

An EPICENTER publication

# RAISING BARRIERS

Transforming attitudes to  
trade in Southern Europe

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## Summary

- International trade policy is a competence of the European Union and the Commission, acting under directives from the Council, leads in the negotiation of free trade agreements (FTAs).
- The European Parliament votes on ratification of completed FTAs. Some agreements however require ratification by member states in accordance with their constitutional requirements. This can include a vote in their national parliaments.
- In the timeframe covered in this paper, between 2012 and 2019, the European Union negotiated and concluded sixteen FTAs or Association Agreements, of which only three did not require approval from the national parliaments.
- The voting patterns of political parties in the national parliaments of Greece, Italy and Spain, and of their members of the European Parliament, show certain similarities, including a tendency for parties in government to support free trade agreements and those in opposition to resist them, whatever their political orientation. In opposition, support for international trade liberalisation is considered to carry political risk.
- It is possible to discern a correlation between opposition to FTAs and a party's classification as 'authoritarian populist' in the Timbro Authoritarian Populism Index, though the picture is mixed and there are often differences within political parties and inconsistency between how their representatives vote in the European and in national parliaments.
- Parties in all three countries exploit populist concerns in relation to jobs and the environment and are susceptible to vested interest lobbying. This paper identifies the issues (procedural and substantive) that are often cited as grounds for opposing FTAs and offers some strategies to address them.

# The need to transform attitudes to trade

International trade, free from the distortions and barriers of tariffs and unnecessary regulation, makes the participants better off (Boudreaux 2018). Despite the great benefits that freer trade brings to an economy, trade liberalisation is often strongly resisted by parties and interest groups across the political spectrum.

One reason for this resistance is that, while consumers gain from lower prices and greater choice offered by trade liberalisation, domestic producers who do not or cannot adapt lose out from the increased competition. There are dispersed gains, but concentrated losses. Often producers are better organised and more vocal than the hundreds, thousands or even millions of dispersed consumers who benefit from trade liberalisation.

This paper illuminates this process by examining the voting behaviour of elected politicians in three member countries - Italy, Greece and Spain - in the ratification process for EU free trade agreements (FTAs) over the last five years. Our objective is to establish whether conclusions can be drawn from their stated reasons for voting against the agreements. We also consider changes in opinion over time, and the extent to which a party's opposition to FTAs correlates with classification on the Timbro Authoritarian Populism Index.

Trade policy in general, and FTAs in particular, often ignite furious debate in the European Parliament and in national and regional parliaments as well as in the media of member states. This is particularly true in some countries in southern Europe. Protectionist campaign groups have successfully used environmental and welfare-related arguments to push back against trade liberalisation. Combined with the historically hostile

attitude towards trade by populist authoritarian political movements in southern countries of the European Union, FTAs are taking significantly longer, becoming more complicated to negotiate and often encounter ratification difficulties in national parliaments.

For supporters of free trade, these debates can be frustrating, as vested interests bring well-funded lobbying efforts to bear, and politicians position themselves as protecting jobs and local economies by opposing FTAs. In domestic politics in particular, the national ratification of free trade agreements can offer opposition parties a platform in respect of economic and trade policies that they do not generally enjoy, given EU competence in such matters.

To counter these tendencies, and steer arguments back in favour of the prosperity and growth that free trade brings, it is necessary to understand the drivers of the opposing arguments – who is making them, and what, if anything, affects their position.

The analysis of the voting behaviour of political parties on trade policy takes account of the political realignment being seen in some EU member states, with non-mainstream parties emerging on the political left and the right. Therefore our analysis also considers the results of the Timbro Authoritarian Populism Index, which, broadly characterises populism as ‘a world-view – that politics should be framed as a conflict between the people and the elite’.<sup>1</sup>

Traditionally, political and economic analysis usually regards the left vs right political axis as the main determining factor of policy debates. Our paper considers voting behaviours and different parties’ policies in light of the rise of populism. The current political realignment is changing the main identifying factors in politics and is creating a new divide in society between people supportive of more open, global societies and people who support de-globalisation and an increased role for national governments. It is therefore important to analyse trade policy through this new lens.

Understanding the voting records of political parties and groups in our selected countries, and distinguishing between opportunistic, tactical positioning and substantive grounds for opposition, such as economic or environmental concerns, will we hope enable supporters of free trade to

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1 See Timbro (2019).

make their case better by focusing on the issues which might influence policy and voting behaviour.

Building on a better understanding of the link between societal scepticism of globalisation and calls for protectionist economic regulations, we offer modest proposals which may more effectively disseminate the idea of open global trade. At a time of unprecedented economic challenges brought about by the coronavirus pandemic and the measures taken to combat it, freer international trade has the potential to boost growth and productivity. It is more vital than ever to challenge the protectionist and mercantilist tendencies of political groups which try to prevent these benefits from being realised.

## Legal and policy frameworks

The EU's trade policy, or Common Commercial Policy (CCP), is an exclusive EU competence (see article 207 of the Treaty on the Functioning of the European Union (TFEU)).<sup>2</sup> This means that the EU acts a single negotiator on trade-related issues on behalf of its 27 member states and its 446 million citizens. As such, trade policy is one of the most intricate elements of EU integration. The European Commission also represents EU countries within the World Trade Organization (WTO).

The Commission usually requests authorisation from the Council of the European Union to take responsibility for preparing, negotiating, and proposing international trade deals between the EU and the rest of the world. The Council's authorisation usually includes various directives that set out what the Commission should achieve in each trade deal.

The Treaty on the Functioning of the European Union makes clear that the EU has 'the exclusive competence for the conclusion of international agreements, in so far as its conclusion may affect common rules or alter their scope.' Similarly, the CCP states that changes in trade policy are (a) proposed by the Commission and (b) decided on by the Council (Articles 31-32 TFEU). The 1957 Treaty of Rome established a common market and customs union through the European Economic Community (EEC), abolishing custom duties between member states and establishing a common external tariff towards non-member countries. The Common Commercial Policy was therefore needed to manage the common external tariff.

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2 See consolidated versions of the Treaty on European Union and the Treaty on the Functioning of the European Union (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A12012E%2FTXT>)

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According to the European Parliament Research service:

In practice, the CCP meant that common customs duties were to be fixed by the Council based on a proposal from the Commission, which would also carry out other tasks entrusted to it. The Commission would submit the Council proposals for implementing the CCP, recommend the opening of negotiations and then conduct them. (Titievskaja 2019)

Much of this is still true today and the CCP has only been subject to minor changes in the years since. The Treaty of Amsterdam, which came into force in 1999, allowed for the Council, after consultation with the Parliament, to extend the CCP to agreements on services and intellectual property. This change was commonly known as the ‘fast-track provision.’ The subsequent Treaty of Nice, coming into operation in 2003, further extended it to cover trade agreements in services and commercial aspects of intellectual property, in perpetuity.

The most significant structural change to the formation of trade agreements came into place after the 2009 implementation of the Treaty of Lisbon, which granted the European Parliament the power to co-legislate on matters relating to international trade. Since then, the European Parliament has had the power to ratify or to veto trade agreements. This means that both the European Parliament and the Council must consent to FTAs. The Treaty of Lisbon also compelled the Commission to regularly deliver documents and reports to the Parliament on the status of trade negotiations, and it gave the Parliament the power to influence negotiations through the adoption of additional resolutions. This means that for the last 12 years, the European Parliament and the Council have had equal power in considering trade-related acts proposed by the European Commission.

### ***How the EU negotiates trade agreements***

The EU’s internal process for trade agreements involves numerous bodies. Since the European Council sets the EU’s policy agenda, it must first give permission to the Commission to prepare and propose specific trade deals. Before this permission is granted by the Council, the Commission must hold public consultations and a series of informal talks with the prospective country or countries (if the potential agreement involves another custom union or bloc) to discuss the potential content of negotiations between the parties.

After this initial scoping exercise has taken place, the Commission decides whether it should seek negotiations. If it does, the Council must then decide whether to give permission for negotiations to begin. If approval is given, the Council gives the Commission a series of negotiation mandates. As per Article 207(3) TFEU, the Commission then takes responsibility for the negotiations and reports to the Council's Trade Policy Committee. These negotiation directives frame the EU's position.

The Commission has usually expected negotiations, which often comprise several rounds, to last two to three years. However some recent trade agreements have taken longer. During the negotiations, the Commission will continue to work closely with the Council's Trade Policy Committee, inform the European Parliament, hold meetings with various stakeholders and publish position papers, proposed agreement texts, reports of the negotiations, impact assessments and other background papers and factsheets. According to Article 207 (3) of the TFEU, the Council and Commission are jointly responsible for ensuring any trade agreement is compatible with internal EU policies.

Once negotiations enter their final stage and the EU and the other party or parties have agreed a text in principle, the Parliament and Council are informed and 'legal scrubbing' begins. Legal scrubbing is the process by which Commission and Council lawyers and lawyer-linguists correct the text to ensure it is consistent and offers legal certainty.

Once this is complete, the chief negotiators initial every page of the agreed text, which is then sent to the Council and then the Parliament for approval. Both bodies have their internal processes, including interacting with the European Commission. For the European Parliament, this involves the International Trade Committee (INTA) producing a report which is then voted on by the committee before being forwarded to a plenary session for the whole parliament to give its assent (European Commission 2001) The EU can formally sign the agreement and the Council can announce the agreement is concluded. If an FTA does not include provisions affecting EU member state national competences, the agreement is considered 'EU-only'. These are termed Type A agreements.

However, if an FTA includes provisions that remain the competence of EU member states, the agreement is considered to be a 'mixed' agreement, meaning that it must be approved by both the EU and all member states, in accordance with their national laws. These are referred to as Type B

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agreements. In some cases, a government can ratify an FTA by executive action (Type B1 agreements), but in some EU countries ratification by both federal and regional parliaments is required. These are referred to in the text below as Type B2 agreements.

In 2017, the Court of Justice of the European Union (CJEU) ruled that the draft FTA between the EU and Singapore was a mixed agreement. In response, the European Commission split the agreement into a free trade agreement and an investment protection agreement. The FTA was considered an 'EU only' agreement while the investment protection agreement was deemed to be a mixed agreement, so needed to be ratified by member states too. As a result of the CJEU ruling, the scope of mixed competences is now quite limited and includes only certain categories of services and matters of courts and arbitration. Even when an FTA is 'EU only' some countries' constitutions require national parliamentary approval for their government to approve it in Council.

### ***Advantages of delegating trade policy to the European Union***

Ever since the Treaty of Rome, in the EU's own words, 'The aim behind the CCP was...to increase the Community's international bargaining power and leverage vis-à-vis third countries.' From a geopolitical perspective, the collective bargaining power of the EU's 27 nations combined is an advantage. In addition, having a common EU trade policy is seen to give the bloc more influence in multinational bodies such as the WTO.

It is also cheaper for member states to collectively fund and outsource their trade policy to the European Union, than if they were each responsible for funding their own trade delegations. This is particularly useful for the member states that contribute least to the EU's budget. From a free trade perspective this could cut both ways, since if states did not have to work within the EU's trade mechanisms, some may have adopted a more open trade regime. For example, since leaving the EU and the EU's common external tariff, the UK's new global tariff has led to an increase in the number of products that can be imported tariff-free (UK government, 2020). However, it is equally true that having an independent trade policy could have led to increased protectionism in some EU member states.

Today more than 36 million EU jobs are dependent on exports outside of the bloc. This figure has increased by over two-thirds (about 24 million additional jobs) since the year 2000. By contrast, between 1990 and 2015

intra-EU trade integration has created 3.6 million jobs (Titievskaja 2019). These export-related jobs are, on average, 12 per cent better-paid than other jobs in the rest of the economy (Kutlina-Dimitrova et al. 2018).

Given the significance of the EU's exporters, one of the main goals of EU trade policy is to encourage third countries to remove trade barriers, such as quotas and tariffs, to increase opportunities for firms from EU member states. The achievement of a high degree of trade liberalisation is vital, since the EU is seen as a relatively open economy, and one that relies on external trade. In 2010, the Commission declared that 'the latest generation of competitiveness-driven Free Trade Agreements were driven by the objective to unleash the economic potential of the world's important growth markets to EU trade.' The fact the EU adopts a broadly liberal approach to trade is good for the bloc's economies, promoting a more competitive and prosperous marketplace than more protectionist member states might achieve if negotiating their own trade arrangements.

In a positive step for the EU, since the signing of the Treaty of Lisbon, the share of trade agreements in the bloc's commercial transactions rose from 25 per cent to 40 per cent today. Although, not enormously successful, relative to other open economies, this boost is a positive step for the EU's international trade.

### ***Disadvantages of delegating trade policy to the EU***

Because of the various entities (Council, Commission, Parliament, external stakeholders, public consultations) involved in negotiating and signing trade deals, the time it takes to ratify an EU trade deal extends far beyond the Commission's expectation for a trade negotiation to last between 2 to 3 years. For example, despite negotiating directives being adopted in 2012, it wasn't until 2018 that the EU-Japan FTA was adopted. For the Comprehensive Economic and Trade Agreement (CETA) between the EU and Canada, negotiations lasted seven years but the deal itself was more than 22 years in the making. The time taken to get these deals is not necessarily the result of bureaucratic inefficiencies but is also the consequence of the various other policy areas affected by trade deals.

Since 1999, the EU has incorporated the concept of 'sustainability', in terms of both social and environmental conditions, in multilateral and bilateral EU trade negotiations. During negotiations of the EU-MERCOSUR trade deal, the inclusion of sustainability provisions held up negotiations.

