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Transatlantic Trade and Investment Partnership: Implications to the European South

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According to its proponents, the TTIP is the most important trade negotiation underway in the European Union (EU) and the USA aiming at creating the world's largest free trade area. With the purpose of making the trade of goods and services easier with the least possible impediments, a number of issues have been raised regarding the implementation of the TTIP with respect to the allocation of costs and benefits to people in both the EU and the USA. It has been argued that the agreement will benefit more the growth rate in the USA than that of the EU whose regional disparities are expected to increase. In this context, one would suppose that at least a part of the benefits accruing to the USA will be allocated in the effort to ameliorate the disparities especial in the EU Southern countries.

INTRODUCTION

In the last decades, the European Union and the United States in order to highlight the need of a strong transatlantic relationship, they emphasized on the importance of promoting better regulatory cooperation and facilitating transatlantic trade. More specifically, a few years ago the two sides of the Atlantic Ocean started negotiations on a so-called- TTIP (Transatlantic Trade and Investment Partnership) between the US and the EU. According to the officials on both sides of the Atlantic, the TTIP would help to generate jobs and boost economic growth; cut prices and give to the public more choices. Furthermore, the TTIP could exert an influence in the shaping of world trade rules and promote its values globally.

The current negotiations on TTIP have raised substantial public interest from the US and European citizens, NGOs, trade unions and civil society organizations. Even if the proponents of this agreement

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underline the benefits for the two parties, several studies show that these claims are overestimated and dispute the positive economic and trading effects. Fears of financial insecurity and environmental unsustainability, as well as uncertainty of trade transactions, health care and consumer protections came to the forefront and the negotiators called upon to eliminate them.

The remainder of the article is structured as follows: Section 2 introduces the major features, historical background and current developments in TTIP until the end of the thirteenth round of negotiations. Section 3 examines the possible impact that TTIP on economic environment, on trade inequalities, and on regional integration. Section 4 focuses on the effects of a transatlantic agreement upon Southern European countries and especially the debt-ridden Greece. Finally, Section 5 makes some concluding remarks.

CONTENT AND PROGRESS REPORT ON NEGOTIATIONS OF TTIP

The EU and the USA are the two largest economies in the world, accounting together for about half the entire world GDP and for nearly a third of world trade flows.[1] The first effort of a transatlantic agreement was the Trans-Atlantic Business Dialogue (TABD), which was established by the US government and the EU in 1995 as the official business sector advisory group on trade and investment issues. After twelve years of discussions in 2007 the USA-EU Summit, announced a Declaration on Enhancing Transatlantic Economic Integration and Growth, which laid the foundation for a growth driven agenda of cooperative dialogue. These developments led to the creation of the Transatlantic Economic Council (TEC) with the goal of enhancing the transatlantic economic integration by pointing out new areas of cooperation. The next step was the joint declaration made by Barack Obama, José Manuel Barroso and Herman Van Rompuy in February 2013 relaunching the transatlantic partnership. In 2013, the 28 national governments gave the European Commission (EC) the mandate to negotiate the TTIP.

The TTIP is a multilateral trade agreement, which, by definition, involves three or more countries seeking to regulate trade between them without discrimination. The main objective of this agreement is to develop trade and investment legislation between the two parties by generating new economic potential for employment and growth by delivering better market access, achieving greater regulatory compatibility and paving the way for setting global standards. More specifically, four are the major goals of the TTIP:

(a) to eliminate the customs tariffs relating to bilateral trade from the beginning of this agreement, with the gradual abolition of all customs tariffs;(b) to gain access to an overseas markets outside Europe by the dissolution of long-established obstacles; (c) to establish a balance between the regulatory differences between the EU and the USA, by taking into account differences in preferences and values among their populations as well as different approaches to risk management; (d) to protect the investments by ensuring the transparency and offering investors a broad range of arbitrage opportunities; it is important to point out that the final version of the TTIP agreement contains 24 chapters, grouped into three parts; namely, the market access, the regulatory cooperation and the rules.

