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Working Paper

'The politicisation of transatlantic trade in Europe:
Explaining inconsistent preferences regarding free trade
and the TTIP

LEQS Paper, No. 151

Provided in Cooperation with:

London School of Economics and Political Science (LSE), European Institute

Suggested Citation: Sojka, Aleksandra; Díaz-Lanchas, Jorge; Steinberg, Frederico (2020) : 'The politicisation of transatlantic trade in Europe: Explaining inconsistent preferences regarding free trade and the TTIP, LEQS Paper, No. 151, London School of Economics and Political Science (LSE), European Institute, London

This Version is available at:

<https://hdl.handle.net/10419/303434>

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THE LONDON SCHOOL
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POLITICAL SCIENCE ■



LSE 'Europe in Question' Discussion Paper Series

The politicisation of transatlantic trade in Europe: Explaining inconsistent preferences regarding free trade and the TTIP

Aleksandra Sojka, Jorge Díaz-Lanchas, and
Frederico Steinberg

LEQS Paper No. 151/2019

January 2020





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The politicisation of transatlantic trade in Europe: Explaining inconsistent preferences regarding free trade and the TTIP

Aleksandra Sojka *, Jorge Díaz-Lanchas **, and Federico Steinberg ***

Abstract

The Transatlantic Trade and Investment Partnership (TTIP) generated an unprecedented public contestation across Europe. In this paper, we focus on the sources of such backlash in European public opinion. Previous studies of this issue have analysed opinions on free trade and the specific agreement separately. However, not accounting for their correlated character could lead to biased conclusions about their determinants. To address this, we apply an innovative empirical approach and construct a set of bivariate probit models to calculate joint probabilities for the different configurations of support and opposition. We validate that attitudes toward free trade and the TTIP have similar but not identical foundations. Inconsistent preferences are rooted in individual values, EU attitudes, and political cues, as well as treaty partner heuristics. Our innovative empirical approach offers an improved understanding of trade attitudes within EU's multilevel context.

Keywords: trade liberalisation, free trade, public opinion, trade agreements, TTIP

JEL Codes: F13, F5, F35

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The politicisation of transatlantic trade in Europe: Explaining inconsistent preferences regarding free trade and the TTIP

1. Introduction

The Transatlantic Trade and Investment Partnership (TTIP) has become the most contentious trade deal ever negotiated by the European Union (EU). Since the launch of the talks in mid-2013 until their halt in late 2016, when Donald Trump was elected US President, the European public's interest in these negotiations has steadily increased. Supporters of the agreement have argued that it would generate significant economic benefits for both parties. The treaty was also considered an opportunity to revitalise the transatlantic relationship and restore the power of the US and the EU to establish ground rules for the global economy (Hamilton, 2014). For its detractors, however, the TTIP envisaged a set of regulatory commitments, with the potential to alter the state-market relationship in Europe (De Ville & Siles-Brügge, 2017). The main issues of concern for Europeans included the agreement's potentially adverse effects on environmental and food-safety standards and the erosion of sovereignty under the proposed procedures for investment arbitration. The lack of transparency in the negotiations has been a further source of criticism. TTIP's opponents also disputed the estimated gains for European citizens and argued that the agreement would mainly benefit transnational corporations. In sum, the TTIP debate did not only entail disagreements over its expected economic impact, but also related directly to the core tenets of Europe's socio-economic model and values, and even the very functioning of its democracy. With the keen politicisation of European integration following the Eurozone crisis, these concerns resonated profoundly with the citizens of several

member states and stoked unprecedented social mobilisation across the EU against the agreement (Caiani & Graziano, 2018).

This paper addresses some of the caveats in existing research on public support for trade liberalisation that have been uncovered by the TTIP debate. In particular, one might have expected public support for this trade agreement to be in line with individual support for free trade (FT), but this does not seem to be the case. Indeed, we find that the preferences with respect to the TTIP of one-third of European citizens do not align with their support for or opposition to free trade. In particular, data from the Eurobarometer (2014-2016) indicates that 22 per cent of individuals would reject the TTIP even though they support free trade, while around 9 per cent of individuals reject free trade while supporting the TTIP. We argue that such relatively widespread misalignment in individual trade liberalisation preferences provides an opportunity to advance our understanding of public opinion dynamics on issues related to economic globalisation and European integration.

The objective of our research is to determine what drives the observed inconsistencies in Europeans' individual preferences on free trade and the specific agreement with the USA. We argue that traditional approaches rooted in the political economy of trade do not account for them. Whatever its potential costs or benefits, the TTIP has come to signify ideas about Europe's social model, democracy, and societal values. Europeans' perception of it was deeply affected by their views on EU policy-making and globalisation more broadly, as well as by the image of the specific treaty partner. Any model that aims to explain support for free trade, support for the TTIP and inconsistencies in the preferences of individuals with respect to both must take these factors into account.

Previous research on the topic has focused on explaining either support for free trade or the TTIP, independently (Jungherr, et al., 2018; Steiner, 2018); therefore, the underlying assumption of existing studies is that an individual's opinion on TTIP is not affected by her opinion on free trade (and vice-versa). We argue (and validate

empirically) that looking separately at these two attitudes misses the crucial importance of the relationship between them, as individual preferences on a particular trade deal are to a large extent dependent on one's ideas about free trade in general. We need, thus, to account for this interdependence and jointly analyse support for the TTIP and free trade, as not doing so could lead to biased and misleading conclusions about the determinants of European public opinion on the specific agreement.

We propose a novel empirical approach based on a set of bivariate probit models that accounts for the fact that an individual's opinion on TTIP could be correlated with her opinion on free trade as it allows for simultaneous estimation of the factors underpinning the two attitudes. As a result, we can examine four different types of individuals according to their preferences (support or opposition) on both the TTIP and free trade. As we show below, the factors explaining these sets of individual preferences separately have a varying impact across the four types of individual attitude configurations. Our findings, thus, refine our understanding of the formation of European public opinion on the TTIP and international trade more broadly.