Although negotiating directives were adopted in 1999, this deal has still not been ratified. A large part of this delay stems from environmentalist concerns. As an EU-MERCOSUR deal is expected to result in a boom in the Brazilian beef industry, and since cattle farming is seen to be a driver of Amazon deforestation, there are concerns that a trade deal could be counterproductive to the EU's various environmental initiatives. There are also concerns that an EU-MERCOSUR trade deal could adversely impact Brazil's indigenous communities, who have been ejected from their land.

In June 2019, at the G20 Osaka Summit, it was announced the EU and the MERCOSUR countries had reached agreement in principle. However the text has still not been ratified. French officials have claimed they oppose the deal because Brazil does not do enough to uphold the Paris climate accord. However, some have questioned whether President Macron's real opposition to the deal lies in the fact that if the deal is ratified, French farmers will face competition from cheaper South American agricultural produce. This was a particularly sensitive issue in the run up to France's regional elections in June 2021 and presidential elections in 2022.

In October 2020, the Parliament and Valdis Dombrovskis, the European Commissioner for Trade, stated that the agreement 'cannot be approved as it stands.'

The EU-MERCOSUR example raises two key disadvantages of the common commercial policy from the perspective of free traders.

Firstly, the EU's 'deep and comprehensive' free-trade agreements focus to a large degree not only on trade liberalisation, but also regulatory alignment in areas linked to trade. Consequently, many other considerations ranging from environmental conditions to labour laws form parts of the EU's negotiating mandate during trade talks. The EU's 'Farm to Fork' strategy is one such example. In order to promote a 'plant-based' and 'sustainable' diet, by 2030 the 'Farm to Fork' strategy aims to reduce the overall use of pesticides by 50 per cent, reduce fertilizer by at least 20 per cent and reduce the sale of antimicrobials for farmed animals and aquaculture by 50 per cent.<sup>3</sup> The Commission has explicitly noted 'through its external policies, including international cooperation and trade policy, the EU will pursue the development of Green Alliances on sustainable food systems...[and] ... trade policy will be used to support and be part of the ecological transition.'

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3 'From Farm to Fork', European Commission. ([https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/actions-being-taken-eu/farm-fork\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/actions-being-taken-eu/farm-fork_en))

Regardless of the merits of the 'Farm to Fork' strategy, it is clear that the EU's trade policy extends beyond seeking lower tariffs, quota reductions and greater market access. As we have seen with MERCOSUR, this has led to trade negotiations being delayed or stalling and potentially even breaking down because the regulations of the other country or bloc are incompatible with the EU's non-trade agenda. Indeed, a top U.S. official warned that the 'Farm to Fork' would trigger a 'battle royale' on trade between the US and the EU, while a Ukrainian official said the policy will be a 'challenge' to trading relations. As a result of these non-trade demands, the EU has been portrayed as engaging in talks based on 'everything but trade' (Gratius 2011) and seeking to become a global regulator (Young 2015).

Secondly, having a one size-fits all EU-wide trade policy - as evident in the delayed ratification of the EU-MERCOSUR deal – means that for some trade deals, especially mixed agreements, all 27 member states are required to ratify the deal, even though they may have different or maybe competing economic interests, employment patterns and political objectives. In other words, the EU can only move as fast or as far as the slowest or most protectionist countries allow.

As noted, with the EU-MERCOSUR deal some of the delays were due to the French government's opposition to the agreement. Despite enormous efforts going into the negotiations over more than two decades, without the support of France the deal will likely be stalled further. Similarly, while negotiations for the EU-Canada trade deal were concluded in 2017, with all 27 EU member states having approved the final text for signature, Canada signing the agreement and the Parliament approving the deal on February 15, 2017, the deal has yet to be fully applied.

This is because, despite years of uncertainty, in July 2016, it was decided CETA would be a 'mixed' agreement and would as a consequence need ratification by all EU member states. Considering that only 16 out of the 27 EU nations have ratified it, it still only applies provisionally. For mixed agreements, protectionist member states are able to hold up the economic benefits of more open trade to the detriment of more liberal EU countries. Further problems with external EU trade can be caused when EU member states impose other rules, as when Italy imposed mandatory country of origin labelling for products such as durum wheat imports to Italy from Canada. In the words of Canadian politician Maria-Claude Bibeau, 'we do respect our agreement, but I can tell you that it [Italy's new rules] hurts quite a bit on this side of the ocean.'

Another concern for free traders is that EU trade policy is expected 'to abide by the precautionary principle, as enshrined in the TFEU.' The precautionary principle was introduced in the 1992 Treaty on the European Union in relation to environmental interests. However, the European Commission (2000) has admitted the aim is not tightly defined and in practice its scope has extended far beyond environmental concerns to include human and animal health. As noted by Rickard (2016), the result of the principle is

a drift towards overregulation and regulatory failures which are in conflict with the efficient working of the single market...[it is not] aligned with consumers' preferences...Thus, the precautionary principle allows the authorities to adopt measures that err on the side of caution and in this respect it enhances the power of interest groups, especially in the environmental sector, who have long promoted the principle as a way of increasing stakeholder and public involvement in policy-making (Lofstedt 2003)

Despite the EU also having an 'innovation principle' (European Commission 2021b), the precautionary principle appears more prominent. The precautionary principle has been criticised for not always being evidence-based, thus discouraging innovation and damaging long-term productivity, since more efficient practices and innovative products can be banned, especially in the agricultural sector. According to Bourguignon (2015) 'To some, it [the precautionary principle] is unscientific and an obstacle to progress. To others, it is an approach that protects human health and the environment.'

In the context of international trade, the precautionary principle leads EU trade negotiators to demand similarly over-precautionary and restrictive commitments from trade partners. Needless to say, revoking the unscientific precautionary principle would go a long way in moving EU trade in a more liberal direction.

### ***Overview of the European Parliament's voting behaviour***

Since 2009, when Parliament became a co-legislator and gained the power to veto trade agreements, it has not formally rejected any FTAs. However, Parliament can, through resolutions (such as 2019/2197 INI which declared 'that the EU-Mercosur agreement cannot be ratified as it stands'), committees and statements, informally give the Commission and Council an indication of its voting intention, thereby preventing a vote on any trade agreement that is unlikely to be given assent.

As would be expected from any multi-member body consisting of diverse political views, the voting behaviour of various national delegations and pan-European political groups in the Parliament on trade agreements varies enormously. The same is true for attitudes towards and voting patterns on trade agreements in different EU countries. The following sections analyse the voting patterns of three different EU member states: Greece, Italy and Spain.

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# Greece

This section is written by Constantinos Saravakos

## *The ratification process for FTAs in Greece*

The Greek legal framework regarding international conventions agreed at the EU level is shaped by both the Greek Constitution and the Standing Orders of the Hellenic Parliament. According to the Greek Constitution, Greece can limit the exercise of national sovereignty for an important national interest (Article 28)<sup>4</sup>. According to the Standing Orders of the Hellenic Parliament, bills and law proposals that ratify international treaties or international conventions should be voted without, or with only limited, discussion (Articles 108 and 112)<sup>5</sup>. International law and conventions ratified in the Greek parliament are recognised as an integral part of domestic Greek law and prevail over any contrary provision of the law (Article 28, Greek Constitution). The national government has no authority to ratify alone any agreement or convention, unless it is voted by the majority in the Greek parliament.

Thus, in accordance with Articles 3 and 4 of the Treaty on the Functioning of the European Union, only a treaty, convention or international agreement that includes shared competences between EU and the member states will be ratified by the Greek Parliament as well, in a process with no or limited discussion in the Greek Parliament, but with regular discussion in the competent committee.

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4 Hellenic Parliament, Constitution (<https://www.hellenicparliament.gr/en/Vouli-ton-Ellinon/To-Politevma/Syntagma/>)

5 Standing Orders of the Hellenic Parliament (<https://www.hellenicparliament.gr/en/Vouli-ton-Ellinon/Kanonismos-tis-Voulis/article-112/>)

This distinction between agreements that need only EU ratification (Type A agreements in the terminology of this paper) and agreements that also need the Greek Parliament's ratification (Type B agreements) derives from the right of the European Union to act as a separate legal personality in order to achieve the objectives stipulated in the relevant Treaties, so long as it does not require any legally binding acts by the member states.

In the Greek legislative framework, this distinction is a result of the formulation of Article 28 of the Greek Constitution, which also has an interpretative clause which dictates that 'Article 28 constitutes the foundation for the participation of the Country in the European integration process'. This interpretative clause, which cedes some of the domestic legislative and executive powers to the EU, is based on the grounds that the participation of the member states in the European Union is consensual and approved by the sovereign people. Moreover, this clause concerns not only the ratification of international conventions but also the overall discussion on the way the EU law should be incorporated into the Greek legal framework<sup>6</sup>.

Hence, if an agreement includes competences only related to EU, there is no need for the Greek parliament to ratify it as well, because the Greek people are deemed to have deliberately participated in the Union. However, if an agreement includes competences which require binding acts by the member states, it needs to be ratified by the Greek parliament because this convention is an integral part of domestic Greek law and prevails over any contrary provision of the law.

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6 According to the speeches by MPs in the committee for the reform of the Constitution, in which the relevant interpretative clause was introduced. (<https://www.hellenicparliament.gr/Praktika/Anatheoriseis-Syntagmatos?sessionRecord=50d7dfef77ab-40d0-89b7-9e3d5ab69197>)

### ***Parliamentary voting behaviour***

Although most Free Trade Agreements require domestic ratification from the Greek Parliament, since they include shared competences with the EU and other member states, their introduction to the national legal framework appears to take a long time and is often not seen as a priority for the government of the day.

Between 2012 and 2019, the European Union negotiated and concluded sixteen FTAs or Association Agreements, of which only three did not require approval from the national parliaments. Of the remaining thirteen agreements, the Greek Parliament has ratified only four (30 per cent), all during the same parliamentary period of September 2015 – July 2019 (see Table 1), which also shows for comparison the Italian and Spanish ratification records.

**Table 1: Free Trade Agreements that needed ratification by the national parliaments**

<b>Agreement</b>	<b>Year agreed on EU level</b>	<b>Date ratified in the Greek Parliament</b>	<b>Date ratified in the Italian Parliament</b>	<b>Date ratified in the Spanish Parliament</b>
<b>Central America Association Agreement</b>	2012	n/a	11/07/2016*	28/05/2013
<b>Peru &amp; Colombia Trade Agreement</b>	2012	24/01/2018	15/07/2015*	12/03/2013
<b>Georgia Association Agreement</b>	2014	18/11/2015	26/11/2015*	25/02/2015
<b>Moldova Association Agreement</b>	2014	18/11/2015	26/11/2015*	27/05/2015
<b>Ukraine FTA &amp; Association Agreement</b>	2014	18/11/2015	10/09/2015*	24/11/2014
<b>Kosovo Association Agreement</b>	2015	n/a	28/06/2015*	n/a

<b>South African Development Community Economic Partnership Agreement</b>	2016	n/a	n/a	15/02/2018
<b>Ghana Economic Partnership Agreement</b>	2016	n/a	26/11/2015*	21/02/2019
<b>Ecuador Trade Agreement</b>	2016	n/a	21/07/2015*	15/02/2018
<b>Canada Comprehensive FTA</b>	2016	n/a	03/06/2015*	29/06/2017
<b>Japan Global Agreement</b>	2018	n/a	09/01/2019**	15/07/2020
<b>Singapore FTA</b>	2018	n/a	n/a	n/a
<b>Mercosur Association Agreement</b>	2019	n/a	n/a	n/a
<b>Ratification percentage</b>		30%	77%	77%

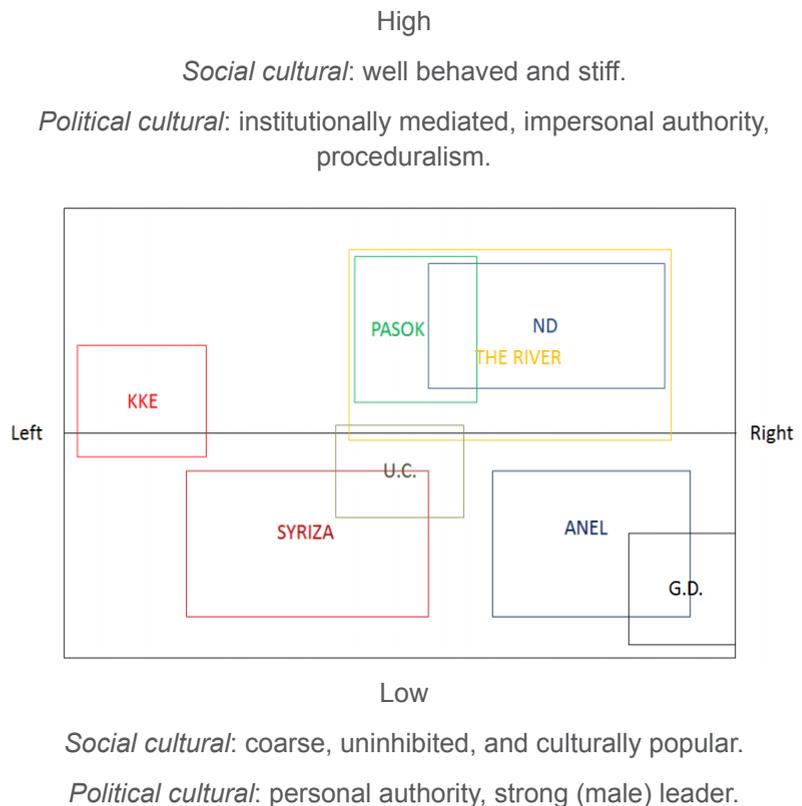
\* Last vote by Italian Senate \*\* Last vote by Italian Chamber

The governing coalition during this period was formed by the radical left SYRIZA (Greek: ΣΥΡΙΖΑ, Coalition of Radical Left) and the populist right ANEL (Greek: ΑΝΕΛ, Independent Greeks), whereas the opposition parties were the centre-right Nea Demokratia (Greek: Νέα Δημοκρατία, New Democracy, ND), the centre-left Dimokratiki Simparataxi (Greek: Δημοκρατική Συμπράταξη, Democratic Alliance, DISI), the fascist Chryssi Avgi (Greek: Χρυσή Αυγή, Golden Dawn, GD), the Kommounistiko Komma Elladas (Greek: Κομμουνιστικό Κόμμα Ελλάδας, Greek Communist Party, KKE), the centrist To Potami (Greek: Το Ποτάμι, The River) and the centrist Enosi Kentroon (Greek: Union of Centrists, UC).

