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**POLITICAL ECONOMY OF THE  
TRANSATLANTIC TRADE AND INVESTMENT  
PARTNERSHIP (TTIP)**

Abstract

In "Project syndicate", in June 2015, the Nobel laureate Joseph Stiglitz published an absolutely alarming text with the title "The Secret Corporate Takeover". The topic of the text is The Transatlantic Trade and Investment Partnership (TTIP). It is an agreement which the proposal, or the imposition, the US are agreed between the EU and the US. This agreement should be put in a package with The Trans-Pacific Partnership (TPP). Is not at all disputed that these agreements for the US have deep geopolitical and geostrategic interests and goals. The United States as one of the poles of the new multi polar international order that is quite certain and the means failure and end the unipolar international order of G.H.W. Bush, without are any dept, want to get the largest possible number of allies, primarily the EU, and thus essentially to reduce the number of potential competing poles of a multipolar international order—primarily Russia, China, India and Brazil. Therefore these countries of the BRICS group—along with Republic of South of Africa, are not present in the plans for TTIP neither in the plans for TTP. Troubling of the TTIP, including through the text of Stiglitz, primarily refers to his quite some conceptualization by the United States

not only as the exclusively trade agreement, i.e. a free trade agreement. It is certain that the concept of US for TTIP it is concept of the agreement to cover the whole of economic/social-economic systems of the states that will sign the agreement and will be its members. This reality would mean “Americanization” of economic/social-economic system of the EU Member States. That is one side of the problem. The second side is what most irritated Stiglitz and get him to write the specified text—the power and superiority of the global corporations in terms to modern/current (The Westphalian) state sovereignties.

**Key words:** TTIP, US and EU, “Americanization” of the economic/social-economic systems of EU member states, Doha Development Round, Multipolar international order.

## INTRODUCTION

TTIP agreement is still under negotiation, during negotiations of the negotiating teams of the US and EU was taking place strictly behind closed doors. Nevertheless in the quite intense are appear information on negotiating positions and proposals of both parties. On the basis attempts are made to shape the mosaic of the immediate vital interests and goals of both negotiating parties. So take shape and mosaic of the two negotiating platforms—the similarities and differences in the negotiating positions of discussion and negotiation, of course fully in line with the basic interests and objectives of both sides. These objectives and interests certain that are not i.e. references. Those goals and interests they do not have only trade/economic-commercial nature. Conversely, those negotiations, the same as and the negotiations for TTP that had just been completed, are extremely complex, multilayer and with multiple means. It are goals and interests that in the most direct and the most essential way and level include the separate elements and components of the political/geopolitical goals and interests. Consequently, negotiations on TTIP, the same as and negotiations on TTP, are initiated and particularly strong dictated and directed are intensified amid the latest and current global financial and economic crisis, which quite clearly began to manifest and to charge the tax on its effects with the shooting of the bubble the housing market in the United States. This crisis execute many strong negative impact on total US international credibility. The crisis resulted in a significant theoretical and conceptual contestation and practical undermining of the complex of social power of the United States. The crisis, speaking in certain shortlisted economic/systemic-economic context, very strongly and decisively imposed dilemma for the true value of the particular concept of the American neo-liberal economic system, just as they imposed a dilemma for the correctness of the chosen model of specific economic policies of the presidential administration and the FED (Federal Reserve System/the central bank). It is a concrete concept and concrete model of economic system and economic policies that even before the explosion of the global economic and financial crisis were thoroughly and essentially caused by the economic systems and policies of the fast growth economies with their pretty deep and broad determinations in favor of state interventionism. TTIP, at the same time and TTP, focus watching, should enable the rehabilitation of US neoliberal concept and model of the economic system and to form an optimal functional economic-system space that really and truly will be capable to respond serious and dangerous challenges by side of the competitive economic-systemic concepts and models of practical/applied economic policies.