Our study makes an original contribution to the existing literature in that it applies an innovative methodology to the study of attitudes towards trade liberalisation. Moreover, by focusing on the antecedents of conflicting preferences, we address an issue that has received little attention in research on trade attitudes in advanced economies. The joint analysis of general free trade attitudes and specific TTIP support as our dependent variable allows us to move beyond the simple study of public opposition or support for a given policy option and sheds new light on the determinants of the TTIP controversy among the citizens of the European Union. Our findings indicate that individual values and contextual perceptions of the US are driving the observed inconsistencies in trade preferences among Europeans.

2. Support for free trade and the TTIP in the European Union

Both support for free trade and opinions on a prospective trade agreement with the USA are elements of a broader set of preferences regarding trade liberalisation. The determinants of these preferences at the individual level have been the object of a significant amount of recent research (Ardanaz, Murillo, & Pinto, 2013; Blonigen, 2011; Díez Medrano & Braun, 2012; Jedinger & Schoen, 2018; Jungherr et al., 2018; Mansfield & Mutz, 2009; Scheve & Slaughter, 2001; Steiner, 2018; Tomiura, Ito, Mukunoki, & Wakasugi, 2016, among others). However, existing literature seems to assume that it is possible to determine a general model of trade attitude formation, and little attention has been paid so far to the existence of diverging individual opinions on different aspects of international trade or the possibility that explanatory factors might affect elements of those opinions differently.

The case of the TTIP contestation in the EU illustrates precisely such a possibility of conflicting individual opinions on the liberalisation of trade. While Europeans remain predominantly favourable to the idea of free trade (76,3 per cent in 2016), the backlash to the agreement with the USA indicates that they might not perceive the TTIP as a traditional free trade agreement (FTA). In particular, and given the politicisation of European integration (Börzel & Risse, 2018; Schmidt, 2019) and of the specific agreement with the US (Caiani & Graziano, 2018; De Ville & Siles-Brügge, 2017; Eliasson & Huet, 2018; Hamilton, 2014) we might expect to find a significant share of EU citizens who reject the agreement without rejecting the general idea of free trade. Therefore, our starting point is the assumption that individuals could hold conflicting views within the broader dimension of attitudes toward trade liberalisation (see Mader et al. 2019 on a similar argument regarding globalisation more broadly).

Data from the Eurobarometer survey of the 28 EU countries confirms this expectation. While a majority of EU citizens are consistent in their preferences, either supporting the TTIP and free trade (54 per cent in 2016) or rejecting both (15 per cent), almost a third of EU citizens reveal individual-level inconsistencies, with 22 per cent

supporting free trade but rejecting the TTIP, and 9 per cent rejecting free trade but supporting of the TTIP (Table 1).

Table 1. Public support for free trade and the TTIP in the EU-28

	Against FT & TTIP	Support FT / Against TTIP	Against FT / Support TTIP	Support FT & TTIP
2014	10.9	16.3	10.3	62.5
2015	13.7	21.1	8.7	56.6
2016	14.6	22.2	9.1	54.1

Source: Eurobarometer studies EB 82.3 (2014), EB 84.3 (2015), EB85.3 (2016), data for 28 EU member states.¹ Note: Entries in the table are percentages.

Such relatively significant misalignment between generalised free trade support in the EU and comparatively more entrenched opposition to the specific treaty at the individual level suggests that the factors which explain these preferences are related but not identical. To better understand the mechanisms underpinning these varying patterns of support for and opposition to free trade and the TTIP, we divide individuals into four categories according to their preferences:

- a) Those who oppose both free trade and the TTIP (No FT, No TTIP);
- b) Those who support free trade but oppose the TTIP (FT, No TTIP);
- c) Those who oppose free trade but support the TTIP (No FT, TTIP);
- d) Those who support both (FT, TTIP).

¹ FT – free trade: ‘Could you please tell me, whether the term brings to mind something very positive, fairly positive, fairly negative or very negative? Free trade.’ TTIP - The Transatlantic Trade and Investment Partnership: ‘What is your opinion on each of the following statements? Please tell me, whether you are for it or against it: A free trade and investment agreement between the EU and the USA.’

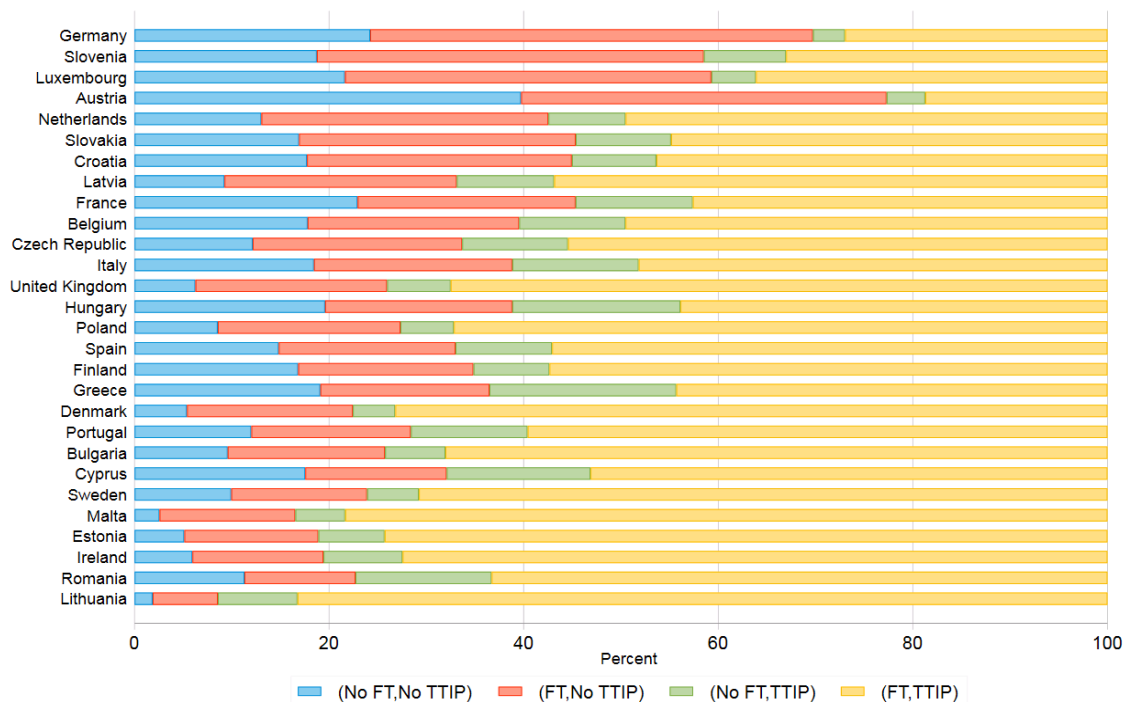
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We refer to type A (No FT, No TTIP) and type D (FT, TTIP) of individuals as 'consistent' in their preferences, while we consider type B (FT, No TTIP) and type C (FT, No TTIP) as 'inconsistent.' The two latter categories (B and C) are indeed the most interesting ones since they illustrate the fact that the TTIP has some characteristics, which make it substantially different from classical FTAs. Moreover, individuals B, who support free trade but oppose the TTIP (FT, No TTIP), are the ones with the highest spread during the negotiation process (16,2 per cent in 2014 to 22,2 per cent in 2016), whereas the share of individuals C of opposite preferences (No FT, TTIP) remains constant over time (around 9 per cent). Such an increase in the percentage of individuals who support free trade but oppose the TTIP during the period of its negotiations, suggests that the growing misalignment in these preferences (preference inconsistency) could be strongly related to the public debate on the specific agreement in Europe.

