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Abstracts

HOW BENEFICIAL IS TTIP FOR EU COUNTRIES? ECONOMIC GAINS AND SOCIAL COSTS OF AN AMBITIOUS PROJECT

Giuseppe Celi

This paper provides a reflection on Transatlantic Trade and Investment Partnership (TTIP) and its impact on European economy. Although TTIP has been promoted as producing substantial economic benefits for both sides of the Atlantic, gains in terms of growth premium appear quite limited and unevenly distributed between the EU and the US and inside the EU. In addition, the increase in bilateral trade flows between the EU and the US would be accompanied by a substantial diversion from intra-EU trade that could undermine the sustainability of the eurozone and would be detrimental for Southern European countries. Furthermore, adjustment and social costs, which have been overlooked by CGE-based studies on TTIP impact, could be dramatically high.

THE TRANS-ATLANTIC TRADE AND INVESTMENT PARTNERSHIP: EUROPEAN DISINTEGRATION, UNEMPLOYMENT AND INSTABILITY

Jeronim Capaldo

The macroeconomic effects of free-trade agreements are typically assessed with Computable General Equilibrium models (CGE) assuming full employment and invariant income distribution. Unsurprisingly, these assessments point to positive effects on growth and employment.

This paper assesses the effects of the Trans-Atlantic Trade and Investment Partnership (TTIP) with a demand-driven econometric model – the United Nations Global Policy Model. Macroeconomic adjustment is driven by competition on labor costs across trading countries while employment and income distribution adapt. Results are starkly different from official assessments with projected losses in terms of GDP, employment and personal incomes. Projections also indicate an increase in financial instability and a continuing downward trend in the labor share of GDP.

IS TTIP A GROWTH AND EMPLOYMENT ENGINE FOR SOUTHERN EUROPE?

Sabine Stephan

It is not a coincidence that the European Union and the United States of America currently negotiate an ambitious free trade agreement. Seven years after the outbreak of the financial crises that led to the deepest crisis of the global economy since the 1930s, numerous EU countries – and the Southern European crisis countries in particular – are still suffering from the drastic consequences of the global economic crisis. The fact that they are unable to stimulate their economies by their own efforts due to strict austerity policies gives added weight to the claim that TTIP will generate considerable growth and employment opportunities for the countries involved. This claim is typically backed up with findings taken from “independent” studies. A closer look at the findings of two influential studies that present projections at the country level, however, reveals that even in the event of a comprehensive free trade agreement being signed, the anticipated effects on growth and employment in Greece, Portugal, Spain and Italy are minuscule.

THE TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP – A CLASSICAL COMMUNITY METHOD-DRIVEN ECONOMIC INTEGRATION PROCESS

Marina Camille Best, Marita McGrory, Anneloes Pronk, Claire Stevenson

This paper analyzes the Transatlantic Trade and Investment Partnership, a proposed free trade area between the European Union and United States. Resulting in the largest free trade area in the world and encompassing almost half of global GDP, this agreement would have major implications. Major components of the agreement include reductions in tariffs and potential changes in (or mutual recognition of) product standards. In the following paper, the policy-making process, the policy type, and policy mode will be explored, with particular attention devoted to the Classical Community Method and the European Commission’s significant role in pushing this legislation forward. As so many interests are at stake, a wide range of actors will be examined, including both the formal (European/US government institutions) and the informal (non-governmental organizations, lobby groups). Finally, overall gains and risks of the partnership, plus its potential effects on third countries, will be discussed.

WHAT FUTURE FOR SOCIAL RIGHTS UNDER THE NEW TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP (TTIP)? SOME REFLECTIONS ON TTIP

Valentina Cagnin

This essay presents the new Transatlantic Trade and Investment Partnership (TTIP) whose negotiations are still going on between the EU and the USA, focusing on both its positive and negative aspects. Particular consideration is given to the effects that will eventually be felt in Europe in respect of social rights and labour market issues. The pursuit of sustainable development is proposed as a key guiding principle to be followed if rights are to be protected. Finally, the author reflects on the implications of the publishing of *the Mandate*.

LABOR RIGHTS AND LABOR STANDARDS IN TRANSATLANTIC TRADE AND INVESTMENT NEGOTIATIONS: A US PERSPECTIVE

Lance Compa

A transatlantic trade agreement between the United States and the European Union must contain a strong labor chapter protecting workers' rights and social standards. Any agreement should aim to reduce inequality by ensuring that benefits of expanded trade flow to everyone, not only to wealthy elites. To this end, a labor chapter should prevent the US-style deregulation and anti-union practices from penetrating Europe. Moreover, any investor-state provision should not allow investors to challenge labor laws and social protection measures. In sum, a transatlantic trade agreement must create a dynamic of upward harmonization of standards, not a race to the bottom.