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## A NEOLIBERAL POLITICAL-ECONOMIC PHILOSOPHY OF US

Exactly is that the negotiations for TTIP are taking and kept in the strictest secrecy. A fact which can never be taken into account as an argument and as evidence of the complex nature and structure of the negotiations and the agreement. At the same time, of course, as evidence and argument about the political and economic problematic, even controversy. It is utterly obvious that the actors in the negotiations are fully aware that negotiations are placed and impose theoretical, conceptual and practical-operational models that have far-reaching and problematic nature and structure. The actors in negotiations are quite aware that negotiating theoretical and conceptual platforms and specific practical-operational positions and proposals represent a radical intervention and change some basic and essential institutions, principles, premises and rules of the modern/current international economic/political-economic and political/geo- political relations, structures and constellations of power (Hilari, 2014).

In any case, fully not be contested and to deny the conclusion about involvement and problematic in negotiations on fundamental economic/political-economic and political/geo- political interests and objectives of the actors. It is obvious that the division of the participants in the negotiations in certain conflicting parties and blocs is not hard unequivocal and irreversible. This means that for certain specific areas and issues certain participants may to have complementary interests, goals and views and to be allies, while about some other specific areas and issues those same actors to have conflicting interests, goals and opinions. But though it this fact is not disputed, however, must be know and be conclude that participants in the negotiations, it is quite obvious, are differentiated, most generally speaking, on the basis of the economic/political-economic a philosophical commitment (Pelkmans, 2014). When are amounted this conclusion and the also must specify and emphasize the centrality of the philosophy of the state as the essential core of opposing philosophical-economic and philosophical-political considerations expressed and positioning of participants in the negotiations. This essential core of conflict opposing philosophical-economic and philosophical-political considerations expressed and positioning, for analytical needs, can develop through two philosophical-economic and philosophical-political routes and through the same two such platforms-economic philosophy of state interventionism (Keynesian state intervention) versus neoliberal free market and political philosophy of the Westphalian state and Westphalian state sovereignty versus corporate/investor cross border and transnational interests and goals.

It is very clear that the utterly serious and relevant issue in the negotiations is the fact that the two negotiating parties (EU and US) do not have its own an

equal and equal legal/international-legal/state-legal identity and subjectivity. This fact is especially apparent when you need to define, to devise, to present, to defend and eventually to realize its negotiating political-economic and geopolitical position and platform, of course in full compliance with its own special economic/political-economic and political/geopolitical interests and goals. When it is stated this conclusion is quite obvious that primarily mean instead that the EU has no state subjectivity in, the EU (including and its foreign and security policy), nor as some kind the most possible loose federation, does not have its real sovereignty, does not have its real state identity and subjectivity, it is not a member of the UN, the EU is not a real entity and actor of the positive international-legal structure and framework, it does not have its a truly international-legal identity and subjectivity. At the same time, and in its practical/daily functioning, solely as a form, thoroughly mainstreamed in the framework of the Lisbon Treaty-this constitutional treaty as a constitutional substitute, i.e. as quasi-constitution of the EU, separate specific state interests and goals of the always EU Member States regularly fail to impose, by its importance and sequentiality, above the political commitments and positions of the organs and bodies of the Union and a significant and serious to break through the provisions and the framework of EU legislature.

This state of disappointment and this demoralizing fact (disappointment and demoralizing, of course, for europhiles, euro-enthusiasts, euro-optimists) about the real and actual situation of deficiency and insufficiency of the formal constitutional-legal and practical- political operative functionality of the Union, unavoidably implies and almost completely impossibility of the Union, or more precisely told with a huge security, of the Member States of formally-legal Union (according to the form and structure of the official contents of the Lisbon Treaty) to define, to explicate, to defend and to realize their least common if not unique position in the TTIP negotiations and that as a completely natural, normal and indispensable consequence, explosion will come to the surface of negotiations various state and national economic/political-economic and political/geopolitical interests and goals. Along with the various and conflicting cross economic/political-economic theory, conceptually and operationally-practical positioning, streamlining and modeling (Capaldo 2014). Hundred writers, this same traumatic situation regarding the projected formal-legal and political-action construct of a certain togetherness and unity of the Union, with its easily recognizable and highly functional economic/economic-political identity and subjectivity, fully was manifested in the definition, rationalizing and overcoming the great financial and economic crisis that erupted in the summer of 2008 with shooting the bubble in the real estate market in the United States-its genesis, etiology, actors, circumstances, conditions, factors and outgoing solutions.

