

## **TTIP: THE CONSOLIDATION OF A NEW GLOBAL STRUCTURE OF CAPITAL ACCUMULATION**

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“EU trade deal with US is imperative” since it will contribute to growth and development, says in a recent article in Cyprus Weekly (May 13, 2016), Mr. George Markopouliotis the Head of the European Commission Representation in Cyprus. Apparently, no one should expect a different view from an EU apparatchik. The Transatlantic Trade and Investment Partnership constitutes in my view a new structural edifice to consolidate further the globalization project, which dates back in 1973. The Nixon administration dealt the final blow on the Breton Woods system, a system which was based on a nationally governed economic growth. With the abandonment of the gold standard, the US has managed with the institutional weakening of the Breton Woods system to deregulate the international financial system and crippled Keynesian economics, the model which has guided the post-World War Two development project. Through the Kennan doctrine (1947) the US and its Western allies have managed to contain and successfully completed the collapse of the Soviet Union, and with it the so called communist threat, in December 1991. Surprisingly the Maastricht treaty came into effect in 1992, thus consolidating the strategic gains of the Soviet collapse. The treaty incorporated at its core a neo-liberal philosophy of politico-economic orientation. Soon after, NAFTA came into being in 1994 and inevitably WTO, the new global regulatory framework of global economic governance. The principle of the least restrictive trade barrier was the modus operandi, compromising severely health and labor standards and environmental protection. These developments marked the end of economic nationalism which with the advent of the WTO was superseded by globalization. The global economy emerged as the unit of development. This has been facilitated by the deregulated mobility of global financial capital. What we have in place is a nationally fixed state on the one hand and a globally mobile capital on the other. As a consequence the process received a new impetus for the further erosion of the nation state. The nation state is gradually replaced by the global market, and the citizen by the global consumer. According to John Hilary, executive director of the campaign group War On Want “The TTIP is an assault on European and US societies by transnational corporations”. The ongoing dynamics have been taken place in a veil of darkness, in an environment lacking any transparency. The strategic objective of this agreement targets the removal of any regulatory framework in any transatlantic trade transaction notwithstanding, public health, civil and labor rights and the environment. According to Hilary this will open up “Europe’s public health, education and water services to US companies. This could eventually means the privatization of the NHS”. The further facilitation of capital accumulation of multinational corporations at the expense of society is the *raison d’etre* of TTIP. Undoubtedly this will lead

to the augmentation of global inequality if one only takes a quick look at a recent report by Oxfam International in 2015 "Working for the Few", which among other things emphasizes "the growing tide of inequality".

For instance the report states:

- The wealth of the one percent richest people in the world amount to \$110 trillion. That's 65 times the total wealth of the bottom half of the world's population.
- The bottom half of the world's population owns the same as the richest 85 people in the world.
- The richest one percent increased their share of income in 24 out of 26 countries for which we have data between 1980 and 2012.
- In the US, the wealthiest one percent captured 95 percent of post-financial crisis growth since 2009, while the bottom 90 percent became poorer.

Should TTIP finally be ratified, various econometric models predict higher unemployment, lower income and social degradation of both sides of the Atlantic. It is estimated that more than 680.000 jobs will be lost in the EU, but the TTIP's social nightmare on labor is unprecedented. It calls for further shrinkage of labor rights, the marginalization, if not the abolition of collective agreements, and the gradual Americanization of the European labor market, to name a few. It would allow further cuts on wages and pensions as well as on health care expenditure. All these measures will be imposed in the name of economic competitiveness. It will target distinct European products, like the German sausage, the French champagne and the Italian prosciutto in an attempt to weaken the cultural diversity of European identity. TTIP will flood the European market with biologically modified goods. But the most dire development originates from the institutionalization of a new arbitration mechanism the so-called "Investor-State Dispute Settlements (ISDS) for the protection of corporate investment". To be more precise, any probable improvement on health, labor and environmental standards advanced by any government to its citizens could be taken up and interpreted by multinationals as constituting a hindrance to investment, competition and profitability. Therefore they could be legally given the instruments to sue governments. Put simply any governmental policy could be perceived as imposing constraints and limitations on profitability. Governments could opt for the institutionalization of a permanent austerity economic regime at the expense of labor as a precautionary measure to avoid such an eventuality. States could be sued and should they lose, their taxpayers will be paying the cost of the fine. This political retreat by the state is tantamount to the multinational perception of less profit. But even worse, it is an unprecedented curtailment of the state's national sovereignty.

To sum it up, should TTIP become a reality the consolidation of global economic interests at the expense of societal interests could bury the final remnants of European democracy for good. TTIP is a reassertion of US capitalist power. Global economic criteria override national social criteria. TTIP negates the public capacity to plan development and finally TTIP imposes the social usurpation of society's wealth by global financial interests. Once again the US [along with the European oligarchy] emerges as the hegemon of a global political malignancy at the expense of human condition. We have entered the era of a new totalitarian capitalist regime! The contemporary nation state's functional capacity has been reduced to two main political tasks: The protection of the propertied class and the empowerment of its repressive apparatus to protect it from the property-less, as this is being witnessed by the recent protests of French labor against the 'socialist' Hollande government.