THE QUEST FOR A NEW GENERATION OF LABOR CHAPTER IN THE TTIP

Michele Faioli

The TTIP (Transatlantic Trade and Investment Partnership Agreement) may be key for the EU-USA forthcoming vision of labor and industrial relations. The TTIP may be turned into an opportunity to ground a new generation of labor chapters in investment/partnership treaties. In line with preliminary outputs, a practical proposal is introduced. This essay is also aimed at analyzing, under a critical legal approach, why, to what extent and how the TTIP labor chapter may be set up. A special focus on the TTIP and ISDS in labor items is included.

THE TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP AND REGULATORY COOPERATION

Massimo Di Pietro

The only reason underlying this work is to contribute to the debate on the Transatlantic Trade and Investment Partnership (TTIP) by trying to shift the focus of discussion towards the certainly more relevant aspect it poses, namely regulatory cooperation. Surely this is not the only TTIP specificity, but it is certainly the one to which more attention should be paid due to the possible effects on States' ability to regulate in the citizens' interest, without any constraints related to the operation of a trade agreement. The European and US union movement is fully aware of the fact that this challenge must also be seen in a European social and economic context, which has been greatly weakened by austerity measures.

THE EUROPEAN PARLIAMENT AND THE NEW TRADE POLICY: CONSEQUENCES AT TRANSATLANTIC LEVEL

Alessia Mosca, Valerio Bordonaro

By facilitating the flow of technology, capital, and assets, globalisation has allowed for the possibility to spark economic growth in some countries which have been regarded until recently as developing countries. As a consequence, 90% of world GDP growth will occur outside the EU in the next 20 years. In this context, trade policy increasingly represents an economic policy tool useful to support economic recovery. Before the Treaty of Lisbon, the EU trade policy was the responsibility of the Council and the Commission. Today, instead, the European Parliament, too, plays a pivotal role. The EU and USA are currently negotiating the TTIP, a trade agreement aimed at creating the world's largest free trade area. The debate, which includes social, economic, geopolitical, and cultural issues, is so sensitive as to trigger several controversial reactions, mainly on the ISDS (Investor-State Dispute Settlement) issue.

THE GREAT RECESSION AND THE WELFARE STATE

Felice Roberto Pizzuti

The first part of the article, which builds upon the results of the *Report on Welfare State 2015. The Great Recession and Welfare State*, analyses the developments of the ‘great recession’ and the extremely negative effects of tax consolidation policies. Particular attention is paid to the situation of the EU and the Eurozone, assessing the uncertain outlook for the ongoing unifying process. Furthermore, ‘austerity’ policies have led EU institutions to disregard the social dimension of economic choices, which has always been a feature of EU policies. The exceptional seriousness of the EU crisis, and an even sharper worsening of social indicators are important elements of this trend. Moreover, the article includes a more in-depth analysis of the Italian economic and social situation, and deals in detail with critical aspects of the Italian welfare system. The article also presents proposals for action in different fields: from the pension system to the healthcare system, from social safety nets to education.

THE ITALIAN JOBS ACT BETWEEN SURREALISM AND FALSIFICATION

Paolo Pini

The *Jobs Act* has been announced as an urgent structural reform requested by Europe to make the extremely rigid Italian labour market more flexible, in order to contrast the dualism between protected workers and those without protections at all, and to guarantee them some safeguard in the market. In addition, it launches a “confidence campaign” for firms and markets to induce growth in labour demand and then increases in employment in exchange for more entry and exit market flexibility. It is for the umpteenth time a reform of the Italian labour market, which – differently to the previous ones – wishes to tackle the dualism between insiders and outsiders, and to extend market protections to everybody, transferring existing protections from the work place to the market, and extending them to the outsiders with support of the public actor. Is all of this true, or is it just one more announcement? And, more important, is it what we really need? In this paper, we discuss some *omissis* in the “legge delega” (in the Italian constitutional system, a law approved by the Parliament, that delegates the Government to exert legislative power on a defined object), as well as contradictions in this latest announced reform that seems to be at zero cost and in line with the previous reforms started in the '90s. Notwithstanding announcements inviting firms and markets to bet on the confidence effect, being free from constraints of labour regulations, the Italian economy structural problems remain all on the table – decades of productivity stagnation first, and those related to aggregate demand and its composition – exacerbated by the state of deep depression in the Eurozone. The *Jobs Act* does not provide any answers to these problems.

SUSTAINABLE URBAN MOBILITY AND REQUALIFICATION FOR AN ECONOMIC RELAUNCH OF THE CITIES

Giuseppe Critelli, Cosimo Cuomo, Maria Umbro

In the last years the adoption of models of sustainable development is one of the priorities of the community and national economic policy about urban mobility and requalification.

It is possible to optimize the efficacy of mobility policies only by integrating them with an adequate urban planning, and by combining activities of urban mobility maximization with the economic development of the city through total requalification processes.

This article intends to examine some of the most interesting actions of urban requalification and economic development in Europe, that are ascribable to a sharp reorganization of the urban mobility.