Such discrepancies are not limited to a few selected EU countries where the anti-TTIP mobilisation has been particularly strong. We find all four types of individuals across the EU, although individuals who remain consistent in their support for both free trade and the TTIP (FT, TTIP) are the dominant group in most EU member states (Figure 1). The share of 'consistent' supporters of trade liberalisation is particularly high in some of the more recent member states (such as Lithuania, Malta, Estonia), as well as in Denmark, Ireland, and the United Kingdom. Conversely, in countries such as Germany, Slovenia, Luxembourg, and Austria and, to a lesser degree, the Netherlands, Slovakia and Croatia, we observe a substantial share of 'inconsistent' individuals who reject the TTIP while continuing to support free trade (FT, No TTIP). Austria is the only EU member state where 'consistent' detractors of both free trade and the TTIP constitute the single biggest group (almost 40 per cent).

Figure 1.

Public support for free trade and the TTIP in the European Union



Note: (No FT, No TTIP): opposed to both free trade and the agreement with the US; (No FT, TTIP): opposed to free trade but supportive of the agreement with the US; (FT, No TTIP): supportive of free trade but opposed to the agreement with the US; (FT, TTIP): supportive of both free trade and the agreement with the US. Countries ordered according to the share of 'inconsistent' individuals, who support free trade but reject the TTIP. Data: EB 85.3 (2016).

Given the substantial and growing discrepancies in the preferences of the European public, we argue that the TTIP debate has uncovered new avenues for research on trade liberalisation support. The existence of a significant portion of the European population with inconsistent preferences regarding free trade and this particular FTA provides an opportunity to explore further the determinants of public opinion on economic globalisation. However, it should also be noted that the share of people opposing both positions in all of the EU countries is substantial and growing. This indicates a rising politicisation of international trade that goes beyond the specific debate on the TTIP (Rodrik, 2018), and the scope of this paper.

3. Public opinion on trade liberalisation: theory and hypothesis

To formulate our hypotheses on the sources of incongruent individual preferences regarding free trade and the TTIP, we look at existing models of trade liberalisation support and opposition. To account for all potentially relevant factors, we combine insights from both the political economy of trade and social research on attitudes towards economic globalisation and European integration.

The literature on the political economy of trade tends to treat ideas and institutions as exogenous variables and concentrates on economic self-interest as the primary driver of individual trade policy preferences. Accordingly, economic analyses assume that individuals, as both producers and consumers, will favour trade policies that maximise their net income. In particular, factor endowment theory suggests that in countries where training is widely available, skilled workers will support free trade, because they expect higher rewards from trade liberalisation, whereas the opposite holds for unskilled workers (Jäkel & Smolka, 2017; Mayda & Rodrik, 2005; O'Rourke & Sinnott, 2001; Scheve & Slaughter, 2001). The core variable in economic explanations of attitudes towards trade policy is skill level, which can be proxied by education level.

The importance of education in the structuring of individual attitudes towards trade liberalisation is widely acknowledged (cf. Wolfe & Mendelsohn, 2008). Nevertheless, more recent studies question its role as a straightforward proxy for labour market attributes (Blonigen, 2011; Hainmueller & Hiscox, 2006) and even challenge the very mechanisms described by economic theory (Díez Medrano & Braun, 2012; Margalit, 2012). From the perspective of our research question, while the effect of education on free trade support tends to be positive, whether because of perceived labour markets/income effects, lower risk-aversion, labour market vulnerability, or because of exposure to specific economic ideas, its effect for preference congruence is ambiguous. On the one hand, higher educated individuals tend to be more supportive of free trade, and we can expect that they will also be more consistent in their opinions.

However, in the case of the TTIP, it is also possible that higher education correlates with greater exposure to the debates about the disadvantages or dangers of the specific agreement. Moreover, education correlates positively with higher income and, therefore, with a more post-materialistic stance. Fears that the TTIP could undermine some aspects of the European social and economic model could cause education to reduce TTIP support. Given these conflicting expectations, we remain agnostic on the effect of skills and education on preference consistency.

We argue that to understand why citizens develop specific sets of preferences on trade liberalisation, we must look beyond self-interest, to the underlying attitudes and values (Jungherr et al. 2018; Margalit 2012; Steiner 2018; Wolfe and Mendelsohn 2008). In particular, a possibility put forward in the literature is that economic openness constitutes part of a wider set of social and cultural changes that occur under globalisation (Margalit, 2012) and citizens tend to hold well-structured beliefs regarding its different facets (Mader et al. 2019). For instance, previous research has shown that individuals might reject trade liberalisation because of anxiety over outgroups (Mansfield & Mutz, 2009) or because they perceive it to be part of a broader process of change that affects their cherished values, traditions, or cultural identities (Margalit, 2012). The consideration that factors beyond utilitarian calculations determine trade attitudes is the starting point of our effort to explain the inconsistencies between support for free trade and support for the TTIP in the EU.

