

# LACK OF TRUST, CAMPAIGNING AND OPPOSITION AGAINST THE TTIP

WORKSHOP

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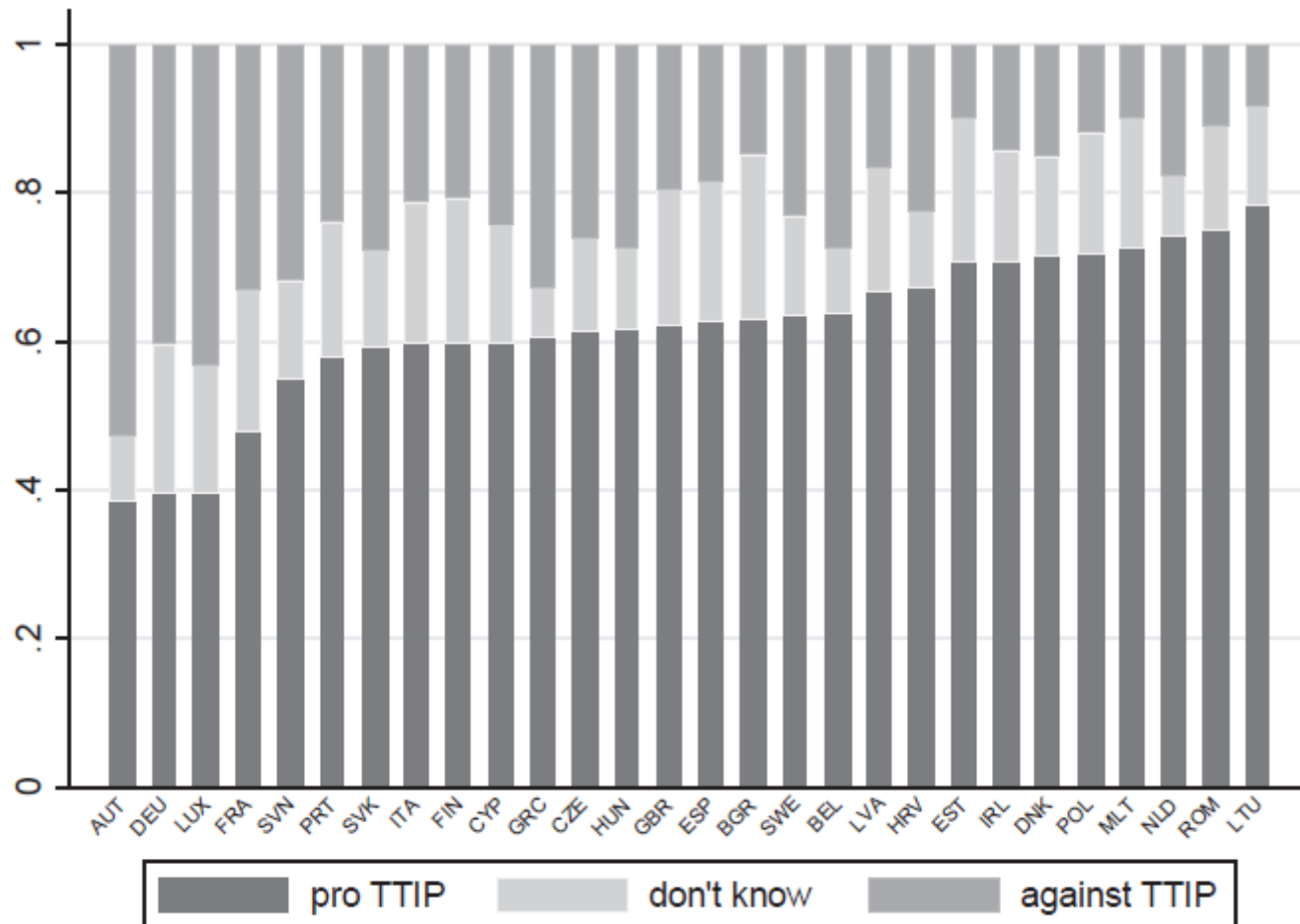
# Motivation



- Political opposition against the TTIP in some countries
  - ▣ „secret negotiations“, „hidden agenda“
  - ▣ “will give big business control over public health services or education, undermine rights at work, environmental protection and food safety standards.”
- Who approves/disapproves of the TTIP?  
Which factors drive attitudes regarding the TTIP?
  - ▣ Embedded in literature on trust and economic regulation preferences

# Approval/disapproval of the TTIP across EU-28

Figure 9.1: Country average shares of responses to TTIP survey question  
(November 2014)



Source: Eurobarometer 82.3.