Figure 1 represents the Greek political spectrum which includes, besides the traditional left – right axis, the high – low axis, which consists of two sub-components: the social-cultural and the political-cultural component based on Ostiguy's scheme (Ostiguy 2009 p. 5). The higher the social-

cultural component, the more political discourse is seen to be shaped by rationalist and technocratic forms of expression. By contrast, the lower the social-cultural component, the more likely politicians are to express themselves in colloquial terms, perhaps including slang which may be seen as more demotic. In addition, the higher the political-cultural component, the more likely politicians employ formal and institutionally mediated models of authority. The lower the political-cultural component, the higher the tendency to emphasise strong leadership and to make declarations claiming to be closer to ‘the people’ (Ostiguy 2009 pp. 5-7). This ideological scheme tries to explain the overall ideology and behaviour of the Greek political parties in terms of populist and anti-populist conflict and ideology, as well.

**Figure 1: The political space of Greek parliamentary parties 2015-2019**



Source: Ostiguy 2009 p. 7 and Markou 2017 p. 57.

However, despite the great heterogeneity between these parliamentary parties' ideological orientation, their voting behaviour is quite similar when it comes to the four Free Trade Agreements voted in the Greek Parliament during this period. Except for the far-right Golden Dawn and the far-left Communist Party, all the other six parties voted for all the four Free Trade Agreements (see Table 2).

**Table 2: The voting behaviour of Greek political parties on Free Trade Agreements**

Agreement	Parties voted for	Parties voted Against	MPs' voting % rate
Peru & Colombia Trade Agreement	SYRIZA, ANEL, ND, DISI, The River, UC	KKE, GD	89%
Georgia Association Agreement	SYRIZA, ANEL, ND, DISI, The River, UC	KKE, GD	89%
Moldova Association Agreement	SYRIZA, ANEL, ND, DISI, The River, UC	KKE, GD	89%
Ukraine FTA & Association Agreement	SYRIZA, ANEL, ND, DISI, The River, UC	KKE, GD	89%

Source: Hellenic Parliament<sup>7</sup>.

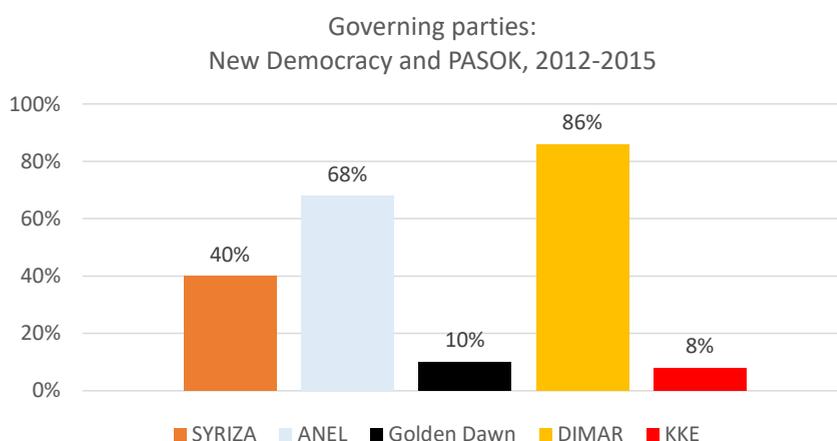
A significant determinant of voting for or against an international agreement turns out to be whether a party belongs to a governing coalition or if it has governed in the past. The centre-right New Democracy and the centre-left Democratic Alliance (successor of PASOK, Greek: ΠΑΣΟΚ, Panhellenic Socialist Movement) were in power in Greece on an alternate basis from 1974 to 2012, while during 2012-2015 they formed a governing coalition. Before 2015, SYRIZA and ANEL had never been in power. Nevertheless,

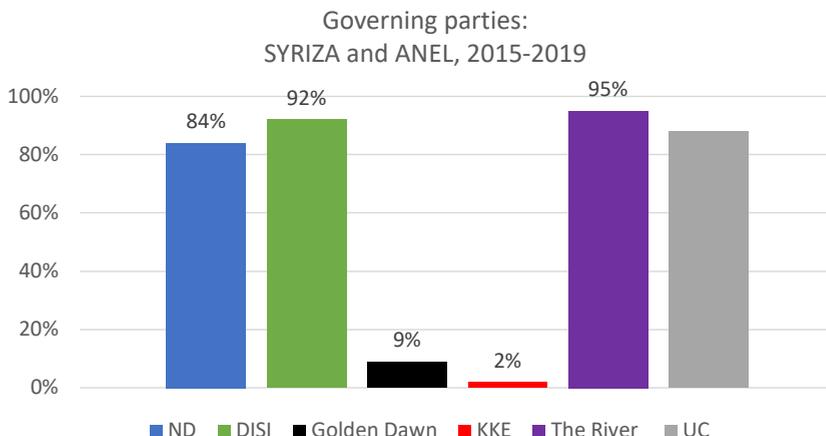
<sup>7</sup> <https://www.hellenicparliament.gr/Vouli-ton-Ellinon/ToKtirio/Fotografiko-Archeio/#107b50bb-03d9-4013-a22d-a54c00976c12>.

they formed part of the governing majority when these agreements were voted upon. Among the parties that voted for the agreements, only The River and Union of Centrists had never governed alone or as part of a coalition and their decision to vote for agreements appear to be a result of their policies. Thus, even though 89 per cent of Greek MPs voted for the agreements in Table 2, the result may have been very different if SYRIZA and ANEL had not been in government. In the European Parliament, the MEPs of both parties, as well as those from Golden Dawn and the Greek Communist Party voted against the Agreement with Ukraine.

Moreover, when SYRIZA had previously been in opposition it tended to vote against international agreements of any kind, such as FTAs, agreements on cooperation on tourism, communication and information technologies, agriculture and rural development etc.. Figure 2 shows the percentage of votes in favour of international agreements or conventions of any kind for all the political parties in the Greek parliament for two different periods, from June 2012 to January 2015 and from September 2015 to July 2019.

**Figure 2: Votes in favour of international agreements between June 2012 and January 2015 and from September 2015 to June 2019**





Source: Author's analysis.

During the first period (2012-2015) the ruling coalition consisted of the establishment parties of New Democracy and PASOK, while SYRIZA and ANEL were in opposition. SYRIZA voted for less than the half of the agreements (40 per cent), whereas ANEL voted for the majority of them (68 per cent). Of the remaining three parties, Dimokratiki Aristera (Greek: Δημοκρατική Αριστερά, Democratic Left, DIMAR), voted for the vast majority of the agreements<sup>8</sup> introduced to the Greek Parliament, while Golden Dawn and the Communist Party voted for only a few of them (10 and 8 per cent respectively). During the second period (2015-2019) when SYRIZA and ANEL formed their second consecutive governmental coalition, New Democracy and Democratic Alliance (PASOK's successor) as former governing parties voted for the vast majority of the international conventions introduced by SYRIZA and ANEL (84 and 95 per cent respectively). During the first six months of the current parliamentary period (July to December 2019), SYRIZA in opposition voted for all three international agreements introduced by the governing majority of New Democracy.

Therefore, the high approval rates of the four Free Trade Agreements voted in the Greek Parliament seems to be more an effect of SYRIZA's and ANEL's alignment with Greece's international institutional partners (EU, the other member states and the partnering countries) as governing

<sup>8</sup> It should be noted that DIMAR participated in the government coalition of New Democracy and PASOK for the first year from June 2012 to June 2013.

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parties and less a result of a policy change<sup>9</sup>. If SYRIZA and ANEL were in opposition, we should expect much lower approval rates.

### ***Other metrics***

Free Trade Agreements, at both the EU and domestic level, are not a priority for the ruling parties in Greece. During the elections held in July 2019 there was no reference to international trade and relevant policies in the ruling parties' election manifestos and pre-election leaders' speeches. The dominant pre-election issues were taxes, entrepreneurship, and security.<sup>10</sup>

However, an alternative way of analysing the opinions of political parties on Free Trade Agreements is to examine the minutes of the relevant committees before votes on an international agreement in the Greek Parliament. In these committees, MPs express the reasons a party votes for or against an agreement, including the overall view of the party on the related topic. Very often the views they express are similar for different kinds of international agreements.

The current government majority of New Democracy has voted for all four Free Trade Agreements in question, as an opposition party, and generally votes for international agreements on economic cooperation. In general, New Democracy tends to adopt a pro-EU and pro-market policy approach. However, there are exceptions. It has not supported agreements relating to relations with the state of North Macedonia or the Accession of Balkan countries to European Union or NATO<sup>11</sup>.

The approach of the current main opposition party and former governing party, SYRIZA, has passed through different stages and now appears to be more supportive of Free Trade Agreements and the other international agreements. When in government, SYRIZA voted for all the four Free Trade Agreements considered by the Greek parliament. In its interventions on

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9 SYRIZA employed a different discourse given the audience the party communicated with. For the domestic audience SYRIZA presented its radical left views, whereas SYRIZA was much more consensual abroad (Aslanidis & Kaltwasser 2016 pp. 1083-85.

10 Based on political discourse quantitative analysis by the author.

11 See for example the Ratification of the Memorandum of Cooperation between the Ministry of Foreign Affairs of the Hellenic Republic and the Ministry of Foreign Affairs of the Republic of Albania on the acceleration of the integration process of the Republic of Albania into the European Union (Law 4543/2018) or the Protocol to the North Atlantic Treaty on the Accession of the Republic of North Macedonia (Law 4593/2018).

the relevant committee, the party's MP supported the view that these agreements were opportunities for new entrepreneurial activities and for encouraging investment.<sup>12</sup> The fact that SYRIZA claimed that agreements with the former Soviet socialist countries Georgia, Moldova and Ukraine helped to bridge the gap between the western and eastern economies highlights the adoption of a more establishment discourse and policy. In contrast, prior to 2015, SYRIZA strongly opposed international agreements on deregulation and liberalisation, claiming that a free market could harm both the environment and consumers.<sup>13</sup> SYRIZA's transformation to a more established party was a result, among other things, of economic institutions and material constraints which familiarised the party with the standard rules of a liberal democracy (Aslanidis & Kaltwasser 2016 p. 1089).

The former governing party of PASOK is now part of Kinima Allagis (Greek: Κίνημα Αλλαγής, Movement for Change, KINAL), an alliance of social democratic coalitions, with PASOK at its core. KINAL, either as DISI or as PASOK/KINAL voted for all the four Free Trade Agreements in question and tends to vote for most international agreements, with the same few exceptions as New Democracy, related to North Macedonia. During the pandemic, KINAL organised an online panel discussion about the disruption to EU's international trade as a result of COVID-19.<sup>14</sup> The representative of the party expressed its commitment to free trade policies, while respecting the environment and human rights.

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- 12 Ratification of a Trade Agreement between the EU - Colombia & Peru (<https://youliwatch.gr/votewatch/voting/3eeebb55-1e1d-472e-9fa2-d7c7a214e87f#analysis>)
- 13 George Stathakis, SYRIZA MP, speech at the Greek Parliament regarding A) Ratification of the Air Transport Agreement between the United States of America, of the first part; the European Union and its member states, of the second part; Iceland of the third part; and the Kingdom of Norway, of the fourth part. B) Ratification of the Supplementary Air Transport Agreement between the European Union and its member states, of the first part; Iceland, of the second part; and the Kingdom of Norway, of the third part on the application of the Air Transport Agreement between the United States of America, of the first part; the European Union and its member states, of the second part; Iceland of the third part; and the Kingdom of Norway, of the fourth part (Law 4222/2013). <https://www.hellenicparliament.gr/Praktika/Synedriaseis-Olomeleias?sessionRecord=be1e84ea-84f5-4b02-8a92-b2aae7c667c0>.
- 14 Panel Event link: <https://kinimaallagis.gr/%ce%b4%ce%b9%ce%b1%ce%b4%ce%b9%ce%ba%cf%84%cf%85%ce%b1%ce%ba%ce%ae-%ce%b5%ce%ba%ce%b4%ce%ae%ce%bb%cf%89%cf%83%ce%b7-%cf%84%ce%bf-%ce%b4%ce%b9%ce%b5%ce%b8%ce%bd%ce%ad%cf%82-%ce%b5%ce%bc%cf%80/>.

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The Greek Communist Party has always been strongly opposed to any international agreement, except ones which relate to cooperation with socialist or communist countries such as China and Cuba.