In our effort to analyze each part, by the market access the TTIP follows the footsteps of other EU trade deals helping EU companies gain easier access to the US market, in particular in trading goods, services (including financial services) and public procurements. With the TTIP, European firms could export more to the US and win government contracts, increase their investments in the US, import not only products but also raw materials and finally, set rules of origin and determine more easily when a product counts as being "Made in Europe" or the US. In the section, concerning regulatory cooperation focuses on achieving regulators in Europe and the US to work together much more closely and in a better way than they do now. European firms have to come to terms with US rules of safety and quality, which have some differences in their technical details and their procedures for ensuring their compliance with the rules. In the last part of the agreement about rules, it is important to put in place new rules to help all European firms to fully benefit from TTIP and also set out, rules on trade, and measures that put sustainable development, including labour rights, at the heart of TTIP. Moreover, the TTIP agreement will find a way to protect investments, solve investor- state as well as state-state dispute settlement, and set out a formal system that ensures the intellectual property and the geographical indications.

The 1st Negotiation Round of the EU-US took place in Washington D.C, in the United States July 8-12, 2013. The second round of negotiations took place, three months, later, in Brussels. And round-after-round the latest 13th Negotiation Round has been completed in, New York, 25 – 29 April, 2016. Both negotiating parties tried hard to bridge the gap and share a common point of view in order to finalize the trade agreement by the end of 2016. Following that policy EU and the US will be the standard setters in international trade. The round covered the three basic pillars of the agreement (market access, the regulatory cluster and rules). The Commission has published a statement after the end of the negotiations (29/04) in which indicates the progress, but also has made proposals on all issues except for regulatory cooperation in some areas, intellectual property rights and for institutional provisions of the Agreement. This latest round was a bridging round, between the huge amount of technical work already done, and the task of facing and creating joint texts and finding compromises where necessary, in particular in the regulatory and rules pillars. In any case, after the completion of the fourteenth round in July, a single negotiating text should be presented, if the two sides want to prevent these deadlines. The negotiations are to be continued even after the official "end" of the practical round with continuous meetings of both parties especially in matters concerning public procurements and geographical indications, on which each side has proposed new ideas (Ec.europa.eu, 2016).

CONTROVERSIAL ISSUES AND REGIONAL INEQUALITIES

The TTIP is without doubt one of the largest free trade agreements ever signed as this can be judged by the number of participants and the size of their economies. However, many studies have indicated that the expected benefits from the agreement are highly questionable for it may have effects on key areas that extent beyond the articles of a trade agreement. In particular, the TTIP is considered a political project that is heavily supported by big businesses on both sides of the Atlantic. The idea is that the further loosening of the trade barriers and the access to bigger and more open markets will lead to higher profits and increased economic growth (Hubner, 2014).

It is true that the TTIP is not that popular among a number of EU member countries and it comes as no surprise that there are massive demonstrations against the ratification of such an agreement. Currently, and after the last round of negotiations the approval rates for TTIP are at the lowest level since the beginning of the negotiations. Many organizations and NGOs from both sides of the Atlantic express their disapproval via massive collection of signatures, organization of workshops on TTIP and active protestations against such a final agreement. The European Commission, as stated clearly at the last round of negotiations, is determined to hasten the procedures so as to reach a consensus by the end of 2016 (Ec.europa.eu, 2016;Ghailani and Ponce, 2015).

One wonders what are the reasons for such a firm opposition to the signing the agreement? First of all the discussions are kept secret and so this is considered and rightfully so to manifest the lack of democracy and that a few people, the experts so to speak decide on the future of people without their consensus. As a matter of fact, the EC announced that access to the public would be blocked to related documents for up to thirty years. The process has been heavily criticized for its lack of transparency as it has happened in the past with other trade agreements. It is true that most of the known information about the negotiation rounds and the whole procedure has been obtained through leaked documents and press releases (Dahloff, 2013).

Furthermore, the upcoming privatization of public services like health, education and water is considered very alarming. The TTIP is willing to open up Europe's public services to US companies who are more than keen on entering that field, as they do believe that there are major opportunities in those vast markets. If the privatization of the public services is going to take place, it will be unlikely to be undone in the future. There is a huge debate on the criteria of the sectors that can be privatized or not. There used to be set by the EU a "positive list approach" where all eligible sectors for privatizations were being listed but recently, many EU and US business groups suggested a "negative list approach" so, in that way all service sectors are subjected to liberalization unless they are marked as an exemption like security related services (Cooper, 2014).