As discussed previously, the TTIP negotiations stimulated political debates on different aspects of the European socio-economic model. Consequently, we can expect that citizens' ideology and economic values will have a significant impact on the consistency of their opinions on trade liberalisation. In terms of ideological self-placement, left-leaning parties in several EU countries contributed actively to the politicisation of the TTIP (Jungherr et al. 2018). Therefore, we expect that those who position themselves on the left will have a higher probability of expressing inconsistent preferences. The effect of right-wing ideology, on the other hand, is potentially more ambiguous. While mainstream conservative parties tend to support

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the idea of free trade and have been supportive of the TTIP, extreme right parties tend to be more protectionist and opposed to trade liberalisation. We expect those who identify as centre-right, but not extreme right, to be more consistent in their opinion. Our hypotheses on the effect of ideological self-placement on type B individuals (supporting FT but opposing the TTIP) are:

H1.a *Ideological placement* on the Left will increase preference inconsistency.

H1.b *Ideological placement* on Centre-Right will reduce preference inconsistency.

In addition to the impact of political ideology, we must consider the impact of specific values related to the desired socio-economic model under globalisation. In particular, its critics have presented the TTIP as an agreement forged by the elites of economic globalisation in favour of transnational corporations over smaller local businesses. Accordingly, we expect that those with a favourable view of globalisation and big corporations will have a lower probability of holding inconsistent opinions. On the other hand, a more positive view of smaller companies and trade unions, while it should not necessarily undermine support for free trade, could constitute a predictor of opposition to the specific trade agreement with the US, especially since trade unions have been instrumental in stoking opposition to the agreement in some countries (Díez Medrano, 2017). Therefore, we expect that values related to the desired economic model could contribute to the inconsistency of opinion on free trade and the TTIP. We formulate the following hypotheses on the expected effects of different views of the economy for type B individuals (supporting FT but opposing the TTIP):

H2.a Favourable view of *Globalisation* and big *Corporations* will reduce preference inconsistency.

H2.b Favourable view of *Small and Medium Businesses* and *Trade Unions* will increase preference inconsistency.

We also need to take into account the multilevel character of European politics. Trade policy is the exclusive prerogative of the EU, and it was the European Commission

(EC) that negotiated the agreement with the US at the supranational level. Therefore, the TTIP could be viewed as furthering the processes of regional integration in Europe. In light of the politicisation of EU integration in recent years (Börzel & Risse, 2018; Schmidt, 2019), we must consider that preferences regarding the TTIP, unlike those regarding free trade, could be primarily determined by individual attitudes towards the Union. As the TTIP was being negotiated exclusively by the EC at the European level, we expect support for European integration to reduce opinion inconsistency. Furthermore, European identification, as an important predictor of support for EU policies (Hooghe and Marks 2004) should also foster opinion consistency in this case. On the other hand, since trade is an area of supranational policy, citizens flatly opposed to their country's membership in the EU would also likely reject the agreement with the US while still upholding their support for free trade, as illustrated by the debates surrounding Brexit. Therefore, we expect that Euroscepticism should increase preference inconsistency between support for FT and opposition to the TTIP (type B). These theoretical expectations related to EU attitudes, lead us to put forward the following hypotheses:

H3.a *Support for European integration and European identity* will reduce preference inconsistency.

H3.b *Euroscepticism* will increase preference inconsistency.

Individual attributes aside, previous research also indicates that a country's characteristics and position in the global economy impact free trade attitudes. Rodrik (1998) argues that the increased economic volatility and, thus, the increased economic risk to citizens, associated with opening up the national economy to international trade can be offset by higher social security spending. According to this 'compensation hypothesis,' the willingness of citizens to accept free trade should increase with the size of the welfare state, as the latter will counterbalance the harmful effects of trade liberalisation. The shape and transformation of national economies and, especially, the welfare spending in a hyper-globalized world might account in part for the

incongruous preferences regarding free trade and the TTIP. Therefore, our hypotheses regarding the type B inconsistency, between support for FT and opposition to the TTIP, is:

H4. Preference inconsistency will be lower in countries with *higher public spending*.

Finally, we must consider that the TTIP is geopolitically different from other trade agreements negotiated by the EU (cf. Meunier and Czesana 2019). The US, as a hegemonic power, might be perceived as trying to advance its economic and geopolitical interests through these negotiations. Therefore, it is possible that the prevailing image of the US in different countries could affect individual attitudes (Eliasson & García-Duran, 2017), particularly, through the mechanism of treaty partner heuristics (Steiner, 2018). Previous research shows that support for TTIP is strongly influenced by individual perceptions of the US and by how this country is portrayed in the national context (Jedinger & Schoen, 2018; Steiner, 2018). In this sense, we observe stark differences in perceptions of the US among countries that are traditional proponents of transatlantic cooperation (such as the UK or Central and Eastern European EU member states), and those that are its traditional critics (for instance, France and Germany). Levels of support for the US and perceptions regarding its role in global politics could help explain incongruence between general support for free trade and rejection of the TTIP. We anticipate that in countries with a prevailing elite and public consensus on a more pro-Atlanticist position, the TTIP should be contested to a lesser extent and, thus, inconsistencies should be reduced. Therefore, we formulate the following hypothesis regarding the impact of USA image on type B inconsistency between support for FT and rejection of TTIP:

H5. Individual preference inconsistency will be reduced in countries with a better *image of the USA*.

In sum, a variety of factors determines individual trade policy preferences. We apply theoretical models from public opinion research and go beyond the consideration of

economic self-interest to explain the sources of individual-level inconsistencies in preferences towards trade liberalisation in Europe.