The other two political parties currently represented in the Greek Parliament are the far-right replacement of Golden Dawn and ANEL, Elliniki Lisi (Greek: Ελληνική Λύση, Greek Solution, EL) and the radical left *MeRA25* (Greek: ΜέΡΑ25, DiEM25), a combination of Marxism, Keynesianism and social democratic elements. In the first six months of the current parliamentary period (July to December 2019) both parties voted for all three international agreements related to non-trade topics. Nevertheless, it should be expected that both parties will oppose certain free trade policies, since Greek Solution supports an economic model with protectionism and economic patriotism on a national level<sup>15</sup>, while DiEM25 supports a socialist market economic model.<sup>16</sup>

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15 Press release for the publication of ELSTAT data about the turnover in the third quarter of 2020 (<https://elliniki-lisi.gr/anakoinosi-typou-gia-tin-dimosiefsi-ton-stoicheion-tis-elstat-anaforika-me-ton-kyklo-ergasion-to-trito-trimino-2020>).

16 Yanis Varoufakis, 'Γιάνης Βαρουφάκης – “ΕΝΑ ΑΛΛΟ ΤΩΡΑ”: Ο καπιταλισμός δεν δουλεύει. Ορίστε μια εναλλακτική πρόταση' *MeRA 25*, 26 September 2020 (<https://mera25.gr/gianis-varoufakis-ena-allo-tora-o-kapitalismos-den-doulevei-oriste-mia-enallaktiki-protasi/>).

### ***Populism and the voting behaviour of Greek political parties***

Another methodological approach to the voting behaviour of the Greek political parties was developed in the context of the Authoritarian Populism Index published by Timbro (2019). The distinction between anti-liberal but democratic (authoritarian) parties and both anti-liberal and anti-democratic (extreme) parties (ibid. p. 14), seems to be one of the explanatory factors of their overall voting behaviour in the Greek Parliament. The parliamentary voting patterns of the Greek populist parties are significantly different from those of the non-populist parties, since they tend to oppose the majority bills more often and consistently than non-populists and adopt much more confrontational voting behaviour (Saravakos 2019 pp. 12-13). However, there is a distinction also within the populist parties, since the ones classified as authoritarian (SYRIZA and ANEL) have a political agenda closer to the establishment parties and they are therefore less confrontational than extreme ones (Greek Communist Party and Golden Dawn), which voted against every single pro-market bill or international convention.

In considering the votes on Free Trade Agreements, Timbro's methodological distinction seems to have limited interpretative value. Although extreme populist parties voted against and the establishment parties voted for the agreements as expected, SYRIZA and ANEL as part of the governing coalition felt compelled to vote for them too. Furthermore, as SYRIZA increasingly displays more institutional behaviour, it has come to be seen as a ruling party which bases its decisions on a political agenda and behaves less as a protest party, compared with the earlier period of 2012-2015 (Tsakatika 2016).

### ***Main reasons for opposing FTAs***

Given the small variance in the voting behaviour of the Greek political parties on the Free Trade Agreements in question, the reasons for the objections of the two extreme parties is beyond a conventional problem-solving analysis. Both the Greek Communist Party and Golden Dawn have an agenda strongly opposed to any liberal or/and democratic principle. They both blame free market capitalism and pro-market policies for Greece's recession and the economic collapse at the beginning of the past decade, arguing that the nationalisation of the banking system and a return to the Drachma (the former national currency) is the best way out of crisis. In accordance with critical thinking, which 'allows for a normative choice in favour of a social and political order different from the prevailing order' (Cox 1981 p. 130), their rhetoric is a direct attack on the current order and the institutions of a liberal democracy.

The main possible reasons for the political parties to oppose Free Trade Agreements in the current parliamentary period seem to be environmental concerns and to protect domestic businesses from international competition.

Environmental policies form part of the platforms of almost every political party in the modern era. Given that New Democracy is in government, objection to Free Trade Agreements could be raised by all opposition parties SYRIZA, KINAL, Greek Solution and DiEM25. All of them included in their election manifestos policies promoting renewable energy sources and economic growth based on sustainable development. However, since both KINAL and SYRIZA have previously been in government, as discussed earlier, they are now more likely to vote for international agreements, while Greek Solution and DiEM25 are expected to oppose them. Greek Solution focuses on local issues of pollution, agriculture and wind energy, whereas DiEM25 has a wider platform called Green New Deal<sup>17</sup>, which proposes a €500 billion plan for the whole EU to finance the transition to a more environmentally friendly economy.

Protection from international competition is not new in Greek political discourse, since all political parties want to see domestic businesses survive and thrive. It is also an important factor for Greek political parties because of domestic clientelism in policymaking (Trantidis 2015).

It is widely considered that the long-term benefits of free trade fail to compensate for the short-term losses, including the loss of jobs in the domestic market. This has a direct effect on Greek voters, and on political parties. The political cost of supporting trade liberalisation presents a serious obstacle for free market policies, with every government facing strong opposition to free trade. Even parties considered to be part of the establishment, such as KINAL or New Democracy, are expected to erect trade barriers which are likely to have a direct detrimental effect on domestic businesses, even if it is demonstrated that open trade, lower prices and greater choice benefit consumers.

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17 'New Green Deal', MeRA 25, (<https://mera25.gr/green-new-deal/>)

### ***Other influential actors***

Greek political parties may also oppose Free Trade Agreements because of their direct connection with interest groups. Since New Democracy is in government, these connections are more prevalent in the left-wing parties and their links with local civil society organisations and their social base. SYRIZA inherited PASOK's strong connections with trade unions, but is also known for its ability to mobilise youth and social movements (Stavrakakis & Katsambekis 2014 p. 127). KINAL, as a former governing party, still has connections with trade unions in the private and public sector, while Greek Solution and DiEM25 are currently trying to deepen their networks from what is left amongst unrepresented social actors. SYRIZA and DiEM25 both have policy programmes based on environmental issues. Until 2012, SYRIZA was made up of a number of smaller political coalitions including eco-socialists and radical ecologists, who remain in the party. DiEM25 has recently developed its Green New Deal agenda which drives its voting decisions.

The political landscape in Greece does not appear to show divergence on issues considered crucial such as national economic growth and the protection of domestic businesses. If SYRIZA supports an anti-free market policy, KINAL is very likely to follow, since they target the same audience. This competition is keener on the left of the political spectrum and it could create an anti-free market and rent-seeking impetus.

### ***What the dataset might not be telling us***

The fact that Greece has ratified only four out of thirteen Free Trade Agreements concluded at an EU level, but with shared competences, may conceal significant policy factors. Although all mainstream or non-extreme political parties voted for these agreements, the scant attention paid to free trade policies as part of international agreements in the Greek political arena makes it more challenging to draw conclusions on each party's position on free trade.

Examining the general voting behaviour on international agreements in the Greek Parliament reveals that parties of far right and far left oppose them but does not allow us to predict what the other parties may support. Although it seems that the parties which are considered to employ a populist political discourse are more likely to vote against Free Trade Agreements, establishment parties also support protectionism, particularly when political competition leads them to do so. Governmental parties are

much more restricted in terms of policy, mainly due to the international partnership the country desperately needs in the current era of globalisation.

### ***Conclusion***

Despite the ideological heterogeneity of Greek political parties, their voting behaviour appears quite similar when it comes to the Free Trade Agreements voted in the Greek Parliament. Apart from the far-right Golden Dawn and the far-left Communist Party, all the other six parties voted for each of the Free Trade Agreements. A very important determinant of voting for or against an international agreement appears to be whether a party belongs to a governing coalition or if it has governed in the past.

Although Timbro's Authoritarian Populism Index methodology seems to be a plausible explanatory factor in the overall voting behaviour of Greek Political parties, it appears to have limited interpretative value in explaining the Free Trade Agreements in question. Possible reasons for political parties in the current parliamentary period to oppose Free Trade Agreements include environmental concerns and the protection of domestic businesses from international competition.

The connection between Greek political parties and interest groups opposed to trade agreements, in the form of domestic clientelism in policymaking as well as political competition within and between the parties, may have a detrimental effect on promoting free trade policies.

# Italy

This section is written by Aina Turillazi and Carlo Stagnaro

## *The FTA ratification process in Italy*

The basis in Italian law for distinguishing between the three categories of free trade agreements described earlier in this paper relies on the division of competences within the European Union and the Italian separation of powers (legislative, executive and judiciary). Within the category of mixed agreements - those that require Member State approval - it is necessary to distinguish between treaties for which (1) government approval is enough for the ratification process (Type B1); and (2) domestic parliamentary approval is required (Type B2). Under the Italian framework, the former corresponds to Article 102 of the Italian Constitution, which states that a Parliamentary vote is required for the ratification process only in cases of treaties: (i) involving amendments to the law; or (ii) having provisions on matters that are only governed by Parliamentary legal reserve. On the other hand, with regard to Type B2 FTAs, Article 80 of the Italian Constitution states that the Chambers shall authorise the ratification of international treaties when they are of (i) political nature, or concern either (ii) arbitration and/or (iii) judicial regulations. Moreover, they may also involve (iv) changes in the territory, (v) financial charges, or (vi) amendments to laws.<sup>18</sup>

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18 'La ratifica di trattati internazionali.' Edizioni Simoni. La Legge Per Tutti 2016. ([https://www.laleggepertutti.it/142484\\_la-ratifica-di-trattati-internazionali](https://www.laleggepertutti.it/142484_la-ratifica-di-trattati-internazionali))

### ***Parliamentary voting behaviour***

When domestic parliamentary approval is required, an interesting phenomenon can be observed regarding parliamentary voting behaviour. That is, parties belonging to the majority are likely to vote in favour of any FTA proposed while the opposition parties would vote against. In the case of a different majority such as when former opposition parties come into office, they tend to change their voting behaviour to favour FTAs. In other words, once the opposition becomes the majority they will be voting in favour as well, therefore acting in line with their presence in the Chambers. This is similar to the Greek case discussed in the previous section.

It seems that political parties in opposition view free trade agreements as a political liability, so tend to oppose them, challenging the governing majority to do the same. But when they have the responsibility of forming a government, they tend to become aligned with what is perceived as a broader interest, however uncomfortable they may feel. To some extent this may reflect the general predisposition of opposition parties to blame the Government for all ills and to argue against its decisions. However, parties tend to switch sides more rapidly on trade issues when they move from the opposition to the governing majority than for almost any other issue.

Over the period of interest, the Italian Parliament went through three mandates (the last one is still in process): the 16<sup>th</sup> Legislature (2008-13), the 17<sup>th</sup> Legislature (2013-2018), and the 18<sup>th</sup> Legislature (2018-present). During this period there were several dramatic political changes.

The centre-right coalition won the 2008 national elections, producing a government led by Silvio Berlusconi, the leader of the Forza Italia party as well as the head of the coalition. The other relevant member of the coalition was the Lega Nord (later just Lega). However, Mr Berlusconi stepped back from government in 2011, as a result of the mounting economic and financial crisis. A technical government was appointed, led by Mario Monti and supported by both left and right parties, including Forza Italia (but not the Lega), the Democratic Party, and other smaller formations.

In 2013, the elections resulted in a weak, left-leaning Parliamentary majority. An initial majority, comprising both the Democratic Party and Forza Italia, resulted in a Government led by Enrico Letta.<sup>19</sup> Just a few months later,

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19 At the time of writing, Mr Letta is secretary of the Democratic Party.

after a leadership change within the Democratic Party, a new government was formed, led by Matteo Renzi and supported by the Democratic Party and other smaller parties, including one from the breakup of the centre-right coalition. A third change took place in late 2016, when Mr Renzi resigned after a referendum rejected a government-sponsored Constitutional reform. This resulted in Paolo Gentiloni becoming Prime Minister, supported by the same Parliamentary majority as Mr Renzi.

National elections in 2018 delivered no clear majority, although two parties emerged as the clear winners: the right-wing authoritarian populist Lega and the left-populist Movimento 5 Stelle (M5S or in English the 5-star Movement). After long talks, a coalition was formed between the Lega and the M5S that resulted in a government led by Giuseppe Conte. However, the tensions between the two parties increased to the point where the Lega pulled out of the governing coalition in late 2019, calling for new elections. Unexpectedly, the M5S formed a coalition with the Democratic Party and other smaller parties, leading to a new government that continued to be led by Mr Conte. In January 2021, in the aftermath of the Covid-19 outbreak, Mr Conte resigned and Mario Draghi, the former ECB President, and former Bank of Italy governor, was sworn in as prime minister in February 2021.<sup>20</sup> At the time of writing, his government is supported by a very large bipartisan majority of 563 out of 629 deputies (89 per cent) and 279 out of 321 senators (87 per cent). The majority includes both traditional and populist parties, most notably the Lega and the M5s. Fratelli d'Italia is the only large party in opposition.

Despite the major differences between the majority parties, Mr Draghi has taken a clear pro-European, pro-free trade stance, at least rhetorically. His track record to date is mixed. The new government withdrew support for a government-sponsored initiative to develop an Italian vaccine in order to achieve vaccine independence, but it also prevented the export of some vaccines and extended the duration of the so-called 'golden power', the main instrument to control foreign investment. At the time of writing no FTA has been voted or discussed so we do not know how the government and the majority parties would react to any proposed trade agreement or reduction of trade barriers.

Despite the many changes in the Parliamentary majorities, Italian governments have consistently been supportive of EU-sponsored FTAs.

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20 At the time of writing, Mr Conte is running for the leadership of the M5S.

