

# **Content analysis of scientific literature on TTIP between 2013 and 2016**

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Master's thesis

submitted by

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### **Statutory Declaration**

I declare that I have developed and written the enclosed Master Thesis completely by myself, and have not used sources or means without declaration in the text. Any thoughts from others or literal quotations are clearly marked. The Master Thesis was not used in the same or in a similar version to achieve an academic grading or is being published elsewhere.

Vienna, 04.11.2016

A handwritten signature in black ink, reading "Gregor Karmitschitz". The signature is written in a cursive style with a large, stylized 'G' and a long, sweeping underline.

## Acknowledgements

At this point it is appropriate to acknowledge credit where credit is due.

First and foremost I want to thank my mother for enabling my studies and consequently my personal development. Without her constant support and her benevolent attitude I would most certainly not have reached such a significant condition. Similarly my father and my brother deserve credit for their endorsement as well.

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Beside its scientific pursuit, this Master's thesis should motivate people to participate in economics and politics, but not by feeling pressured to take part in political activism, rather by taking time to think about it. Therefore the author of this Master's thesis would like to cite Karl Marx's famous thesis 11 from *Theses on Feuerbach*, just to disagree with it thereafter:

“Philosophers have hitherto only *interpreted* the world in various ways; the point is to *change* it (Marx, 1888).”

Not only have philosophers tried to change the world, all human beings have. More importantly, by trying to change the world all the time we do not find the time to understand it anymore. Today we live in a time of abundance and acceleration. Understanding the world becomes more difficult as our modern society progresses further into an unknown future. Before we follow political and economical imperatives to go ahead for the sake of growth and progress it could be prudent to consider stopping for a short moment to apprehend the consequences that the constant need of changing the world has brought us. The challenge is to constantly ask unpleasant questions and press for reasonable explanations in order to critically question them again. This never-ending process already suggests that no answer can be considered complete and no idea absolute. It is only after we collectively develop an understanding of global mechanisms that we can try to change things for the sake of a gentle and kind coexistence.

**Abstract:**

The currently negotiated Transatlantic Trade and Investment Partnership (TTIP) between representatives of the European Union (EU) and the United States of America (USA) appears to be a contested issue among the European public and media. This Master's thesis explores whether there exist common themes in the European scientific literature on TTIP. Hence, a text body of 49 scientifically qualified publications in the period from 2013 to 2016 was reviewed by applying the qualitative summarizing content analysis by Mayring. The most frequently stated arguments were grouped into three core findings: (1) A significant amount of publications stress geopolitical considerations for negotiating TTIP. (2) More than half of the publications focused solely on three TTIP assessment studies and particularly on a study by the Centre for Economic Policy Research (CEPR). (3) More than half of the publications indicate that TTIP could particularly benefit Transnational Corporations (TNCs). Based on the results, it is recommended to address geopolitical considerations more transparently, to take into account a wider range of assessment studies as well as to intensify research in the field of power asymmetry.

**Keywords:** TTIP; summarizing content analysis; assessment studies; CEPR; geopolitics; TNC;

**Kurzfassung:**

Das aktuell zwischen der Europäischen Union (EU) und den Vereinigten Staaten von Amerika (USA) in Verhandlung befindliche transatlantische Handels- und Investitionsabkommen (TTIP) scheint innerhalb der europäischen Bevölkerung und den Medien ein umstrittenes Thema zu sein. Die vorliegende Masterarbeit geht der Frage nach, ob die europäische Expertenliteratur zum TTIP ähnliche Inhalte und Argumente aufweist. Zu diesem Zweck wurden 49 wissenschaftlich qualifizierte Veröffentlichungen im Zeitraum 2013 bis 2016 mit der zusammenfassenden Inhaltsanalyse nach Mayring analysiert. Die Ergebnisse wurden nach den meist genannten Argumenten sortiert und lassen sich in drei Kernbereiche zusammenfassen: (1) Ein nennenswerter Teil der Publikationen weist darauf hin, dass geopolitische Überlegungen eine große Rolle für die Aushandlung des Abkommens spielen. (2) Mehr als die Hälfte der Publikationen zitierten drei bestimmte TTIP-Einschätzungsstudien, und eine Studie des Zentrums für wirtschaftspolitische Forschung (CEPR) im Besonderen. (3) Mehr als die Hälfte der Publikationen deuten darauf hin, dass transnationale Konzerne (TNCs) am meisten von einem Abschluss des TTIP profitieren könnten. Im Anbetracht der Ergebnisse wird empfohlen geopolitische Begründungen öffentlich deutlicher zu adressieren, mehr Einschätzungsstudien in Betracht zu ziehen und die Forschung im Bereich ökonomischer Machtasymmetrie zu vertiefen.

**Schlüsselwörter:** TTIP; zusammenfassende Inhaltsanalyse; Bewertungsstudien; CEPR; Geopolitik; TNC;

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## List of acronyms

CETA	-	Comprehensive and Economic Trade Agreement
CGE	-	Computable General Equilibrium
DSM	-	Dispute Settlement Mechanism
EU	-	European Union
FTA	-	Free Trade Agreement
GDP	-	Gross Domestic Product
HLWG	-	High Level Working Group on Jobs and Growth
ISDS	-	Investor to State Dispute Settlement
JIF	-	Journal Impact Factor
MAI	-	Multilateral Agreement on Investment
NAFTA	-	North American Free Trade Agreement
NGO	-	Non Governmental Organisation
NSA	-	National Security Agency
NTB	-	Non Tariff Barrier
OECD	-	Organisation of Economic Co-operation and Development
PP		Precautionary Principle
QDA	-	Qualitative Data Analysis
RTA		Regional Trade Agreement
SME	-	Small and Medium Enterprises
SPS	-	Sanitary and Phytosanitary Measures
TAFTA	-	Trans-Atlantic Free Trade Agreement
TNC	-	Transnational Corporation
TPP	-	Trans-Pacific Partnership
TTIP	-	Transatlantic Trade and Investment Partnership
US	-	Unites States
WTO	-	World Trade Organisation

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# 1 INTRODUCTION

The Master's thesis explores the scientific literature with respect to assessments of the currently negotiated Transatlantic Trade and Investment Partnership (TTIP) between the European Union (EU) and the United States (US) in scientific literature. This trade agreement has evoked multi-layered argumentations, opinions, predictions and attitudes that need to be addressed as it will directly affect more than 800 million citizens in the EU and the US, not taking into account consequences for third countries.

Two lines of reasoning dominate the prevailing debate about TTIP. On the one hand, the economic rationale is brought forward to justify the trade deal. The agreement is supposed to generate growth and jobs, which is what almost all nations are ultimately striving for. This induced boost of the economy is supposed to lead to increased wealth and wellbeing in the two biggest economies in the world. Beyond the benefits for the EU and US citizens the trade deal may serve as an instrument to strengthen the economic and geopolitical<sup>1</sup> supremacy of the two power blocs.

On the other hand, a rising mistrust of the agreement can be witnessed since the starting of negotiations in July 2013. Newspapers, non-governmental organisations (NGOs), the interested public, entrepreneurs as well as politicians of distinct beliefs are voicing their concerns about the trade deal. Secret negotiations, regular publications of classified content and even fears of a *secret corporate takeover* (Stiglitz, 2015) are stimulating an atmosphere of discontent, opposition and an undue preference of a corporate-political elite.

The Master's thesis aims at segregating this bipartite reasoning by exploring assessments published in the scientific literature. Thus the thesis represents an evaluation of a large body of scientific literature dedicated to diverse subjects in the realm of TTIP. The results should serve as a substantial supplement to a heated debate.

The thesis explores on how TTIP is conceived in the scientific literature.

For this purpose a literature analysis has been conducted and is elaborated in this thesis. The analysis aims at answering the following research questions:

1. Which subject areas of TTIP do scientists refer to in the assessments most commonly?  
Do core themes exist?
2. How are the declared economic potentials of TTIP addressed in the scientific literature? Are the economic potentials confirmed or contested?

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<sup>1</sup> The term “**geopolitics**” is contested and has different meanings among disciplines. In the context of this thesis geopolitics are understood as strategic state measures (such as foreign affairs or foreign economic activities) that are pursued for the political and economic wellbeing of a particular state.

3. Do analogies to the negative public perception of TTIP exist in the scientific literature? Are public mistrust and especially the critique against a benefitting business elite in TTIP addressed within scientific literature?

A prerequisite for answering the research questions is a better understanding of the embeddedness of TTIP in the global political economy. The following sections therefore strive to (i) generate a deeper as well as aggregated knowledge about the complex field of international trade and investment relations in TTIP and to (ii) create a multilevel perspective piled upon a vast collection of literature.

Finally, beside the scientific assessment, this thesis should also serve as an organised collection of scientific results. It represents a work of reference and an overview of contemporary TTIP-contributions as well as a distinct summary. Interested people can use this collection as a source of basic information and as an impulse to deepen their knowledge or to conduct further research.

Hence the thesis continues with a literature review concerning the TTIP (section 2). Section 3 is a detailed explanation of the methodology. Section 4 presents the main results obtained by the literature analysis. The discussion of the results is found in section 5 and puts the findings into perspective. The last section (6) outlines the conclusions drawn from the results and the discussion.

## 2 THE EVOLUTION OF TTIP

This section represents a review of diverse TTIP literature, containing economic theory, insights from official negotiation documents, media reporting and philosophical as well as socio-economical contributions. It provides an introduction into the theories of free trade (sub-section 2.1), a historical approach to the ambitions to foster transatlantic relations (sub-section 2.2), the scope of a potential agreement (sub-section 2.3) and an update to the current state of negotiations (sub-section 2.4). It follows an account of the contemporary reporting about TTIP (sub-section 2.5). The last sub-section presents different perspectives on the current global situation (2.6). This last part is considered an attempt to relate the trade agreement to the current global condition and tries to provide the reader with a reflection and supplementary context.

### 2.1 Trade theory

TTIP is called a trade agreement, but what is trade exactly? To answer this question it is appropriate to look at trade theories. The theory of free trade is a combination of subsequent theories about the advantages of the so-called external trade (foreign trade) that is not hampered by regulatory action (tariffs<sup>2</sup>, taxes, quota and regulations). Its promise is to generate more wealth for all states affected by free trade. The theory of free trade emerged after the establishment of the capitalist production method and was elaborated by David Ricardo (1772-1823) who altered the theory of *absolute advantage* by Adam Smith (1723-1790). David Ricardo demanded an abolishment of all regulatory measures and was convinced that just by preventing all possible forms of protectionist measures the full potential of trade and consequently the international labour division could be exploited.

The decisive contribution by Ricardo was showing that even if a state is at a disadvantage concerning the production of commodities (e.g. higher production costs, longer production times due to technological deficits) to another state, trade can be beneficial nevertheless. According to Ricardo there is a necessary condition called *comparative advantage*. The comparative advantage does not depend on the absolute production costs (Smith) but on the relative production costs, i.e. the opportunity cost, of a commodity. The key mechanism is specialization in the production of one commodity, which is also the basis for far reaching ramifications of the new international labour division<sup>3</sup> (e.g. outsourcing). The mechanism is as follows:

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<sup>2</sup> Trade **tariffs** are taxes to be paid when certain products cross customs barriers.

<sup>3</sup> This term describes a spatial shift from manufacturing industries from so-called advanced industrialised countries to so-called developing countries. This description has its origins in the theory about division of labor (Moulaert and Salinas, 1982).

Commodities	State A			State B		
	Quantity	Cost		Quantity	Cost	
		Unit	Total		Unit	Total
Tires	1	35	35	1	45	45
Wheels	1	30	30	1	60	60
Total	2		65	2		105

**Table 1:** Example of comparative cost advantage: Total costs (Source: Own table).

In Table 1 the total production costs for two different commodities of two states are given. When the two states come to the agreement to specialize on only one commodity, they each produce with a cost advantage. In this case State A specializes on the production of wheels saving € 5 while State B specializes on tires, saving € 15 in total (see Table 2). This means that State B has lower opportunity cost for producing tires. Even though State A is better at producing both products the agreement generates net savings.

Commodities	State A			State B		
	Quantity	Cost		Quantity	Cost	
		Unit	Total		Unit	Total
Tires	0	35	0	2	45	90
Wheels	2	30	60	0	60	0
Total	2		65	2		90
Savings			5			15

**Table 2:** Example of comparative cost advantage: Total savings (Source: Own table).

This exchange yields an advantage for both states, as the costs of production for the same quantity of commodities declines for both of them. In Ricardo's model trade occurs due to this difference in labour productivity, as now (after specializing on one commodity) State A and State B can trade tires and wheels. The Ricardian comparative advantage model is of course a theory and therefore assumes *constant returns to scale*<sup>4</sup>, *perfect competition*<sup>5</sup>, no transport costs and the existence of two homogenous commodities. This example presents

<sup>4</sup> **Constant Returns to Scale** is an economic expression for a production method that produces output by the same proportion as applying input.

<sup>5</sup> **Perfect competition** is a hypothetical assumption of a market that functions at its best possible level of competition. For perfect competition certain presumptions must be guaranteed. For example all participants of a market have perfect knowledge (meaning every participant knows exactly the same of the current market situation), all participants are assumed to act rational (maximising each self-interest) or that all participants have the same conditions to enter a market.

free trade in a nutshell while in reality it is of higher complexity. It is not simply a system where a certain state produces a certain commodity to exchange it with another state. Trade does not arise just because of technological or resource-related differences across sectors. There are more aspects to it.

In the 1930s the Heckscher-Ohlin model gave trade theory a new impetus. The two Swedish economists Eli Heckscher and Bertil Ohlin altered trade theory by determining the comparative advantage of a country with labour, capital, land and infrastructure as factors of production. This is due to the underlying productivity differences not explained by the Ricardian theory. The essential contribution of the Heckscher-Ohlin theory is the explanation that states are exporting commodities that mainly require factor inputs that are abundant in the state (e.g. labour and land for agriculture) while they import commodities that mainly need factor inputs that are scarce (e.g. capital for electronics) (Blaug, 1992). Additionally in the Heckscher-Ohlin model full specialization cannot be achieved as different factor combinations for each country are assumed. This means that countries are equipped with different rate of production factors. The advantage therefore arises by the available proportion of production factors (e.g. a higher proportion of the factor labour permits the production of labour intensive products). The theory likewise assumes *constant returns to scale*, *perfect competition*, no transport costs and the existence of two homogenous commodities.

This allows explaining *inter-industry trade*, which means that products are traded that belong to different industries (e.g. the trade of fish with coconuts). However there still is a shortcoming. The Ricardian as well as the Heckscher-Ohlin theories do not fully explain how trade works nowadays. The commodities traded between the states are still assumed homogenous (products are identical in both states). Today we can observe that states import a wide array of products including ones which they also produce themselves (*intra-industry trade*). Why are similar commodities (e.g. different types of cars) traded amongst states with the same costs of production?

Paul Krugman (1953) proposed the *New Trade Theory* in 1979 that aims at explaining this development that deviates from the comparative advantage assumption. It presents two new assumptions: Firstly, intra-industry trade increases the variety of products (*product differentiation*) of the same industry, which is advantageous to corporations (more competition) as well as consumers having more diverse consumption choices. Secondly, it gives corporations the opportunity to benefit from *economies of scale*<sup>6</sup>.

With these assumptions the example above can be extended. Suppose State A and State B now jointly produce a sports car. They then export it to State C, which at the same time exports family cars to State A and State B. This can now be called intra-industry trade: State A and State B produce cars, as does State C. The difference is that they both (A and B)

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<sup>6</sup> **Economies of scale** (also returns to scale): concentrating on producing specific types of products within a specific range brings cost advantages. Those are obtained by decreasing costs per unit of output because fixed costs are spread out over additional units of output (understood as an increase in scale).

collectively, C on its own) specialize in specific types of cars. This is called *product differentiation*. Additionally *economies of scale* explain that it is profitable to specialize in the production of a specific type of product. Consequently the assumption of product homogeneity (perfect competition) is dropped. Those two assumptions represent the main difference to the Ricardian and the Heckscher-Ohlin theories.

Thus, modern free trade is a system where innumerable commodities are produced and sold within a vast system of trading partners, driven by product differentiation and economies of scale. It is performed between a compound of several states (e.g. the multilateral trading system under the World Trade Organisation - WTO) or two states, as is the case with TTIP, or more states as is the case in the EU or the North Atlantic Free Trade Agreement (NAFTA), a trade agreement between the US, Mexico and Canada.

## **2.2 The history of transatlantic cooperation**

Before it was common to foster trade liberalisation (e.g. the abolishment of tariffs or regulatory measures) with bilateral trade agreements trade issues were discussed within the multilateral trading system. This system is a regularly held political conference to promote the liberalisation of the international trade under the international law of the General Agreement on Tariffs and Trade (GATT) that was concluded in 1947. It was initiated due to the non-implementation of an International Trade Organisation (ITO). The main achievement of the GATT was a steady cut in trade tariffs through the succession of the multilateral trade negotiations. Therefore tariffs on products between the US and the EU are on a very low level today, with many goods (especially agricultural products) still protected. After the Uruguay-round (1986-1994) the World Trade Organisation (WTO) was founded. The WTO replaced the GATT and trade related issues have since then been discussed under its framework. The WTO is located in Geneva (Switzerland) and is concerned with trade- and economic relations. Its main tasks are the coordination of economic policy and dispute settlement among its 162 members. The latest multilateral negotiations under the WTO – the Doha Round that started in 2001 – brought multilateral trade to a halt. Unsolvable issues between high-income and low-income countries on agricultural issues and the advancement of many economies from low-income countries to middle-income countries and coalitions formed among them (e.g. Association of Southeast Asian Nations - ASEAN) are the reason for stagnation in developments beyond the Doha Round. Since the fourth attempt to reconcile the different positions under the Doha Round in 2008 there has been no further progress in multilateral trade.

Although the halt of the multilateral negotiations are a reason for the EU and the US to negotiate TTIP, the intention to enter a bilateral trade agreement goes back to the year 1995. Back then the Multilateral Agreement on Investment (MAI) was negotiated between the member states of the Organisation of Economic Co-operation and Development (OECD). The

aim of the agreement was to facilitate better foreign direct investment (FDI)<sup>7</sup> possibilities for investors of the member states, but the agreement never entered into force due to criticism of the public society regarding strengthened rights for foreign investors. The agreement would have included a dispute-settlement mechanism that resembled the mechanism discussed for TTIP.

In 1995 the former German foreign minister Klaus Kinkel suggested to discuss the Transatlantic Free Trade Agreement (TAFTA)<sup>8</sup>. Later that decade Brittan proposed a Transatlantic Economic Partnership Agreement hinting that the EU and the US share similar levels of protection concerning public interest areas and seek to stimulate economic growth (Brittan, s.a.)

Yet it took several years in which the EU and the US tried to strengthen transatlantic relations until they took up the idea of a serious economic agreement again. Since 2007 the EU has increasingly focused on bilateral trade deals because of strengthened economic interests. This was the time when the EU started negotiations with India and South Korea on free trade agreements. In the same year the Framework for Advancing Transatlantic Economic Integration was signed. In Section I (Purposes) the goal of this economic framework is made clear:

“We seek to strengthen transatlantic economic integration, with the goal of improving competitiveness and the lives of our people (European External Action Service, 2007, 2)”.

To pursue the goals formulated in the Framework the Transatlantic Economic Council (TEC) was established. A few years later in 2011 the High Level Working Group on Jobs and Growth (HLWG) - set up by Barack Obama, Herman Van Rompuy and José Manuel Barroso - presented a report (HLWG, 2013) that recommends broad negotiations on bilateral trade and investment issues. Since July 2013, the European Commission and the US-Congress have been working together on implementing this ambitious multi-year cooperation from then on termed TTIP.

## 2.3 The core contents of TTIP

TTIP consists of three main blocks, *market access* for EU and US companies, *cooperation on regulatory issues* and *global rules of trade* such as sustainable development or competition policy. TTIP will have up to 30 chapters most of which are in a very different state of progress.

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<sup>7</sup> **Foreign direct investment** is productive investment of an investor of a host-state in a foreign state. FDI is an important component for the influence of capital on foreign business activities. FDI for example can be financial capital, expert knowledge or technology. If not adjusted properly in trade agreements, FDI constantly is dependent on political changes, economical changes or social changes in the host country.

<sup>8</sup> **Transatlantic Free Trade Area (TAFTA)** is the idea to establish a free-trade area between Europe and North America. It exists since the beginning of the 1990s.

The first block includes tariff negotiations, access to services and procurement markets, investment liberalisation and the contested investment protection including an investor to state dispute settlement (ISDS).