The continuous pressure from the business lobbies to protect the interests of the companies against the State has created the Investor-State Dispute Settlement provision (ISDS) which is highly controversial. It is the most debatable aspect of the negotiations, regardless of its inclusion to the final agreement. The ISDS is an arbitration procedure in which every foreign investor to sue a government in case of a possible loss of profits or threat of revenues. It is commonly included in free trade agreements as well as other forms of trade deals.

This mechanism permits a foreign investor to file a direct complaint to a State that will not be examined in national courts, but in an international court of arbitration instead. The investor may use ISDS if he considers that the State has infringed the rules of the investment treaty, which protect his rights. US and EU enterprises will have, in other words, the right to challenge public policy decisions if they believe –in their jurisdiction– that they have suffered losses, and claim compensation. ISDS main purpose is to ensure a safe and predictable context for foreign investors, as well as a dispute settlement system, which is not political biased and facilitates both decisions and investments (Fabry and Garbasso, 2015). Where ISDS has been included in bilateral investment treaties or other free trade agreements, it has already caused considerable damage to democracy and public policy (Hilary, 2015).

From the very first time that ISDS was introduced, it has led to many injustices and therefore has made many opponents due to its tendency to protect the investors. Those who are opposed to the TTIP are afraid that an unelected by the people corporation will be able to dictate the policies of a democratically elected government. They believe that existing legal systems are capable of dealing with dispute settlements by foreign investors as they are, without the need to use the arbitration procedure. Investors are already protected by provisions in Europe's domestic legal systems.

According to an article by The Economist (2014), a notable example that captures the real impact of ISDS is the Vattenfall Case. The Swedish company Vattenfall that operates two nuclear plants in Germany, demanded compensation of €3.7 billion of the Federal Republic of Germany over the country's decision to phase out nuclear power in the wake of the Fukushima nuclear disaster in Japan in 2011. This is a prime example of how this powerful international legal system, which was built to protect foreign investors in developing countries, is now being used to challenge the decisions of European governments (Provost and Kennard, 2015). This is just one of a growing number of such cases.

Recently after the last Round of negotiations, several changes had to be made in order to make ISDS look more appealing. Firstly, it was re-introduced as a reform for investor protection. Under this new approach, the EU proposes the creation of a solid system with clear procedures and rules as well as qualified judges. The two new elements are the allegedly transparent procedures and the access to the mechanism by small and medium-sized enterprises (SMEs). On the next Rounds there will be discussions about the details of this section. Regarding the investment disputes, there was an effort to understand the points of each side and find common areas of convergence. The EC with this proposal wants to calm the critics as the opposition from the public and the EU Parliament was strong. However, the Corporate Europe Observatory made a critical analysis before the 12th Round and declared that the changes will be merely cosmetic (Ec.europa.eu, 2016; Ermert, 2016). In addition to all the above issues, the economic effects from such unprecedented market integration will be enormous. One of the most important economic consequences of the TTIP is the possible rising of unemployment.

The significant impact of such agreements has been showcased with the North Atlantic Free Trade Agreement (NAFTA) between the USA, Canada and Mexico, that had a long-term result of one million job losses in the US and a significant decline in labour incomes. With the US not having ratified the ILO Conventions on basic labour rights and standards, and bearing in mind the generally very low labour standards and trade union rights, many companies will use this opportunity to relocate their production in the US, where it is more profitable for them (EC, Staff Working Document, 2014).

The EC has confirmed the aforementioned consequences, during a challenging period for the EU, where unemployment rates are at an all-time high. Taking that into consideration, the majority of the potential unemployed due to the TTIP will not be able to find another employment position elsewhere. Moreover, the rise of the unemployment rate will also lead to the reduction of incomes, contributing to the decreasing wages of workers. EU member states have been advised to support funds to compensate for the upcoming events (Shierholz and Gould, 2011).