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Parties belonging to the governing majorities have voted in favour of ratification of FTAs whenever they have been required to do so, but quite often the parties' spokespeople have tried to distance themselves from the treaties and/or to present the 'yes' votes as a necessary evil. In contrast, opposition parties have often been vocal against FTAs. This is particularly true of the non-traditional parties, i.e. the Lega and the M5S, even though they may have occasionally voted for ratification.

For example, during the 17th Legislature (2013-2018), when the Democratic Party was consistently part of the governing coalition, it predominantly voted in favour of FTAs, meaning it was acting in accordance with the responsibility of being in government. In contrast, the M5S has always been reluctant to vote for the ratification of trade agreements. In some instances the Lega joined the M5S in voting against FTAs. Their voting behaviour in both Chambers has been consistently hostile to international agreements such as the EU-Ukraine FTA and Association Agreement (AA), or the EU-Moldova AA.

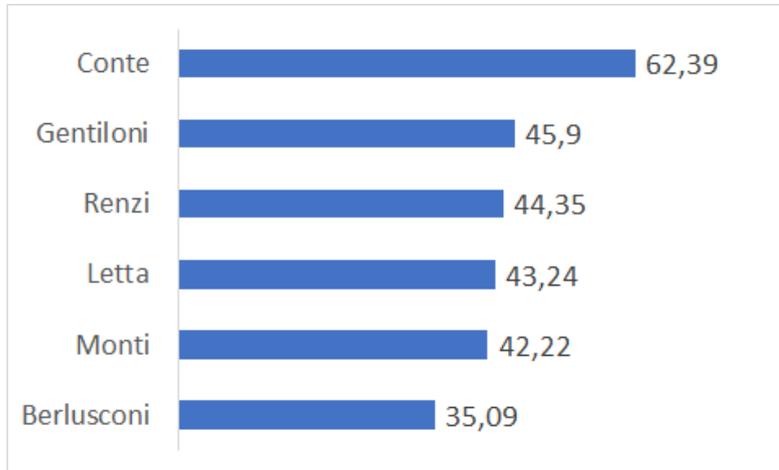
During the last few years, there has been a progressive increase in the percentage of trade agreements adopted in Italy. This can be seen by looking at the the number of international treaties ratified by the Italian Parliament as a percentage of all the government-sponsored bills. During Mr Berlusconi's government (16th Legislature) trade agreements accounted for 35 per cent of government-sponsored bills. Under the subsequent Monti, Letta and Renzi governments this figure climbed to 44 percent.

However, in the current parliament (as of early 2021), the percentage of approved agreements had increased to as much as 62 percent under the premiership of Giuseppe Conte, who resigned in February 2021 (Figure 3).<sup>21</sup>

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21 Come avviene la ratifica dei trattati internazionali. Redazione Openpolis 2019.  
(<https://www.openpolis.it/parole/come-avviene-la-ratifica-dei-trattati-internazionali/>)

**Figure 3: Percentage of international treaties ratified under recent Italian administrations**



Source: Taken from 'Come avviene la ratifica dei trattati internazionali' (Openpolis, 2019).

Other FTAs have faced much stronger opposition. The proposed EU-US Transatlantic Trade and Investment Partnership (TTIP), which was never presented for ratification since there was no agreement between the US and the EU, raised considerable opposition in Italy. The EU-Canada Comprehensive and Economic Trade Agreement (CETA) was eventually approved, but it took a great effort from the Renzi and Gentiloni governments to persuade their deputies to cast a vote in favour. There was a widespread belief that competition from American firms would heavily damage Italian industries, including textiles, footwear, agro-industry and ceramics.

While the TTIP raised concerns about issues such as investment protection, CETA raised different concerns. The scope of CETA was much narrower than TTIP, particularly with regard to regulatory convergence and rules. However, Italy's agricultural interests strongly opposed CETA (although there were some exceptions). This may partly, but not fully, explain the opposition from parties with strong support from agricultural constituencies. However, FTAs affect different farmers in different ways, and many actually gain from opportunities to export (see the discussion about CETA below). Therefore there may be some cultural or social reasons why political parties, particularly those whose support comes from rural constituencies, tend to embrace anti-trade positions and are unable to understand, explain

or promote the potential benefits from freer trade, even when they can be demonstrated or shown to benefit farmers. This results in a politically awkward outcome: parties feel compelled to oppose FTAs at least verbally even when they have to support them in the Parliament, but they fail to claim success when free trade contributes to demonstrable social or economic improvements.

We have collected information regarding the voting behaviour of Italy's largest political parties on the FTAs that have been ratified by the Italian Parliament over the period between 2009 and 2019. As has already been pointed out, it is interesting to consider how the opposition parties, specifically M5S and Lega (and, later, Fratelli d'Italia, a right-wing populist party that was created in 2012), changed their attitude towards international trade when they have been in office. To prove this point, we will take a closer look at the evolution of trade agreements.

During the first quarter of 2019, the EU-Japan agreement (dubbed 'Cars for Cheese') entered into force, presenting a huge opportunity for the Italian economy. The Parliament's behaviour shows that it clearly understood its importance to the Italian economy, since even the opposition voted to ratify the agreement. The most relevant issues were the requirement for Japan to recognise 205 European Geographical Indications (GIs),<sup>22</sup> 46 of which are Italian. In addition, the agreement offers export opportunities to other important Italian industries such as machines, pharmaceuticals, furniture and fashion.<sup>23</sup>

In November 2020, the Parliament discussed the commercial and investment agreement with Singapore.<sup>24</sup> Importantly, the Italian food industry remained protected by import tariffs averaging around 25 per cent.<sup>25</sup> This protectionism, combined with the opening of service markets and opportunities to submit tenders for public procurement, motivated Italy's largest political parties to show a positive attitude to the ratification

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22 A GI is a sign or name used on products that have a specific geographical origin and possess qualities or a reputation that are associated with that origin. Source: [https://www.wipo.int/geo\\_indications/en/#:~:text=A%20geographical%20indication%20\(GI\)%20is,are%20due%20to%20that%20origin.&text=In%20addition%2C%20the%20qualities%2C%20characteristics,to%20the%20place%20of%20origin](https://www.wipo.int/geo_indications/en/#:~:text=A%20geographical%20indication%20(GI)%20is,are%20due%20to%20that%20origin.&text=In%20addition%2C%20the%20qualities%2C%20characteristics,to%20the%20place%20of%20origin)

23 In vigore l'accordo commerciale più grande nella storia dell'Ue. Morgantini, F. 'Forbes 2019. (<https://forbes.it/2019/01/31/accordo-commerciale-ue-giappone/>)

24 The part concerning investments will enter into force only after the ratification of the individual member states of the Union.

25 European Commission. Italy: EU-Singapore in your town. ([https://ec.europa.eu/trade/policy/in-focus/eu-singapore-agreement/eu-singapore-in-your-town/italy\\_en.htm](https://ec.europa.eu/trade/policy/in-focus/eu-singapore-agreement/eu-singapore-in-your-town/italy_en.htm))

process, perceiving it as a gradual process rather than an abrupt market opening, despite the fact that, from a macro-economic perspective, gains from trade are higher the quicker barriers are removed.

The EU-Vietnam FTA was extensively debated in the Italian parliament as a result of concerns over human rights, workers' rights and the role of the International Labour Organisation (ILO). In the end, despite the social and institutional opposition, it was ratified by the major political parties, including by the Democratic Party, Forza Italia and the Five Star Movement. Interestingly, even though M5S had argued that the agreement might have a negative impact on Italian businesses, it eventually decided to vote for ratification. One of the main objections to this agreement was that it would allow 80 thousand tonnes of processed, semi-finished and aromatic rice to be exported from Vietnam to Italy at a zero import tariff. This matter was especially concerning for rice growers in the north of Italy.

Back in 2012, M5S took a quite different view when the EU signed its first bilateral regional association agreement with the countries of Central America, including Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama. The agreement was based on political dialogue, cooperation and trade. At that time, as an opposition movement, M5S opposed the agreement. However, their efforts to prevent the agreement being ratified were unsuccessful since Mario Monti's technocratic government and its left and right wing supporting parties, triumphantly ratified the agreement. As a result, European exporters benefited from lower customs duties, especially for consumer goods in the manufacturing, particularly the automotive, sectors. Conversely, EU producers faced increased competition from imports of vegetable produce, groceries, and optical and photographic instruments.

It was a similar story for the agreement with Peru and Colombia, when opposition parties voted against the agreement but failed to block it from being ratified. In this case, the negotiations laid the foundations for a progressive and mutual liberalisation through an ambitious FTA. Subsequently, Ecuador joined the trade agreement in 2016. The aim of this extension was to increase the volume of trade and investment between the the EU and the Andean community, whilst integrating value chains, and helping local businesses to both develop in their regional markets and to compete internationally.

A couple of years later, during the Renzi government, discussions began on the Deep and Comprehensive Free Trade Areas (DCFTAs) between the EU and Georgia, Moldova and Ukraine, respectively. These dialogues continued under the Gentiloni government, after Renzi resigned as Prime Minister. When the association agreement between the EU and Moldova entered into force in July 2016, it was supported by the Democratic Party, the leading party in the governing coalition. However, it faced strong opposition, mainly from M5S and Lega. The same was true of the EU agreements with Ukraine and Georgia. The trade agreement between the EU and Georgia was concluded on the same day as the EU-Moldova agreement, while the political and economic agreement between the EU and Ukraine came into force in September 2017.

The DCFTAs included both the elimination or reduction of import duties on traded goods and provisions to increase trade in services. The goal of these agreements was to cooperate on economic policy, legislation and regulation, including on workers' rights. Despite this and the fact that these former members of the Soviet Union were seeking to distance themselves from the grip of Moscow, the DCFTAs faced strong resistance from the M5S and Lega as opposition parties in both Chambers.

In April 2016 the EU entered into a stabilisation and association agreement (SAA) with Kosovo. The SAA established a contractual relationship that entails mutual rights and obligations and covers a wide variety of sectors, along with a commitment to political, economic and trade links while addressing human rights concerns. Even though it represented an opportunity for Kosovo to become closer to the EU, Lega was firmly against the agreement. However, it was unsuccessful in seeking to block ratification since the other political parties, including the Five Star Movement, supported the SAA. Interestingly, not only did the M5S approve the agreement but Luigi Di Maio, who led the party between 2017 and 2020 was also a leading advocate for ratifying the SAA.

### ***Populism and the voting behavior of Italian political parties***

For this analysis, we surveyed the voting behaviour of Italy's largest political parties on the twelve mixed FTAs that have been voted upon by both the Italian Parliament and the European Parliament.

While the 'traditional' political parties, i.e. Forza Italia and the Democratic Party, generally voted in favour of FTAs, in both the national and European Parliaments, a significant number of the PD's MEPs voted against some treaties in the European Parliament, although their votes were insufficient to prevent ratification. This was the case for the EU-Ghana FTA, CETA, and the Southern African Development Community Economic Partnership Agreement (SADC EPA). A majority of Forza Italia MEPs also voted against the SADC EPA. By contrast, in the national parliament both Forza Italia and Democratic Party voted consistently in favour of FTAs. There were dissenting voices within these parties in the national Parliament, but they were not in sufficient numbers to block ratification.

Turning to the populist parties, we use Timbro's Authoritarian Populism Index which identifies eleven Italian parties belonging to the populist left and nine on the populist right. However, several of these were subsequently disbanded after being unable to attract a significant share of votes. Three of these populist parties are relevant to our analysis: Lega, which was founded in the 1980s, but turned to right-wing nationalism later on; M5S, founded in 2009, and Fratelli d'Italia (Fdl), founded in 2012 after the breakup of the largest conservative party, the Popolo della libertà. At the 2018 national elections these three parties jointly attracted 54.2 per cent of the votes, while in the 2019 European Parliament elections their combined votes increased slightly to 57.8 per cent. At the time of writing, the three populist parties together average 54.6 per cent in opinion polls.<sup>26</sup>

Despite this remarkable stability in the aggregate vote of these populist parties, the distribution of votes between them has changed dramatically. In 2018, M5S attracted 32.7 per cent of the votes, Lega 17.4 per cent and Fdl just 4.1 per cent. In 2019 the support for M5S dropped to 17.1 per cent, whereas Lega's support doubled to 34.3 per cent, while Fdl crept up to 6.4 per cent. According to the opinion polls at the time of writing (June 2021), the M5S continues its slow decline to 16.1 per cent, Lega's

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<sup>26</sup> Supermedia dei sondaggi politici, 26 novembre: continua il calo della Lega. Youtrend, 20 November 2020 (<https://www.youtrend.it/2020/11/27/supermedia-dei-sondaggi-politici-26-novembre-continua-il-calo-della-lega/>)

support has dropped to 21 per cent, while Fdi is rapidly gaining momentum and now polls at 19.6 per cent.

In the European Parliament, M5S's voting behaviour appeared erratic, but may have depended on the amount of media attention, since M5S MEPs voted for or abstained on FTAs that gained less public attention, but vehemently opposed FTAs that were widely debated in the media, and which were presumably opposed by specific groups of voters, such as farmers or unions. M5S MEPs voted against the high-profile CETA and SADC EPA, but in the end abstained on the agreement with Ukraine.

Lega voted consistently against FTAs with a couple of minor exceptions. Fratelli d'Italia first appeared in the European Parliament at the end of the 8th Legislature (2014-2019) when the former Forza Italia MEPs who had defected to the European Conservatives and Reformists (ECR) group linked up with Fdi for the 2019 European Parliament elections. The ECR group, which was led by the British Conservatives up to 2019, had consistently been in favour of free trade agreements and the Fdi MEPs voted for several of these agreements. However, once the pro-trade British Conservatives no longer led the group, Fdi voted against the EU-Vietnam investment protection agreement. Table 3 summarises the voting behaviour of Italy's main parties in the European Parliament.