The regulatory cooperation block concerns *technical barriers to trade* (TBT) and ensures that technical regulations, standards, and conformity assessment procedures are non-discriminatory. TBT are *non-tariff barriers to trade* (NTB) and are used to regulate markets and protect its consumers. These are for example labelling requirements, standards on technical specifications, quality standards and conformity-assessment measures such as certification, testing and inspection. The block also includes *sanitary and phytosanitary measures* (SPS) concerning policies of food safety. Considering the proclaimed economic potentials, this is the most important block of the negotiations, as aligning or reducing these NTBs holds the highest potential gains for the EU and the US, since classical trade barriers such as tariffs and quotas are – with some exceptions – already at a very low level between the EU and the US.

The third block of the negotiations deals with rules of trade. In this block the EU and the US are negotiating about the direction of global trade. According to the negotiators this block provides an opportunity to increase the level of ambition on labour and environmental aspects of sustainable development.

## **2.4 The current state of negotiations**

Since July 2013, there have been fourteen rounds of negotiations taken place in the EU and the US on a rotating basis. At the time of writing this thesis the 14<sup>th</sup> round of negotiations was held in Brussels (11<sup>th</sup> to 15<sup>th</sup> July 2016). The focus was on regulatory issues and TBT. Besides bargaining about the usual sectors (automotives, mechanical engineering, pharmaceuticals, chemicals, cosmetics, textiles), the European Commission even proposed new texts on Energy and Raw Materials (BMFWF, 2016). This chapter is concerned with export monopolies, third party access to energy transport infrastructure and cooperation on energy efficiency and sustainable renewable energy (European Commission, 2016a). One of the chief negotiators claimed that a potential opening of the US gas export market could be to the benefit for the energy security aspirations of the EU. He also rejected the critique that TTIP could undermine climate objectives by claiming that it could even strengthen them (Bercero, 2016).

This new text proposal at this stage of negotiations can be read as a reaction to recently leaked texts containing energy proposals that suggest a threat to the EU's climate objectives (The Guardian, 2016a). It remains to be seen how this diversification of energy sources tackles the problem of carbon emissions and the climate objectives. Aside from that, proposing new negotiating texts (reacting on leaked documents) became a new accompaniment of the proceedings around TTIP.

The negotiations have now been lasting three years and there seems to be no sign of a near end. Proposing new contents does promote this assumption. Even Bercero (2016) hints that it will take considerably more time to reach an agreement, as there remain important differences between the EU and the US that need to be discussed in every area of the negotiations. This statement further points to the fact that a mature TTIP will probably not be concluded during the administration of president Obama, or even within 2015 as was assumed for example by Karel de Gucht (2014a), former EU Trade commissioner. With this and other early conclusions demanded of TTIP (European Voice, 2015; Malmström, 2015; parliament.uk, 2016) politicians and citizens would not have gotten the chance to generate such a level of attentiveness, which regardless of its negative stance can be considered a form of important political awareness.

## **2.5 The two-fold reputation of TTIP**

The discussion and reasoning about TTIP is divided into two blocs. On the one hand, advocates that rely on the economic rationale argue that TTIP represents a unique chance to boost economic growth. On the other hand, there is a public perception that is characterized by rising mistrust against the agreement.

### **2.5.1 The economic rationale (Impact assessment studies)**

TTIP is viewed by some as the most important Free Trade Agreement in history. This becomes clear when one takes a look at the two participants involved in the negotiations: The EU and the US, which in terms of nominal gross domestic product (GDP)<sup>9</sup> are still the biggest economies of the world. However, the predicted economic gains have to be itemised and few of the issues that go beyond economics have to be discussed to demonstrate the volume of the agreement. TTIP could have positive effects on the economies of the EU and the US.

Politically and economically TTIP is regarded as an endeavour to liberalize markets. It is understood as an initiative to foster production and consumption. The European Commission provides the following explanation:

“TTIP would boost trade at a time of continuing economic crisis. That means more business opportunities, more growth and more jobs. Lower prices, a wider variety of products to choose from and confidence that products and services from across the Atlantic meet the highest safety standards would also contribute to the prosperity of the over 800 million EU and US citizens (European Commission, 2013d.).”

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<sup>9</sup> **Nominal GDP** is gross domestic product (GDP) evaluated at current market prices, GDP being the monetary value of all the finished goods and services produced within a country's borders in a specific time period. Nominal differs from real GDP in that it includes changes in prices due to inflation or a rise in the overall price level (Investopedia, 2004).

TTIP is obviously an agreement that could benefit the consumers: More growth, more products and lower prices. According to the EU TTIP generates additional means of €545 per year for a European family (European Commission, 2013a). More consumption possibilities, a bigger variety of goods and a rise in income certainly are arguments in favour of TTIP, as these are agreed upon indicators of wealth.

Former EU Commissioner of Trade De Gucht (2014b) pronounced gains for big companies and even more gains for small ones as the agreement grants them easier access to international markets. According to that, businesses will gain from TTIP and consumers will enjoy the highest prosperity. However, consumers are also obliged to work for this wealth. So what is the impact on labour conditions then? The impact on EU-, US- and third country job markets was investigated by a study requested by European Parliament's Committee on Employment and Social Affairs, and it does not attest solely positive effects. While the charged TTIP-debate was primarily focused on trade and investment, this EU-study tries to show the effects on labour standards, taking social progress into account. The contribution suggests that liberalisation can have a positive effect on labour protection but that it can also cause a so called race-to-the-bottom (De Ville et al., 2016). The authors hint at uncertainties in the research of this topic and advise a precautionary approach and continuous monitoring of labour implications.

Another point of potential influence – attributable to the realm of economics – is policy choices regarding health and environmental protection. De Gucht (2014b) argues that TTIP must make sure to support labour and environmental issues and that the EU negotiators will not sacrifice them for commercial gains.

How are all these promises of boosting trade, growth and prosperity justified? How are they assured? In the case of TTIP the EU and the US had the potential impact on the two economies analysed by six studies. Besides, three independent studies were conducted.

As described in sub-section 2.3 the second core block of TTIP (regulatory cooperation block) concerns the non-discriminatory alignment or reduction of NTBs between the EU and the US. The assessment of the effects of lowering or aligning NTBs was performed by the studies listed in Table 3. For comparison the underlying methodologies and the estimated effects on annual GDP growth (according to the ambitious scenarios of each study) are listed. The 2009 Ecorys study was the basis for the following studies by CEPR, and CEPII. The estimations of the 2009 Ecorys study effects ground on a business survey conducted in 23 sectors of trading between the EU and the US. The 2012 Ecorys study focused on effects on the Netherlands and bases EU and US estimates on the 2009 Ecorys study. The CRS for Members and Committees of Congress bases its finding on the 2009 Ecorys study as well.

Study title	Date of publication; Institute; Authors	Used model	GDP growth*
<b>Analysis commissioned by the negotiating parties or interested members in negotiations</b>			
“Non-Tariff Measures in the EU- US Trade and Investment – an Economic Analysis”	2009, December 11, <b>Ecorys</b> Netherlands BV, for the EU Commission, Authors: Francois J., Berden K., Tamminen S., Thelle M., Wymenga P.	World Bank CGE: GTAP	EU: +0.7% US: +0.3%
“Study on the EU-US High Level Working Group”	2012, October 22, <b>Ecorys</b> Netherlands, for the Netherlands Ministry of Economic Affairs, Agriculture and Innovation, Authors: Plaisier N., Mulder A., Vermeulen J., Berden K.	World Bank CGE: GTAP	-
“Reducing Transatlantic Barriers to Trade and Investment – an Economic Assessment”	2013, March, <b>CEPR</b> – Centre for Economic Policy Research, London, for the EU Commission, Authors: Francois J., Manchin M., Norberg H., Pindyuk O., Tomberger P.	World Bank CGE: GTAP	EU: +0.5% US: +0.4%
“Transatlantic Trade – Whither Partnership, Which Economic Consequences?”	2013, September, <b>CEPII</b> - Centre d'études prospectives et d'informations internationales, Paris, Authors: Fontagné, L., Gourdon J., Jean S.	World Bank CGE: MIRAGE	EU: +0.3% US: +0.3%
“TTIP Negotiations”	2014, February, <b>CRS</b> – Congressional Research Service Report for Members and Committees of Congress, Washington D.C., Authors: Akhtar I.S., Jones C. V.	-	-
“Trade Barriers that SMEs Perceive as Affecting Exports to the EU”	2014, March, <b>US ITC</b> - International Trade Commission, Washington D.C., Authors: Williamson I.A., Aranoff S.L., Pinkert D.A., Johanson D.S., Broadbent M.M., Kieff F.S.	-	-
<b>Independent Analysis</b>			
“Transatlantic Trade and Investment Partnership – Who Benefits from a Free Trade Deal?”	2013, June, <b>Bertelsmann</b> Foundation – Global Economic Dynamics, Germany, Authors: Felbermayr G., Heid B., Lehwald S.	Ifo Institute CGE: Structural modelling	EU: +5% US: +13%
“Macroeconomic Potentials of Transatlantic Free Trade: A High Resolution Perspective for Europe and the World”	2014, October, <b>CESifo</b> – Center for Economic Studies & IFO Institute, Germany, Authors: Felbermayr G., Heid B., Larch M., Yalcin E.	Structurally estimated general equilibrium	EU: +3.9%
“The Trans-Atlantic Trade and Investment Partnership: European Disintegration, Unemployment and Instability”	2014, October, <b>GDEI</b> – Global Development and Environment Institute, Tufts University, Medford - US, Authors: Capaldo J.	United Nations GPM	EU: -0.5%
* <b>Estimated annual GDP growth in ambitious scenarios:</b> The estimated annual GDP growth is obtained from the ambitious scenarios of each study if GDP estimates were generated. These apply a comprehensive liberalisation agenda covering simultaneously lowering of tariffs, procurement, NTBs for goods, and NTBs for services.			

**Table 3:** List of the commissioned and independent economic impact studies (Acronyms: GDP – Gross Domestic Product; CGE – Computer Generated Equilibrium; GTAP – Global Trade Analysis Project; MIRAGE - Modelling International Relationships in Applied General Equilibrium; GPM – Global Polic Model; Source: Colibășanu and Grigorescu, 2015, 59f; EPRS, 2016, 7).

The ITC study commissioned by the US administration assesses how NTBs are perceived by small and medium enterprises (SMEs). This service does not provide GDP estimations. The Bertelsmann study applies a computable general equilibrium model (CGE; see next paragraph for general short description of CGE) developed by the Ifo-Institute that takes into account modelled NTBs and trade costs of 126 countries, including all EU member states and the US (Colibășanu and Grigorescu, 2015).

Ecorys (2009, 2012), CEPR and CEPII use CGE analysis to assess how an entire economy, is influenced by policy (e.g. taxation-, migration-, trade policy; worldbank.org, 2011). CGE analysis is a tool to measure simultaneous effects on many countries and sectors and poses the advantage of micro-theoretical support and an economy-wide scope in combination with backing of the entire bilateral trade flows (Antimiani and Salvatici, 2015). The overall effects expected by the commissioned studies are positive as are the effects estimated by the Bertelsmann study (also using CGE analysis). The CESifo study also uses CGE analysis (namely a structurally estimated general equilibrium model) and outlines positive effects for the countries affected by TTIP and negative effects (e.g. decrease in real income) for third countries. The study of GDEI was assessed using the United Nations Global Policy Model to provide an alternative to the CGE model that has shown to be *inadequate* as an instrument for trade policy analysis (Tufts.edu, 2014). It is the only study that finds negative effects of TTIP.

The two primary studies that the European Commission focused its information campaign on were the ones assessed by Ecorys and CEPR. The European Commission justified its trust on these two by declaring that they provide *conservative* estimations as they represent the *midrange of most other studies* (European Commission, 2013b).

### **2.5.2 The public perception**

In contrast to the economic reasoning media coverage about TTIP has developed a negative contortion, especially in Central Europe (e.g. German and Austrian). Newspapers, economic experts and NGOs are increasingly contesting the trade agreement with their contributions. Additionally many citizens sign petitions and surveys depict how the trade agreement loses support among the public. The following selected extracts from this reporting are journalistic and therefore presented in a media-effective manner. The statements should serve as a description of an increasing negative bias that might influence the public perception.

A petition to stop TTIP has been signed by more than 3.4 million people in Europe (Attac, 2015; Initiative Stop TTIP, 2015; accessed in August 2016). In May 2016 a survey of the *infratest dimap institute* (2016) revealed a distinct atmosphere concerning TTIP among German citizens. The representative survey shows that the sceptical attitude towards the trade agreement - meaning that the participants expect disadvantages from TTIP - rose from 55% in 2014 to 70% in 2016. The most contested issue among the participants were the secretly held negotiations. As a consequence of the rising scepticism the European Commission and the American Congress have revised contents - e.g. ISDS (European Commission, 2015a) -

although not to the pleasure of NGOs (Business Europe, 2015; Lobby Control, 2015) and have given the public the right to seek information and consultation about contested issues (European Commission, 2016b, 2015b, 2014). Nevertheless, at the time that this thesis was written, media coverage attested at least much longer lasting negotiations (as previous negotiations did not produce noticeable outcomes) and even an early end for TTIP.

The German weekly newspaper *Die Zeit* has continuously reported on TTIP. In July 2016 it published an article citing a SPD (Social Democratic Party of Germany) party member who stated that TTIP is dead (“TTIP ist faktisch tot”; *Die Zeit*, 2016a) also referring to dogged negotiations. The article declares ISDS as the uncontested hot topic despite the reform ambitions of the negotiators that were seldom acknowledged by newspapers. In another article published after “sensational” TTIP leaks in April 2016 (Greenpeace Netherlands, 2016) a rising opposition against the transatlantic agreement is determined to then draw parallels to the MAI agreement that failed in 1998 due to the distrust against transnational corporations (*Die Zeit*, 2016b).

Similarly Maude Barlow, an environmental activist, refers to the public protest against ISDS in an article in *Le monde diplomatique* (2014). She claims that the European Commission only presented a reformed ISDS in 2015 because of fearing that national Parliaments would block the dispute-settlement chapter. She attributes the political course changes to the vital public protest.

In the *Wall Street Journal* the impact of the Brexit, the choice of British citizens to resign from the EU, is presented as a big obstacle to TTIP as within the EU the UK is the largest trading partner for the US. Altogether it is a challenging time for the TTIP negotiations. The *Wall Street Journal* (2016) states that the Brexit is not the first problem for TTIP. It also misses political support and suffers from public criticism that is generated by a distinct *antiglobalization sentiment*. In this context, the German *Frankfurter Allgemeine Zeitung* also questions TTIP after the Brexit vote. In an article it is claimed that the EU lost attraction for the US. Losing the fifth biggest economy of the world (UK) is understood as a setback for US negotiators (FAZ, 2016).

In July 2016 the *Guardian* reported about a leaked energy proposal and criticized the contradictory statements that do not support the EU's commitment to tackle climate change (The *Guardian*, 2016a). Another article declares that the New Generation trade deals such as the Comprehensive Economic Trade Agreement (CETA) and TTIP made the world a *playground for a rich elite*. That circumstance ultimately is a severe threat to democracy (The *Guardian*, 2016b). According to another journalist, the negotiations have taken place when trust in politicians and businesses has significantly fallen. This led him to conclude that TTIP has justifiably been suspended for a long time (The *Guardian*, 2016c).

There are more contributions that go into the same direction. Very early back in 2013 Monbiot called TTIP a *full-frontal assault on democracy* (Monbiot in the *Guardian*, 2013). He

criticized that “it would allow a secretive panel of corporate lawyers to overrule the will of parliament” and the missing of corresponding rights for citizens. In the same year it was asserted that all trade agreements that aimed to downgrade the welfare state to the advantage of private corporations so far failed because of public protest. This would also be the case for the democracy undermined by TTIP if the interested public only woke up early enough (Wallach in *Le monde diplomatique*, 2013). In a similar approach Stiglitz speaks of a managed trade agreement created for corporate interests. He also criticizes investor protection of the ISDS and the undemocratic need to leak information instead of guaranteeing transparency (Stiglitz in *Huffington Post*, 2015).

De Zayas sees another sphere of special interest threatened, namely human rights. He urges to annul investment court systems (ICS) and ISDS and to perform trade that does not contradict human rights aspirations and addresses climate change and promotes sustainable development.

The public mistrust against the trade agreement cannot be omitted. Media reporting seems to reinforce this attitude. Since it is difficult to assess whether the agreement is justifiably questioned and denounced to such a degree, it is required nevertheless to turn to a more nuanced and balanced view on the transatlantic agreement. Therefore the author looks at assessments in the scientific literature.

## **2.6 Additional perspectives on current political, economic and scientific issues**

The following sub-section is a supplementary collection of contributions from various disciplines and considers issues worth discussing. It applies a political, economical and a philosophical discourse. Considering the latter, the consequent remarks should not be mistaken as scientific facts, but rather as a gathering of manifold thoughts and reputable perspectives (at least within disciplines) on contemporary phenomena. Light is shed on noteworthy issues as well as pressing developments of the twenty-first century. The sub-section is a personal attempt to widen the perspective and to embed TTIP into a wider range of explanatory approaches.

The 20<sup>th</sup> as well as the 21<sup>st</sup> century are referred to by social theorists and philosophers as fast paced and constantly transforming our modern society (Harvey, 1989). This society is often characterised by a sharp contrast. The United Nations Development Programme points out that while advanced communities live in abundance there exists a society living in misery and need (UNDP, 2015). Nevertheless those societies are connected economically and politically and this condition is commonly termed *globalised society*. This society needs a functioning system of diverse institutions and mechanisms while it simultaneously has to manage the challenges, consequences and problems created by those institutions and mechanisms

themselves. To illustrate this dynamic one could take a look at the following contemporary phenomena:

Science regularly contests, improves and reformulates fundamental assumptions about the structure and functioning of our society to simultaneously pave the way for modern technologies. Although controversial, Kuhn (1962) provides a very interesting account of what could be understood by a constant changing of basic frameworks of certain scientific theories (paradigms). When scientific theories become incommensurable (not quantifiable by old measures) they are substituted by a new theory in the process of a paradigm shift. Arendt describes her recognition of a form of power in science as follows:

“Only we, and we only for hardly more than a few decades, have come to live in a world thoroughly determined by a science and a technology whose objective truth and practical know-how are derived from cosmic and universal, as distinguished from terrestrial and “natural,” laws, and in which a knowledge acquired by selecting a point of reference outside the earth is applied to earthly nature and the human artifice (Arendt, 1958, 268).”

Adorno and Horkheimer (1944) in their famous work *Dialectics of Enlightenment* even go as far as to acknowledge a form of absolute authority to science. The most basic form of science, the “number became enlightenment’s canon. The same equations govern bourgeois justice and commodity exchange (ibid, 1944, 4)”. They obviously borrowed their contested observation from the contributions on relations of production by Marx and Engels (1890). Those relations are described as generating an accumulation of capital on the one hand and misery, agony, slavery, ignorance, brutalization and moral degradation on the other.

Today the economic activity (a term comparable to “relations of production”) activates what economists refer to as *externalities*. Arthur C. Pigou (1920) introduced externalities nearly hundred years ago and it still has substantial influence on the debate of modern economy. The main problem in this regard is that externalities<sup>10</sup> do not manifest themselves in the price of products. Concerning negative externalities a tendency of overproduction relative to the true costs is observable. This is referred to as a market failure as the environmental effects of production are not reflected in the price of a product and decrease social welfare. The discussion of externalities parallels that of overconsumption. In economics the term refers to a resource use (resource consumption) that supersedes the sustainable capacity of the ecosystem (Meadows et al., 2011). As will be seen in the main analysis of this thesis, some academics see the potential that TTIP could address exactly those negative externalities.

Another possible issue of interest concerning relations of production is the concept of time. Beside being a crucial factor of production in the form of labour time and in the form of the

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<sup>10</sup> Externalities: Costs or benefits arising from economic behaviour that is imposed on other parties (usually the whole society) than the producer. Economics distinguish between externalities on the production or consumption side and positive (e.g. conserving the environment from organic farming) as well as negative externalities (air pollution from burning fossil fuels).

development of faster and more efficient technologies there are other aspects to the principle of time. Sociologists for example claim that we cannot fully comprehend the modernity and its accompanying developments unless we attribute more attention to the principle of time. The growth-oriented societies increasing efficiency in production, allocation and consumption of goods can also be understood as accelerating peoples daily lives (Rosa and Scheuerman, 2009). Speed and acceleration have generated uncountable benefits, however a downside of this development could be acknowledged as well. Unadjusted members of accelerating societies could be outpaced by technological progress diminishing the importance of labour-force. Also time that does not serve as a factor of production (entitlement to education, to engage in political activities, recreational activities) could generate happiness and satisfaction as well. In a very different manner Arendt examines higher speed causing a merging of the modern world, back then not termed globalisation yet. She points to the perception that speed has made distance meaningless as now it takes nearly not time to reach any place on earth (Arendt, 1958).