4. Data and research design

Primary data for the empirical analyses comes from the Eurobarometer opinion polls between 2014 to 2016. These studies include items on individual perceptions of the free trade agreement with the US and the idea of free trade in general. They also gauge personal views on the economy, globalisation, the EU, and political ideology. The two questions used to operationalise attitudes toward free trade and the TTIP are:

FT: Could you please tell me for each of the following, whether the term brings to mind something very positive, fairly positive, fairly negative or very negative? Free trade.²

TTIP: What is your opinion on each of the following statements? Please tell me for each statement, whether you are for it or against it: A free trade and investment agreement between the EU and the USA.³

The question on an agreement between the EU and the US is, we think, comprehensible even to respondents who lack detailed knowledge of the TTIP controversy, and sufficiently concrete to serve as a proxy of TTIP preference in the period we analyse (2014-2016), while the question on free trade operationalizes individual preferences regarding trade openness in general. We use both items jointly as our dependent variable in the empirical model splitting the individuals into four types according to their preference configurations (A, B, C and D), as discussed above, labelling A and D as 'consistent' individuals and, B and C, as the 'inconsistent' ones.

² Coded as (0) negative or very negative, (1) positive or very positive.

³ Coded as (0) against, (1) in favour.

Our empirical strategy focuses on the significant portion of EU citizens exhibiting inconsistency in their preferences regarding the TTIP and free trade. In particular, we cast support for the TTIP or FT, as the probability of being in favour of free trade (FT_i^*) or TTIP ($TTIP_i^*$). In the empirical setup, we use the following two independent probit models, where i refers to individual i , and 1 and 2 identify each equation:

$$FT_{i1}^* = X_{i1}\beta_{i1} + \varepsilon_{i1}, FT_{i1} = 1 \text{ if } FT_{i1}^* > 0, 0 \text{ otherwise} \quad (1)$$

$$TTIP_{i2}^* = X_{i1}\beta_{i2} + \varepsilon_{i2}, TTIP_{i2} = 1 \text{ if } TTIP_{i2}^* > 0, 0 \text{ otherwise} \quad (2)$$

Where,

$$\begin{pmatrix} \varepsilon_{i1} \\ \varepsilon_{i2} \end{pmatrix} | X_1, X_2 \sim N \left[\begin{pmatrix} 0 \\ 0 \end{pmatrix}, \begin{pmatrix} 1 & \rho \\ \rho & 1 \end{pmatrix} \right]$$

The critical point in our empirical strategy is the (tetrachoric) correlation (ρ) between the residuals, ε_{i1} and ε_{i2} . This term captures the endogenous interdependence between individual's opinions on TTIP and free trade. If $\rho = 0$, Equations (1) and (2) are independent, where an individual's opinion on TTIP is not affected by her opinion on free trade. In this case, we would estimate the probabilities in Equations (1) and (2) using two independent probit models, as in Jungherr et al. (2018). By contrast, if $\rho \neq 0$, ε_{i1} and ε_{i2} are correlated, therefore expressions (1) and (2) are dependent; that is to say, individual preferences for FT and TTIP are correlated and jointly determined. In that case, we have to resort to a bivariate probit model to estimate the joint probabilities for both individual's preferences simultaneously, otherwise, such endogenous interdependence would lead to biased estimates (Greene, 2012). In the empirical setup, this translates, first, into performing two independent probit models for equations (1) and (2) and, then, checking the residuals' correlation. If this correlation is significantly different from zero, we would estimate the joint probabilities, i.e. $P(FT_{i1}^*=1, TTIP_{i2}^*=1 | X_{i1}, X_{i2})$, through the average marginal effects.

These joint probabilities correspond to the four categories of individuals (A, B, C and D) laid out in the previous section and summarised as:⁴

$$P(A) = P(\text{No FT, No TTIP}) = P(FT_{i1}^*=0, TTIP_{i2}^*=0 | X_{i1}, X_{i2}) = P(0,0).$$

$$P(B) = P(\text{FT, No TTIP}) = P(FT_{i1}^*=1, TTIP_{i2}^*=0 | X_{i1}, X_{i2}) = P(1,0).$$

$$P(C) = P(\text{No FT, TTIP}) = P(FT_{i1}^*=0, TTIP_{i2}^*=1 | X_{i1}, X_{i2}) = P(0,1).$$

$$P(D) = P(\text{FT, TTIP}) = P(FT_{i1}^*=1, TTIP_{i2}^*=1 | X_{i1}, X_{i2}) = P(1,1).$$

To estimate these probabilities, we include country (γ_c)⁵ and year (γ_t) fixed-effects in (1) and (2) to obtain the final specifications, as follows:

$$FT_{i1}^* = \alpha_1 + X_{i1}\beta_1 + \gamma_c + \gamma_t + \varepsilon_{i1} \quad (3)$$

$$TTIP_{i2}^* = \alpha_2 + X_{i2}\beta_2 + \gamma_c + \gamma_t + \varepsilon_{i2} \quad (4)$$

The X-vectors X_{i1} and X_{i2} in Equations (3) and (4) stand for the sets of explanatory variables determining views on free trade and TTIP, correspondingly. As argued previously, we consider that factors explaining support for free trade (Equation 3) are not the same as those for supporting TTIP (Equation 4). Indeed, we aim to specifically include determinants of opinion on the TTIP in the following form, where i refers to individual observations and N to contextual factors:

$$X_{i1} = (X_i^{view}, Z_i, X_N) \quad (5)$$

$$X_{i2} = (X_i^{view}, Z_i, X_N, X_i^{EU}, X_N^{US}) \quad (6)$$

X_i^{view} summarizes a set of variables related to individual's perceptions (views) of different dimensions of economic globalisation, Z_i includes individual controls, and

⁴ In the Online Annex we provide further details on the construction of the models.

⁵ We include only the individuals who answer both questions.

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X_N entails controls at the national level. In the X s variables for the TTIP (6), we add the same regressors as in (5), plus those accounting for individual European values (X_i^{EU}). Lastly, X_N^{US} takes into account the aggregate image of the USA in different countries.

We construct these explanatory models based on the theoretical expectations discussed in the previous section. Firstly, given the politicisation of the agreement, we verify the effects of political ideology (*Ideology*). We divide the ideological spectrum into five categories and compare those who identify as left, centre-left, centre-right, and right with those who position themselves in the centre.

