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## TTIP, 'truth' and the future of global trade

**Ferdi De Ville and Gabriel Siles-Brügge, *TTIP: The Truth about the Transatlantic Trade and Investment Partnership* (Cambridge; Malden, MA: Polity Press, 2016).**

Trade deals have become lightning rods for broader political debates around the right of governments to regulate in the public interest, the role of transparency in rule making, and the role of market values in shaping policy. The divisive politics of the Transatlantic Trade and Investment Partnership (TTIP) trade agreement between the United States and the European Union is perhaps the most recent and best example of this trend. For opponents, TTIP was seen as serving corporate interests and harmful to democracy; for proponents, TTIP was a 'no-brainer'<sup>1</sup> – a source of economic growth and jobs, and a way for the EU and US to set global economic standards. It is to the heart of these debates that Ferdi De Ville and Gabriel Siles-Brügge enter with their refreshing and careful analysis. *TTIP: The Truth about the Transatlantic Trade and Investment Partnership* cuts through the hyperbole and takes on claims made by both proponents and opponents of the agreement. De Ville and Siles-Brügge throw much needed light on the role of key narratives in framing the agreement, as well as the agreement's potential effects. While the future of TTIP remains uncertain, De Ville and Siles-Brügge's contribution helps us think about the normative dimensions of trade conflict and the future of global trade.

De Ville and Siles-Brügge begin by unpacking the two dominant narratives used by politicians to sell TTIP. The first is that the agreement will provide economic stimulus and jobs on both sides of the Atlantic. This narrative was trumpeted particularly in the EU during the economic crisis. De Ville and Siles-Brügge respond by outlining the limitations of computable general equilibrium (CGE) econometric modelling used to measure the potential economic gains of TTIP, the simplifying and unrealistic assumptions (or 'fictional expectations'<sup>2</sup>)

<sup>1</sup> Ferdi De Ville and Gabriel Siles-Brügge, *TTIP: The Truth about the Transatlantic Trade and Investment Partnership* (Cambridge; Malden, MA: Polity Press, 2016), p. 1.

<sup>2</sup> Jens Beckert, 'Imagined futures: fictional expectations in the economy,' *Theory and Society* 42/2 (2013), 219-40, cited in De Ville and Siles-Brügge (2016), p. 19.

that overstate the benefits and downplays the potential costs of the agreement. Despite these limitations, these models are 'powerful political tools' that have been used to defend TTIP.<sup>3</sup>

The second key narrative – which was deployed as the growth and jobs narrative faltered<sup>4</sup> – was that the agreement would help ensure that the EU and the US will be global economic rule-setters. However, De Ville and Siles-Brügge point to significant differences between the US and EU regulatory approaches which led the negotiation partners to opt for mutual recognition of each other's standards rather than pursuing the 'harmonization imperative.'<sup>5</sup> This means that a single new set of standards is near impossible. The mutual recognition route also means that there are no incentives for third parties to change their standards. In short, De Ville and Siles-Brügge find little evidence to support the two key arguments used to market TTIP.

And what of activists' arguments that TTIP is a threat to democracy and hard fought social and environmental standards? De Ville and Siles-Brügge argue that mutual recognition could lead to a reduction in regulatory stringency through regulatory competition after the agreement hypothetically enters into effect. The threat of mutual recognition is symptomatic of a larger concern and this is where the authors deploy their most unique and compelling argument. TTIP, they argue, 'is driven by both a philosophy and a discourse that idealize the efficient operation of markets and seek to minimize the constraints imposed by democratic decision-making in public policy.'<sup>6</sup> They are referring to the treatment of non-tariffs barriers (e.g., regulations, standards, certification etc.) by policymakers as simply the cutting of red tape. Framing regulation this way is in line with a market-driven, neoliberal logic that seeks to 'discipline' regulations.<sup>7</sup> While the highly controversial investor-to-state dispute settlement (ISDS) provision has attracted the most furor for its potential to 'chill' regulation, De Ville and Siles-Brügge point to other 'machinery and processes that are likely to have a deregulatory impact,' through commitments to regulatory cooperation.<sup>8</sup> De Ville and Siles-Brügge argue this approach is the result of business interests driving the TTIP agenda and that 'the extent to which the EU's initial ideas for the regulatory dimension of TTIP are a "copy/paste" of businesses' demands is remarkable.'<sup>9</sup> They also draw parallels between

3 De Ville and Siles-Brügge (2016), p. 24.

4 *Ibid.*, p. 40.

5 Michael Faubert and Amy Wood, 'Regulatory Harmonization in International Trade: A Categorical or Conditional Imperative?', *University of Toronto Journal of Political Science* 1/1 (2016), 41-7, p. 41.

6 De Ville and Siles-Brügge (2016), p. 131.

7 *Ibid.*, p. 131.