Later on the concept of time will be taken up again as it plays an important role in the course of the long lasting negotiations of TTIP. For now the focus shifts to the connection of labour and consumerism. In the prolific abundance of the capitalist system it appears to become more and more difficult to figure out *socially responsible consumerism*<sup>11</sup>, as modes of global production tend to diversify to a degree that is not fully comprehensible anymore (Carrigan and Attalla, 2001). In an enormous and intangible network of corporations<sup>12</sup> and institutions it is a tough task to validate the lifecycle-processes of products or the impacts of policies on the behaviour of corporations (Steurer, 2010). Additionally the uncountable number of products which one can choose from requires a considerable amount of time to make an educated consumption choice. There are too many options to be occupied with and they appear to lead to the stagnation of happiness. In his study he argues that distinct phenomena – termed treadmills – generated by our modern consumption and working conditions suggest a paradox of happiness. This is a *collective non-optimal economic behaviour* that suggests that people in high-income countries do not actually maximize happiness. He substantiates his claims by presenting a noticeable number of empirical studies showing that in high-income countries an increase in income does not cause an increase in happiness (Binswanger, 2006). Besides showing that one could find problems when equalling income with happiness the study generally serves as a critical approach to the expression of happiness in quantitative terms.

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<sup>11</sup> **Socially compatible consumerism:** consumption choices which are not to the detriment of human labour forces engaging in the production of a certain product.

<sup>12</sup> Throughout the thesis the terms corporation, transnational corporation or multinational corporations are understood as follows: “The term ‘corporation’ encompasses a range of corporate structures including subsidiaries, holding companies, and joint ventures. ‘Transnational corporations’ are those corporations (and their related entities) that have operations in more than one state. Such entities are able to operate across national borders; sell products and source labour in multiple markets; and shift production, resources and expertise as and when required (Palmer, 2016, 76).”

Parallel to the ramifications of consumerism people are subject to geopolitical developments, which constantly demand attention as well as responsibility. As new terrific headlines pop up every few days it becomes increasingly difficult to relate to and to follow the complicated interconnected world order. There is a constant confrontation with matters of intangible consequences. Considerate consumers of mass media coverage are exposed to past and contemporary politico-economic occurrences such as complex wars (armed conflicts in Syria, Ukraine, Sudan, Libya etc.), arising embargos (e.g. Russia-EU; Rankin, 2016), merciless global terrorism and a refugee crisis that questions EU Schengen-borders, the composition of our global society as well as the idea of human rights. New political course settings (e.g. the controversial *Brexit*-vote; political changes in Turkey) are changing the political landscape to a non-foreseeable condition. In addition a latent nuclear hazard looms above society (Fuerth and Anthony, 2016) despite political concessions like the *Treaty on the Non-Proliferation of Nuclear Weapons*.

Confronted with these events, more “subtle” global problems fall behind. Climate change for example, as indicated by the Intergovernmental Panel on Climate Change (IPCC) on a regularly basis, is more relevant than ever. We constantly observe *syndromes of global change* such as environmental degradation, non-suitable agricultural practices or the depletion of renewable resources (Lüdeke et al., 2004). The growing global hunger for energy seems to overuse the planets fossil-resource base (IEA, 2015; Johansson et al., 2012). Mass surveillance (global spying by the National Security Agency - NSA) is challenging jurisdictions (reforms of the EUs legal framework to protect private data of citizens) and society’s understanding of privacy (Moraia and Kaye, 2014), while comprehensive data collection (Big Data) appears to challenge science (Anderson, 2008) and transforming social life. The financial crisis has never gotten hold of and is still demanding public and governments proper attention (Grabitz and Neuhaus, 2016).

In addition to coping with these phenomena, the citizen of the twenty-first century should be empowered to pursue a dignified life (Sen, 2002). According to modern economies this could be accomplished by following the consummation of imperatives of the economic system. In this context the term *globalisation* appears to be strategically used to drive economic convergence (Hay and Rosamond, 2001). Yet globalisation is accompanied by inconsistencies. The drifting apart of rich and poor, for example, is an indication of a possible malfunctioning of the global market system induced due to, on the one hand, out of hand accumulation of capital (ICIJ, 2016) and, on the other hand, a difficulty to measure state of poverty of vast quantities of the global society (Kochhar and Rakesh, 2015). This drifting apart appears to be supplemented by another development that marks the mechanisms of the free market, namely a corporate power gaining. In 2002, for example, Brinkman and Brinkman scrutinized the laissez-faire market and argued against the corporate power that is used without social responsibility to maximize profits (Brinkman and Brinkman, 2002). Korten (2015) writes that this development has been on going outside the public discourse.

To conclude this initiating small selection of issues worth considering about the current state of the political economy, trade liberalisation efforts must be added to the list. Present negotiations and attempts to finally ratify comprehensive trade agreements (CETA, TPP<sup>13</sup>, TTIP) are focused on aligning substantially different economic, political and cultural regions. Trade agreements appear to play a major role in shaping and influencing the identity of our twenty-first century society as such agreements touch upon nearly all of the mentioned issues in this sub-section.

By recalling all these aspects one must bear in mind that they seem to be connected and interdependent. In science there is an emerging tendency to not separate events by their degree of importance, by their magnitude or by interests anymore and to look at problems interdisciplinarily. Today it is impossible to look at one political, economic or environmental issue solely, as excluding specific occurrences from the intensifying and interconnected stream of globalisation leads to blind spots in the bigger picture. Some scientists urge for such a multi-perspective view on the Earth-system. In their insightful contribution to comprehend the manifold *syndromes of global change* Lüdeke et al. (2004) are researching the connection between the intertwined systems of human civilisation and the natural environment. They show that issues like climate change, biodiversity loss, impoverishment, inequality and policy failures and human behaviour are a tightly coupled system. Borrowing the idea of a multi-perspective view it can be said that research about TTIP is concerned with the tightly coupled system of trade and investment interests and its consequent economic, political and environmental implications for the human society.

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<sup>13</sup> **The Transpacific Partnership (TPP)** is a trade agreement among twelve (Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States, Vietnam) Pacific Rim countries.

### 3 METHODOLOGY

The author is deploying the *summarizing content analysis* [authors translation; orig.: *zusammenfassende Inhaltsanalyse*] by Mayring (2007) in assistance with a Qualitative Data Analysis (QDA) Software as described by Larcher (2010). This is an advantageous procedure since he conveniently combines Mayrings method with modern analysis software.

The section begins with (3.1) the description of the basic principles of the *summarizing content analysis* of Mayring followed by (3.2) the detailed framework that was formulated and exerted according to Mayrings methodology by the author. The third sub-section (3.3) provides important remarks concerning the methodology and the analysed literature.

#### 3.1 The theory guiding the literature analysis

The summarizing content analysis by Mayring is based on the idea to use qualitative methods, which also resemble the methodology of a quantitative content analysis: a systematic and reasonable procedure guided by clearly defined steps and rules of analysis. At the same time the procedure must be flexible enough to allow a qualitative relation to the examined topic. Thus, the method is a combination of qualitative and quantitative aspects. Mayring (2007) states the following basic principles:

1. The chosen text-material is always interpreted in the context of its emergence and impact.
2. The text analysis follows beforehand-formulated rules. These rules are adjusted to the research topic and the research questions are defined before the actual analysis is conducted.
3. During the analysis certain categories emerge. These categories then constitute the centre of the analysis. They represent the core insights and are not to be understood as mere markers.
4. The qualitative content analysis is not a universally applicable technique but bound to the research topic. The analysis must be modified to fit the topic.
5. The categories formulated must be validated in a test run to control the functioning of the chosen rules.
6. The analysis is theory-driven. The state of research of the chosen topic systematically affects the analysis procedure. The content of the analysis is given priority before the procedural arguments.
7. The inclusion of quantitative elements is possible where the analysis affords them but must be accurately justified.

8. Objectivity, reliability and validity are of high importance for qualitative as well as quantitative content analysis. The test run exists to find defects in the beforehand-formulated rules to then modify and correct them.

The encountered scientific literature concerning TTIP was analysed by those same steps. It helped to screen, sort and classify a vast body of literature that would not have been accessible without a proper approach due to its magnitude.

Mayrings summarizing content analysis can be compared to the humans' ability to interpret and categorize daily surroundings. It resembles a subconscious feature of the human consciousness that is performed automatically as the human brain must sort and classify impressions. Performing these classifications the brain constantly has to adjust to new appeals and insights. Mayrings method also sorts and classifies, but to a more precise and stringent degree while also adjusting to new insights (Larcher, 2010). This specific adjusting to new material, providing a dynamic workflow rather than a static framework, makes the method convenient.

Additionally, the summarizing content analysis is further referred to as literature analysis throughout the thesis – for the purpose of contingency and a better understanding of the actual procedure, as the analysed content is technically speaking scientific literature. This change of the actual name is not to be confused with a change of methodology. The methodology is applied as described by Mayring (2007).

### **3.2 The step by step proceeding of the literature analysis**

The subsequent 6-step sequence of the analysing process follows the description of Mayring (2007). The steps must be considered as the operational protocol of the actual analysis performed. For the logic of the analysis (and with respect to the true sequence of the process) the formulating of the research questions (see section 1) was chosen to be the first step (while Mayrings method lists it as the second step).

#### **3.2.1 The determination of the research questions guiding the analysis**

The process of determining the research questions is laid out to full extent in section 1. As described in the previous sections there exists bipartite reasoning concerning the trade agreement. This observation is the reason for conducting this specific scientific research and for choosing the research questions presented above.

#### **3.2.2 The determination of the literature material**

For the determination of the material Mayring proposes the description of an origination process. The origination process of this thesis was done systematically as well as unsystematically. The systematic part of the research process started by formulating the following search terms: *TTIP*, *Transatlantic Trade and Investment Partnership*, *Transatlantic Trade*, *Transatlantic Partnership* and *Transatlantic Relations*.

The search terms were chosen to assure that the scientific publications are concerned with economical or political aspects of the transatlantic trade in general or TTIP in particular. The terms were used to search in relevant online databases such as *Web of Science*, *Scopus*, *Science Direct*, *Online Public Access Catalogues* (OPAC) and journal databases of different universities (if accessible). Further an unsystematic research was conducted by applying the *snowball principle*. This principle demands to scan the already identified literature again to find additional relevant material.

Applying the following formal criteria condensed the found literature again:

- a. The contribution is about TTIP in general or is concerned with a specific subject of the same.
- b. The contribution is published in an scientific journal.
- c. The contribution is at least partly from a European author or a European institute. This is due to the purpose that the particular author is focusing on the European notion of TTIP.
- d. The contribution was published between July 2013 (the beginning of the negotiations) and March 2016.
- e. The contribution is written in English or German.

The criteria was chosen to exclude publications commissioned for the EU or the US government that might serve vested interests, to assure that TTIP is one of the main topics of each publication, to specialize on the European research area and to cope with time constraints (frequent talks of early conclusions) as well as with linguistic barriers. To account for limiting the material to European scientific literature it was made sure that the residence of the research institutions of the authors is located within the EU. However, the most important criterion was quality assurance.

### **3.2.3 Scientific quality**

The first integral part for assuring the quality of scientific literature is a control process, namely self-control. As external institutions - due to shortcomings in qualification - cannot supervise science, the scientific community itself is responsible of controlling scientific publications. This is a quite unique process not imaginable in any other realm, however, there is no better alternative. To guarantee accurate outcomes scientific publications are distributed to and reviewed by discipline-affine researches. This process is called *peer review* and subsists to avoid abuse or mistakes within the realm of science. The peer review is one of the most important quality assurances in the scientific process. Professional Journals only publish relevant articles if they are profound, plausible and innovative (Spiewak, 2016). But how can it be assured that scientific journals provide reliable literature? How can a journal be labelled

*scientific?* Rating the literature ensures the scientific quality. This rating is the second integral part of quality assurance. For that purpose two indicators exist. The author only elected publications within journals that are registered in one of the two databases explained hereafter to guarantee the scientific quality of the identified literature.

### **3.2.3.1 Quality assurance: Journal Impact Factor**

The first chosen assurance is the quantitative evaluation of publications by the *Journal Impact Factor* (JIF). “Quantitative evaluation of scientific achievements means the counting and analysis of scientific achievement in terms of input (funding), output (productivity) and impact (citations) (Tüür-Fröhlich, 2014, 1).” This evaluation is collected in a database and made accessible for the public. How does the JIF work? The impact factor of a certain journal is based on (1) the numerator (the citations of the current year to publications of the previous two years) and (2) the denominator (the publication of significant articles in the same two years). The timeframe of two years is due to the circumstance that a longer span of including citations would mean that the impact factor is not current enough (Garfield, 2006).

The JIF can be understood as a measure of importance for a huge number of scientific journals, but not for all journals as approximately 50.000 to 100.000 journals exist worldwide (Tüür-Fröhlich, 2014). The private company *Thomson Reuters* is the provider of this selection of journals which consist of 11.962 entries (Thomson Reuters, 2016).

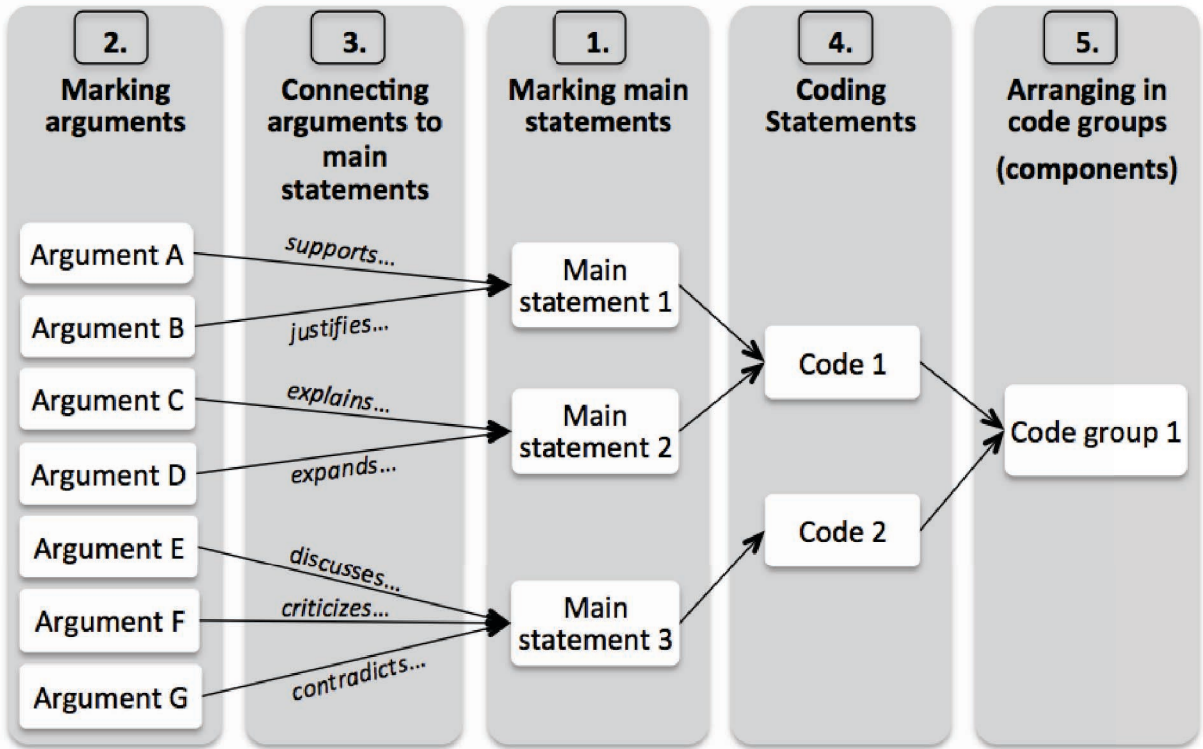
### **3.2.3.2 Quality assurance: SCImago Journal Rank**

To avoid bias it was decided to choose a second database to collect scientific publications from the *SCImago* database that draws citation data “from over 21,500 journals from more than 5,000 international publishers and country performance metrics from 239 countries worldwide (SCImago, 2007)”. This new citation tool is called SCImago Journal and Country Rank (SJR) and was introduced by a research group from the *Consejo Superior de Investigaciones Científicas* (CSIC) from Madrid in Spain to provide the scientific community with an alternative to the monopoly of Thomson Reuters which is criticized to rely its JIF on biased data (Butler, 2008). In comparison to the JIF the SJR indicator is a legitimate alternative to the JIF, because of the open-access, a larger source database, and an evaluation of the quality of citations (Falagas et al., 2008). The SJR indicator uses Scopus as its data source, which is owned by the publisher *Elsevier*.

### **3.2.4 The determination of the theoretical analysis model**

The analysis model chosen is simple as well as innovative. It also fits perfectly for the instruments provided by QDA Software. The theoretical analysis model was elaborated as simply and intuitively as possible. In a first step text passages that represent the main statements of a text were marked and given a short name that best summarized the argument in a few words. During the second step arguments throughout the text were marked and in a third step connected to the main statements. For connecting the arguments to the main

statements appropriate relations were chosen. In a fourth step the main statements were coded. These codes were dependent on the content/topic of the main statement. The fifth and last step was to allocate the various codes in code groups of which each represents a core theme. The most frequently identified core themes serve as the results of this thesis. In figure 1 the basic theoretical process is presented:

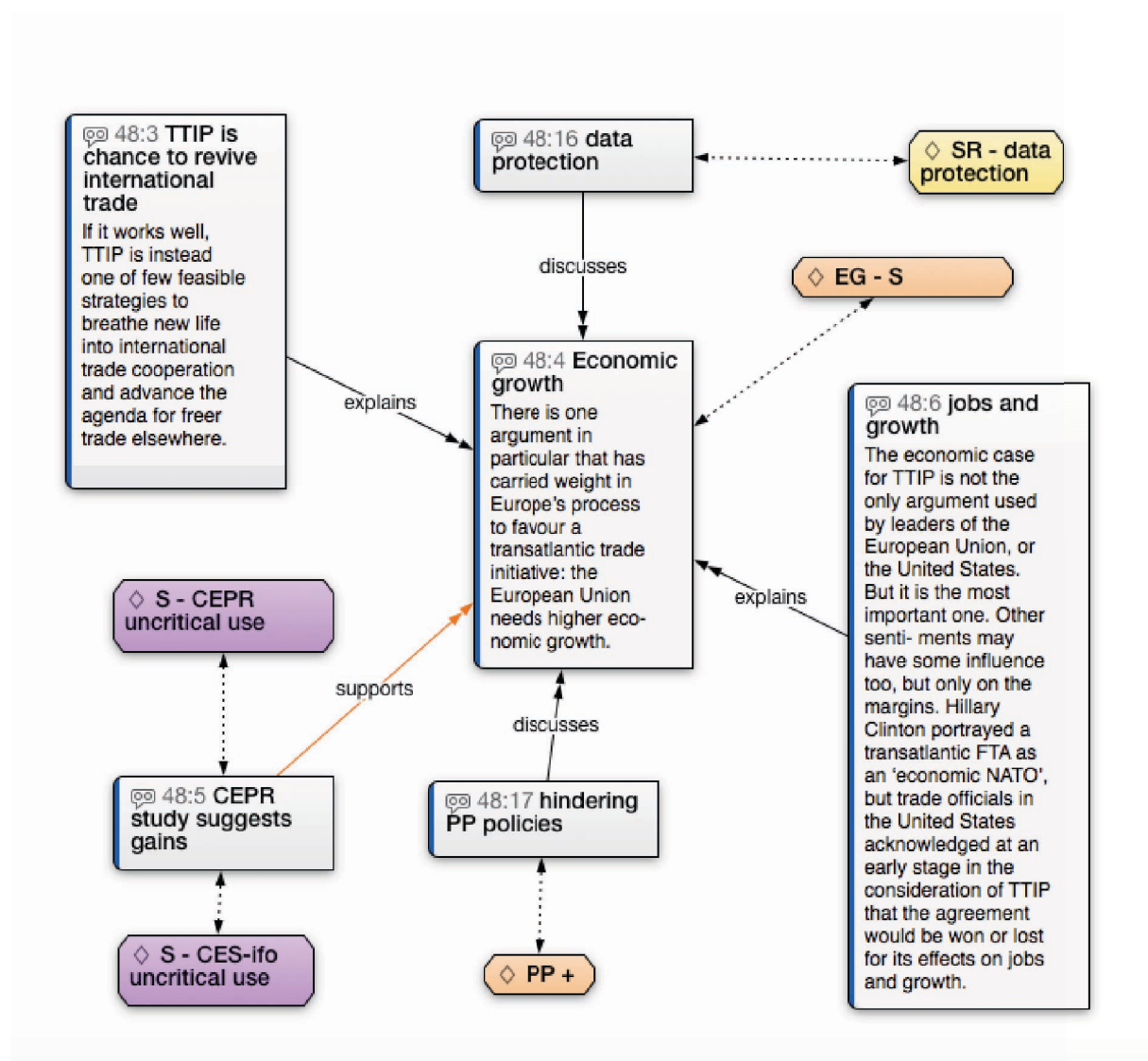


**Figure 1:** The five steps of the theoretical analysis model.

### 3.2.5 The analysis of the literature

The identified relevant publications were collected in a spreadsheet software, in a citation software and in a QDA software respectively. The literature was chronologically sorted by publication dates and also analysed in that order. For each publication Thomson Reuters *Web of Science* or Elseviers *SCImago Journal & Country Rank* was accessed to verify the scientific quality of the texts.