The second explanatory dimension is that of individual values related to the preferred socio-economic model under globalisation (*Globalisation attitudes*). This set of variables includes the individual positive (or negative) views of economic globalisation (*Globalisation*), large companies (*Corporations*), small and medium companies (*SM Companies*), and the opinion on trade unions (*Trade Unions*). These variables operationalise the different values related to the desired economic model and the general perception of economic processes associated with globalisation.

The third dimension of interest accounts for the possible impact of attitudes towards EU integration (*European Attitudes*) and includes several predictors based on the existing research on EU attitudes as a multidimensional concept (Boomgaarden, Schuck, Elenbaas, & de Vreese, 2011). We operationalise EU support by including an item on trust in the institution in charge of the EU's trade policy, the European Commission (*Trust EC*). Furthermore, we consider the perception that national interests are represented in the EU (*National interest*), as well as the effect of identifying as European (*European identity*). We also account for the rejection of the idea of European integration altogether and include a variable, which stands for the idea that one's country would be better outside of the Union (*Euroscepticism*).

The models include several individual factors relevant for understanding public opinion on trade liberalisation but without formulating a specific expectation about their influence on preference consistency. These controls include the effect of

Education, in line with its widely recognised importance in studies of public opinion on trade liberalisation, as well as negative opinion on immigration (*Anti-immigration*). Furthermore, to account for the debates on the TTIP, we control for the effect of discussing EU politics (*EU Political Debate*) and the objective level of knowledge of how the EU works (*EU Knowledge*).

Moving to the macro level, we consider several contextual factors that could foster inconsistencies at the individual level. Firstly, we include the share of government expenditure (over GDP) to control for the effect of the size of the *Welfare State*.⁶ To account for the differences in economic development, the models include the GDP per capita, as well as squared GDP per capita. The linear part (*GDP per capita*) should be positively correlated with support for free trade and FTAs, whereas the quadratic term (*GDP per capita sq.*) is expected to be negatively correlated, indicating the decreasing (negative) marginal rate of return on well-being from trade liberalisation processes.

On the other hand, we expect *Perceptions of the US* and its role in the world economy and politics to matter for opinion consistency on FT and the specific FTA. While the datasets chosen for the analysis lack questions on this topic, we include a variable that accounts for the aggregate perception of the US among citizens of EU member states from a 2016 Eurobarometer study (EB 86.1). Because we cannot match this data to individual observations in our database, we calculate the share of individuals in each country holding a positive view of the US, to control for the overall perception on the treaty partner in each country.

Finally, we control for a country's level of integration into the global economy by including the KOF indicator (*Economic Globalisation*). We also include the GINI index

⁶ All country-level data from Eurostat.

to account for the effects of *Economic Inequality*.⁷ We expect both of these contextual factors to affect support for free trade and the TTIP, but we do not formulate specific hypotheses regarding their effect on opinion inconsistency.

5. Results

5.1 Determinants of support for free trade and the TTIP

We start our analysis by looking at the determinants of support for free trade and the TTIP through the two independent probit estimations as in Equations (1) and (2). Figure 2 shows the beta coefficients for both probits using the individual as well as contextual factors (see the online Annex for tables with full results⁸).

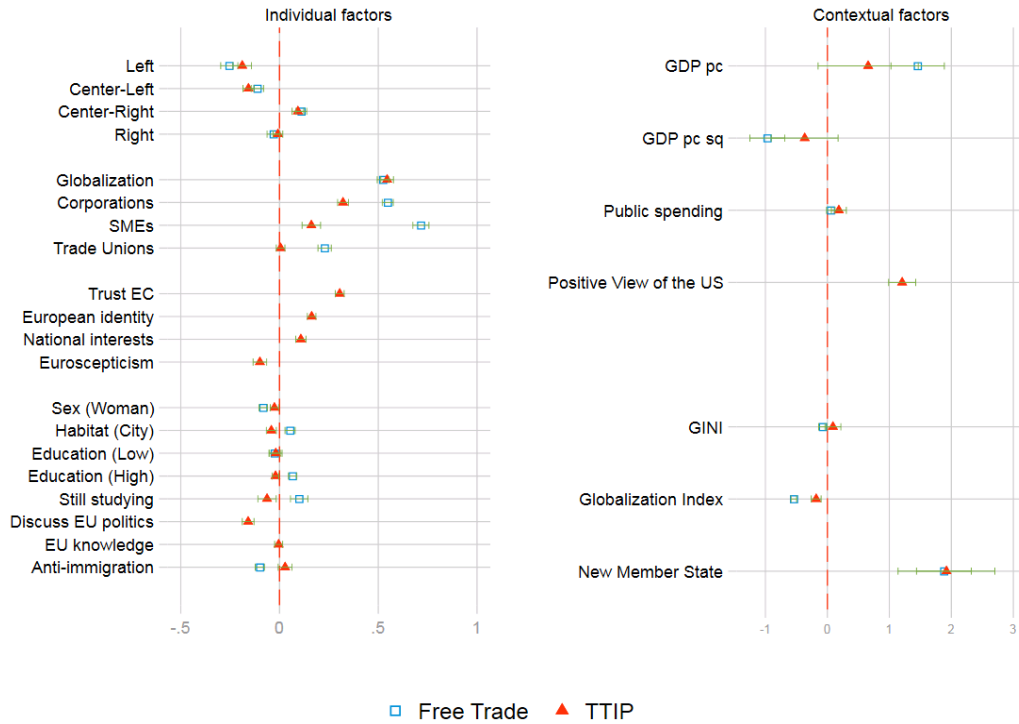
We observe a remarkable consistency between the two dependent variables in several respects. Individuals who position themselves at the left and the far left side of the ideological continuum have a significantly higher probability of opposing both free trade and the TTIP. Individuals on the right of the ideological scale, on the other hand, tend to show greater support for both. However, we do not find any effect of being far-right, as anticipated. Individuals with a positive view of globalisation, big corporations, and SMEs have a higher probability of supporting both free trade and the TTIP. In particular, the equally strong and positive effects of a favourable view of globalisation for both free trade and TTIP support, suggest that positive perceptions of economic globalisation relate directly to supporting FTAs, regardless of the specific treaty.