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## NEO-LIBERALIZATION OF THE ECONOMIC SYSTEMS OF THE EU MEMBER STATES

In this sense, watching, analyzing and anticipating, it is quite normal and necessary in TTIP negotiations, the EU, as one of the two actors/entities in these negotiations, to be divided following the line of the economic/political–economic worldview that prefers and practice. This means that it should not in general be a any kind of surprise and anomaly EU Member States whose current political elites economic/economic-political are identified as neoliberals, muscling and lead such neoliberal economic policies and in which countries economic systems are set/reformed the neoliberal principles, tenets and norms to get closer with its determinations, positions and solutions to the positions of the United States.

As a practical and pretty plastic illustration of this explication can focus the problem and the issue of fundamental and far-reaching economic/economic-political differences and conflicts at in terms of reforms that, in particular, Germany requested by France and Italy (to mention these two intentional States such large countries and economies in the EU, unlike Greece, for example, two countries with extremely problematic competitiveness of national economies, with expensive welfare states and with perennial stag-deflation conditions and pressures) precisely following the example of German the reforms of the pension system and labor market-Riester reform and Hartz reform (Sasajkovski, 2013). Without more thorough elaborations in this context, will only observe that the governments in Paris and Rome, at least declaratively and superficially, initiated and undertaken certain changes in that direction, in general seeing and speaking it means changes in the direction and with content of a certain level of neo-liberalization of economic systems and economic policies, followed by quite strong theoretical, conceptual, ideological and political turbulences, discussions and resistances. We want to emphasize that it is very hard important EU member states to accept TTIP obligation contained in the agreement, upon request or by dictation of US, to effectively implement neoliberal reforms in nature, so as is characteristic and typical of the American economic system and US economic policies. And in general, even for EU countries that have rather advanced in terms of neoliberalization of their economic systems and economic policies, as well as in terms of social communities as whole, primarily G. Britain, would hardly accept American recipe, for example, (further) privatization and commercialization of public goods, infrastructure complexes and public services. These requirements extremely difficult, even impossible and it is inconceivable to be accepted, such as France and Italy, as two large states and national economies of the Union. The same, ultimately, can be expected even from Germany where the state has a significant, including the majority, most equity stakes in companies that work in activities of a wider/public social interest (Akhtar, 2014).

We said that negotiations TTIP are take place without the presence of the public. That alone tells argue that the subject of negotiations has sensitive way exceptional nature and essence as large and far-reaching consequences for economic/economic-political and political/geopolitical relations, structures and constellations of power, not only for the US and the EU Member States (and separately for member states and the EU as a whole/as Union) who are actors and stakeholders in the negotiations and which were members TTIP contract, but, inevitably, will have such consequences for global economic/economic-political and political/geopolitical relationships, structures and constellations of power. After all, it is entirely undisputed that it are precisely the fundamental and essential interests and goals especially when the United States with a strong intensity and urgency reported and imposed these negotiations and this agreement-a reaction which should be fully functional and effective in global economic/political-economic and political/geopolitical conditions that fundamentally characterized by an essential challenge and debasement of the unipolar world that G. H. W. Bush declared soon after the fall of the Berlin Wall and the collapse of the Soviet Union, primarily from the BRICS group.

The negotiations are not public, but about the views of the parties to the negotiations may be primarily concluded on the basis of prevailing and uncontested economic-systematic philosophies, values, principles, tenets and rules of the US and EU member states (not forgetting event for a moment any similarities and the differences between them) and on the basis of their economic–systematic platforms and positions within similar negotiations. For example, the negotiations in within the WTO, the negotiations and signed NAFTA agreement, the negotiations within the International Conference on Financing for Development (Monterrey Consensus), the negotiations and contents of US–Canada Free Trade Agreement (FTA), etc. But, the most about the views of US can be concluded on the basis of their economic-systemic commitments and positions within the TTP agreement negotiations that have recently have been completed and the agreement should go to the ratification of the signatory countries.