The actual analysis was conducted as established in the theoretical analysis model. Therefore the QDA software was used. It allows performing all the described steps digitally while creating a database of the analysed text bodies automatically. The software provides all the instruments needed to mark, code and arrange text passages in code groups. This automatic database management was essential for analysing the high number of relevant scientific publications. Figure 2 gives an example of a marked and coded main statement:



**Figure 2:** Example of marked and coded main statement: (Abbreviations: EG-S – economic gains justified by studies; PP – precautionary principle; SR – standards and regulations; S – study; CEPR – Centre of economic policy research; CES-ifo – Center of Economic Studies at ifo-Institute).

The network figure represents an execution of the theoretical model. The main statement of document 48 is titled *Economic growth*, the marked text from the publication is shown beneath. For a better understanding two examples of marked arguments (3,6) are shown. The main statement is further connected to five arguments (3, 5, 6, 16, 17) of three different kinds of connections (discusses, explains, supports). The main statement is coded with the Code *EG – S*. Three of the connected arguments are again connected to codes: *SR data protection*, *PP +* and *S – CEPR uncritical use* and *S – CES-ifo uncritical use* (meaning that those particular studies were used in an uncritical manner throughout the text). The bottom line of this examples main statement is that the author attests economic growth (backed up by citing two studies) while also stating two particular issues (data protection and the precautionary principle) that could represent obstacles to the negotiating of TTIP. The initial letters of each

code also represent the code groups the codes are allocated to: S meaning code group *studies*, SR meaning code group *standards and regulations*, EG meaning code group *economic gains* and PP meaning code group *precautionary principle*. This network figure could be enhanced in various ways: By connecting to the other statements that also advocate economic gains supported by particular studies; by connecting to other statements that refer for example to the problem of data protection; or by connecting to statements of other publications that mention the benefits of the EU's precautionary principle.

This connecting of similar statements leads to an accumulation of statements that subsequently becomes the reason for turning towards quantitative elements. As explained in Mayrings eight basic principles (in sub-section 3.1) the analysis can have such elements as well. Considering the large body of literature it even becomes mandatory to include quantitative features. Those are displayed in textual and tabular form in section 4 and represent the essential findings of the literature analysis.

### **3.2.6 The interpretation of the analysed material**

The interpretation of the analysed material will be laid out in section 5 (Discussion) and 6 (Conclusion). The publications analysed are concerned with an extensive number of issues and cannot be shared in such detail as depicted in figure 2. The main results are strictly guided by the research questions and represent the most frequently mentioned issues. Discussing every small aspect of the whole literature network would go beyond the scope of this thesis. As mentioned above this work relies on quantitative elements trying to outline a bigger picture, therefore a lot of likewise important, but not highly aggregated issues must be omitted. That applies for the interpretation as well.

## **3.3 Remarks on the methodology, coverage and analysed publications**

The European literature is selected by the location of the institutions the authors are occupied at. This choice of criteria is meant to represent a European point of view and appears to be a more reliable selection criterion than the selection by native country of the authors, as research is highly internationalised. Likewise the selection by the seat of the journals institution was chosen not to be suitable as publications of European authors in US-journals would have been dismissed. This selection criterion may not be the most accurate for warranting a European “opinion”, but considering the alternatives, was valued the most consistent choice. Also the author cannot guarantee an exhaustive coverage of the literature because of the usage of the formal criteria. In comparison another researcher would most probably have formulated different criteria as well as reached different selection decisions.

Concerning the research process it is assumed that a literature analysis like the one at hand can be done by computers already, as data processing, data storing (Big Data) and digital progress in general advance imperceptibly fast. Anderson (2008) started a vivid debate among the interested public as well as the scientific community when he provocatively asserted that

soon computers would not only measure and store our lives into the last detail, they soon will also make the scientific method obsolete. Simply processing large amounts of data will then explain human behaviour. Computers will find correlations faster and more easily than humans simply by applying logarithms. While it seems that present events are in favour of his assertion, the author of this thesis is nevertheless thankful that correlations are not enough. A computer can undoubtedly find more objective results, but a machine is not yet capable of subsequent interpretation of the data.

Considering the quality assurance indices JIF and SJR it is necessary to mention that they also must be regarded with caution as they are provided by a profit oriented media-corporation (Thomson Reuters) and a profit-oriented publisher (Elsevier). For the analysis the actual rankings of the respective journals were not accounted for. The confirmation of scientific quality provided by the indices was chosen to be a sufficient criterion. Including the prestige (the position on the lists) of each journal into the analysis would have complicated the analysis substantially as a weighting according to journal-prestige would have been complex and even more discriminatory.

## 4 RESULTS

The results of the literature analysis conducted are presented in the following section. This section includes the results gained by the publications analysed and therefore contains and presents the insights of the literature analysed. During the research process 49 relevant publications were identified and collected. Table 4 lists them in order of their publication dates. The publication dates either represent the actual journal release or the online release. Publications 20 (ZBW, 2014) and 49 (ZBW, 2016) will be regarded as one publication although they each consist of inputs by different authors. This is due to the type of the publication, which represents a collection of contributions to one main topic.

The covered topics are wide-ranging and at first sight it is observable that the TTIP literature analysis is mainly concerned with regulatory issues. This is due to the nature of TTIP, which at its core is about aligning standards and regulations. The examination of those standards and regulations takes place from very different perspectives and is very diverse and hence divided into a different range of subjects. Intertwined with this basic foundation the most frequent themes identified by the analysis emerge. The aggregate number of occurrence constitutes the core themes. Sub-section 4.1 contains selected themes that were high in appearance but not numerous enough to be included into the core themes (sub-section 4.2).

### 4.1 Selected themes of the literature analysis

In this sub-section the most frequently mentioned regulatory issues are presented followed by the debate about the precautionary principle and the depiction of the public mistrust. Additionally an evaluation of the analysed literature is executed in the form of a judgement trend.

#### 4.1.1 Frequently mentioned regulatory issues

TTIP in particular is an agreement to align regulatory differences. The idea is to reduce NTBs which are regarded as the obvious obstacle to trade exchanges (Alemanno, 2015). Under the multilateral agenda of the WTO these NTBs did not get proper attention and now the EU and US want to approach those regulatory questions on their own. For achieving increased compatibility between the EU and the US the agreement will create a mechanism for better cooperation on regulatory issues (Frey, 2015). According to Klose and Scharioth (2013) this compatibility is signaled by a desire for values like justice, transparency and participation. Those are the values of the *enlightenment* that link the EU and the US. Felbermayr and Larch (2013a) term it, among other factors such as strong mutual investment positions and deep political ties, *cultural proximity* that should make it easier to lower NTBs. Regulatory issues concern a wide range of provisions and sectors that are difficult to align: For example, the audio-visual services sector (e.g. radio broadcasting) which was taken off the agenda due to objections from France (Martinić and Maljak, 2014).

#	Publication date	Author(s)	Journal	Topic	Residence of institution	JIF	SJR	Trend
1	04.13	Bergkamp, Kogan	European Journal of Risk Regulation	PP	BEL/US		x	pro
2	05.13	Dieter	Internationale Politik	Geopolitics	GER		x	contra
3	06.13	Felbermayr, Larch	CESifo Forum	CESifo - study	AUT/GER		x	pro
4	07.13	Mildner, Schmucker	Internationale Politik	General potential	GER		x	pro
5	09.13	Bonciu	Romanian Journal of European Affairs	Economic potential	ROU		x	pro
6	09.13	Klose, Scharioth	Internationale Politik	Global economy	GER		x	pro
7	10.13	Fiott	The International Spectator: Italian Journal of International Affairs	Defence sector	BEL		x	pro
8	10.13	Menon	Italian Journal of International Affairs	Geopolitics	UK		x	pro
9	12.13	Aggarwal, Evenett	Swiss Political Science Review	Global economy	US/SUI	x		contra
10	12.13	Erixon	CESifo Forum	Economic potential	SWE		x	indi
11	12.13	Felbermayr, Larch	CESifo Forum	Economic potential	AUT/GER		x	pro
12	12.13	Hoekman	CESifo Forum	Supply-chain-networks	ITA		x	pro
13	01.14	Koivusalo, Tritter	International Journal of Health Services	Healthcare-system in UK	FIN/UK	x	x	contra
14	01.14	Martinić, Maljak	Croatian Yearbook of European Law and Policy	General controversies	CRO		x	contra
15	01.14	Perišin	Croatian Yearbook of European Law and Policy	Regulatory divergence	CRO		x	indi
16	05.14	Beck, Ohr	ZBW Wirtschaftsdienst	Discussion of chances and risks	GER		x	indi
17	06.14	Fallon	American Foreign Policy Interests	EU-China - relations	BEL		x	indi
18	06.14	Mildner, Schmucker	Internationale Politik	Economic potential	GER		x	pro
19	06.14	Cernat, Sousa	CESifo Forum	Bi- vs. multilateralism	BEL		x	pro
20	07.14	ZBW	ZBW Wirtschaftsdienst	Investment protection treaty			x	
20_1		Klodt	-	-	GER			indi
20_2		Klein	-	-	GER			indi
20_3		Bungenberg	-	-	GER			indi
20_4		Felbermayr	-	-	GER			indi
20_5		Schick	-	-	GER			contra
21	09.14	De Ville, Siles-Brügge	New Political Economy	CGE	BEL/UK		x	contra
22	12.14	Felbermayr, Heid, Larch	CESifo Forum	CESifo - study	GER		x	pro
23	12.14	Crouch	Juncture	Democratic intervention	UK		x	contra
24	01.15	Cairo	Croatian Yearbook of European Law and Policy	Cosmetic products	SUI		x	indi

25	01.15	Hayes*	Global Affairs	Geopolitics	BEL	x		contra
26	01.15	Quick	Journal of World Trade	ISDS	GER	x	x	pro
27	01.15	Karlsson	Global Affairs	Chemical policy	SWE	x		contra
28	03.15	Cottier	Journal of international economic law	Bi- vs. multilateralism	SUI	x		indi
29	04.15	Antimiani, Salvatici	Journal of World Trade	CGE	ITA	x		indi
30	05.15	Firth	Asia Europe Journal	Trade mark norms	UK	x		indi
31	06.15	Colibășanu, Grigorescu	Romanian Journal of European Affairs	Analysis of TTIP assessment studies	ROU		x	indi
32	06.15	Pérez de las Heras	Romanian Journal of European Affairs	Human rights	ESP		x	pro
33	06.15	Mavroidis, Sapir	Journal of World Trade	PTAs & litigations	US/BEL	x		indi
34	06.15	Dierckx	Labor History	Re-politicization of trade	BEL	x		contra
35	07.15	Holzer, Cottier	Global Environmental Change	Carbon standards	SUI		x	pro
36	08.15	Petersmann	Journal of international economic law	Rights of citizens	ITA	x		contra
37	08.15	Alemanno	Journal of international economic law	Regulatory cooperation	FRA/US	x		indi
38	09.15	Bronckers	Journal of international economic law	ISDS	NL	x		contra
39	09.15	Hoekman	Journal of international economic law	Regulatory cooperation	ITA	x		indi
40	09.15	Raza	New Political Economy	Strategies of liberalisation	AUT		x	contra
41	09.15	Frey	Journal for European Environmental & Planning Law	Emission reductions	GER		x	contra
42	10.15	Strange	International Journal of Public Administration	Role of civil society	SWE		x	contra
43	11.15	Dieter	Internationale Politik	Multilateralism	GER		x	contra
44	12.15	Vogt	Journal of international economic law	Labour rights	BEL	x		indi
45	01.16	Jančić	Journal of Common Market Studies	Role of EU parliament & US-congress	NL		x	indi
46	02.16	Crouch	Political Quarterly	Democratic intervention	UK		x	contra
47	03.16	De Vogli, Renzetti	Epidemiologia e prevenzione	Health-system	US/ITA		x	contra
48	03.16	Bollen, De Ville, Orbie	Journal of European Integration	EU liberalism vs. EU protectionism	BEL	x		indi
49	03.16	ZBW	ZBW Wirtschaftsdienst				x	
49_1		Kolev, Matthes	-	Exclusion of ISDS	GER			pro
49_2		Egger, Erhardt	-	Citizens and third countries	SUI			indi
49_3		Sieksmeier, Willmann	-	Economic potential	GER			pro
49_4		Raza	-	Problems of regulations	AUT			contra

**Table 4:** Cluster of literature analysed. (Acronyms: JIF – Journal Impact Factor; SJR – Scimago Journal Rank; CESifo – Center for Economic Studies at ifo-Institute; ZBW – Leibniz Informationszentrum Wirtschaft; PP – Precautionary Principle; CGE – Computer Generated Equilibrium; ISDS – Investor to State Dispute Settlement; PTA – Preferential Trade Agreement).

This is a common approach in Regional Trade Agreements (RTA)<sup>14</sup>-negotiations by the EU (Bollen et al., 2016). The cultural sector of the EU therefore is not to be opened for any third countries.

Another point of difficulty is the issue of data protection that is discussed intensely especially in Germany. The literature analysis also yielded that mainly Europeans are highly sceptical about the handling of their private data by US corporations. A major problem is that the US-congress (in the name of the US government) deems the spyware *PRISM* of the NSA indispensable (Klose and Scharioth, 2013). According to the *European Data Protection Directive* the data transfer to third countries is prohibited. To allow a transfer nevertheless the Safe-Harbor-Agreement was initiated between the US and the EU in 2000. One of its principles demands to inform consumers if companies share user-data with third parties. After the NSA incident in 2013 the EU formulated 13 improvement points for the Safe-Harbor Agreement. Even if the process of reforming this chapter does not take place within the TTIP negotiations, it needs to be done as fast as possible to provide the best data protection possible (Mildner and Schmucker, 2013). For Erixon (2013) the EU's new data protection regulation will curtail cross-border data portability and according to him there is a chance that the Safe-Harbor Agreement will be revoked.

One of the most controversial issues of TTIP are GMOs that concern SPS measures. The question of allowing GM products in the EU became very important. Martinić and Maljak (2014) conclude that the European Commission wants to avoid giving GMOs access to EU markets. They give additional arguments against GMOs. Concerning genetically modified food Martinić and Maljak (2014) see the information asymmetry between consumers and producers as a problem. Concerning genetically modified crops they point to the problem of externalities (see sub-section 2.6). But one cannot ignore the benefits either, for example considering the use of pesticides. They point to studies about GMOs, namely about Bt corn, which produces its own pesticide and therefore makes the application of pesticides irrelevant (ibid, 2014).

Other authors have also acknowledged apprehension. Perišin (2014) points towards the European concern that GMOs are thought to impact human health as well as the environmental balance. De Vogli and Renzetti (2016, 99) determine *potentially serious consequences for food safety* underpinning their claims with studies showing the US SPS-measures can influence EU standards on risks arising from additives, contaminants, toxins or disease-causing organisms in food, beverages, feedstuffs, and plant and animal-carried diseases. The Center for Disease Control and Prevention estimated that in 2009 in the EU there had been over 48.000 cases of foodborne diseases and 46 deaths. In comparison, although the population only amounts to less than half of that of the EU, in the US around 48

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<sup>14</sup> **Regional Trade Agreements** (RTAs) are reciprocal preferential trade agreements between two or more partners. The term Free Trade Agreement (FTA) has a similar meaning. Throughout the thesis the acronym "RTA" is used to refer to preferential trade agreement. Citations mostly contain "FTA" to refer to the same term.

million cases of foodborne diseases and 3000 deaths have been estimated (De Vogli and Renzetti 2016). They state that EU norms are generally more stringent and that the agreement will presumably favour imports of hormone treated beef, chlorine treated chickens, and GM crops. Those are constrained or illegal in EU markets and allowed on US markets (ibid. 2016). Mildner and Schmucker (2014) call to mind that the majority of citizens reject an easing of SPS measures.

The issue of handling climate change mitigation via TTIP has also been discussed. Holzer and Cottier (2015) reason that an alignment of CO<sub>2</sub> standards will be an initial step for the adoption of international standards that could contribute to climate change mitigation. In a similar fashion Frey (2015) argues that the current situation should be utilized to pursue emission reductions that could also have a positive effect on the public legitimacy of the agreement. Therefore trade barriers concerning goods and services related to the reduction of greenhouse gas emissions should be addressed. Felbermayr and Larch (2013b) also see the potential to establish a common market for CO<sub>2</sub> emission permits.

Other authors locate serious problems for the alignment of climate change mitigation. While the EU was very active at adopting such measures (*Emission Trading System*) in the US there still exists climate change denial towards high political actors (Perišin, 2014). Other authors refer to leaks again: During the COP21<sup>15</sup> in Paris a leaked EU text exposed that European governments have ordered their delegates to object discussions about climate change mitigation that could be in disfavour to international trade (De Vogli and Renzetti, 2016)”

#### **4.1.2 The precautionary principle (PP)**

The EUR-Lex database, which provides access to EU law, describes the PP – which is a core element in the Lisbon Treaty – as follows:

“The precautionary principle is detailed in Article 191 of the Treaty on the Functioning of the European Union (EU). It aims at ensuring a higher level of environmental protection through preventative decision-taking in the case of risk. However, in practice, the scope of this principle is far wider and also covers consumer policy, European legislation concerning food and human, animal and plant health. The precautionary principle enables rapid response in the face of a possible danger to human, animal or plant health, or to protect the environment. In particular, where scientific data do not permit a complete evaluation of the risk, recourse to this principle may, for example, be used to stop distribution or order withdrawal from the market of products likely to be hazardous (EUR-Lex, 2016).

The easing of regulations is difficult inter alia due to the PP, which demands secured scientific evidence that products are hazard-free in order to be approved for EU markets. The

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<sup>15</sup> **21<sup>st</sup> Conference of the Parties (COP21) on Climate Change** held in Paris in 2015. A global agreement on the reduction of climate change (the Paris agreement) was negotiated.

PP even goes as far as to prohibit products that suffer from slightest scientific uncertainty, if it is not proven that there is zero risk for consumers. It was directly stressed by 14 publications (as well as three times in ZBW, 2016) that the precautionary principle is an impediment for aligning regulations of the evidence-based US regulatory system and the precautionary approach of the EU. In Table 5 the statements are collected.