⁷ See Table A.1 in the Online Annex for a detailed statistical summary of the variables used in our regressions.

⁸ Full results with country fixed-effects can be found in Tables A.2 (probit estimations) and A.3 (average marginal effects from the bivariate probit estimations) in the Online Annex.

Figure 2.

Beta coefficients from the probit models of support for free trade and the TTIP (individual and contextual factors)



Note: Figure represents beta coefficients from the probit estimations, full models can be found in the Annex. Data: EB 82.3 (2014), EB 84.3 (2015), EB85.3 (2016).

The results also illustrate some interesting differences. In line with previous research, support for FT tends to be stronger among highly educated individuals, and it is weaker among women and individuals with negative views of immigration. But the same does not apply to the TTIP, for which there is no significant effect of either of these variables. The case of respondents who are still studying is particularly illustrative of the difference in the dynamics of support for free trade and the agreement with the US, as support for the latter tends to be significantly lower among those who are still studying, while the effect of this variable is positive for free trade support.

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The geographical location of the individual also seems to matter for asymmetries between FT and TTIP opinions. Individuals living in big cities tend to support FT, but not the TTIP. Even more relevant is whether individuals live in one of the Central Eastern European new member states of the EU, where we find significantly more support for both free trade and the TTIP when compared to individuals living in the rest of the EU-28. These findings broadly follow the pattern of social mobilisation against the TTIP in the EU.

The impact of GDP per capita indicates a further difference in how opinion on free trade and support for the TTIP work. The higher the GDP of a country, the more likely its citizens are to support free trade. This is unsurprising since more educated (and, thus, wealthier) people have traditionally been more cosmopolitan and supportive of greater economic and political openness. However, a lack of similar effect for the TTIP could be explained by the fact that above a certain income threshold, individuals might be less inclined to favour trade liberalization if it conflicts with their social values, as suggested by Lamy (2015). This line of argument is also supported by the negative impact of the squared GDP per capita.

Furthermore, the negative effect of the economic globalisation index indicates that in highly integrated economies, even deeper trade liberalisation could entail more (perceived) costs than economic benefits. The strong and positive impact of the dummy variable for the Central and Eastern European countries further reinforces this point. The latter are the less economically developed members of the EU with much higher expectations of economic dividends from opening national markets to international trade. We do not, however, find support for the 'compensation hypothesis' in the data. Support for trade openness is not stronger in countries with higher levels of government spending (usually associated with welfare policies), while support for the TTIP is only slightly higher in these countries and the coefficient is not statistically significant.

Finally, we must note that the ρ coefficient (*rho*) is positive and significant (Table A.2 in the online Annex) for all the models. This coefficient indicates that the probability of supporting free trade is not independent of the likelihood of supporting the TTIP. Indeed, both attitudes have a much stronger positive relationship than previously accounted for in the literature (Jungherr et al., 2018). Moreover, this signals the correlation between Equations (1) and (2), which leads us to use the bivariate-probit estimation in Equations (3) and (4), as not accounting for this correlation would result in biased estimations (cf. Greene, 2012).

5.2 Determinants of preference inconsistency

To disentangle the determinants of trade liberalisation preferences further, we plot the average marginal effects from the bivariate probit estimation for the four types of individual preference configurations. As we are predominantly interested in the determinants of the inconsistency between supporting free trade and rejecting the TTIP, that is type B of preference configuration (FT, No TTIP); we focus on these results primarily in our discussion. To facilitate the interpretation of the results in this sense, we differentiate individuals B (blue x) against all other types (Figures 3-4).

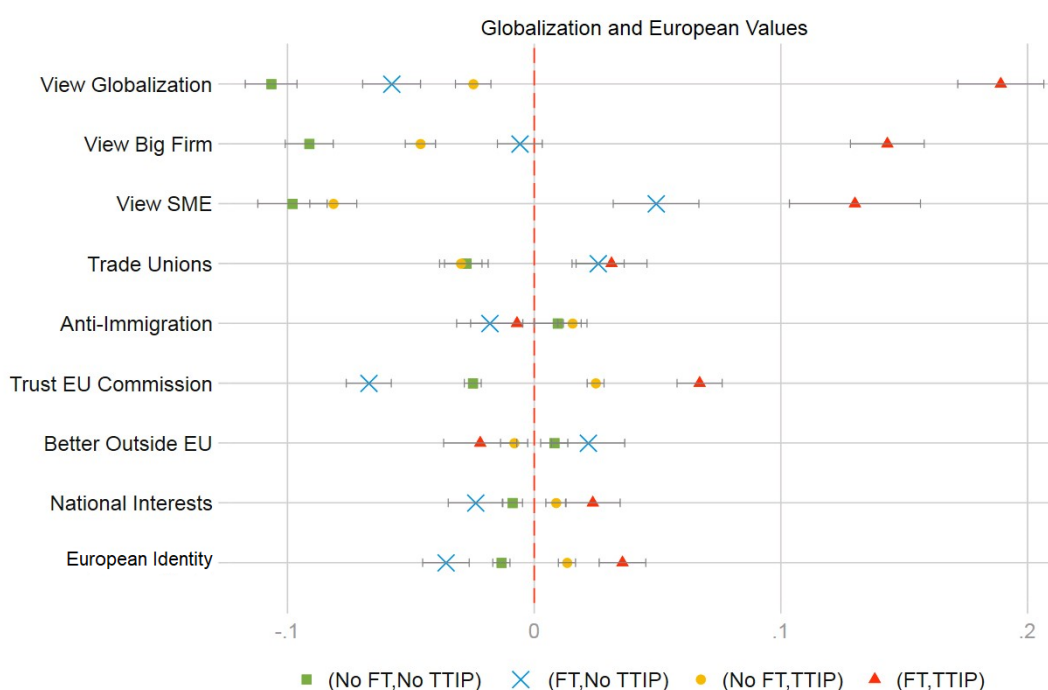
As far as *Globalisation attitudes* are concerned, a positive view of globalisation reduces preference inconsistency between support for FT and opposition to the TTIP (FT, No TTIP) (Figure 3). The effect of viewing favourably big corporations is also negative; however, it is very small and not statistically significant. On the other hand, positive views of SMEs and trade unions significantly increases the probability of supporting FT and rejecting the TTIP. These observations are largely in line with our initial hypotheses 2.a and 2.b and indicate that individual ideas about economic globalisation and the desired socio-economic model indeed matter for the consistency of opinion on trade liberalisation.