# Outline of paper/presentation



Motivation

TTIP, trust, and economic regulation

Results

Some conclusions

# TTIP, trust, and economic regulation (1)

- people demand stricter economic regulation if they do not trust other market actors
  - ▣ *Aghion et al (2010), Pinotti (2012), Kaltenthaler & Miller (2013)*
  - ▣ distrust spurs anticipation of a harmful behavior
  - ▣ licensing, quality standards, and other forms of (economic) regulation serve as implicit insurance against opportunistic behavior
- trust towards different market actors differs
  - ▣ generalized trust in other people
  - ▣ trust in companies (SMEs, 'big companies')

## TTIP, trust, and economic regulation (2)

- confidence in policymakers matters
  - ▣ If governments and bureaucracies are perceived to be captured by organized producer lobbies, people expect policies to be biased in favor of special interests
  - ▣ *Svallfors (2012), Pitlik & Kouba (2015), Pitlik & Rode (2016)*
- confidence in different political actors differs
  - ▣ European Union policymakers and institutions (in favor of TTIP)
  - ▣ National (domestic) policymakers and institutions
    - competence to regulate at the national level
    - delegated authority for TTIP negotiations to EU

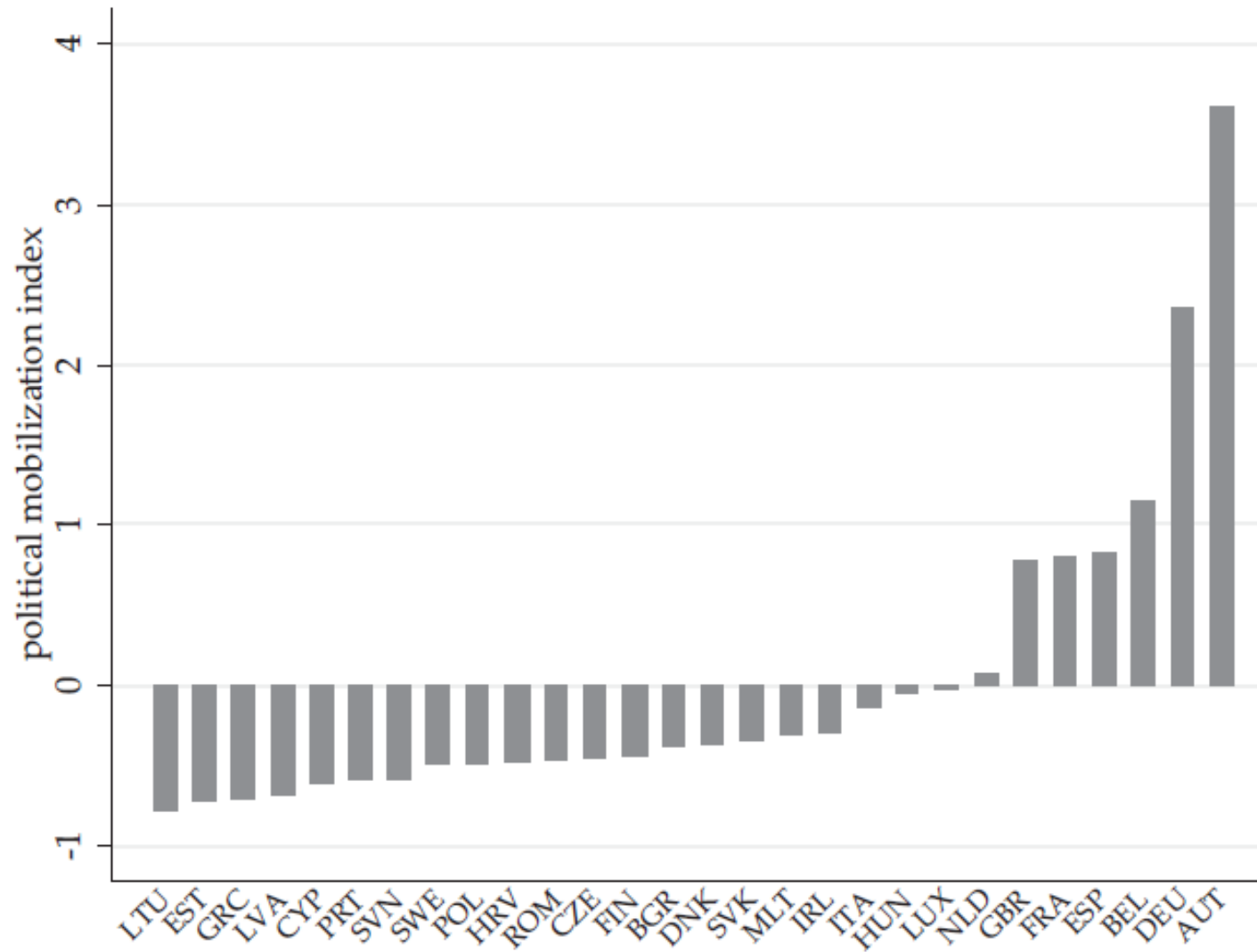
## TTIP, trust, and economic regulation (3)