<p>“[...] regulatory cooperation, harmonization, and convergence will be less effective if the parties fail to deal with the PP and its consequences. No doubt, these discussions may be tough and clever drafting will be required to avoid subsequent challenges, as the regional differences in regulatory science and related decision-making procedures are among the most publicly controversial non-tariff trade barriers (“NTBs”). But the prize is worth the effort, as harmonizing or aligning regulatory procedures is an effective way to prevent future NTBs (Bergkamp and Kogan, 2013, 496).”</p>
<p>„Während die EU mit dem Vorsorgeprinzip auch potenzielle Gesundheitsbedrohungen in den Blick nimmt, beschränken sich die USA auf eine wissenschaftlich beweisbare Risikoabschätzung (Klose and Scharioth, 2013, 65).“</p>
<p>„Die EU wendet dabei das so genannte Vorsorgeprinzip an, das auch potenzielle Bedrohungen für Gesundheit und Umwelt mit einbezieht. Ein Kompromiss ist hier schwierig (Mildner and Schmucker, 2013, 76).“</p>
<p>“[...] the EU cannot agree to change some of its policies derived from the precautionary principle, especially its policy on GMOs. Both of these issues need to be addressed if a deal is to be politically feasible (Erixon, 2013, 22).”</p>
<p>„Die EU hat das strengste und langwierigste Zulassungsverfahren für GMOs weltweit. Dabei folgt die EU dem Vorsorgeprinzip. Demnach wird der Verkauf eines Produkts oder seine Verwendung eingeschränkt, wenn das Risiko (z.B. von GMOs) für die Gesundheit von Menschen, Tieren, Pflanzen oder für die Umwelt nicht genau abgeschätzt werden kann und Grund zur Annahme besteht, dass das Produkt nicht frei von Risiken ist (Mildner and Schmucker, 2014, 100).“</p>
<p>“Here, in the precautionary principle, an example of the EU’s ‘better safe than sorry’ approach can be seen, as EU regulation will not allow for any food or other consumables to circulate in its market unless it has been proven that they are absolutely healthy. There is not even a little space for taking risks (Martinić and Maljak, 2014, 351).”</p>
<p>“This and similar scandals have made Europeans more doubtful about information that is presented as scientific fact, and more prone to relying on the precautionary principle. Europeans consider that it takes decades to determine whether a particular technology is safe, and are reluctant to accept its risks (Perišin, 2014, 255).”</p>
<p>“One of the main areas of perceived conflict in the case of TTIP involves the “clash” between the European approach to regulation embodied in the precautionary principle and the science-based risk assessment and cost-benefit analysis which inspire regulation in the U.S. (Frey, 2015, 278)”</p>
<p>“The fundamental difference is the reliance on the precautionary principle in the EU and on the cost-benefit analysis in the US. The exact legal content of the precautionary principle is unclear and highly disputable. Yet, generally, it can be interpreted that where there is uncertainty as to the existence of risks (e.g. to human health), the government can take protective measures without having to wait until the reality of those risks becomes apparent (Holzer and Cottier, 2015, 517).”</p>
<p>“If the EU would accept a more risk-based approach, the protection of health and the environment, at least in the EU, would be weakened. On the contrary, chemicals risk management would improve if the USA would</p>

accept a more hazard-based approach, but assuming that Congress in the near future would support such a change of basic policy is nothing more than wishful thinking (Karlsson, 2015, 27)”.
“Under this transatlantic shift lies the precautionary principle adopted by the EU in 2000 and covered by Article 191 TFEU. This core value of the European Union has been politically accepted as a risk management tool ‘when there are reasonable grounds for concern that potential hazards may affect the environment or human, animal or plant health, and when at the same time the available data preclude a detailed risk evaluation. This principle has justified large amounts of regulatory measures in the EU, whereas in the US the Supreme Court held that it cannot be regulated on the basis of mere conjecture about uncertain risks and that significant risk must be demonstrated (Ruiz Cairo, 2015, 117).”
“Moreover, in the environmental field, the EU is Treaty-bound (Art. 191(2) Treaty on the Functioning of the European Union), to base itself on the precautionary principle (Hayes, 2015, 117).”
“In reality, the “precautionary principle approach” relies on evidence as much as the so-called “evidence-based approach”, with the difference that it shifts to proponents of new products or policies the responsibility for demonstrating the safety of such products and policies based on scientific evidence (De Vogli and Renzetti, 2016, 101).”
„Während in der EU Regulierungen grundsätzlich nach dem Vorsorgeprinzip erlassen werden, richten sich Regulierungsbehörden in den USA eher nach dem Nachsorgeprinzip. Tendenziell werden dort in einigen Bereichen Produkte solange als sicher angesehen und zugelassen, bis konkrete Hinweise auf Gefahren vorliegen. Diese grundlegenden Unterschiede zu vernachlässigen, könnte in Europa tatsächlich zu erheblichen Rückschritten in Sachen Verbraucher- oder Umweltschutz führen (Kolev and Matthes in ZBW, 2016).“
„Lebensmittel, die nicht nachgewiesenermaßen schaden, werden in den USA nämlich zugelassen. Lebensmittelzulassungen in der EU basieren auf einem konservativeren Prinzip. Für jedes zugelassene Nahrungsmittel muss nachgewiesen werden, dass es sicher ist. Zwar sollen beide Prinzipien Nahrungsmittelsicherheit gewährleisten, dennoch gründen sie auf recht unterschiedlichen Rechtsauffassungen, deren Angleichung auf den ersten Blick nicht ersichtlich ist (Egger and Erhardt in ZBW, 2016, 165).“
„Vor diesem Hintergrund wird die geplante Institutionalisierung regulatorischer Zusammenarbeit im Rahmen des TTIP auch unterschiedlich eingeschätzt. Während sie von Unternehmerverbänden klar begrüßt wird, sehen zivilgesellschaftliche Akteure die Gefahr, dass durch die extensiven und frühzeitigen Konsultationsrechte der USA der US-amerikanische Regulierungsansatz an Bedeutung gewinnen wird, bzw. Regulierungsvorhaben, die im Gegenteil auf einen Ausbau des Vorsorgeprinzips hinauslaufen, vonseiten der US-Regierung und der mit ihr verbundenen Wirtschaftsakteure blockiert werden könnten. (Raza in ZBW, 2016, 171).“

**Table 5:** The use of the EU precautionary principle in scientific literature.

The relevance of the PP for the negotiations can hardly be omitted and is a popular argument among experts. The literature clearly points to the fact that the PP represents an approach that must be tackled if a proper solution for the regulatory divergence between the EU and the US is to be found. A change in the PP is called a considerable regress for consumer safety (Egger and Erhardt in ZBW, 2016, 165), is difficult to achieve since it is Treaty-bound (Hayes, 2015) and generally is in obvious contrast to the US scientific principle. While the PP appears to be a safe protective mechanism for citizens Bergkamp and Kogan (2013) in an insightful PP

analysis criticize the paradoxical effects that need to be neutralized to reach an agreement. They particularly hint at the notion of scientific uncertainty, which is ubiquitous and therefore always favours ex ante regulation. In this particular form it is always possible to conclude that potential environmental or health risks exist. They come to the conclusion that the PP need needs undergo a *risk-based and cost-benefit analysis*. It is important and beneficial to the EU that “its adverse and paradoxical effects are identified and neutralized (ibid, 2013, 507)”.

### 4.1.3 Public mistrust and transparency problems

The rising mistrust among the public also gains momentum in the scientific literature. Altogether 14 out of 49 publications mentioned the rising discontent with the trade agreement. While only few publications (notably contributions by Crouch and Strange) are concerned with the general mistrust a lot of authors acknowledge a rise in TTIP related critique. In May 2014 Beck and Ohr (2014) started to point at critique coming from environmental organisations, trade unions, agricultural organisations, NGOs, anti-globalisation activists and members of the European parliament that felt under-informed about TTIP. Crouch (2014) attested chances for negotiating a good framework for the agreement but he still detects developments of discontent such as the demand for openness and the caution of politics and activities of corporations (Crouch, 2014).

In 2015 the recognition of the scepticism in the public found its way into scientific literature, nevertheless mainly as side notes, and not as primarily discussed elements. Table 6 contains a compilation that represents the acknowledgement of the 2015 scientific literature on the rising public opposition against the trade agreement.

"[...] negotiations have been overshadowed by increasing opposition from civil society (Frey, 2015, 265)."
"[...] the importance of engaging with civil society - such as setting up advisory groups, however imperfect - suggests that the EU also needs this contestation for it to remain connected to more than just a neoliberal elite (Strange, 2015, 893)."
"Fears of a regulatory ‘race-to-the-bottom’, amongst other issues, have led to a major opposition campaign orchestrated by European civil society groups and a number of pan-European political parties (De Ville and Siles-Bruegge, 2015, 872)."
"However, the run-up to, and aftermath of, the May 2014 European elections contributed to the politicization of the debate, and trade unions started to oppose the TTIP more vehemently, as the inclusion of ISDS and other elements detrimental to workers’ interests has raised considerable concern (Dierckx, 2015, 335)."
"Civil society increasingly criticizes CETA and TTIP negotiators for neglecting the constitutional and republican significance of TTIP negotiations by unnecessarily ‘disfranchising’ and alienating citizens, for example by preventing citizens from invoking FTA rules in domestic courts (Petersmann, 2015, 582)".
"Moreover, negotiations over non-tariff barriers in cosmetics have raised a lot of concerns and many consumer associations, animal protection groups and other organisations have claimed that this agreement could cause great damage to the maintenance of high standards in terms of consumer safety and animal protection (Ruiz Cairo, 2015, 116)."
"Recent arbitration awards are but increasing the public concern that the state may have its power diminished. Left

<p>wing social groups have campaigned against it very vocally in Germany, due to a recent case involving the Swedish company Vattenfall suing Germany on matters concerning issuance of an environmental permit for a nuclear site. Governmental officials, too, are anxious with the leeway an arbiter has in deciding on the claims (Colibășanu and Grigorescu, 2015, 73)."</p>
<p>"In particular the ISDS mechanism, pursuant to which foreign investors can challenge government measures before an ad hoc arbitral tribunal, has attracted virulent protests from civil society (Bronckers, 2015, 656)."</p>
<p>"EU green parties and environmental non-governmental organizations (NGOs) have expressed concerns that TTIP might become a pathway for the transmission of weaker climate policies and carbon standards from the US to the EU. They warn that the TTIP risks challenging existing EU carbon emissions standards and that some of EU's important environmental regulations can be challenged in courts under proposed TTIP's investment protection clauses (Holzer and Cottier, 2015, 516)."</p>

**Table 6:** The rise of public opposition acknowledged by the scientific literature in 2015.

Strange (2015) makes the emergence of civil movements against trade agreements (NAFTA, CETA, TTIP) even the main theme of his article. He argues that the contestation of the EU's policies is of importance for the EU to remain connected to more than just the neoliberal elite. He recommends to European decision makers to pay close attention to matters of dispute among the public to sustain a *European-minded civil society* (ibid, 2015).

Jančić (2016) indicates that fears of broadening disconnect between citizens and the corporate world exists. He sees the necessity for the European Parliament and the US Congress to narrow this gap. For Bollen et al. (2016) TTIP obviously has become more politicised (especially in Germany, Austria and the UK) and consequently this trend puts pressure on the politicians of all member states of the EU. Raza (in ZBW, 2016) also refers to concerns of a decline in regulations among the public as well as Egger and Erhardt (in ZBW, 2016) who allude that the public's discontent refers to issues of national peculiarity (e.g. agricultural traffic of goods or the investment protection contained in ISDS).

A second emerging reference concerning the social mistrust recognized in the scientific literature is transparency politics in the context of the negotiations. 10 out of 49 publications mention the weak transparency of the negotiations, which is justly criticised as Kolev and Matthes state (in ZBW, 2016). Crouch (2014) is concerned that the negotiations have taken place in secret. For Koivusalo and Tritter (2014), Colibășanu and Grigorescu (2015) and Karlsson (2015) transparency shortcomings are an issue of concern as well. Petersmann (2015) implies that the *rational ignorance* of citizens not to view the EU's homepage of information<sup>16</sup> on TTIP is an answer to the non-inclusive negotiations. Strange (2015) states that citizens have enjoyed only limited access to consultation meetings. Beck and Ohr (2014) find fault with the inadequate EU documents on the current state of negotiations but welcome the EU commissions approach to acknowledge transparency mismanagement. Klodt (in ZBW, 2014) points to the EU commissions argument that the publication of negotiating

<sup>16</sup> European Union DG Trade: [Consultation Website](#) (accessed 27.07.2016).

papers is to the detriment of the negotiators position as it brings strategic disadvantages if the other party is informed about the EUs position beforehand. However, he argues that this explanation of a weakened strategy does not bear a solid democratic footing.

#### **4.1.4 The identified judgement trend in scientific literature**

In the course of the literature analysis a certain judgment trend concerning the valuation of TTIP in general was identified. This trend is displayed in Table 4 in the column termed *trend*. It consists of three general classifications. Each publication is marked with one classification that expresses the following assessments:

**Pro:** The publications that advocate the conclusion of TTIP are mostly featuring the following arguments and qualities:

- The publication endorses TTIP in general.
- The contents focus on certain shortcomings of the trade agreement that need to be addressed as well as reform proposals to foster the agreements full potential.
- The concluded potentials consist of economic, geopolitical or other advantages (e.g. promotion of human rights).
- The economic potentials are mainly mediated through specific CGE studies in favour of TTIP.
- The articles locate the possibility to strengthen the transatlantic relations as well as the opportunity of TTIP to serve as a role model for international trade.
- The papers recommend particular regulation.
- TTIP is described as a positive impetus for multilateralism.
- The publications state that the critique against TTIP is exaggerated.
- Popular shortcomings are given little attention and are often mentioned secondarily.

**Indifferent:** The publications that appear to be neither advocate nor critical of TTIP are mostly featuring the following arguments and qualities:

- The publications do not strictly emphasize economic potentials.
- The texts discusses the anticipated economic effects claimed by CGE studies in a critical manner and do not solely rely on their findings.
- The articles relativize exaggerated critique as well as overly optimistic statements.
- The papers discuss alleged potentials as well as alleged shortcomings and try to provide a balanced and careful view as TTIP is complex and influential.

- More research on certain topics and the steering of a middle course is recommended. The indifferent contributions tend to describe contested issues neutrally.

**Contra:** The publications that are sceptical towards TTIP mostly feature the following arguments and qualities:

- The contributions are very critical about certain contents of TTIP.
- It is recommended to exclude certain topics from the negotiations.
- The anticipated economic effects are scrutinized in detail and are given considerable attention.
- The results of the papers attest that the mistrust against TTIP is justified and focus on parties that may be disadvantaged by the agreement.
- The two negotiating parties are too different concerning their regulation philosophies.
- Alternatives or solutions that contradict the mechanisms of the TTIP are recommended.
- Central issues are rejected.
- The contributions detect more disadvantages than advantages arising from the agreement.

As can be seen in Table 4 in 2013, the year the negotiations started, mainly positive assessments of the trade agreement were published. Bergkamp and Kogan (2013) see the citizens of the EU and the US respectively as winners of a concluded TTIP if the hindering paradoxical effects of the PP are modified to an appropriate level. Felbermayr and Larch (2013a) state that modern research even suggests that bilateral agreements increase third countries incentives to achieve liberalisation. Mildner and Schmucker (2013), Bonciu (2013) and Klose and Scharioth (2013) determine economic gains. Fiott (2014) and Menon (2013) for example state that TTIP can strengthen transatlantic partnership (between EU and US) and international influence. In their second contribution of 2013 Felbermayr and Larch (2013b) assert that the economic potential of TTIP could lead to welfare as well as job gains in the long run. They also mention that third countries could suffer from trade diversions as does Hoekman (2013) who sees the opportunity to show what is a solid *21<sup>st</sup> century agreement*.

In 2014, an emerging neutral assessment of the agreement was observable in the scientific literature. Significantly more critical publications were published. Perišin (2014) assesses different forms of aligning regulations between the EU and the US and concludes that either way aligning regulations is politically and practically difficult to achieve. Beck and Ohr (2014) relativize popular arguments for and against TTIP. They state that the predicted economic potentials as well as the potential risks from aligning regulations must be put into perspective. TTIP is not a *miracle weapon* (authors translation) against the economic crisis. Only an objectively negotiated agreement without unnecessary compromises could truly serve

the two economies. Fallons article (2014) is concerned with EU's relations to China and claims that regardless of whether TTIP is concluded or not, China is trying to gain a foothold on the European market. The EU's relationship with China has ever since been based on trade, and especially after the financial crisis the EU has a desire for Chinese money and markets. In (ZBW, 2014) Klodt, Klein, Bungenberg and Felbermayr voice concerns about a poorly negotiated dispute settlement chapter (ISDS) of the reform proposals formulated at this time. While they agree upon the importance of a proper dispute settlement mechanism as a requirement of FDI, Schick (in ZBW, 2014) criticizes the shift in power to transnational corporations (TNCs)<sup>17</sup> and demands a legal framework that secures the primacy of politics. In a similar fashion Crouch devotes his article to this notion and warns that it is dangerous blindly follow liberal trade (Crouch, 2014).

The papers released in 2015 and 2016 tend to assess the agreement even more warily compared to the year 2013. Out of 29 articles analysed in this timeframe only 6 articles are classified as advocating TTIP. Quick (2015) explains that TTIP must have a solid ISDS so that the states right to regulate the economy is not questioned anymore. De Las Heras (2015) ascertains that the two economies have are homogenous concerning democracy, human rights and development. Kolev and Matthes (in ZBW, 2016) claim that the critique brought against some topics of TTIP is unreasonably high, except against the provisions of the ISDS chapter. It is of great importance to negotiate TTIP with a sound ISDS. Only a mature transatlantic agreement can secure the ability of the EU and the US to act as a global leader.

The sceptical papers are concerned with the primary causes of negotiating the agreement, which according to Hayes (2015) are primarily geopolitical. Moreover, they address the declining rights of citizens (Petersmann, 2015), the rise of transnational capital that causes an imbalance between labour and capital, which is intensified by a RTA like TTIP (Dierckx, 2015), and a substantial critique of the shortcomings of RTAs that could even lead to a so called *regulatory chill*<sup>18</sup>. That is, however, not the full collection of the sceptical literature. It will be presented in more detail in sub-section 4.2.3.

## 4.2 The core themes of the literature analysis

The literature analysis revealed a focus and a frequent involvement of the following three core themes:

- The geopolitical theme concerning the political order and global power relations.
- The economic theme, which evolves around a few specific studies assessing the economic potential of TTIP.

<sup>17</sup> **Transnational corporations (TNCs):** In the economic literature companies that make foreign direct investments or operate in foreign countries are called transnational corporations or multinational corporations.

<sup>18</sup> **Regulatory chill** is a term used to describe the fear of actors in a political system to get sued for passing a law that could discriminate corporations in their economic activity. The term was introduced by Eckersley (2004) relating to the *Cartagena Protocol on Biosafety* that regulates transport and handling of GMOs .

- The corporate theme concerning the power expansions of a global business elite.

These three issues are either treated upfront or are implicitly mentioned within the publications. The following sub-sections will present the most frequent findings within scientific literature and tries to outline these insights in a structured and comprehensible manner.

#### 4.2.1 The geopolitical theme

According to the literature, apart from discussing the alignment or reduction of NTBs, major objectives of TTIP seem to be the recovery from the 2008 financial crisis, a weakened WTO as well as the promotion of a global leadership as other economies (especially in Asia) experience an economic rise. According to the literature reviewed these four rationales shape the geopolitical agenda of the EU and the US. Table 7 provides the number of publications in each year that draw on those rationales. The numbers in brackets indicate the publications drawing on one of the rationales in each year. The column *total number of publications* represents how many of the 49 analysed papers mention one of the four rationales. A total of 39 publications used at least one rationale. In addition, one must bear in mind that the four rationales are connected and often necessitate each other. Therefore it is possible that papers mention more than one or even all of the four rationales.

Geopolitical rationale	2013 (12)	2014 (11)	2015 (21)	2016 (5)	<b>Total number of publications (49)</b>
1. Recovering from the economic crisis	4	2	5	3	<b>14</b>
2. Insufficient WTO	7	1	9	3	<b>20</b>
3. Global leadership	3	1	5	2	<b>11</b>
4. Emerging economies	8	5	7	2	<b>22</b>

**Table 7:** Stating of geopolitical rationales in scientific literature between 2013 and 2016 (39 of the 49 publications used at least one rationale. The numbers in brackets in the first row indicate the identified publications of each year. The columns show how many publications of each year included the four geopolitical rationales. The last column shows the total number of publications containing each geopolitical rationale. Multiple publications mention more than one or even all of the four rationales).

##### 4.2.1.1 Recovering from the economic crisis

The strengthening of bilateral trade relations through further liberalisation was used as a frequently cited reason for recovering from the 2008 financial and economic crisis. This argumentation appears reasonable as the financial crisis had strong detrimental effects on EU

and US economies. Political and economic actors had to find answers to the decline in growth and high unemployment rates. The following statements collected in Table 8 serve as an illustration of how TTIP (or measures such as increased FDI) is conceived as a possible response to this.