**Table 3: Voting behaviour of Italy's largest political parties in the European Parliament.**

	Non-populists		Populists		
	PD	FI	Lega	Fdi	M5S
EU-Ghana Stepping Stone Economic Partnership Agreement	split*	√	√	NA	=
EU-Kosovo Stabilisation and Association Agreement	√	√	×	NA	√
Accession of Ecuador to Peru-Colombia FTA	√	√	×	NA	√

EU-Korea Free Trade Agreement	√	√	×	NA	=
EU-Japan Free Trade Agreement	√	√	√	√	√
EU-Canada Comprehensive Economic and Trade Agreement	√ **	√	×	NA	×
EU-Moldova Free Trade Agreement	=	√	×	√	√
Economic Partnership Agreement between the EU and the SADC EPA States	Split §	×	×	NA	×
EU-Columbia and Peru Free Trade Agreement	√	√	=	√	√
EU-Ukraine Free Trade Agreement	√	√	×	NA	=
EU-Vietnam Investment Protection Agreement	√ §§	√	×	×	√
EU-Georgia Association Agreement	√ §§§	√	=	√	√

Legend: √ = vote for; × = vote against; = = abstention.

Notes:

\* 10 votes for, 12 against, 3 abstentions

\*\* A majority of PD MEPs voted to ratify CETA (15) but a sizeable minority (8) voted against.

\*\*\* A majority of FI MEPs voted against (8) but a sizeable minority voted for (3).

§ 7 voted for, 8 against, 12 abstentions.

§§ While a majority of PD MEPs voted for (8), 1 voted against and 5 abstained.

§§§ While a majority of PD MEPs voted for (15), 1 voted against and 5 abstained.

We now examine the voting behaviour in the Italian Parliament, summarised in Table 4. As at the European level, the ‘traditional’, non-populist parties tend to have a positive attitude towards the ratification of FTAs. In particular, the Democratic Party has predominantly voted in favour of these agreements, together with Forza Italia, which is favourable to trade agreements, albeit with some exceptions. Conversely, the Five Star Movement consistently expressed its opposition to the implementation of trade agreements, but as has already been pointed out, changed its voting behaviour as it became part of the governing majorities after the 2018 national elections. M5S was supportive of both the EU-Japan agreement, but was against CETA. M5S also supported the stabilisation and association agreement with Kosovo.

When it comes to the voting behaviour of the right-wing political party Lega, there appears to be no clear trend. On the one hand, the party stated its opposition to trade agreements with Moldova, Ukraine and Kosovo and the CETA with Canada. On the other hand, Lega was keen to ratify trade agreements with Asian (Japan, Vietnam) and South American (Peru, Colombia, Ecuador) partners, but modified their conduct after they pulled out of the governing coalition in late 2019.

Reviewing the parties’ voting patterns on international agreements in the Italian Parliament reveals interesting behaviour in that the major political parties sometimes voted differently in the Chamber (the lower house) and the Senate (the upper house). For example, Forza Italia voted to ratify the agreement with Ukraine in the Senate, but a few months later voted against it in the Chamber. Fratelli d’Italia abstained on the same vote in the Senate, but voted to ratify the agreement in the Chamber. FdI repeated this behaviour for the votes on agreements with Andean countries (Ecuador, Peru, Colombia), the DCFTA’s countries (Georgia, Moldova, Ukraine), Kosovo and Ghana.

Lega also voted differently in the Chamber and in the Senate, voting in favour of the EU-Vietnam agreement in the Senate, but not voting in the Chamber, where it repeatedly objected to the agreement citing human rights concerns and economic reasons.

**Table 4: Voting behaviour of Italy's largest political parties in the national Parliament.**

	Non-populists		Populists		
	PD	FI	Lega	FdI	M5S
EU-Ghana Stepping Stone Economic Partnership Agreement	√	√	NA	NA	X
EU-Kosovo Stabilisation and Association Agreement	√	√	x	NA *	√
Accession of Ecuador to Peru-Colombia FTA	√	√	√	NA *	X
EU-Japan Free Trade Agreement	√	√	√	√	√
EU-Canada Comprehensive Economic and Trade Agreement	√	√	x	NA	X
EU-Moldova Free Trade Agreement	√	√	x	NA *	X
EU-Columbia and Peru Free Trade Agreement	√	√	√	NA*	X
EU-Ukraine Free Trade Agreement	√	√ **	x	NA *	X

EU-Vietnam Investment Protection Agreement	√	√	√ §	NA	X
EU-Georgia Association Agreement	√	nd *	nd §§	NA *	X

Legend: √ = vote for; × = vote against; = = abstention.

Notes:

\* Voted in favour in the Chamber but did not vote in the Senate

\*\* Voted in favour in the Senate but voted against in the Chamber

§ Voted in favour in the Senate but did not vote in the Chamber

§§ Voted against in the Chamber but did not vote in the Senate

Comparing the patterns of voting behaviour of the major Italian political parties in the European and the national Parliaments reveals some internal differences within the parties themselves. As noted, the Five Star Movement voted for some FTAs while voting against or abstaining on others in the European Parliament, whereas in the Italian parliament it opposed FTAs, until it became part of the governing coalition. Its opposition, both at the EU and national level, was most vehement against the agreement with Ukraine, CETA and SADC. However, In the national Parliament, it voted for the ratification of FTAs with Japan and Kosovo.

Lega persistently argued against FTAs at the EU level, except for the EU-Ghana and EU-Japan agreements. Back home in Italy, it initially disapproved of the agreement with Japan, but finally agreed to back it at the national and European level. The same was true for the agreement with Vietnam. Importantly, in Brussels Lega mainly opposed the trade agreements with Ecuador, Colombia and Peru, but ratified them at the national level.

The extreme-right Fratelli d'Italia nationally only voted in favour of the agreement with Japan. In the European Parliament it tended to be in favour of a broader range of agreements, but voted against the EU-Vietnam agreement. As explained above, this could partly be explained by changes within the ECR political group in which its sits in the European Parliament.

To conclude, the non-populist Democratic Party and Forza Italia voted to ratify trade agreements at the national level. However, the voting behaviour of PD MEPs on the European stage revealed internal differences between their MEPs. For the agreement with Ghana, 10 PD MEPs votes in favour, 12 against and 3 abstained, while for the SADC agreement 7 voted for, 8 against and 12 abstained. For CETA, a majority of PD MEPs voted in favour, but a substantial minority voted against. Lastly, despite voting in favour of the SADC economic agreement at the national level, most FdI MEPs voted against it, but a considerable minority voted in favour.

In assessing the voting behaviour of political parties, two facts appear to work as a good predictor of their positioning: i) whether they are populist (as defined by the Timbro Authoritarian Populism Index); and ii) whether they belong to the governing majority.

A party is more likely to vote for the ratification of a FTA if it is not populist or if it is part of the government; this latter condition prevailing would change the overall result of the vote. When politicians perceive that they can signal their opposition to an FTA by a 'no' vote while not undermining the ratification process itself, as is often the case in the European Parliament, they are more likely to vote against, even if they belong to non-populist parties. This behaviour was demonstrated by MEPs from both the Democratic Party and Forza Italia on several occasions.

These allow us to infer a few conclusions: that populists are ideologically against FTAs; that populist attitudes can be found even within non-populist parties; but that having political responsibility (such as belonging to a governing majority or having the opportunity of affecting the outcome of a Parliamentary vote) pushes politicians to vote in favour of ratifying FTAs.

### ***Main reasons for opposing free trade agreements***

From our analysis of voting behaviour it appears that many politicians, particularly, but not exclusively, from populist parties have a propensity to vote against FTAs unless there are strong political reasons to vote in

favour. This raises the question of why do so many politicians tend to be critical or sceptical of free trade? In an attempt to provide an answer to this question, we focus on two case-studies: The EU-US Transatlantic Trade and Investment Partnership (TTIP), that was never completed, and the EU-Canada Comprehensive and Economic Trade Agreement (CETA), which was ratified. TTIP and CETA have much in common, in terms of their content as well as the opposition that both agreements faced. In order to classify the main arguments and understand their roots, we rely on two main sources:

- i) A Bruno Leoni Institute paper on the main arguments against TTIP (Manheimer, 2015); and
- ii) The record of a 2016 Parliamentary hearing of Italy's Minister for Economic Development about TTIP and CETA (Ministero dello Sviluppo economico, 2016).<sup>27</sup>

There appear to be two types of objections to FTAs: objections to the process, and objections to the content of these agreements.

Objections to the process are largely based on the belief that FTAs are secretly negotiated and hence not subject to any meaningful democratic debate. The counter-argument that FTAs will eventually face a ratification vote, either in the European Parliament or in the national Parliaments, is disputed on the grounds that a binary yes-or-no vote entails a global evaluation of the entire package, and that it can be driven by exogenous circumstances, such as broader political considerations. This is to some extent true.

However, attempts to increase transparency have not always been well received by opponents of FTAs. For example, after criticism of the alleged secrecy of the TTIP negotiations, Italy's Ministry of Economic Development made a reading room available to MPs, who were allowed access to the all the related documentation, including confidential material. The room was opened on 30 May, 2016. In the first two weeks, only 18 MPs accessed this 'Chamber of Secrets', staying for an average time of slightly more than one hour. In the following weeks, MPs' requests for access to the documentation and the average reading time declined. Despite all the fuss about the alleged secrets, when all information was made available there seemed to be little interest in the documents from MPs. This may

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27 Disclosure: one of the authors of this section was the chief of the Minister's Technical Staff in 2016.

have been because MPs were not allowed to make copies of the documents or to take expert advisors with them into the room. Unsurprisingly for politicians, the contents of the documents were leaked. The availability of the details of the negotiating documents did not lead to opponents of TTIP changing their view. The objections remained the same, suggesting that the opposition was rooted in an ideological objection to free trade, rather than the result of specific concerns.

Objections to the content of FTAs were more subtle. They were either related to political features of FTAs, or to the implications for certain sectors of the domestic economy, especially agriculture. The main criticisms of TTIP were based on allegations of 'privatisation' of public services and the Investor protection clauses in the form of ISDS/ICS<sup>28</sup> clauses, Investor-State Dispute Settlement (ISDS) clauses which were later modified to become Investment Court System (ICS). ISDS/ICS clauses granted international investors a system through which countries can be sued for violation of investment protections, e.g. if a government decides to seize or nationalise the assets of foreign investors. Interestingly, in the European Parliament ISDS/ICS clauses were opposed by MEPs on the political left who saw it as takeover of state services by foreign private investors, but also by some libertarian-minded MEPs who believed that countries violating the property rights of domestic or foreign investors would be sending a clear signal that private investment was not welcome, driving sensible private investors elsewhere and leaving the violating countries poorer as a consequence of their unwise policies.

Older generation FTAs, or FTAs with developing nations, rarely dealt with public services or public procurement. While newer generation FTAs such as TTIP do include these clauses on these issues, supporters of TTIP argued that they were not intended to impose political decisions to privatise state-provided services, as alleged by critics. On the contrary, governments remain free to mandate that their water facilities are operated by a state-owned monopoly; but if a national or local government invites private tenders for these operations, FTAs seek to allow firms from third countries to be granted the same conditions as domestic firms or those based in other EU countries. This is not the mandatory privatisation that is often claimed by critics of FTAs.

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28 Despite the changes made following criticism of the ISDS to formulate the new ICS, e.g. concerning how international courts are appointed, critics continued to treat both as a form of "privatisation" of the judiciary.

Investor protection clauses are now commonly included in FTAs that the EU seeks to negotiate, but they are not a new phenomenon. ISDS clauses have been part of investment agreements for more than fifty years, and they are explicitly recognised by more than ninety bilateral treaties between Italy and third countries, as well as more than 1,400 bilateral treaties between other EU member states and third countries. There may or may not be reasons to oppose ISDS clauses or the newer ICS clauses, but recently opponents of FTAs have focused on these investor protection provisions. Supporters of ICS clauses also argue that they help to guarantee the impartiality of international courts. Despite this, opponents of FTAs realise that proposed investor protection clauses create alarmist headlines in newspapers, even though they appear in many existing and proposed treaties. Arguably, the opposition to ISDS/ICS clauses would be more credible if opponents i) came up with alternative proposals to create a favourable climate for international investors and ii) were part of a wide-ranging campaign on investor protection norms rather than one that is clearly aimed at contesting the FTA of which the clauses are part. However, we have to recognise that there will be opponents of investor protections who have an ideological stance against private and/or foreign investors.

### ***Other influential actors***

Many objections are based on the belief that an FTA would harm the national economy. There are undoubtedly some interests which lose out from trade liberalisation, either since they cannot compete or are unable to adapt to increased competition. Different FTAs affect the various domestic sectors in different ways, so arguably each should be considered on a case-by-case basis. However, a few general observations are apparent.

Firstly, in any agreement, each party 'gives' something in order to gain something in return. FTAs are no exception. Secondly, the concessions granted usually imply that some sectors of the economy will be exposed to international competition, and that foreign firms are believed to be more competitive. This may harm some domestic firms but not the society or the economy as a whole. Mainstream economists have for years demonstrated that economies gain from international trade.