- anti-globalization groups active in campaigning against the TTIP
  - ▣ EC public consultation on ISDS (March-July 2014) with 150,000 responses, 80% originated in AUT, GER, UK
  - ▣ 97% pre-defined negative answers by ‘civil society groups’
  - ▣ campaigning success: Google-searches for keywords „ATTAC“ and „TTIP“

# Anti-TTIP political mobilization-index

Figure 9.2: Anti-TTIP political mobilization in EU-28





# Determinants of TTIP approval (1)

Table 9.1: Determinants of TTIP net approval rates (country averages)

| Full sample            | (1)                 | (2)                 | (3)                 | (4)                 | (5)                 | (6)                 |
|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| trust in:              |                     |                     |                     |                     |                     |                     |
| other people (social)  | 0.441**<br>(0.004)  |                     |                     |                     |                     |                     |
| all companies          |                     | 0.510*<br>(0.035)   |                     |                     |                     |                     |
| big companies          |                     |                     | 0.684*<br>(0.016)   |                     |                     |                     |
| small companies        |                     |                     |                     | 0.053<br>(0.784)    |                     |                     |
| EU Commission          |                     |                     |                     |                     | 0.479*<br>(0.015)   |                     |
| national government    |                     |                     |                     |                     |                     | 0.380*<br>(0.048)   |
| political mobilization | -0.113**<br>(0.000) | -0.108**<br>(0.001) | -0.103**<br>(0.002) | -0.115**<br>(0.000) | -0.097**<br>(0.002) | -0.118**<br>(0.000) |
| GDP per capita         | -0.009**<br>(0.000) | -0.006*<br>(0.039)  | -0.005<br>(0.060)   | -0.006<br>(0.061)   | -0.007*<br>(0.043)  | -0.009*<br>(0.010)  |
| N                      | 28                  | 28                  | 28                  | 28                  | 28                  | 28                  |
| F                      | 34.3                | 12.6                | 12.3                | 15.3                | 13.8                | 14.0                |
| R-square (adj.)        | 0.573               | 0.536               | 0.566               | 0.465               | 0.569               | 0.542               |

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# Determinants of TTIP approval (2)

## w/o Austria and Germany

| without AUT/DEU        | (7)                 | (8)                 | (9)                | (10)               | (11)               | (12)                |
|------------------------|---------------------|---------------------|--------------------|--------------------|--------------------|---------------------|
| trust in:              |                     |                     |                    |                    |                    |                     |
| other people (social)  | 0.467**<br>(0.002)  |                     |                    |                    |                    |                     |
| all companies          |                     | 0.742**<br>(0.001)  |                    |                    |                    |                     |
| big companies          |                     |                     | 0.964**<br>(0.000) |                    |                    |                     |
| small companies        |                     |                     |                    | 0.155<br>(0.427)   |                    |                     |
| EU Commission          |                     |                     |                    |                    | 0.611**<br>(0.000) |                     |
| national government    |                     |                     |                    |                    |                    | 0.562**<br>(0.003)  |
| political mobilization | -0.032<br>(0.469)   | 0.012<br>(0.799)    | 0.025<br>(0.559)   | -0.037<br>(0.481)  | 0.019<br>(0.717)   | 0.004<br>(0.929)    |
| GDP per capita         | -0.010**<br>(0.000) | -0.007**<br>(0.006) | -0.006*<br>(0.012) | -0.007*<br>(0.023) | -0.008*<br>(0.016) | -0.011**<br>(0.002) |
| N                      | 26                  | 26                  | 26                 | 26                 | 26                 | 26                  |
| F                      | 32.6                | 5.9                 | 6.8                | 2.7                | 8.7                | 6.2                 |
| R-square (adj.)        | 0.372               | 0.386               | 0.456              | 0.177              | 0.432              | 0.420               |

All estimates OLS with robust standard errors. P-values in parentheses. \*\*/\* denote 1%/5% significance level

# Some conclusions/open questions



- distrust in companies as a major driver of anti-TTIP sentiments
  - ▣ negative view of big companies important, not SMEs
- lack of confidence in EU-institutions strongly related to disapproval of TTIP
  - ▣ confidence in national institutions matters less (and does not matter in individual level estimates)
- anti-TTIP mobilization successful
  - ▣ endogeneity: why in some selected countries?