"A first reason why the current international context is favourable to this approach is represented by the short and medium term unfavourable economic prospects for the European Union (particularly the Euro zone countries) as well as by the rather fragile economic recovery of the United States. This situation put the idea of a Transatlantic Partnership in a favourable light, as a lasting solution for getting out of crisis by further transatlantic economic integration due to scale effect, new orders and new jobs that may appear due to this construction (Bonciu, 2013, 25)."
"Ein neues Erfolgsprojekt braucht auch die EU. In der derzeitigen Krise sind die großen Erfolge der Vergangenheit verblasst. So wie Jacques Delors seinerzeit mit dem Vorhaben eines europäischen Binnenmarkts eine Aufbruchstimmung erzeugte, so könnte eine Transatlantische Handels- und Investitionspartnerschaft neuen Schwung, eine neue gemeinsame Anstrengung für das Projekt EU bringen - vielleicht noch wichtiger als die Wachstumsimpulse (Klose and Scharioth, 2013, 67)."
"There is one argument in particular that has carried weight in Europe's process to favour a transatlantic trade initiative: the European Union needs higher economic growth. As a result, trade agreements that could deliver higher economic growth have been given a new hearing as the economic crisis in Europe has worsened. Few would deny that TTIP has the capacity to deliver a sizeable contribution to GDP in Europe. Gains from this FTA would be bigger than from other FTAs for the reason that it involves two large economies (Erixon, 2013, 19)."
"For several reasons, the chances are better than ever that the EU and the United States will come to an understanding this time. Why? Firstly, both regions have experienced anemic growth since the financial crisis of 2008. With little room to loosen fiscal and monetary policies further, they are turning to structural reforms. Unlike domestic labour or product market reforms, trade liberalization promises substantial benefits at relatively low political costs (Felbermayr and Larch, 2013a, 49)."
"Limiting it [protectionism] requires a clear understanding of what constitutes the field of social policy and its proper objectives. (Europe needs this anyway if it is to get beyond blind, indiscriminate austerity in its approach to the south-western states involved in the eurozone crisis.) There has to be recognition that not all areas of social life should be open to the market, but these have to be defined with a clear rationale (Crouch 2014, 181)."
"The fiscal crisis in Europe was a key reason for sluggish growth in trade over the last few years. Although Europe's economy is showing some promising signs, little optimism has been voiced about medium-term growth levels because Europe is burdened by high levels of debt that dampen demand. [...] At this point, the EU is negotiating an investment treaty with China, not a FTA, which faces more opposition and many obstacles. An investment deal long lobbied for by the European Chamber of Commerce would be an important breakthrough (Fallon, 2014, 176)."
"However, taking into account the recent world economic crisis – first conceived by the irregularities of the most deregulated and integrated sector: the financial secondary markets, it is clear that the nation state still plays an important role in the international economy. Therefore, in a world where information and technological progress have a large impact on production factors, determining both trade and investment flows, an agreement between the two largest economic blocs of the world is carefully considered

(Colibășanu and Grigorescu, 2015, 58)."
"We also add grist to the mill of accounts which have pointed to the strategic use of economic ideas, such as the notion that the EU has no choice but to liberalise in a globalised economy, to legitimate external trade liberalisation in the EU in the wake of the crisis (De Ville and Siles-Bruegge, 2015, 655)."
"After the global economic crisis, center-left political parties have remained deeply committed to globalization (Dierckx, 2015, 332)."
"[...] however, transatlantic dialogue has mostly been relegated to a lower level of technical policy. In addition, over the recent years of economic crisis in the US and the EU, trade and economic relationships have been prioritised over human rights in the bilateral partnership (de Las Heras, 2015, 89)."
"Where the 1980s and 1990s saw a significant struggle and eventual victory over the future of European integration, a similar battle was waged in the multilateral trade regime that came from the gates of "crisis" to eventually culminate in a radical expansion of "trade" as a policy concept (Strange, 2015, 884)."
"However, until the moment when the global crisis erupted in 2008, the EU shied away from trade negotiations with other major industrialised countries such as Canada, Japan and the United States (Bollen et al., 2016, 282)."
"In the process, the crisis was redefined by political and corporate leaders as having been 'caused' by excessive levels of public spending. The crisis has therefore now been used to achieve permanent reductions in the size and scope of the welfare state in many countries. [...] All this is before the possible advent of the Transatlantic Trade and Investment Partnership (TTIP). This proposed deal between the European Union and the USA would remove many if not most of the institutions put in place by either European countries or the USA to regulate capitalism (Crouch, 2016, 72f)."
"[...] transnational interests are still to some degree dependent on the national state for its own reproduction. This point seems pertinent both for theoretical reasons and because of the empirical record of the recent global financial and economic crisis, in the course of which we have witnessed manifold and determined action by national states to the benefit of their respective corporate sectors (Raza, 2016, 206)."

**Table 8:** Quotations using the 2008 financial crisis as an argument to negotiate the TTIP.

For Crouch (2016) the economic crisis is not the reason for negotiating agreements such as TTIP, but one argument among others used by political groups and TNCs to preserve the legitimacy of the democratic system. Dierckx (2015) talks of a political commitment to globalisation by which he means policy measures that are committed to the interests of internationally mobile capital that too much power within the economic system is attributed to. He argues that since neo-liberalism took this direction after the crisis it will be more difficult to abandon neoliberal paths for future governments (Dierckx, 2015).

#### **4.2.1.2 Insufficient developments under the WTO**

The international relevance of the WTO is generally understood as declining since the stagnation of the Doha Round. At the same time a rise in bilateral trade agreements can be observed. Prominent arguments used by the scientific literature in favour of negotiating trade agreements bilaterally are (i) the growing irrelevance of WTO, (ii) its multiple incompatible interests; (iii) and that the WTO framework does not cover all necessary trade issues. Aside from that, indications on the general debate are used to bring this rationale into discussion.

Table 9 provides the quotations that acknowledge the declining relevance of the WTO and the tensions between bilateral trade and multilateralism.

"[...] in view of the deadlock at the WTO, the U.S. and EU have come to believe that mega-FTAs provide a better vehicle to advance their commercial interests, at least in the short to medium term (Aggarwal and Evenett, 2013, 555)."
"A third reason is, without any doubt, linked to the failure of Doha Round negotiations. This outcome has as result the orientation of the global players towards regional free trade agreements as long as no global agreement is available or envisaged in the short term (Bonciu, 2013, 26)."
"Knapp 20 Jahre später ist die Euphorie über die WTO verflogen. Angesichts der stockenden Verhandlungen in der Doha-Runde verfolgen Regierungen auf der ganzen Welt einen neuen, als pragmatisch gepriesenen Ansatz: Freihandelszonen statt multilaterale Regulierung (Dieter, 2013, 48)."
"Wenn es die WTO nicht schafft, ihre Regeln auf diese Gebiete auszudehnen, läuft sie Gefahr, irrelevant zu werden (Mildner and Schmucker, 2013, 77)."
"The problem with the multilateral approach is, however, that since 1994, there has not been any major breakthrough. Firstly, as more and more countries joined, the WTO has become a very heterogeneous group of countries with very different economic and political models and strategic interests (Felbermayr and Larch, 2013b, 6)."
"Secondly, the Doha-round multilateral trade talks orchestrated by the World Trade Organization (WTO) have not been successful, despite 12 years of negotiations. Trade issues have become increasingly complex and have moved away from simple tariff reduction scenarios to much more complicated problems related to regulation (Felbermayr and Larch, 2013a, 49)"
"[...] to complicate matters further, there is wide- spread concern that a comprehensive TTIP agreement would be the death knell for the World Trade Organization. If new rules are established by the world's largest economies outside of the multilateral system, the WTO could descend into irrelevance (Erixon, 2013, 27)."
"Da Versuche einer Multilateralisierung dieses Bereichs in verschiedenen Foren - so innerhalb der OECD und der WTO - letztendlich erfolglos geblieben sind, ist das Investitionsschutzrecht durch eine starke Fragmentierung gekennzeichnet (Bungenberg in ZBW, 2014, 777)."
"It is argued in the literature that the proliferation of bilateral agreements has both helped to fill a gap in a multilateral process impeded by the impasse of negotiations in the World Trade Organization (WTO) and discouraged some countries from engaging in multilateral negotiations (Antimiani and Salvatici, 2015, 253f)."
"On the one hand, there is the failure of multilateral trade and investment negotiations such as the Multilateral Agreement on Investment (MAI) and the WTO Doha round (Dierckx, 2015, 328)."
"One of the most noticeable elements of the mega-regional agreements is their "deep" approach to trade liberalization, aiming at comprehensive market opening and the elimination of "behind the border" barriers to trade. The agreements not only exceed the degree of trade liberalization reached at the WTO, they also cover issues which have not been dealt with on the multilateral level at all (Frey, 2015, 368)."
"Indeed, restricting participation to only entities that are located in jurisdictions that are party to the transatlantic agreements would undermine the credibility of the claim that one of the objectives of these agreements is to identify approaches that can be used to cooperate on regulatory matters that are not addressed in the

WTO (Hoekman, 2013, 13f)."
"[...] so could transatlantic leadership for 'cosmopolitan FTAs' contribute to reforming the 'disconnected' UN and WTO governance of transnational PGs for the benefit of all citizens (Petersmann, 2015, 607)."
"Although the Uruguay Round made some progress (e.g. the TRIMs Agreement, or the broad definition of trade in services, including service-related investment), a general agreement on investment under the auspices of the WTO is as far away today as it has been in 1982 under the GATT. [...] and there is no indication that the WTO membership is going to re-introduce investment as a negotiating item in the post-Bali work program (Quick, 2015, 3)."
"The stalling of the 2001 Doha Development Agenda, producing minimal, albeit important results in a new type of softer law on trade facilitation in 2014, a non-transparent agenda on services formally outside the WTO (TISA), and the advent of new bi and multilateral interregional trade negotiations (TPP, TTIP), diverting energy and efforts away from most favoured-nation (MFN)-based multilateralism despite increasing global value chains (Cottier, 2015, 3)."
"Given the current inability of the WTO and other trade arrangements to effectively address such concerns [reducing NTBs], the EU and the USA seem willing to go beyond traditional international treaty-making to explore new avenues of international regulatory cooperation. This new trade relationship could be achieved through the conclusion of a Transatlantic Trade and Investment Partnership (Alemanno, 2015, 626)."
"The World Trade Organization (WTO) Doha Round, one of the strongest arguments against TAFTA, is dead in the water: both sides have already begun negotiating bilateral FTAs with key partners (Hayes, 2015, 115)."
"We do not look at the multilateral level because apart from a shallow agreement on trade facilitation, little has happened at the WTO since summer 2008 (Bollen et al., 2016, 283)."
"Nachdem die sogenannte Uruguay-Runde der Welthandelsorganisation (WTO) 1994 zum Abschluss kam, scheiterten bisher weitgehend alle weiteren multilateralen Bemühungen hin zu einem noch freieren internationalen Austausch von Gütern und Dienstleistungen im Rahmen der Doha-Runde. Der Trend zu bilateralen Vorstößen hingegen ist seit den 1990er Jahren ungebrochen (Egger and Erhardt in ZBW, 2016, 163)."

**Table 9:** Quotations stating the WTOs declining relevance as a reason to negotiate the TTIP.

#### 4.2.1.3 Global leadership

The global leadership rationale likewise is common in scientific literature. It is nonetheless analogous to the other three geopolitical rationales and was especially brought up in connection with them. The understanding that TTIP is a signal of vitality and power of the Western values marks this rationale. The EU and the US could enforce their global leadership role with the agreement and as a consequence play the role of global standard-setters. Table 10 presents a collection of statements that support the global leadership-argument.

"Above and beyond such direct economic benefits, a successful agreement could reinforce the international influence of Europe and the United States. Just as the existence of a single European market has enhanced the ability of European states to set the terms of global trade and act as global standard setters, so too would a transatlantic free trade area reinforce the attempts of Western states to do so collectively (Menon, 2013, 8)."
"Eine Transatlantische Handels- und Investitionspartnerschaft hat auch eine geopolitische Dimension: Ein Abkommen wäre ein unübersehbares Signal für die Vitalität und Gestaltungskraft des Westens (Klose and Scharioth, 2013, 64)."
"A stated aim is not just to further integrate the transatlantic marketplace, but to develop rules and approaches that are globally relevant and that could become a template for future multilateral norms (Hoekman, 2013, 29)."
"Zweitens gibt es aber auch wichtige politische (und geostrategische) Argumente für TTIP. Die EU allein kann in Zukunft gegenüber den aufstrebenden Schwellenländern keine Gestaltungsmacht mehr sein. Nur zusammen mit den USA wird sie globale Standards für Wettbewerb, Investitionen oder auch den Schutz geistigen Eigentums setzen können. Denn wenn es nicht die USA und Europa sind, die Standards setzen, wird es China sein (Mildner and Schmucker, 2014, 104)."
"Nonetheless, enhanced co-operation is possible if the EU and the US define a joint strategy that ensures policy coherence, while enabling them to remain the primary leaders in the international arena (de Las Heras, 2015, 81)."
"They [FTAs] also offer geopolitical gains, e.g. in terms of promoting energy security in Europe and making Transatlantic Trade and Investment Partnership (TTIP) countries global 'standard-setters' rather than 'standard-takers', as discussed in other contributions to this JIEL symposium (Petersmann, 2015, 580)."
"TTIP without ISDS would defeat another purpose, namely that the two biggest trading entities in the world show leadership and find a feasible solution to a difficult issue. TTIP will be a test case to see whether the EU and the U.S. are able to solve outstanding trade issues which the WTO cannot agree upon and whether they are able to achieve results in areas where the WTO has no mandate (e.g. regulatory co-operation) (Quick, 2015, 9)."
"There is clearly much cross-fertilization between the normative and Market Power Europe approaches - in terms of both academic theorization and the policy mechanisms involved - that emphasizes the role of the EU's market as a means to not only make it a power in global trade, but that also then gives it a bargaining chip by which to engage in other fields of global governance (Strange, 2015, 887)."
"The conclusion reached is that, as for previous abortive proposals for a transatlantic free trade agreement, the motivation is essentially geo-strategic; but that the trade policy challenges inherent in negotiating such an agreement remain as great as ever (Hayes, 2015, 113)."
"It is also shown here that parliaments on both sides of the Atlantic possess capacities for intra-polity scrutiny of transatlantic affairs and interparliamentary dialogue, and that they utilize their powers of consent to make claims, condition intergovernmental negotiations and increase their visibility and impact in foreign affairs (Jančić, 2016)."
"Einerseits besteht hier die greifbare Chance für die westliche Wertegemeinschaft, auch in Zukunft die Regeln für die internationalen Wirtschaftsbeziehungen festzulegen. Dies betrifft z.B. technische Standards, wo eine Führungsrolle Chinas Wettbewerbsnachteile für die USA und auch die EU nach sich ziehen würde. (Sieksmeier and Willmann in ZBW, 2016, 168)."

**Table 10:** Quotations using the global-leadership argument as a rationale to negotiate TTIP.

For the purpose of the EU and the US to become global leaders internal issues must be tackled first. Jančić (2016) claims that an important part of this responsibility concerns the European Parliament and the US Congress. Especially in the light of the NSA surveillance affair and the transparency problems regarding the TTIP negotiations the two institutions are compelled to uphold the safeguarding of democracy, the rule of law and human rights (Jančić, 2016). This can be achieved for example with a greater focus of the two institutions on international affairs striving for openness, publicity and political pluralism. Hayes recommends, in order to take this leadership role, to dissolve the present *toxic atmosphere* (Hayes, 2015, 118). According to de Las Heras (2015) the greatest obstacle hindering the promotion of democracy and human rights are internal divisions on foreign and security policy.

#### 4.2.1.4 The rise of emerging economies

The most prominent statement regarding geopolitical reasons for deepening the transatlantic partnership is the rise of emerging economies. Nearly all world economies (whether or not low-, middle- or high-income countries) have the goal of achieving economic growth. However it is important to realize that not all countries follow this goal by playing by the same rules. Some countries cannot rely on a democratic system but are nevertheless important economic partners of the EU and the US. These partners must be observed closely as maintaining relationships appear to be very difficult. Besides this economic linkage other phenomena of global connectivity (digitalisation, ever faster means of travel) are connecting nations. These developments rapidly bring together different cultures and geographical areas. Territorial bloc thinking is, however, still prevalent. This can be seen in the discussion about TTIP as well as in the global political economy in general, which is particularly obvious in the literature analysed. Nearly half of the publications analysed (24 of 49) stress this specific rationale. The main statements on this issue are collected in Table 11.

"Other larger trading nations including China, Japan, Korea, as well as smaller countries, such as Chile and Singapore, have been particularly active in negotiating FTAs. Several smaller states have sought to become "hubs" in their regions to boost trade and attract foreign direct investment. In the Asia-Pacific, there has been a rapid proliferation of FTAs, particularly in the 2000s, often with differing provisions and exclusions. This has led to calls for rationalization of the resulting "noodle bowl" of RTAs [Regional Trade Agreement] that is being created and provided one of the motives for negotiating "mega" FTAs (Aggarwal and Evenett, 2013, 551)."
"A possible response to the rise of China can be the increase of competitiveness of both United States and European Union by means of the transatlantic economic integration which will imply not only liberalization of trade, but also of investments, as well as a joint correlation and coordination of trade and investment regulations (Bonciu, 2013, 25f)."
"[...] the TTIP is as much a political initiative to bolster the transatlantic partnership as it is an economic one. The TTIP is being billed as a way to shore up the transatlantic relationship in a world witnessing the political

and economic rise of Asia (Fiott, 2014)."
"Das Jahr 2001 markiert nicht nur den Beginn der Doha-Runde, sondern auch den Beitritt der Volksrepublik China zur WTO. Seitdem hat sich der kometenhafte Aufstieg der chinesischen Wirtschaft fortgesetzt. Damit gehen immer größere Sorgen einher: Viele Menschen in den OECD-Staaten fragen sich, ob sie im globalen Wettbewerb mit China und anderen Schwellenländern überhaupt noch bestehen können. Dies gilt (gegenwärtig) nicht für Deutschland, aber fraglos für einige andere EU-Länder und auch für die USA (Dieter, 2013, 49)."
"Eine engere transatlantische Integration ist wünschenswert, da sie zu steigenden Handels- und Investitionsströmen führt und hohe Wohlfahrtsgewinne verspricht. Zusätzlich würde sie die Wettbewerbsfähigkeit der transatlantischen Partner gegenüber den aufstrebenden Schwellenländern wie China, Brasilien und Indien stärken (Mildner and Schmucker, 2013b, 72)."
"The most important factor in changing the political conditions for new international trade agreements is that many larger emerging markets become more open to trade liberalisation, especially countries like China and India. They are now far too big, and far too important for actual changes in trade flows generated by a trade agreement, to be allowed terms of an agreement that would mean little or no liberalisation for them. An agreement like TTIP will make countries like China somewhat uncomfortable. They will fear that they are getting side-lined in discussions over the structure of future trade agreements. They will feel compelled to accept trade agreements that they previously could neglect or even block. This kind of motivation probably played a part in China's decision to join the TISA negotiations (Erixon, 2013, 21)."
"[...] both the EU and the United States understand that their norm-setting power is in relative decline and that they can achieve more together than separately. The rise of China and of other emerging countries has cemented this feeling (Felbermayr and Larch, 2013b, 6)."
"Thirdly, leaders in both Europe and the United States see the reduction of trade frictions between their regions as an important means of regaining some of the competitiveness that they lost relative to emerging countries like China and India (Felbermayr and Larch, 2013a)."
"Both the EU and USA hope that the new free trade agreement (FTA) will weaken the influence of emerging markets such as China, Russia, Brazil, India and South Africa (Martinić and Maljak, 2014, 342)."
"In the Washington–Beijing–Brussels strategic triangle, if the United States reduces its engagement with Europe, China is sure to strive to fill that void, following up on initiatives, such as the “16+1” and the new Silk Road, already in place. Conversely, if the U.S.–EU TTIP advances, China is likely to increase its call for a China–EU FTA (Fallon, 2014, 181)."
"Denn trotz einer Reihe von Bedenken, die von unterschiedlichen Interessengruppen gegenüber der TTIP geäußert werden, lässt aktuell die Sorge um eine zu große Abhängigkeit von Russland bei der Energieversorgung mögliche Vorteile eines intensivierten Freihandels mit den USA wieder in einem anderem Licht erscheinen. So könnten z.B. die Schiefergasvorkommen der USA eine Alternative zum russischen Gas darstellen, wenn die Exportbeschränkung dort – zumindest gegenüber der EU – aufgehoben würde (Beck and Ohr, 2014, 344)."
"Zusammen mit den USA sowie durch die parallel mit der Volksrepublik China laufenden Verhandlungen über ein Investitionsschutzabkommen kann die EU in diesem Bereich die Weichen für die Zukunft stellen und die Inhalte einer neuen Generation von Abkommen beeinflussen – oder hier das Spielfeld den USA und China überlassen (Bungenberg in ZBW, 2014, 467)."
"Zweitens gibt es aber auch wichtige politische (und geostrategische) Argumente für TTIP. Die EU allein kann in Zukunft gegenüber den aufstrebenden Schwellenländern keine Gestaltungsmacht mehr sein. Nur