In the context of emphasizing the importance of TTIP for US presidential administration as an economic/political-economic and political/geopolitical determinant factor can distinctively plastic be used emphasizing the statement of the US Trade Representative Michael Froman.<sup>1</sup> He completely openly and directly tells the British that if the referendum to be held by the end of 2017, decide to leave the EU would face a foreign-trade regime with the United States in accordance with WTO rules. Even more, the representative noted the United States in such case not interested in negotiating a separate free trade agreement with W. Britain, such as it negotiates with the EU, the agreement TTIP. And, in general representative noted

the United States is not interested in the negotiating and concluding agreements on a bilateral basis, but necessarily only on a multilateral basis. In this sense, separate states after the conclusion of such multilateral trade (and investment) agreements will be able only to express the intention and desire to join the agreements, of course with the full acceptance of their provisions.

And this example shows how much the US is fundamentally important to hoist the need to include of the entire current area of the EU in negotiations TTIP, i.e. how much important further existence of the EU, something that quite convincingly demonstrated in the case of possible degradation EMU, as a separate specific upgrade of the EU, when came to the surfaced economic-financial and ideological-political option for Greece to leave the EMU. Of course, that in this context the analysis G. Britain economic/political-economic and political/geopolitical is much it more relevant than Greece and that by all means and in all ways will be prevents any organizational-institutional degradation of the EU. Simply, it is potentially and latent indisputably the most desirable and strongest economic/political-economic and political/geopolitical ally of the US in these turbulent times of the formation of a new structure and a constellation of a global social power around the poles/pillars of that structure and that constellation.

The primary function of TTIP is exactly that- the formation of a huge economic/political-economic and political/geopolitical space of liberalized and deregulated relations. Strictly speaking, the primary function of TTIP is forming a fully rounded economic system (and not just a free trade area with some additional elements that it reinforce and raise to a higher level of reliability and functionality, for example, the regulation of intellectual property rights and industrial property, following the example of the WTO), which theoretically, conceptually and practically-operative will be designed and modeled the basics and within the neoliberal values, principles, tenets and rules. One of the basic neoliberal postulates is the one who determines the cardinal importance of the as possible major fully liberalized and deregulated markets as a strong and completely relevant factor in economic growth, social-economic welfare and overall social progressive development (Grammling, 2007). Only those economic and political spaces (necessarily multinational and cross-border) who are leaders of global economic growth, of the global social-economic welfare and of global overall societal progress, in essence will be able be confirmed as pillars of the systems, structures and constellations of global economic, political and any other kind of social power and relevance (Ay, 2014).



## MOST IMPORTANT ELEMENTS OF THE ANTICIPATED CONTENT STRUCTURE OF THE TTIP

Were published few EU documents, primarily the European Commission, from which in more detail and more reliably are detect the separate topics for that are discussed within the TTIP agreement negotiations. Of those documents are invited authors who write about these negotiations and for this agreement (Lambert, 2015; Herrmann, 2014; Perez-Rocha, 2015; Barker, 2014).

It can be concluded that the negotiations generally are discusses the three groups of narrower topics or issues: access to markets, specific regulations and broader rules, principles and ways of cooperation.

As regards of the access to markets of goods and services, the agreement aims to provide reduction in restrictions on markets, i.e. enable the markets to are readily available for goods and services. At the same time it should be easier investing in these markets. The regulation applies especially to agriculture, the treatment of agricultural products and their origin.

When it comes the to trade in services, investment and e-commerce in the agreement is imposed the determination to improve the climate for the development of trade and investment, in particular is imposed the determination to liberalize the investment and cooperation in e-commerce. The agreement will surely contents and principles whereby of governments will ban nationalizations and expropriations (either directly or indirectly), except in special circumstances when this is done to achieve a public interest, according to the procedure laid down and regulated by law, on a non-discriminatory basis and compensation. This compensation would be in the amount of a fair market value of the investment at the time immediately before the expropriation plus interest on a commercial basis, i.e. interest which is market-determined interest. With the agreement need to determined and free movement of business managers and of other employees.