A broader argument that is often raised is that the agreement will lower environmental, regulatory, or labour standards. On one hand, opponents of FTAs do not want foreign governments to dictate domestic policy, but

at the same time they would like to 'export' or even mandate their standards on the foreign negotiating parties.

An FTA need not necessarily mean that each party has to accept, implement, or imitate the other side's policies via a process of harmonisation. It usually means that a set of rules is agreed upon, under which producers of goods and services in one country can sell to willing companies or consumers in another country.

Of course there will be exceptions. For example, the EU is keen to impose Geographical Indications on countries with which it negotiates trade agreements. However, there is a difference between those who seek changes to specific issues within an FTA and those who use these issues as a Trojan Horse against the FTA itself and, in reality against freer trade in general. Ironically, quite frequently the same argument is raised in several countries, with environmental and labour organisations in one country accusing the other of having lower standards. It is true that either country A or country B may be seen to have higher standards, but opponents claim to a logical fallacy that a trade deal between country A and country B will lower standards in both countries. Of course, those that are against private businesses or want to protect domestic interests will nevertheless use these arguments against freer trade.

Finally, and with specific reference to the agricultural sector, quite often false claims are made or potential benefits of FTAs are ignored. For example, TTIP was strongly criticised on the grounds that it would force EU countries to import genetically-modified food, even though some governments have banned such food in their own countries. They ignore the fact that this issue was rapidly taken off the table as it was clearly impossible to reach an agreement. On the EU side, even though the EU's Chief Scientific Officer as far back as 2013 supported a scientific report arguing 'there was no compelling evidence to associate such [GM] crops with risks to the environment or with safety hazards for food', a number of EU countries have banned their cultivation (Simon, 2013). On the US side, when some pro-consumer politicians suggested that imported food containing genetically modified organisms should be clearly labelled, allowing consumers to decide, some US politicians saw this as a non-tariff barrier.

Likewise, many critics of CETA argued that it would expose European (and Italian) farmers to unfair competition while the opposite is true. For the first time, an international agreement between continental Europe and

a North American country gives recognition to Geographical Indications, protecting the origin of well known Italian food products. This is expected to address long-lasting complaints that American producers imitate typical European food without providing clear information regarding its place of origin. Interestingly enough, Italy's agricultural lobby was split towards CETA: the largest farmers' organisation, Coldiretti, was against, while smaller organisations such as Confagricoltura and CIA were mildly or openly in favour. Coldiretti was more effective in communicating its own position and perhaps capturing policy-makers.<sup>29</sup> This was clearly a compromise and some free traders opposed to GIs since they feel that while the country of origin should be clearly labelled, some consumers would be happy to pay a higher price for genuine Parma Ham from Parma and others should be free to buy lower priced 'Parma Ham' produced elsewhere. However, the fact that GIs were included in CETA shows that the argument that CETA would harm Italian producers was simply false.

Therefore opposition to FTAs may stem from two sources: ideology and the (perceived) interest of concentrated pressure groups. They may become entrenched with each other but they ultimately have different drivers and effectiveness. Populist parties are more likely to be ideological opponents of free trade, and leverage upon their anti-trade ideology to reach out to vested interests that may support them with donations or other electoral support. Similarly, dissenting fringes within non-populist parties may find themselves having to be seen to oppose FTAs in order to reach out to pressure groups, that have been or may become part of their constituency, in order to gain their support.

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29 Luciano Capone, 'Furia cieca contro il Ceta', Il Foglio, 7 July 2017, (<https://www.ilfoglio.it/economia/2017/07/07/news/furia-cieca-contro-il-ceta-143412/>)

## Spain

This section is written by Alberto Gómez Hernández and Antonio O'Mullony.

### *The Spanish ratification process for FTAs*

Chapter Three of the Spanish Constitution divides international agreements into three different tiers according to their nature, but mandates that they follow the same procedure to be passed as regular bills and proposals, once they have been presented by the Government and prior to being considered by both houses of the Spanish parliament, the Congress and Senate.

The first group (Type B2), included in article 93 of the Constitution<sup>30</sup>, is formed by those that give the exercise of powers derived from the Constitution to an international organisation or institution, such as the accession, enlargement or reform treaties of the European Union. The treaties of this kind must be passed through the organic law procedure: that is, they are required to be approved by an absolute majority of the Congress in a vote on the whole agreement.

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30 Article 93 of the Spanish Constitution: By means of an organic law, authorisation may be granted for concluding treaties by which powers derived from the Constitution shall be vested in an international organisation or institution. It is incumbent on the Chambers or the Government, as the case may be, to guarantee compliance with these treaties and with the resolutions emanating from the international and supranational organisations in which the powers have been vested.

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Article 94.1 of the Constitution<sup>31</sup> encompasses a second set of treaties (also falling within Type B2 for the purposes of this paper), formed by those of a political nature, i.e. those that imply financial obligations for the Public Treasury or treaties that involve modification or repeal of any domestic laws. Agreements of this type also require prior authorisation by both the Congress and Senate, but only by a simple majority in each.

Finally, other international treaties (Type B1) do not require parliamentary authorisation, since the Spanish Constitution mandates that the Government only needs to inform both the Chamber and Senate. Despite the decentralised nature of its political system, the Spanish Constitution does not require the authorisation of international agreements by sub-national bodies, such as regions, archipelagos or autonomous cities. In fact, there is no obligation for the national government to even inform them.

In Spain, once international treaties are effectively passed, even if by constitutional amendment,<sup>32</sup> and officially published they become part of the national legal order. Once passed, they may only be repealed, amended or suspended in the manner provided in the treaties themselves or in accordance with the general rules of international law.

### ***Parliamentary voting behaviour***

The current Spanish democratic era started with the 1977 elections, the first free elections since 1936 and governed by the Constitution which was agreed in both the Congress and Senate and ratified by the Spanish electorate in a referendum in 1978.

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31 Article 94.1 of the Spanish Constitution: Before contracting obligations by means of treaties or agreements, the State shall require the prior authorisation of the Chambers in the following cases:

- a) treaties of a political nature;
- b) treaties or agreements of a military nature;
- c) treaties or agreements affecting the territorial integrity of the State or the fundamental rights and duties established under Title I;
- d) treaties or agreements which imply financial liabilities for the Public Treasury;
- e) treaties or agreements which involve amendment or repeal of some law or require legislative measures for their execution.

32 Article 95.1 of the Spanish Constitution: The conclusion of any international treaty containing stipulations contrary to the Constitution shall require prior constitutional amendment.

At first glance, since then there has been little agreement between the two main political parties in both the national and European parliaments, who between them gained 70 per cent of the national vote until 2015. The political left, always led by the Partido Socialista Obrero Español (PSOE) and the political right, led by the Unión de Centro Democrático until 1982 and by the Alianza Popular, and from 1989 by the Partido Popular (PP), have rarely been able to reach bipartisan agreements even on critical issues such as education, health or foreign policy. On the contrary, the usual trend has been continuous opposition towards the policies of the government of the day, regardless of the merit of the policy in question and even if the opposition party previously supported the very same policy when in government.

In the decades since the restoration of democracy, whenever either the PSOE or the Partido Popular have been in opposition they have opposed the government of the day, almost as a point of principle. However, once back in government both parties have supported policies against which they previously voted when in opposition.

However, unlike almost every other bill considered by the Spanish lower house, the FTAs have not been a cause for confrontation or even controversy. In fact, out of the ten agreements voted on by the Spanish national parliament the two major parties disagreed on only one, while they both voted in favour of the other nine.

The agreement on which they disagreed was the EU-Canada Comprehensive and Economic Trade Agreement (CETA) which was also the only comprehensive FTA on which they voted among the in-scope agreements. In the parliamentary vote, the Socialist Party abstained, which was a divergence from its previously-held position in favour. The People's Party voted in favour, in accordance with its usual position on FTAs, with the exception of one MP who abstained three times and voted against once.

Other national parties in the Spanish Parliament during the period when FTAs, were ratified include: Izquierda Unida (United Left), Podemos (left wing populists), Unión Progreso y Democracia (social liberal unionists), Ciudadanos (centrist liberals) and Vox (anti-immigrant social conservatives but economically liberal) have been part of the House. The two centrist parties, Unión Progreso y Democracia and Ciudadanos, have always voted in favour of the FTAs in question. Being a relatively new party, Vox has voted for the only FTA it has had to consider to date. Izquierda Unida

has voted against two FTAs and twice in favour, while Podemos, which formed a coalition with Izquierda Unida in 2016, has voted in favour of two FTAs and voted against two.

**Table 5: The voting behaviour of the main political parties on Free Trade Agreements in the Spanish Parliament**

Agreement	Non-populist			Populist		
	PP	PSOE	Ciudadanos	Vox	IU	Podemos
Perú & Colombia Trade Agreement	√	√	NA	NA	X	NA
Central America Association Agreement	√	√	NA	NA	X	NA
Ukraine Free Trade Agreement and Association Agreement	√	√	NA	NA	=	NA
Moldova Association Agreement	√	√	NA	NA	√	NA
Georgia Association Agreement	√	√	NA	NA	√	NA
South African Development Community Economic Partnership Agreement	√	√	√	NA		√
Ecuador's accession to Perú & Colombia Free Trade Agreement	√	√	√	NA		√
Canada Comprehensive Free Trade Agreement	√	=	√	NA		X
Ghana Economic Partnership Agreement	√	√	√	NA		X
Japan Global Agreement	√	√	√	√		=

Legend: √: in favour, X: against, =: abstention, NA: does not apply (did not participate in the vote).

The regionalist and nationalist parties have mainly decided how to vote on FTAs based on political principles rather than regional or national identity. The regional parties of the right: Partido Nacionalista Vasco (Basque Nationalists); Convergencia i Unió, later Junts per Catalunya (Catalan Nationalists); Coalición Canaria (Canary Islands Coalition); Foro Asturias (Asturias Forum) and Unión del Pueblo Navarro (Union of the Navarrese People) voted in favour of the agreements. Regional parties of the left, Esquerra Republicana de Catalunya (Republican Left of

Catalonia), Bloque Nacionalista Galego (Galician Nationalists), Coalició Compromís (Valencian regionalists) and Bildu (Basque nationalists) have opposed every FTA on which they have had the chance to vote.

The Spanish political parties in the European Parliament usually vote in similar ways to the national Parliament, but not always. PSOE and Partido Popular have voted in favour of every FTA but abstained in the 2015 vote on the Kosovo Association Agreement. In the vote on the South African Development Community Economic Partnership Agreement, nine PP MEPs voted in favour while five voted against. Nine socialist MEPs abstained and four voted against. Surprisingly, during the vote on the CETA agreement with Canada, 12 out of 15 socialist Spanish MEPs voted in favour, in contrast to their abstention in the Spanish Parliament.

**Table 6: The voting behaviour of Spain's main political parties on Free Trade Agreements in the European Parliament**

Agreement	Non populist			Populist		
	PP	PSOE	Ciudadanos	Vox	IU	Podemos
Perú & Colombia Trade Agreement	√	√	NA	NA	X	NA
Central America Association Agreement	√	√	NA	NA	X	NA
Ukraine Free Trade Agreement and Association Agreement	√	√	√	NA	X	X
Moldova Association Agreement	√	√	√	NA	X	X
Georgia Association Agreement	√	√	√	NA	X	=
Kosovo Association Agreement	=	=	=	NA	X	=
South African Development Community Economic Partnership Agreement	§√	§=	X	NA	X	X
Ecuador's accession to Perú & Colombia Free Trade Agreement	√	√	√	NA	X	X

Canada Comprehensive Free Trade Agreement	√	§√	√	NA	X	X
Ghana Economic Partnership Agreement	√	√	√	NA	X	X
Singapore Free Trade Agreement	√	√	√	NA	X	X
Japan Global Agreement	√	√	√	NA	X	X
Vietnam Free Trade Agreement	√	√	√	§	NA	X

Legend: √: in favour, X: against, =: abstention, NA: does not apply (Did not participate in the vote), §: split vote, §√: splitted vote bust mostly favourable, §=: split vote but mostly abstention.

As for the other parties, Unión Progreso y Democracia, Ciudadanos, the Basque nationalists and Convergencia i Unió/Junts per Catalunya voted in an almost identical way to Partido Popular. As with the PP, they diverged on the South Africa FTA, for which UPyD voted in favour while the Basque nationalists abstained, with Ciudadanos and Convergencia i Unió voting against. However, the Basque and Catalanian nationalists did vote in favour of the Kosovo Association Agreement.

Vox, the other national on the political right, have only taken part in the vote on the FTA with Vietnam, for which one of its MEPs voted in favour, one against and two abstained. On the other side of the spectrum, Izquierda Unida voted against every one of the 12 FTAs, while Podemos voted 'no' nine times and abstained twice. Similarly, Bildu have voted against all FTAs. Esquerra Republicana de Catalunya have voted against all FTAs, except for the one with Kosovo, when it voted in favour.

### ***Other metrics***

Parliamentary debates are a direct and obvious source from which to learn about the positions of the political parties in relation to each FTA. Given the strict voting discipline of Spain's political parties, each party's position is clear from parliamentary debates and the voting records.

In the European Parliament, it is perhaps more common for MEPs of each party to diverge from following the party whip. Some MEPs have been

known voluntarily to explain how they voted, either during the 'explanation of votes' session after plenary votes in the European Parliament or in writing. These explanations are published on the European Parliament website. However, the stated position may not always be indicative of the voting motivation of the whole party, and as previously stated it may not always be indicative of how the party would vote in their respective national houses, since some parties have expressed different positions between the Spanish Parliament and the European Parliament.