zusammen mit den USA wird sie globale Standards für Wettbewerb, Investitionen oder auch den Schutz geistigen Eigentums setzen können. Denn wenn es nicht die USA und Europa sind, die Standards setzen, wird es China sein (Mildner and Schmucker, 2014, 102)."
"It has not passed unnoticed that Russia and China were taking important steps in the last decade to create or to revive their own standards. Russia is using the Soviet era GOST [Gossudarstvenny Standard] standard to shield their newly created Custom Union with Belarus and Kazakhstan from foreign competition, while China limits the access of western companies to its public tender in the telecom sector for non-compliance with local security standards. We consider that cooperation in developing future standards will increase EU's and US' credibility and leverage during negotiations in international fora, while putting pressure on other major economic partners to gradually align to a more uniform approach on medium to long term (Colibășanu and Grigorescu, 2015, 71)."
"On the other hand, bilateral negotiations between Western states can be considered as a response to the geopolitical and geoeconomic threat posed by emerging markets, in particular the rise of China (Dierckx, 2015, 328)."
"In an increasingly multilateral world, with economic and political power shifting eastwards and southwards, the US and the EU have no choice but to reinforce their partnership in order to maintain their position as leaders in upholding human rights and democratic values globally. In fact, multilateralism itself is currently being challenged; classic universal institutions, like the UN, created in the aftermath of World War II, are coming to be considered obsolete and inadequate to address current global challenges. In their place, regional arrangements, functional state groups and informal solutions have emerged. As a result, increasing global interdependence, political fragmentation of the international community, and new rising powers, of which not all have a democratic profile, pose a serious challenge to human-rights legal building (de Las Heras, 2015, 90f)."
"With a common rival, which is China, the position to be adopted by the EU and the US will probably move beyond simple rivalry and races to the top or the bottom and towards a more complex model which could give rise to a more interesting picture of precaution (Ruiz Cairo, 2015, 130)."
"The financial crisis—which hit Western states the hardest—markedly reduced the EU's market power whilst at the same time India and other states formerly dependent on EU markets have managed to diversify such that the EU lacks the clout it once did (Strange, 2015, 886)."
"With the rise of China, there are strong geo-strategic arguments for closer EU–US ties. In the foreign policy field, the EU is viewed by the USA as essentially a regional actor; and has, unlike in the 1990s, little value-added to offer in the US administration's current priority areas. Attention has thus focused on the thriving economic relationship, where closer links offer the prospect of a much needed boost to jobs and growth, plus the hope that jointly agreed EU–US product norms and standards could become the global standards of the future (Hayes, 2015, 115)."
"TTIP und TPP befördern die Bildung großer Blöcke. Dabei ist der Ausschluss der zweitgrößten Wirtschaftsmacht – China – gewiss kein Zufall. Amerikanische Diplomaten haben diese Sicht öffentlich bestätigt. Im Juli 2014 betonte der US-Botschafter bei der Europäischen Union, Anthony Gardner, in einem Interview die geopolitische Bedeutung von TTIP: „There are critical geostrategic reasons to get this deal done.“ Was also sind die geostrategischen Ziele der USA (Dieter, 2015, 3)?"
"Moreover, to protect European businesses from retaliation by targeted countries, the Commission wanted to strengthen its power to launch 'ex officio' cases, the discretion to initiate anti-dumping investigations without any formal request by industry. This rather defensive reform proposal by the Commission was motivated at least in part by the contentious solar panel case (infra) and other simmering disputes with

China (Bollen et al., 2016, 285)."
"Some authors, however, consider the TTIP rather as a geopolitical project of the USA in the context of its economic competition against China and the other members of the BRICS (Brazil, Russia, India and South Africa) group of countries (De Vogli and Renzetti, 2016, 96)."
"Wie eingangs schon erwähnt, ist TTIP nur eines von zwei mega-regionalen Abkommen, die zur Zeit vorangetrieben werden. Das TPP-Abkommen ist bereits fertig ausgehandelt, und steht für die geopolitische Hinwendung der USA zu dem sehr dynamischen pazifischen Raum. Dabei ist China bisher bewusst ausgeschlossen worden, auch wenn man einen baldigen Beitritt des Landes zu dem ohne seine Mitwirkung ausgehandelten Regelwerk durchaus begrüßen würde (Sieksmeier and Willmann in ZBW, 2016, 166)."

**Table 11:** Quotations using the rising economies argument as a rationale to negotiate the TTIP.

What is remarkable is the tendency to mainly refer to the economic rise of China. The scientific literature preferably utilizes the comparison of the so-called Atlantic bloc (EU and US) with the People's Republic of China.

#### 4.2.2 The economic theme

The second main finding of the literature analysis concerns the studies performed to assess the economic potentials of TTIP (see explanation in sub-section 2.5.1). The scientific literature shows an obvious tendency to cite only few studies, and most notably one in particular (the CEPR study from 2013).

Impact assessment studies for TTIP		Citations
2009/2012	<b>Ecorys</b> Netherlands BV, for the EU Commission, Authors: Francois J., Berden K., Tamminen S., Thelle M., Wymenga P.	<b>8</b>
2013	<b>Bertelsmann</b> Foundation – Global Economic Dynamics, Germany, Authors: Felbermayr G., Heid B., Lehwald S.	<b>6</b>
2013	<b>CEPII</b> - Centre d'études prospectives et d'informations internationales, Paris, Authors: Fontagné, L., Gourdon J., Jean S.	<b>4</b>
2013	<b>CEPR</b> – Centre for Economic Policy Research, London, for the EU Commission, Authors: Francois J., Manchin M., Norberg H., Pindyuk O., Tomberger P.	<b>26</b>
2014	<b>CRS</b> – Congressional Research Service Report for Members and Committees of Congress, Washington D.C., Authors: Akhtar I.S., Jones C. V.	<b>4</b>
2014	<b>CESifo</b> – Center for Economic Studies & IFO Institute, Germany, Authors: Felbermayr G., Heid B., Larch M., Yalcin E.	<b>11</b>
2014	<b>GDEI</b> – Global Development and Environment Institute, Tufts University, Medford - US, Authors: Capaldo J.	<b>2</b>

**Table 12:** Frequency of citing TTIP studies in the scientific literature (30 of the 49 publications cited at least one of the seven identified studies. Multiple publications cite more than one study).

Three studies have attracted the most attention among experts. The 2009 study of Ecorys (and its follow-up report from 2012), the independent CESifo study from 2014 and the CEPR study from 2013. Table 12 offers the total number of citations of the respective studies in the scientific literature analysed. The CEPR study was cited in 26 out of 49 publications representing the most cited study assessing the economic effects of TTIP. The following sub-sections (4.2.2.1 - 4.2.2.3) illustrate how the three most cited studies are incorporated in scientific literature. In this process the papers citing the TTIP-studies are divided into two categories, namely critical and uncritical application of the studies:

- The uncritical application of a study is defined by solely reproducing the insights of the study, by confirming its effects or by a general indication of economic potentials by merely displaying the particular study in a footnote.
- The critical application of a study is defined by a questioning of its calculated economic potential and the tendency to relativize this potential by offering a deeper discussion.

#### **4.2.2.1 The Ecorys study**

Four out of eight publications draw on the Ecorys study in an uncritical manner. Martinić and Maljak (2014) do not challenge the Impact Assessment Report of the European Commission (2013c), although they do discuss certain controversial issues of the trade negotiations. They acknowledge that this report uses the Ecorys and the CEPR study as a means to promote a free trade that would represent nearly 50% of the global economic output. Kolev and Matthes (in ZBW, 2016, 159) suggest, as estimated by Ecorys, that reducing NTBs could represent tariff reduction equivalents of 20% (meaning that there would be the same effect as if tariffs were reduced by 20%). Felbermayr and Larch (2013a) state that Ecorys offers a deep analysis of transatlantic relations confirming the effects of reducing NTBs. Cernat and Sousa (2014) even state that the standard CGE simulations remain state of the art and even underestimate the rewards from a liberalisation of services. Especially FDI endeavours are not included into the CGE analysis of the Ecorys study.

The remaining four publications question the predicted potentials of the Ecorys study. Koivusalo and Tritter (2014, 95) ask if the additional risks and costs for consumers and for the public sector (arising from administrative costs in NTB changes) are considered properly. They also point to the contrasting results of the Ecorys and the following Bertelsmanns study which both estimate gains, but each study for a different party. Antimiani and Salvatici (2015) initially emphasize the positive consensus of the commissioned studies. Then they present their own CGE analysis and conclude that bilateral trade agreements are not as advantageous as expected by the studies (e.g. Ecorys and CEPR). In their assessment of CGE models De Ville and Siles-Bruegge (2015) state the Ecorys study as an example of overly-optimistic predictions. Raza (in ZBW, 2016) claims that realistically one can only expect a small fraction of the benefits claimed by Ecorys.

#### **4.2.2.2 The CES-ifo study**

The CES-ifo study was mentioned seven out of eleven times in an uncritical manner. Bonciu (2013, 23) talks of a *high level of development* of the EU and the US confirmed by the CES-ifo study. Martinić and Maljak (2014) again (see Ecorys study) do not question the calculated potentials. Hayes (2015) adopts the argument of the much needed stimulating of jobs and growth, although he seems critical of TTIP in general. Likewise, Erixon (2013) uses the CES-ifo study to reveal economic gains as does Felbermayr, the author of the CESifo and the Bertelsmann studies in his publications (Felbermayr et al., 2014; Felbermayr and Larch, 2013a, 2013b).

Four out of eleven publications discussed the CES-ifo study from a sceptical position. After comparing all the different studies Colibășanu and Grigorescu (2015) mention that the CES-ifo study is criticized for its methodological simplicity and that the model neglects sectorial industry-level effects. For Dieter (2013) the effects shown by the study are not convincing. According to him discriminating third countries cannot achieve a strengthening of competitiveness. Beck and Ohr (2014) claim that the CESifo study (as well as the CEPR and Bertelsmann studies) are very sensitive on the degree of liberalisation that underlie the models. Slightly changing the underlying assumptions could change the estimations significantly. Additionally, they emphasize that the study attests long term effects, meaning that a noticeable impact of TTIP could occur not until twenty years from now. This notion is not negative per se, only in the light of the political argumentation which does not communicate this circumstance. Schick (in ZBW, 2014, 475) highlights that the study actually only confirms *small, but positive* effects, even in the optimistic scenario.

#### **4.2.2.3 The CEPR study**

The majority of publications utilized the CEPR study to bring forward the positive effects of the transatlantic agreement. Eighteen out of twenty-six publications citing the CEPR study justify their reasoning on its results. Bergkamp and Kogan (2013) explain how the transatlantic regulatory divide has generated double-testing procedures, different conformity measures, unlike documentation necessities, delays and considerable extra costs. This can be seen in the quantitative assessment by CEPR which offers a good assessment of the positive effects of reducing those NTBs. Fiott (2014) cites the study estimates on GDP growth to continue that the agreement will likely boost the EU economy as well as bring essential benefits to EU defence markets that were tentative with defence policies in recent years. Menon (2013, 8) indirectly relies on the CEPR results of GDP growth when he relies on estimates from the European Commission, stating that annually an equivalent of supplementary 0.5 % of EU GDP can be expected. Hoekman (2013) uses the results on real aggregate income of the CEPR study, however noting that the predicted gains are small. Holzer and Cottier (2015) and Alemanno (2015) share the view that the benefits of the agreement are mutual and significant. In their publication from 2013 Mildner and Schmucker reproduce the numbers of the CEPR study and assert that the gains from TTIP would be

higher than any gains under the multilateral forum of the WTO. In 2014 they mention to treat predictions with caution nevertheless relying on the CEPR study again. Felbermayr and Larch (2013b) acknowledge that the CESifo and the CEPR studies come to similar conclusions, namely substantial positive welfare effects. Their other publications (ibid 2014, 2013a) also support the CEPR findings. Hoekman (2013) finds (inter alia citing the CEPR study) that policies that hamper the transatlantic trade (denoting NTBs) are regulatory in nature. TTIP offers the opportunity to tackle these restraints. Furthermore, as they do with the CESifo study, Bonciu (2013), Erixon (2013), Hayes (2015) and Martinić and Maljak (2014) emphasize the positive effects of the CEPR study. Cernat and Sousa (2014), as with the Ecorys study, discuss underestimated effects. TTIP would have significant effects if fully implemented and given enough time for economies to adjust.

Eight out of the twenty-six publications took a critical approach at the CEPR study. Colibășanu and Grigorescu (2015) indicate that the CEPR forecast is neither backed by a historical argumentation nor by an econometrical analysis. De Ville and Siles-Bruegge (2015) deem the use of the studies estimates as reasonable *predictions* irresponsible. It is misleading for a proper debate about economic potentials to illustrate estimates as if they were true. Estimates are still fraught with uncertainty. They compare this phenomenon of *overly-optimistic* argumentation to the prevalent discussions at the time of NAFTA, the free trade agreement between the US, Canada and Mexico. They want to clarify the misunderstandings produced by a *management of fictional expectations*, which obscures potential negative effects and is formulated for a specific audience. They argue that if a positive relationship between two particular factors needs to be shown, particular CGE models through the use of generous parameters can produce this relationship. Frey (2015), by pointing at the CEPR study, claims that the ultimate economic benefits are hard to predict. Beck and Ohr (2014), indicate that the discussion is primarily one about the optimistic scenarios of the CEPR study. Less ambitious scenarios have distinctly less estimated potential. Further, effects on employment are not part of the study. De Vogli and Renzetti (2016) are very sceptical about the proclaimed effects of the CEPR assessment. Invoking the GDEI study they claim that TTIP would lead to a contraction of GDP. Furthermore, they state that GDP is insufficient to depict the welfare and progress of a nation and that there is not enough focus on its environmental effects. According to them *trickle down effects* are also not achieved with trade liberalization policies as they have shown to lead to widening economic inequalities. Raza (in ZBW, 2016) remarks that the study expects a onetime increase in EU-GDP of 0.5% forgetting adjustment costs on the labour market (unemployment) or social costs (a potential decline in regulatory standards). Antimiani and Salvatici (2015) and Koivusalo and Tritter (2014) conceive the CEPR study as sceptical as its predecessor, the Ecorys study.

#### **4.2.3 The corporate theme**

The most common finding to originate from the analysis was the suggestion by scientific literature that the liberalisation efforts behind TTIP are an instrument of corporate power- and

influence gaining. The development of large international industry and service businesses (TNCs) has gained momentum ever since. Those TNCs account for a remarkable share of goods and services produced and for a significant amount of capital acquired. TNCs also act both in accordance as well as against nation states. Nevertheless, they are dependent on nation states because those are the providers of organised, healthy and functional labour forces. At the centre of this corporate-state-dichotomy are the EU and the US thriving to shape the global economy.

The analysed literature points at corporate interest groups welcoming TTIP, hints at business interests advocating TTIP, subtly or obviously tries to explain whose interests are being served by the liberalising of markets, is concerned with the benefits of FDI, gives examples of (rising) dispute settlement cases or generally attests a fragmenting democracy evoked by power asymmetries.

Since the relevant sections of the literature form no distinct pattern, the results are simply listed by year of the publication (following Table 4). Out of 49 publications 26 contain reliable information on the advantageous economic gaining of TNCs.

#### **4.2.3.1 The corporate theme in the scientific literature from 2013**

Bergkamp and Kogan (2013) write that business communities on both sides of the Atlantic have welcomed the initiation of TTIP. They refer to press releases of Business Europe (2013), National Association of Manufacturers (2013; not available online anymore) and the Business Coalition for Transatlantic Trade<sup>19</sup> (2013) appreciating the start of the negotiations. According to these delegations of the biggest TNCs in the EU and the US the PP in its current form is not sufficient (Business Coalition for Transatlantic Trade, 2013).

Another core issue of the transatlantic agreement is FDI (see sub-section 2.2). The advantage of a TNC pursuing FDI is access to foreign markets, access to rare resources or reduced costs of production (e.g. lower minimal wage). Therefore it can be assumed that TTIP can influence FDI flows substantially. If TTIP includes a comprehensive ISDS chapter companies will have improved access and protection by local law for foreign investments on either side (EU and US). Further reducing tariffs and NTBs can improve regulatory cooperation between the EU and the US as well, thus improving the global supply and value chains of companies. Bonciu claims that FDI reflects the already high degree of integration of the EU and the US and that

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<sup>19</sup> **BusinessEurope** represents small, medium and large companies. Active in European affairs since 1958, BusinessEurope members are 41 leading industrial and employers' federations from 35 European countries, working together to achieve growth and competitiveness in Europe (BusinessEurope, 2013).

**The National Association of Manufacturers (NAM)** is the largest manufacturing association in the United States, representing small and large manufacturers in every industrial sector and in all 50 states. The NAM is the powerful voice of the manufacturing community and the leading advocate for a policy agenda that helps manufacturers compete in the global economy and create jobs across the United States (National Association of Manufacturers, 2016).

**The Business Coalition for Transatlantic Trade (BCTT)** seeks to promote growth, jobs, and competitiveness on both sides of the Atlantic through an ambitious, comprehensive and high-standard trade and investment agreement between the United States and the European Union.

it represents the *backbone of the partnership* (Bonciu, 2013). Klose and Scharioth (2013) share the same view on FDI. To them it is most important to further liberalise and at the same time protect mutual FDI as they are at the core of EU and US relations. Felbermayr and Larch (2013b) also acknowledge the importance of FDI as most FDI between EU and US is horizontal<sup>20</sup>. Therefore corporations want to avoid tariffs, exchange rate risks or transportation charges.

The defence industry will be affected by TTIP as well. Finding a way through the web of US regulations could favour European defence corporations as demand in this sector could be increased and the EU defence firms could be stopped to exit the market because of decreasing budgets (Fiott, 2013).

#### **4.2.3.2 The corporate theme in the scientific literature from 2014**

The publication by Koivusalo and Tritter is about the fragmentation of the UK National Health Service. Business interest groups have influence on the kind of regulatory action that governments take. Thus, TTIP could risk becoming a tool that aims to adjust politics to multinational industries instead of guarding citizens (Koivusalo and Tritter, 2014). They are concerned about the strong influence corporations have in the field of chemicals and pharmaceuticals, potentially compromising legitimate regulations. TTIP should not have the primary goal to align regulations but to protect public health (ibid, 2014, 107).

In their article about controversial issues of TTIP Martinić and Maljak (2014) show that research has produced mixed answers on FDI as it depends on the research methods and the region in focus whether FDI fosters economic growth. FDI in combination with ISDS nevertheless would undermine the sovereignty of states. ISDS would add additional costs on states and risks a *regulatory chill*. They also assert that “investors have made claims of up to USD 114 billion, and 2012 saw the highest ever award for an ISDS claim of USD 1.77 billion (ibid, 2014, 363)”. After giving two dispute examples of TNCs with states (*Vattenfall I vs. Germany; Ethyl vs. Canada*) they complete the ISDS discussion by emphasizing that the EU and the US have strong domestic court systems and property rights protection that make ISDS dispensable. Mildner and Schmucker (2014), although generally being convinced of the economic potentials of the agreement, admit that ISDS needs to be modernised if TTIP is going to have a dispute settlement chapter. In the current form it is non-transparent, there is no appellate body and it discriminates states. Klein (in ZBW, 2014, 466) is likewise not in favour of deepening FDI or an implementation of ISDS in its original form. He argues that there has been a *boom* in investment disputes. Investors “*love*” disputes and this love has grown over the years.

The expectation that investment protection agreements will discipline and reward the states by keeping the disputes small was not fulfilled. A rise in bilateral agreements also causes a rise

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<sup>20</sup> **Horizontal FDI:** A firm pursues the same economic activities at the home country and at a foreign country through FDI.

of investors searching for disputes. Klein sees the need to negotiate a more solid ISDS. Bungenberg (in ZBW, 2014) equally discusses the need of a better ISDS. He indicates that there is a discussion to introduce a second authority (comparable to the Appellate Body in the WTO) and demands higher transparency. Felbermayr (in ZBW, 2014) attests (citing the World Investment Report of UNCTAD; (UNCTAD, 2014) that there has been a dramatic rise of investment charges with three thirds of the cases directed to low-income or middle-income economies. In 2013 31% of arbitration decisions were decided in favour of investors.

Schick (in ZBW, 2014) is very clear about his understanding of global power relations. The concentration of economic power has advanced throughout the world. Market power is one of the central instruments to maximise profit. Big corporations, resource companies, banking institutions, information technology businesses or agriculture organisations use their size and power to exploit states, to undermine competition and to influence legislation through lobbying activities.