8 *Ibid.*, p. 63.

9 *Ibid.*, p. 76.

the deregulatory agenda in TTIP and within the EU, in particular the 2012 Regulatory Fitness and Performance Programme (REFIT) – aimed at making regulation ‘smarter’ by cutting ‘red tape.’ In both TTIP and REFIT, determining what constitutes red tape is inherently a political exercise. So, while activists’ warnings about hormone treated beef or genetically modified produce are overblown, they are echoing fears about a more covert and potentially insidious form of regulatory change on the horizon.

While the TTIP agenda might paint a dire prognosis about the trajectory of trade deals, De Ville and Siles-Brügge do not end their analysis here. Instead they review the remarkable role of civil society in (re)politicizing regulatory politics. Civil society groups successfully framed TTIP as a threat to democracy as well as environmental and social protections. Campaigns – primarily concentrated in the EU – built on initial opposition to ISDS and used key symbols, like chlorinated chicken, to make broader arguments about TTIP’s potential effects, linking the agreement to concerns about food safety, regulatory standards and public services. De Ville and Siles-Brügge argue the enormous civil society pressure resulted in several changes to the European Commission’s approach to the negotiations – namely reconsideration of ISDS and reigning in ambitions for regulatory cooperation – and the negotiating process itself by increasing transparency. This argument – as well as the book more generally – draws on document analysis and interviews with negotiators, policymakers and members of civil society, although greater transparency around methods would be helpful (e.g., the number of interviewees and the types of questions asked).

De Ville and Siles-Brügge provide a welcome counterbalance to the orthodox political economy understanding of trade as purely distributive where economic actors fight over the ‘spoils of liberalis[ation].’<sup>10</sup> Rather, the authors suggest, we must understand the politics of TTIP as a conflict primarily between business interests and civil society organizations. This approach allows us to understand why there are ‘clear limits to the “economisation of regulatory politics”’ in the form of civil society resistance.<sup>11</sup> While we have yet to see a transnational movement against TTIP per se, the campaign and outcomes that did result have been regarded as successful by civil society.<sup>12</sup> Although TTIP was put ‘firmly

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<sup>10</sup> *Ibid.*, p. 134.

<sup>11</sup> *Ibid.*, p. 113.

<sup>12</sup> See for example Molly Scott Cato, ‘People power is ending TTIP and other unpopular trade deals,’ *The Guardian* (19 October 2016), <[https://www.theguardian.com/commentisfree/2016/oct/19/people-power-ending-ttip-eu-free-trade-deals-ceta?CMP=share\\_btn\\_link](https://www.theguardian.com/commentisfree/2016/oct/19/people-power-ending-ttip-eu-free-trade-deals-ceta?CMP=share_btn_link)> (Accessed: 10 October 2017).

in the freezer' after the election of US president Donald Trump<sup>13</sup> (though Commerce Secretary Wilbur Ross said in June of 2017 he is open to resuming talks<sup>14</sup>), more time (and analysis) is needed to understand whether TTIP was already (or remains) politically dead and how the deregulatory agenda evident in TTIP will manifest itself elsewhere.

De Ville and Siles-Brügge's book contributes to our understanding both theoretically and empirically of the debates around TTIP. The book is intended for a broader audience and the authors navigate well the challenge of delivering an accessible yet well-substantiated analysis. While the book is largely focused on the EU, a deeper understanding of the internal and external dynamics in the US context is warranted in future research. Other potential avenues for research include greater attention to political economic contexts in which the parties negotiated the agreement, and in particular, how negotiators understand the benefits and risks associated with TTIP (or other trade agreements) and how these are transmitted to politicians. Also, understanding why civil society actors have been so successful in politicizing neoliberalism in TTIP is important – this question could also be explored comparatively with other trade and investment deals that have generated significant resistance such as the Comprehensive Economic and Trade Agreement (CETA) between the EU and Canada, or the Trans-Pacific Partnership (TPP) agreement. Finally, understanding the mounting sea change in attitudes both inside and outside governments about the longstanding ISDS mechanism will help us think about where future of global trade will, and ought to, lead us.

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13 Philip Blenkinsop, 'U.S. trade talks in deep freeze after Trump win, says EU,' Reuters (11 November 2016), <<https://www.reuters.com/article/us-usa-election-eu-trade/u-s-trade-talks-in-deep-freeze-after-trump-win-says-eu-idUSKBN1361UN>> (Accessed: 10 October 2017).

14 Deutsche Welle (DW), 'Angela Merkel welcomes US to offer to resume TTIP talks,' DW (27 June 2017), <<http://www.dw.com/en/angela-merkel-welcomes-us-offer-to-resume-ttip-talks/a-39446579>> (Accessed: 10 October 2017).