It is very important and certainly indicative that in the part of the agreement which would have concerned the banks and other financial institutions will be would have ruled that governments have no right to regulate financial markets, except in strictly defined circumstances and conditions of protection of various types of investors in financial markets, including and the depositors. But, these provisions measures must be strictly limited to dimensions that are necessary for achieving the objectives set by the agreement. With the agreement certain that would be strictly forbidden any regulation of these markets out of the circumstances and conditions provided by it.

Part of the agreement which perhaps, i.e. probably, is one of the most problematic and most controversial would be the part that refers to the initiation and implementation of procedures for resolving the disputes between investors and

governments. With high reliability can be assumed that the United States insist that in the agreement to enter provisions with which the investors would find themselves in a position of power in relation to governments, if estimate of the investors is some a government policy, measure or action could adversely affect or actually adversely affect on their investment. Certainly that the US insist the agreement to provide that in such circumstances, disputes will be guided and resolved by the body/arbitration court with supranational status. Indeed, these arbitration tribunals would not have been a novelty, they and now exist as a body for resolving disputes between investors and states, but it seems that through TTIP you are required in the conduct of disputes and decisions of arbitral tribunals investors to get much stronger and more secure status and positions to achieve their interest versus the interests of States, so as these interests define them governments. In this context it may be concluded that the United States seems required relative to this issue TTP agreement to be a classic agreement with distinctively asymmetrical rights and obligations of the parties to the agreement, in this case with an exceptionally greater rights on the part of investors and the distinctively greater obligations on the part of the states/governments. In this way and the states their sovereignty and their sovereign rights and responsibilities supposed to transfer of someone Court of arbitration composed of individuals who would have had too much power in relation to the existing power of similar bodies to annul laws and other decisions of the state authorities and bodies-parliaments and governments.

## CONCLUSIONS

TTIP, just like the TTP, theoretical, conceptual and practical-operative is founded and rationalized of the base and within the theoretical foundations, conceptual premises and practical–operational models of the (neo)liberal economic philosophy. They are theories, concepts and models that in correlated link the variables of liberal and deregulated markets, as an independent variable, with the economic growth, as dependent variable. The economic growth highly productive foundation and frame gets through liberalization and deregulation of trade relations. The depth of basis and width of the frame are not at all important as theory, as a concept and as a model. This economic philosophy and true possesses confidentiality and power of apriority and axiom. The (neo) liberal economic philosophy latter possesses this confidentiality and power at least as prevalent theoretical, conceptual and practical-operational determination and commitment of global political and economic elites. It is those elites who thoroughly and in essence determined, actually impose and dictate, global flows of the main political and economic positioning, decision-

making and action. Prevails theoretical, conceptual and practical-operational view and understanding that the liberalization and deregulation of markets, of course, along with the private property, private initiative and stable currency, represent the necessary basis and the necessary economic/social-economic framework of economic growth, productivity, creating new jobs, reducing socio-economic disparities and it all concentrated and summarized as moving the overall social development and prosperity.

Of these theoretical, conceptual and practical-operational bases and in these same frames were set completed negotiations in the Uruguay Round of GATT, on these bases and within this framework are set and the negotiations of the Doha Development Round of the WTO. Of these foundations are laid and negotiations of the TTIP and TTP, with one huge difference (or one huge quality/"quality") which relates to the emphasis on the necessity EU Member States (primarily are think of great states and economies in the EU-France and Italy) the neoliberal foundation to reform their economic systems. The negotiations within the Doha round of WTO basically are located and are unfolding in zone that is primarily a zone of trade liberalization, indeed followed by additional elements of a certain breaking through the strict and narrow trade framework, but it, however, are the elements that are most related to the trade liberalization. How, for example, the TRIPS agreement which governs and regulates relations in the field of protection of intellectual property, with a special emphasis on the protection of intellectual property which is the result of scientific research, inventions and innovations in the field of medicine and pharmacy.

### *Notes*

#### *(Endnotes)*

<sup>1</sup> The statement was published without indicating the source, although it is quite obvious that it is a news agency, in Dnevnik, Skopje, 31.10.2015, 6, with editorial title "If you leave the EU, Britain would face barriers to trade with America. "

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