Beck and Ohr (2014) relativize the argument that SMEs would profit from liberalising markets. On the contrary they determine that transnational corporations will profit substantially from reducing NTBs because they already dominate imports as well as exports of the transatlantic trade. They put in perspective the high expectations of TTIP by pointing to the effects achieved by the formation of the EU: The winners of this historical act were not SMEs but large-scale enterprises.

Although throughout the literature it is commonly argued that a RTA like TTIP contradicts multilateralism under the WTO there is an article by Cernat and Sousa (2014) that does not see a dissent. Important in this regard have been global value chains (GVCs), which needs to be better understood to comprehend how trade and investment linkages work. It is mentioned en passant who is gaining from such linkages: A world economy organised along GVCs “can be sufficiently comprehensive and deep in order to really make a difference in responding to the needs and aspirations of large multinational firms (that are at the forefront of GVC growth) as well as of those SMEs that see in the GVCs a means to jump onto the globalisation bandwagon (ibid, 2014, 32)”. This globally organised economy is even possible under the umbrella of the WTO, which could pursue global trade governance without adversely affecting third countries.

Crouch is a TTIP sceptical and does not recoil from delivering his notion of diminishing democratic standards in favour of corporate interests. He suggests to TTIP critics to focus on corporations lobbying power and the empty promise of jobs that slowly reduced social standards over the last decades. For Crouch TTIP could sweep away regulations to the detriment of social welfare. He urges for more transatlantic democratic action, which is erroneously transferred “to small, private circles where political elites do deals with corporate lobbies (ibid, 2014, 176)”.

#### 4.2.3.3 The corporate theme in the scientific literature from 2015

In their comprehensive literature review about the impacts studies of TTIP, about the trade dependency of the EU and the US, and in a discussion about NTBs, tariffs, FDI and ISDS Colibășanu and Grigorescu (2015) observed that a series of studies have been suggesting the *declining role of the nation state* and a gaining in importance for corporations. This is development gives form to what today is termed the global economy (ibid, 2015).”

Another author also noticed this particular influence on the 21st century by corporate interests. In the introduction to his publication about ISDS, Quick (2015) brings up that ISDS (in its unrevised form) was welcomed by the business-community in comparison to the hostile media reporting. Holzer and Cottier (2015) hint that the process of aligning NTBs (standard harmonization) is strongly supported by business and industry in their article about TTIPs high potential to contribute to CCM.

Mavroidis and Sapir (2015) examine the connection between the increase in trade disputes under bilateral agreements and the dispute settlement mechanism (DSM) of the WTO. They infer that the WTO disputes will likely decrease even more in the future as there is a new trend observable to sign preferential trade agreements. In relation to the DSM its demise could be disadvantageous for weaker parties, as it is characterised by fairness. Referring to the small scope of their study they refrain from making conclusions. The conclusions viable for their insights are presented in the previous sub-section (4.2.3.2) about FDI and ISDS.

Moreover, Bronckers (2015) discusses ISDS as well. He argues against state-to-state dispute settlement but in favour of domestic courts and proposes that the EU should empower the same. This would admit private claims not just from foreign investors, but from all private stakeholders. Why should there be a different investment protection instrument when dealing with private claims from the US? Would one settlement for all private investors (China, India and US alike) system not be enough? Bronckers particularizes this important question about the privilege of foreign (US) investors. Foreign investors enjoy a privileged position, whereas traders, environmental organizations, labor unions or domestic investors have no admission influence for example ISDS. It is peculiar that SMEs or NGOs are not demanding a stronger position in the negotiations (Bronckers, 2015).

Dierckx (2015) criticises ISDS since it admits TNCs right to sue governments if corporate profits are compromised by regulatory actions. What is alarming in this regard is the created power asymmetry between global capital and national labour movements. Capitals structural and ideological power is increasing and simultaneously interacting with neoliberal policies through such legal and quasi legal agreements as TTIP. He also recommends a more democratic approach, since these developments clearly work against the working class while *wealthy investors* are involved in important decisions on capital flows (Dierckx, 2015).

Petersmann, who pleads to not bypass the rights of citizens, argues in a similar manner. TTIP circumvents WTO law and will affect citizens more than any other democratic legislation. It is detrimental to equal rights and remedies of citizens that the most powerful stakeholders are granted more privileges (Petersmann, 2015). Better democratic principles should hold political leaders more accountable for market and governance failures that deform citizens' welfare. Alemanno comes to a similar conclusion in his insightful paper discussing regulatory cooperation. He states the industry lobbies – rather than civic advocates - seem to be the foremost beneficiaries of TTIP (Alemanno, 2015).

Occupied with regulatory cooperation too Hoekmann (2015) advocates for TTIP as a learning device that identifies policy areas that could strengthen multilateral cooperation. The identified bilateral elements of regulatory cooperation could thus be transferred into plurilateral agreements under the umbrella of the WTO. In this regard it is important to focus on the interest of SMEs that are often overlooked while too often the interests of large corporations are addressed (Hoekmann, 2015).

In a discourse about public services Raza (2015) points to the latest developments of global governance, “which have given rise to more powerful international institutions and other forms of private regulatory bodies and networks (Raza, 2015, 206)”. In the main part of the publication he analyses three liberalisation strategies of TNCs and exploits asymmetries in power and access of particular institutional terrains. The conclusion is that transnational capital (in the form of its proprietaries, the TNCs) is still dependent on national states. To the detriment of civil society transnational capital interests have strongly influenced trade negotiations, while for the civil society this was not possible (Raza, 2015). However, civil society has the power to question and change this development, but it takes time. Similar to Razas observation Strange attests that corporate actors use the EU as a tool to follow policies designed for their interests. He urges that civil society's stance in keeping the EU as a *site of contestation* is important to maintain the democratic legitimacy of the EU. If the civil society feels ignored the EU and democracy is in danger. To avoid this, there should not be a one-sided focus on the globalized EU capital interests (Strange, 2015).

Analogically to the capital-labour dichotomy mentioned by Strange, Vogt deals with the evolution of labour rights in the light of TTIP. He proposes that the European Commission and the US congress should consider improvements in worker's rights as with TTIP most certainly foreign economic interests could undermine the implementation of important requirements to strengthen labour (Vogt, 2015). Given the substantial degree of FDI the EU needs a *binding dispute resolution mechanism* that disciplines TNCs in regard to labour violation. This would take pressure from states and put enterprises into the spotlight, encouraging respect for labour rights.

Frey sees TTIP as a helpful instrument to tackle climate change if a chapter about CCM is included in the agreement. This could further have a constructive effect on the public perception of the agreement, “which has suffered in the course of non-transparent and

allegedly business-dominated negotiations (Frey, 2015, 273)". Nevertheless, negotiators have ignored the climate change issue ever since.

By scrutinizing CGE modelling De Ville and Siles-Brügge (2015) aim at showing that the models oblige the *pro-liberalisation agenda* of the European Commission. Besides discussing innumerable shortcomings in CGE modelling (focussing on CEPR and Ecorys) they compare the TTIP modelling to the NAFTA modelling that also did not adhere to the estimated economic gains. The authors claim that the models might serve policy-makers by allowing *management of fictional expectations*. This is exemplified in the EUs regular attempts to proclaim jobs for citizens and stakeholders. The studies are used to disguise the privileging of certain interests demanding more market access.

#### **4.2.3.4 The corporate theme in the scientific literature from 2016**

In 2016 a publication by Crouch again takes up the issue of international business interests. He criticises ISDS where disputes are not resolved in public law courts but by panels of corporate lawyers. With TTIP political power increasingly shifts to TNCs (Crouch, 2016). Concluding his article he attests limits to trust in the political system as it has been repeatedly betrayed.

De Vogli and Renzetti (2016) warn that trade policy should not interfere with mechanisms to protect public health. The orientation towards profit should not be prioritised over the orientation towards health. They have a clear view on who will win and who will lose from TTIP. The few winners are large TNCs accounting for the biggest share of trade worldwide, the losers are citizens in low-skilled occupations (ibid, 2016, 96).

Egger and Erhardt (in ZBW, 2016) state that the majority of trade business with goods services is nowadays performed by multinational corporations. These corporations are active in numerous sectors and are confronted with a big range of products and sales. In the same publications Raza (citing Stiglitz, 2015) claims that TTIP at its core is not a trade but a regulatory agreement. First juridical assessments of TTIP suggest that there are legal shortcomings in the planned institutional structure of the regulatory cooperation (Stoll et al., 2015). Raza indicates that according to experts few large industries tend to gain from a comprehensive mutual recognition of standards, inter alia automobile-, chemical- and pharmaceutical industries.

## 5 DISCUSSION

With the results presented the important question appears: What to make of the found insights? The exhibited tables and aggregated numbers are multitudinous and one can easily get stuck in the details. Hence the focus shifts to the bigger picture again. What insights can the literature analysis provide? Geopolitical considerations, assessment studies and arguments about beneficiary TNCs need to be put in perspective and discussed critically. To structuralize the discussion the research questions are being followed.

### 5.1 The core themes

The first research question asks which subject areas scientists do refer to in the scientific literature most commonly and if core themes exist? The most important findings in this regard are summarized in Table 13.

The geopolitical theme: 39 Publications at least drawing on one of four predominant reason to negotiate TTIP			
Recovering from economic crisis	Insufficient WTO	Global leadership	Emerging economies
14 out of 49	20 out of 49	12 out of 49	23 out of 49
The economic theme: The three most cited impact assessments in publications:			
2009/2012 Ecorys study	2013 CEPR study	2014 CESifo study	
8 out of 49	26 out of 49	11 out of 49	
The corporate theme: Indications that TTIP creates a power asymmetry in the political economy in favour of TNCs:			
26 out of 49 publications			

**Figure 3:** The three core themes most decisive results (Acronyms: CEPR – Centre for Economic Policy Research; CESifo - Center for Economic Studies at ifo-Institute; TNC – Transnational Corporation).

The three core themes revolve around geopolitical, economical and corporate aspects. These have been dealt with throughout the literature most frequently. Moreover a preoccupation with transparency issues alongside the negotiations, the rising public mistrust against the agreement and a focus on the EU's distinct PP were identified. In this regard it is important to mention that the core themes identified are not to be confused with the main topics of the publications analysed. The core themes are the most frequently mentioned issues. For

example the statement of *recovering from economic crisis* was detected in 14 of the 49 publications although it never represented a main topic of a publication.

The first core theme arising from the analysis was the geopolitical theme that is exemplified in four distinct substantiations: the aim of the EU and the US to recover from the 2008 financial and economic crisis, the insufficient liberalisation-forum of the WTO, the global leadership aspirations and the compulsion to be at least at the same page with the emerging economies, especially the rising People's Republic of China. According to the identified literature an ostensible intent of TTIP is to consolidate the economic and geopolitical sovereignty of the transatlantic bloc. In 2014 US ambassador Gardner claimed that *critical geostrategic reasons* drive the negotiations of the agreement (Gardner, 2014). The scientific literature likewise indicates that there are bigger objectives followed by political leaders than mediated publically.

The single consideration of each of the four rationales might not serve as a resilient argument, but taken into account collectively one could infer that among scientists there exists a certain perception that can be characterised as picturing a rationale that goes beyond simply providing jobs and a wider variety of consumption choices for citizens. It could be asserted that a possible growth in GDP not only increases welfare, but similarly increases the geopolitical influence of both the EU and the US.

## **5.2 The addressing of the declared economic potentials**

The second core theme concerns the impact assessment studies conducted for TTIP. In this regard the research question asked how the declared economic potentials of TTIP are addressed in the scientific literature, and if they are confirmed or contested. It can be said that the estimated positive economic potentials are attributable to a few studies that are very popular among experts. All those economic potentials, meaning the use of these potentials for the political advocating of TTIP and its confirmations or contestations in the scientific literature are ascribable to essentially three studies. Considering a total number of nine studies identified by and among scientific literature that is a considerable small number. If it is taken into account that the CEPR study is a follow-up to the Ecorys study this finding becomes even more debateable. Interestingly the estimates by the most commonly cited CEPR study are re-used by 18 out of 49 publications. These publications more or less adopted the same estimates unquestioningly. It seems as if there exists an unquestioned perception that the numbers produced by this study are reliable.

Some publications (8) exist that voice their doubts or substantially criticise the underlying assumptions of the CEPR assessment. Two of the major criticisms concerning the chosen assumptions are that the CGE models of these studies assume full employment and that distribution of income is stable. It is stressed that the results depend on these very strong assumptions. Therefore it could be vital to ask if the studies are reflecting the European reality as European economies have been struggling with higher unemployment and presently

struggle with a decrease of the share of GDP that goes to labour. This raises the question of a possible bias. Is the focus of the scientific literature on mainly three economic quantitative studies a sign of shortcoming in the scientific literature? Turning to assumptions that are not *overly-optimistic* eventually could yield negative projections which nevertheless should be discussed within economic fora and politics. This could matter because the changing of assumption highlights that a neglected perspective on an eventually risky type of liberalisation might set in motion mechanisms that are not beneficial for economies. That said, it is very noteworthy that only two of the 49 analysed papers draw on a study (GDEI) that uses different (i.e. negative) assumptions.

Additionally the core intention of the TTIP assessment studies is the assessment of a potential reducing of NTBs. In this regard the scientific literature points to a lack of an agreed-upon methodology (different usage of CGE modelling). This makes it even more difficult to compare the studies. Calling to mind the aforementioned paragraph this adds weight to the critique that the assessment studies are very sensitive, in this case to the methodology chosen.

### **5.3 Analogies to the negative public perception of TTIP**

Recalling the third research question, the notion of the public distrust against the transatlantic agreement is taken up again. Do analogies to the negative public perception exist in the literature? Is especially the critique against a supposedly benefitting business elite addressed?

The short answer is *yes*. Analogies exist. Scientists increasingly took up the notion that exists within the public sentiment. Remarks on transparency shortcomings, leaks and the forming of a countermovement rose. Even historical parallels (MAI, NAFTA) are drawn throughout the scientific literature and it was even recommended to not let this negative atmosphere among the public get out of hand.

An aspect that also parallels the publics' perception regards the time needed for the contents of the agreement to fully trickle down into the scientific literature. The velocity of the negotiations nearly outpaced the responsiveness of the scientific literature (and the public) to adequately react to the agreement. A gradual development of more sceptical contributions was observed throughout the analysis. The scientific literature revealed that it took at least two years to develop a critical treatment of TTIP. This could be considered problematic as the contestation of the EU's policies by the scientific literature is an important contribution for the EU and US representatives to reach well-briefed and balanced decisions. Nevertheless the Commission and the Congress slowly caught up on its shortcomings (e.g. providing public consultation) and were very cautious to explain idiosyncrasies of the negotiation process. Additionally scientific literature hints that this rise in mistrust could even have been avoided, or at least significantly prevented, if the public would not have constantly been confronted with reports of transparency shortcomings and leaked negotiating-documents.

The second part of the research question can also be answered with *yes*. The scientific literature as well reveals an observation that goes into the same direction. More than half of the analysed papers bring up the liberalisation efforts that appear to be in favour of transnational companies. Few publications mention benefits for SMEs. Dominant and powerful companies are said to influence the negotiations to a disproportional degree. Indeed it appears - looking at the development of the negotiations over the last three years – that businesses representatives were actually welcoming TTIP at a time when the public was only beginning to recognize that a transatlantic agreement was being negotiated.

Aside from the multiple suggestions by scientists identified by the literature analysis, a growing body of contributions and recent leaks that deal with this phenomenon have been identified. Some of them are invoked at this point to indicate that an asserted power gaining of TNCs is perceived as a problem by a growing number of scientists. Topics like data sovereignty as well as data protection are unapprehended themes of the identified scientific literature. This gap is filled by Christensen (2015) who is confident about the aims of TTIP. The agreement would allow important transatlantic data flows, especially in financial services. He recommends not to rush with negotiations about data flows and data processing, before the issues of adequate protection have not been dealt with.

Palmer (2016) examines how corporations have become so influential in the global system and addresses strong criticisms to the fact that „corporations have largely succeeded to date in their lobbying efforts to remain free of any direct human rights obligations under international law (Palmer 2016, 80). TNCs remain proficient at forming the regulatory environment to suit their purposes. This is identified as a strong governance gap and it remains to be seen whether political action can demand corporate accountability.

In another sophisticated depiction of the possible power of global corporations Vitali et al. (2011) identified more than 43.000 TNCs from 37 million companies in 2011. They created a model connecting companies through shareholding networks and revenues to gain a network that visualizes the power distributions. They identified a system of 1318 corporations at the core, each connecting to two or more other companies, and on average connected to 20 corporations. This led to remarkable conclusions. These corporations (which amount to 20% of global operating revenues) seem to collectively own through their shares the majority of the worlds prime businesses and manufacturing firms (which amount to another 60% of the global revenues; MacKenzie and Coghlan, 2011).

Those are startling numbers and in the context of an eventual power dichotomy between states and TNCs they could become even more severe when brought in connection with *tax shaming* (Barford and Holt, 2013). Breuss (2014, 26) terms this phenomenon *globalisation of tax compliance* (authors translations) as another reason for companies to enter an agreement such as TTIP. US companies (e.g. Apple, General Electric, Google, Microsoft) tend to invest in the EU for the purpose of tax compliance. Recently revealed documents by the ICIJ (2016) could be a reason to confirm that this is not just an EU/US phenomenon, but a worldwide trend.

Jones and Macartney (2016) are hinting at another shortcoming. They ask why the financial regulatory coordination did not become a part of TTIP negotiations although the financial crisis made obvious that reforms are needed. They conclude that US firms play an increasingly important role in lobbying at the EU, as EU authorities have become more cooperative since the financial crisis and are generally more porous than their US counterparts.

As indicated by the literature analysis business representatives also welcome a change of the EUs PP to a more *science-based* (or US-like *risk-based*) testing method of products. The publications scrutinized also revealed that this is a dangerous advisement. PP is enshrined in the Lisbon Treaty and represents a core mechanism of safety for European citizens. It could even be considered identity-establishing that Europeans are risk-averse and therefore rely on precautionary approaches.

## 6 CONCLUSION

There exist a myriad of dimensions and different patterns of arguments for and against the transatlantic partnership, which are not easy to comprehend and to disentangle. However, after conducting a thorough and systematic literature analysis new insights have been elaborated that can contribute to further critical assessment.

In short the results of the multilevel framework derived from the literature analysis can be summarized as follows:

- The scientific literature largely points to geostrategic rationales to negotiate a bilateral agreement.
- There exist only few and controversial quantitative economic studies the literature mainly relates to.
- A strong tendency of authors to assign possible economic gains of the transatlantic agreement mostly to TNCs.

A geopolitical rationale seems to drive the negotiations of the TTIP. This is usually acknowledged by political leaders and scientists, but would be a rather new perspective for the interested public, as this particular rationale is not communicated evidently enough. However, TTIP could be mediated as a necessary instrument for the EU and the US to set fair and safe global standards, which is likewise a form of aspiring economic hegemony.

Further the uncritical and the critical use of TTIP studies, respectively, have brought up serious claims that are not addressed by politicians or economists. Political decision makers and leaders should take into account a better-balanced portfolio of diverse scientific studies. Relying on a small number of studies as well as on similar results does not appear to be scientifically and politically desired. In this regard it could be recommended to take into account (or to conduct) assessment studies that base their projections on *more realistic* assumptions as well as on different methodologies as the critical literature suggests. If EU leaders take the precautionary principle seriously, the consideration of different approaches and results grows in importance.

The tendency of the literature to mention TNCs as the main beneficiaries is a sensitive matter. Economic power asymmetry is seen as an important equity issue and the scientific literature gives some valuable examples on how this might be approached. The core chapters of the agreement could for example be about jointly tackling climate change, mitigating tax compliance, supporting and re-appreciating of the production factor labour or the implementing of transaction taxes. In addition endeavours for minimum wages and existential-income that acknowledge more economic security to labour forces could be implemented. In short: TTIP could be formulated to strive for a balance between gains for large economic entities and the providers of labour force, the ordinary citizens.

According to the literature analysed, the public mistrust seems partly justified. Fortunately, the literature analysis also highlighted that TTIP nevertheless could create a political economy that serves everyone, tackles social and environmental challenges and is concerned with consequences of long-term impacts. Scientists suggest that the trade agreement could be a benefit to everyone as long as it is formulated on equitable terms. A deal in dialogue with citizens could be negotiated. Otherwise the whole process of connecting the two biggest economies in the world risks becoming a detriment to democracy's stability that could further broaden the conceived gap between the few and the many.

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