In terms of the impact of *European attitudes* (also Figure 3), trusting the European Commission, considering that one's national interest is represented at the EU level, and identifying as European all reduce the probability of supporting free trade and

rejecting the TTIP (FT, No TTIP). On the other hand, and in line with our expectation of a link between preference inconsistency and EU policy attitudes, rejecting EU membership, increases the probability of holding inconsistent views (FT, No TTIP). We can conclude that attitudes towards European integration affect opinion consistency on trade liberalisation, validating hypotheses 3.a, and 3.b. The impact of trust in the EC is especially strong for reducing preference inconsistency. Therefore, we find convincing evidence that perceptions of the multilevel character of economic governance in the EU are highly relevant for understanding preferences concerning trade liberalisation in Europe.

Figure 3.

Marginal effects of globalisation and EU attitudes on opinion consistency



Note: Marginal effects calculated from the bivariate estimation of free trade and TTIP support, full models can be found in the Online Annex. Data: EB 82.3 (2014), EB 84.3 (2015), EB85.3 (2016).

A third important element of the explanatory model is *Ideology* (Figure 4, left panel). In line with our expectations, we find that opinion inconsistency on FT and the TTIP is much more widespread on the left, while right-wing ideology (although, only in its

more moderate form) is associated with lower probability of inconsistent opinion. These findings validate our hypotheses 1.a and 1.b. We thus conclude that ideological differences are relevant in predicting opinion inconsistency on trade liberalisation, especially on the left, where we find the strongest probability of conflicting views on free trade and the TTIP.

Some additional interesting results emerge for the individual control variables (Figure 4, left panel). Being a student, discussing EU politics frequently, and living in a big city are all predictors of opinion inconsistency, with a significantly higher probability of supporting free trade and rejecting the TTIP at the same time (FT, No TTIP). These results are illustrative of the broad patterns of TTIP contestation across Europe.

Figure 4.

Marginal effects of individual and country characteristics on opinion consistency



Note: Marginal effects calculated from the bivariate probit estimation of free trade and TTIP support, full models can be found in the online Annex. Data: EB 82.3 (2014), EB 84.3 (2015), EB85.3 (2016).

Our last set of theoretical expectations referred to the impact of contextual factors (Figure 4, right panel). We do not find any effect of the economic factors, neither the amount of public spending nor the GDP per capita (linear or squared), the level of income inequality, or the degree of economic globalisation seem to matter for inconsistent preferences on trade liberalisation. On the other hand, being a national of a Central Eastern European member state (Figure 4) reduces the probability of being inconsistent (FT, No TTIP) in one's opinion on free trade and the TTIP (the effect is not statistically significant). In terms of the treaty partner heuristics, the impact of the variable that operationalises the prevailing opinion about the US is highly significant (Figure 4). In countries where a positive image of the US prevails, the probability of holding an inconsistent view on free trade and the TTIP becomes sharply reduced. In sum, our findings regarding the impact of country-level factors lead us to reject hypotheses 4, on the effect of welfare spending and support our hypothesis 5, on the role of treaty partner heuristics. Overall, these results indicate that the prevailing pro- and anti-American sentiments rather than the differences in economic development between EU member states contributed to the growth of inconsistent opinions on trade liberalisation. This further reinforces the argument that the TTIP controversy was driven by concerns related to individual values and perceptions of the treaty partner, rather than by the utilitarian concerns over its economic impact.

6. Discussion and conclusions

Citizens of the EU remain overwhelmingly supportive of free trade, why did we then witness a significant public opinion backlash against the trade agreement negotiated with the US, the Transatlantic Trade and Investment Partnership? The research presented in this paper makes an original contribution to the literature by focusing on the determinants of inconsistencies in individual preferences concerning different aspects of trade liberalisation. To the best of our knowledge, these growing incongruences in individual preferences and their sources have not been explored in previous research. However, given the rise of the relevance of debates on the different

aspects of globalisation in European politics, it is very important to understand better why citizens develop contradictory attitudes in this respect. We argue that traditional approaches rooted in the political economy of trade are not enough to explain these misalignments. By analysing opinions on free trade and the TTIP jointly, we show that, beyond the evaluation of its potential cost/benefits, conflicting individual preferences on trade liberalisation can be explained to a great extent by individual values and attitudes towards economic globalisation, European integration, their ideological self-placement, as well as treaty partner heuristics.

However, we must also note some limitations to the study. Most importantly, we are unable to test whether the contestation of the TTIP is indicative of a broader politicisation of further trade liberalisation in the context of European integration, or whether the widespread controversy over the TTIP was due to the deep-integration character of the treaty with the hegemon of global economy and politics (cf. Meunier and Czesana 2019). That the US often constitutes the European ‘other’ might explain why the TTIP has sparked such an intense debate over the European social model, its democracy, and societal values. In any case, we show that perceptions of the TTIP have been deeply affected by views on EU policy-making and globalisation more broadly, as well as by the image of the specific treaty partner. Ideally, future research will be able to further test our model for preference consistency between support for free trade and other such EU agreements.

The present research is relevant to current political debates in Europe and beyond. With multilateral trade negotiations stalled for the foreseeable future, and in the context of Brexit and Trump’s protectionist discourse, preferential trade agreements could constitute the future of international trade liberalisation. Thus, by exploring the sources of incongruities between attitudes towards the idea of free trade and support for a specific trade agreement, our research provides a timely contribution to the growing field of public opinion on globalisation. It is also complementary to existing studies, which focus on either free trade attitudes or support for FTAs, and offers an innovative way to analyse public opinion attitudes on trade liberalisation in a rapidly

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globalising world. What is more, it opens the door to future research on the role of individual attitudes and values, which might trigger conflicting preferences regarding increasingly complex global processes.

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