In addition, the websites and social network sites of Spanish political parties and leaders provide a valuable source of information on their opinions of international trade and FTAs over the last few years. During the 2015 and 2016 rounds of the EU-US TTIP negotiations, Spanish political parties, politicians and supporters were particularly active online, especially those connected to Podemos, who labelled the agreement 'the constitution of the multinationals' (Podemos 2015). TTIP was one of the controversial trade agreements both in EU countries and in the United States. Even though negotiations ended without agreement, meaning the deal was never put before parliaments, TTIP polarised opinions on both sides of the Atlantic.

Other sources consulted include the election manifestos of Spanish political parties, especially in 2019 which was a busy electoral year in Spain with four different elections taking place, including two general elections. Consequently, there is an extensive amount of recent literature on the policies of the Spanish political parties. However, despite the thousands of pages produced by the five main parties, research revealed only six specific proposals, but focused on business internationalisation rather than on international trade in general.

Whilst the Partido Popular's manifesto included four proposals referring to exports and foreign trade, such as the establishment of the 'Startup Spain Programme', to promote entrepreneurship and innovation (Partido Popular 2019a), the Socialist Party presented its 'Development of an Action Plan for internationalisation' (Partido Socialista Obrero Español 2019), while Vox's manifesto mentioned the role of Research and Development in 'the global expansion of Spanish companies' (Vox 2019). The manifestos of Ciudadanos and Podemos did not mention exports, internationalisation or foreign trade (Ciudadanos 2019; Podemos 2019), although they take opposing views when considering and voting on FTAs.

Overall, the manifestos of the main five Spanish political parties provided little data on their attitudes towards FTAs or international trade, although there were a few references to Spanish companies competing in global markets.

### ***Populism and the voting behaviour of Spanish political parties***

The Timbro Authoritarian Populism Index includes thirteen national and regional Spanish political parties that have participated in elections since the 1980s. Of the thirteen populist parties, only six remain active.<sup>33</sup>

Among the active parties, Podemos and Izquierda Unida have linked up to form the Unidas Podemos alliance which is part of the current governing coalition, while Vox politicians have been elected to both the national and European parliaments.

Podemos and Izquierda Unida have generally maintained a position opposed to the FTAs voted upon in the European Parliament and in the Spanish Parliament. In the period under consideration, while Izquierda Unida voted against every agreement in the European Parliament, Podemos voted for the FTA with Ghana, abstained on the Georgia, Moldova and Kosovo agreements in the European Parliament and voted for the others. In the national parliament, Izquierda Unida voted against CETA and the Ghana Economic Partnership Agreement. They supported the Ecuador Trade Agreement and the South African Development Community Economic Partnership, but voted against both FTAs in the European Parliament.

It is too early to discern a trend on Vox's attitude towards FTAs, since the party has only debated and voted in the national chamber on the EU-Japan FTA, which it supported. However in the European Parliament one of its members voted in favour, one against and two abstained on the Vietnam FTA. Since then, Vox gained an additional MEP following Brexit, but at the time of the vote it only had 4 MEPs.

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33 Podemos, Izquierda Unida, Partido Comunista Obrero Español, Partido Comunista de los Pueblos de España, Partido Comunista de los Trabajadores de España, Unificación Comunista de España, Vox.

### ***Main reasons for opposing FTAs***

Since Spain's entry into the European Economic Community in 1986, both the main parties - PSOE and PP - have supported the EU's ambitions in signing international trade agreements. The parliamentary opposition to FTAs has been led by left-wing parties Izquierda Unida and Podemos as well as the left-wing regional parties.

Podemos, which is now part of the Spanish coalition government, has publicly maintained its opposition to international trade. The party's manifesto for the last general election called for a 'defence of a welfare model for the 21st century' (Podemos 2019), proclaiming that the party 'will reject all next-generation free trade agreements that make vulnerable our productive and strategic sectors, and that empty the democratic capacity of our peoples to decide sovereignly over our resources.' (Podemos 2019)

Even clearer is the party's 2020 political document, which states:

Any progressive advance, anywhere in the world, must be accompanied by a proposal for change in the international economy: end the dominance of finance over the real economy; recover the centrality of the public sector in the economy, which implies at the international level the establishment of binding rules for large companies and large capitals; or through a commercial policy that is not guided by the private interest of a handful of companies, nor because of the ideological blindness that assumes that free trade always is good. (Podemos 2020)

Podemos and its leader, Pablo Iglesias, have started to exert an influence on PSOE. In 2017 their positions converged when Pedro Sánchez, who had been re-elected as the Socialist Party's Secretary-General, started to shift the party more to the left. After coming under pressure from Irene Montero, Podemos's number two (and Iglesias's partner), who challenged Sánchez 'to demonstrate, with facts, where you stand' (El Mundo 2017), PSOE voted to reject the CETA agreement in the national parliament, even though they had supported it in the European Parliament just a few days earlier.

### ***Other influential actors***

As in other countries, the policy positions of the political parties are determined not only by their history and ideology, but also by their wider membership and their interactions with other actors and interest groups.

In Spain, the trade unions play a major role in shaping and negotiating labour, fiscal, commercial, and industrial policies. Despite representing only 13.6 per cent of workers, a figure much lower than that of countries such as Iceland (91.8 per cent), Denmark (66.5 per cent) and Sweden (64.9 per cent) (OECD 2018), they have maintained influence on Spanish politics over the last 100 years. Since its foundation in 1888, the Unión General de Trabajadores (General Union of Workers) has been affiliated to the Partido Socialista Obrero Español which was founded in 1879. The Spanish Communist Party, which since 1986 has been part of the Izquierda Unida coalition, which in turn is now part of Unidas Podemos has historical links with Spain's largest trade union, Comisiones Obreras (Workers' Commissions).

In 2020, Vox launched Solidaridad (Solidarity), a new right-wing union which was inspired by Solidarność, the Polish anti-communist trade union founded in the 1980s. Solidaridad positions itself as a radical alternative to the existing left-wing trade unions in Spain. It accuses them of having

become a puppet of the globalist multinationals, which in turn reward them handsomely for selling them our work, our assets and our talent at a bargain price. All this while they do not stop raising taxes, bleeding the working class of Spain and driving it to ruin and misery' (Solidaridad 2020).

As in other countries, environmental movements also have an influence on the Spanish political scene. The Green movement is not strongly represented in the Spanish Parliament. The Verdes Equo (Green Equo) party joined the Podemos list for the 2015 general election and the Unidas Podemos coalition for the April 2019 general election, but formed a coalition with the Más País (More Country), which has a strong presence in Madrid and Valencia, for the November 2019 general election. Equo currently has one MP while Más País have three.

However, the main environmental NGOs do have a notable presence in Spain through campaigns and lobbying and legal action. While the Spanish branch of Greenpeace considered the agreements between the Socialist

Party and Podemos to be 'on the right track' (Greenpeace, 2018), in 2020 it joined with two other left-wing NGOs - Ecologists in Action and Oxfam - to launch a lawsuit against the Spanish government, alleging it was not doing enough to tackle climate change (Euractiv 2020). These NGOs tend to be against FTAs, but Oxfam does support richer countries unilaterally reducing import barriers to poorer countries, while green movements tend to promote self-sufficiency and oppose international trade.

The Spanish parliamentary parties on the right are influenced by agrarian organisations and fishermen's associations, such as the Asociación Agraria de Jóvenes Agricultores (Agrarian Association of Young Farmers), which was traditionally linked to the Partido Popular but has moved closer to Vox. Both parties are considered more sensitive to the demands of agricultural lobby when it comes to considering EU trade agreements.

### ***What our dataset might not be telling us***

It is too early to discern any trends in Vox's voting behaviour and attitude towards EU trade agreements, since most of the debates and votes on the EU trade agreements took place before the party's strong performance and emergence in regional and national elections.

Of all the debates included in the dataset, Vox has only voted on the EU-Vietnam agreement in the European Parliament. In that debate, its four MEPs split their votes between in favour, against and abstention, which at this stage makes it impossible to deduce a profile of its official position as a party from its voting behaviour. However, Vox's manifesto for the 2019 European Parliament elections combines the conviction that 'free trade requires competitive competition, so that if Spanish products cannot compete on equal terms in international markets, ... corrective or protective measures must be promoted', with the idea of creating 'an institutional figure that supervises and accelerates the negotiation and signing of commercial agreements, working with objectives and deadlines' (Vox 2019). It also calls for a

reform in the procedure for signing trade agreements with third countries so that, in the framework of the negotiations of a free trade agreement, if an understanding has been reached regarding a specific sector of the economy, the trade agreement can be activated regarding the goods that this sectoral agreement concerns, without the need for a global agreement (ibid).

Apart from the reasons behind the Socialist Party's unexpected rejection of the CETA in the national Parliament, discussed above, another important fact the voting data cannot explain is the stance of the two major parties, PSOE and PP along with Podemos, Ciudadanos and Unión Progreso y Democracia, in the debate on the Kosovo FTA, which took place in the European Parliament. In the vote in Strasbourg, all of these parties failed to vote for the agreement. However, this can be explained by the presence of regional independence parties in Spain's internal politics. The nationwide parties do not recognise the independence of Kosovo, while the Basque and Catalanian regional parties voted in favour. Even the left wing Esquerra Republicana de Catalunya voted for the agreement with Kosovo, even though it has voted against the other FTAs considered. This reinforces the observation that different parties' stances on FTAs are not always based on their general view on free trade or FTAs.

## Conclusions: A liberal response to the challenges

The most plausible contributing factor that seems to lead political parties to oppose FTAs is resistance from organised groups: incumbent businesses, organised labour or environmental groups. To address this, we need first to understand the institutional framework of the political party systems in the countries discussed in this paper. The political systems of contemporary liberal democracies are affected by what public choice theory calls the principal-agent problem, where the interests of the politicians and the voters are not aligned. Political parties are susceptible to rent-seeking and pressure from organised groups that invest in a party's power to gain added benefits for themselves (Tullock 1967, Krueger 1974).

Political parties in Southern Europe, as elsewhere, have developed relationships based on patronage between interest groups and the state, resulting in the control of the resources by patrons who deliver to clients in a reciprocal exchange (Garcia 2015). Given this framework of party competition, there seems to be limited autonomy for political parties to diverge from the demands of the major interest groups and forge alliances to promote new policies (Trantidis 2015). We also need to consider the concept of concentrated benefits for important client groups and dispersed costs across the general population (Olson 1965), the key mechanism by which interest groups oppose policies that might harm their vested interests. Thus, reforms towards a more free-market approach have to overcome lobbying against direct short-term losses of the interest groups (the losses of the concentrated benefits) to deliver indirect long term benefits for the majority in the future. In some cases, governments may seek to compensate the short-term losers from trade liberalisation, since the cost of compensation is more than outweighed by the benefits to the economy of free trade (Rickard 2015).

Labour, environmental and other populist groups exploit the view, widespread in current political debate, that privatisation, open markets and free trade favour big business interests. Populists tend to use this view to reproduce a distorted dichotomy between elites (big business) and the people (as domestic interest groups are framed). However, there are always success stories, when state intervention is reduced or abolished and a liberalised market emerges to the benefit of the people. One such successful liberalisation policy in Greece was the case of the privatisation of OTE, the former state monopoly provider of telecommunications, and the opening of the market to competitors. Despite strong opposition to the liberalisation of the sector<sup>34</sup>, 'decreasing state ownership has a positive effect on the market performance of OTE especially when it comes to labour productivity', increasing market and social performance (Pagoulatos & Zahariadis 2011). Today, the telecommunications market in Greece offers better services compared to the situation when there was a state monopoly, meaning the majority of people can understand the positive impact of liberalisation, even though once it was strongly opposed by vested interests.

Many similar experiences across Southern Europe demonstrate the positive effects of domestic free market reforms, freer international trade and comparable reforms in partner countries. Best practice from successful reforms is the key to showing that developments that look like losses in the short term, will be offset by wider benefits in the long term.

Political parties tend to exploit environmental concerns, sometimes stirring up social conflict, in order to achieve electoral success. Given this, left-wing parties are seen to be significantly more environment-focused than those on the right (Michallet, Gaeta & Facch 2015).

In order to address these environmental concerns, which critics suggest may be driven more by an anti-capitalist agenda than genuine environmental concerns, supporters of free markets and free trade need to highlight and explain the issue of externalities in economic activity. Every policy has a cost, a price we are willing to pay to get the benefits of its 'output'. Therefore, every policy we are called upon to decide is linked to certain costs and benefits.

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34 According to Trantidis (2013 p. 150), '50.3 % of respondents to a public survey opposed privatisations since they 'serve the interest of particular big business interest rather than serving the general interest of the economy'.

The most promising way to make the case in respect of all of these factors is by dissemination of research and policy papers, working with journalists, commentators and political actors who are open to the argument for free trade or already support trade liberalisation, explaining its benefits to the lay reader.

Such contributions should specifically highlight the costs to consumers from this kind of disguised protectionism and the clear links between prosperity and stronger environmental protection and stewardship. While this will help to hold to account political parties who, as shown by the research in this paper, support FTAs when in power and oppose them when in opposition, this may not be enough. Combining this accountability with seeking to address the concerns of those who will lose out from trade liberalisation, perhaps proposing compensation to some of the short-term losers, may be necessary.

These measures may help make it more difficult for politicians to claim that they are resisting free trade in the interests of 'the people', and their jobs, when it can be shown that blocking trade will hinder economic growth and job creation and that the concerns of those who lose out in the short term have been addressed.

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