in favor of leaving the EU is the damage that "Brexit" might have inflicted in the negotiations of the Transatlantic Trade and Investment Agreement (TTIP) between the US and the EU. However, the results of the 2016 Presidential Election in the US might become a "game changer" for the signing of the agreement, and the Brexit might have not affected the TTIP after all.

In this scenario, the United States and the EU have been working on Trans-Atlantic Trade and Investment Partnership (TTIP), which Secretary of State John Kerry has said would "reinforce our common effort to counter violent extremism, support the sovereignty of Ukraine, build energy security and independence for many nations in Europe that currently must rely on one source – Russia, and it will help us address such global problems, such as nuclear proliferation and climate change. That's what comes out of this kind of cooperative effort and the growth that it will spur."¹

This research paper analyzes the need of a well-structured and balanced energy relationship between the United States and the EU, with or without the TTIP, to rebalance the "energy security vs energy diplomacy" tradeoff which has profound effects not only on world geopolitics but most importantly in energy price stability and economic stability.

¹ John F. Kerry, "Remarks at the Atlantic Council's Conference on Trade and National Security: Renewing U.S. Leadership through Economic Strength," Atlantic Council. U.S. Department of State. April 23, 2015.
<http://www.state.gov/secretary/remarks/2015/04/241019.htm>

Dr. Joaquín Roy
Professor and Jean Monnet Chair
Director, European Union Center of Excellence
University of Miami

Title: The TTIP: Uncertainty, delay, failure, and impact on Latin American integration

Abstract

The development of the TTIP since the announcement of the negotiations has been impacted by a variety of difficulties. The first has been the rise of opposition and questioning in Europe and the United States caused by doubts about its negative impact on certain sensitive areas. The second has been presented by a renewed wave of nationalism and populism in Europe, reinforced by reinforced by the campaign for the US presidential election and the uncertainty of predictions regarding the decisions to be made by the new president. The impact of this combined scenario on the current and future fabric of Latin American integration schemes include the decisive reinforcement of certain current realities (Mercosur, Andean Community, etc), their demise, or the combination in new entities.

Michael Wartenbe
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Steven J. Green School of Public and International Affairs
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Title: The TTIP, Depoliticized Trade, and Institution of Corporate Interest

Abstract

As the Transatlantic Trade and Investment Partnership (TTIP) is being negotiated within the neoliberal iteration of free trade agreements, it has a larger focus on internal regulation to industries, rather than the traditional focus on external trade barriers. As such, TTIP (much like other uncertain agreements, such as the TPP) has lost opportunities in developing a a new standard of international markets that would be more favorable to labor and the general population. The proposed agreement focuses on standardizing regulation to the benefit of multinational corporations and a Trans-Atlantic elite, rather than to the emphasis of labor, environmental, or consumer regulation. This is due to the entrenched negotiation structure developed out of an earlier period of trade agreements, which focused on external barriers. This has allowed for an entrenchment of corporate interest due to the depoliticized nature of tariffs and other less intrusive issues, which elicited little public response. However, with the advancement into the neoliberal period and the very politicized nature of modern trade agreements, the institutionalization of corporate interests has not only called into question the public utility of regional agreements, but also the general benefit of transnational liberal institutions. Especially problematic is that due to the institutionalization of corporate interests, whether TTIP is rejected or passed, the opportunity of labor friendly regulation is ultimately lost at all levels of governance.

Alasdair R. Young (PhD)
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Director of Undergraduate Studies
Co-Director, Center for European and Transatlantic Studies
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Title: From Great Expectations to Damp Squib: The Politics of TTIP

Abstract

When the TTIP negotiations began expectations were high for the swift conclusion of an ambitious agreement. Officials on both sides of the Atlantic promoted it as a means of spurring economic recovery in the wake of the Global Financial Crisis; of responding to the rise of China; and, of bolstering the transatlantic alliance. Despite these motivations, the negotiations are in a coma, if not dead. This presentation explains why optimism was initially so high and why it turned out to be misplaced. The initial optimism reflected the broad support for an agreement among transnational business interests and high level political support, particularly in Europe. Thus to the trade officials in charge of the negotiations, the political winds looked set fair for a swift and ambitious agreement. The negotiations, however, ran into two distinct political headwinds, both of which were associated with its efforts to address behind-the-border obstacles to trade. One was an unprecedented level of engagement, particularly in Europe, by consumer and environmental groups and even citizens concerned that the agreement would undermine cherished consumer, environmental and labor protections. The other headwind, which has been stronger in the U.S., is the challenge of coordination among multiple government agencies and across levels of governance, which make the relevant domestic policies. In different ways these headwinds have greatly constrained the capacity of the U.S. and the EU to make the difficult concessions necessary to deliver an ambitious agreement. The very ambition of the agreement, which made it so attractive to the business community, thus sowed the seeds of its demise.