The most important economic aspect of the TTIP agreement though is the regional policy. It is a fact that if the share of trade conducted with the US will be increased, the impact of the TTIP on regions' trade and their economy will have similar effects, meaning that the agreement will have a major impact in the regional policy of the EU. Moreover, it is generally assumed that the most open the trade regions are the most developed and specialized in the cutting edge sectors they become (Villaverde and Maza, 2015).

The rising levels of inequality within and between European countries could bring significant economic, social and political costs for the 28 member states. Instead of creating prosperity, the TTIP could, in the worst case scenario, tear the EU apart if it may come at the price of inequality driven economic disintegration, migration pressures, frustration with the established political institutions, and increasing left and right wing populism as well as growing budgetary imbalances between the core and the periphery.

Inequality is hollowing out the middle class. These dynamics are already ongoing as European citizens (especially in the heavily crisis-affected Southern countries) experience a growing gap between their interests and the policies implemented by their respective governments and the EU institutions. Additionally, the continuous negative economic environment in the European countries of the periphery has already led to an increase in inner-European labor migration. This, as well as the migration from third countries and the rising numbers of refugees currently changes the face of Europe who is experiencing the biggest refugee crisis since the Second World War. Before the crisis, the geographical mobility in order to seek employment used to be significantly higher in the US than in the EU due to language barriers, cultural resistance, different social security schemes, labor laws, etc. Nonetheless, the dynamics in terms of labor migration in the EU have significantly changed during the last few years. Highly mobile blue-collar workers from the Eastern Europe periphery have been disproportionately affected by the crisis and were often forced to return to their home countries. On the other hand, many skilled migrants - especially from Southern Europe countries - had no choice but to move to the core member states, like industrious and knowledge-based Germany in order to get a more suitable job (42%) or better salary (54%) (Mayer, 2015).

Not surprisingly, the total number of people moving to European core countries has never been higher. However, the mass of laid-off people with lower skills are, due to structural differences and a mismatch in qualifications, not even demanded in the core countries like Germany, and is therefore left behind with little or no real potential at all. Despite the fact that emigration from periphery (which has suffered the most from the crisis) to the prosperous core is still marginal in absolute numbers, it may soon come to a certain limit. Then, in that level imbalances grow so strong that a brain drain sets in, which not only prevents the end of the crisis, but also impedes long-term recovery in these countries with no actual hope and many austerity measures (Venhaus, 2014).Since unequal distribution of income is considered as one of the main causes and also aggravation of economic crisis, Europe but also the US will need now a more equitable distribution of income in order to get out of it and find their way back to recovery. This can be achieved through fostering aggregate demand via more healthy wage-led growth instead of highly speculative finance-led growth (O'Farrell, 2011).

The TTIP, however, seems to extend the reach of large corporations and finance instead of improving both living and working conditions for each and every one of the European citizens. Following this, social standards of high importance should be adapted because in any other scenario, bankers, investors and corporations will harvest the benefits of expanded trade for themselves, while the rest of the workforce will reap the husks (Compa, 2014).

Wealthy elites will have the biggest earnings through mergers, acquisitions, closures and privatizations in common market. On the other hand, especially in Europe, labor could be dealt with even further wage stagnation or reduction, lowering the social protection regulations and diminishing the influence of trade unions. Due to Pierre Defraigne (2014), it is likely that "labour prices will be pulled downwards and the unequal income structure prevailing in the US will weigh on the European wage structure. In such a context, productivity gains brought about by economies of scale will not translate into higher wages, but into lower ones".

THE IMPLICATIONS TO THE EUROPEAN SOUTH

The impact of the TTIP agreement for European Countries is supposed to be similar to those that were forecasted before the creation of the European Single Market. The internal market in a simple form is based on the neoclassical approach: eliminating trade and investment barriers equals increasing trade and investment activity. According to existing studies, each country participating in the TTIP gains benefits. Nevertheless, are those benefits equal for all the countries or may they vary from country to country and be largely a function of the articles of the agreement? This is a question to be answered. It is important to point out that TTIP - despite the clean version of 'free trade', combined with "partnership" -is not so much about the trade (the issue is actually barely touched), but for reducing the regulatory barriers, particularly in terms of bilateral investment.

Advocates of TTIP are expecting welfare effects based on economic assumptions in a neoclassical sense: once regulatory barriers disappear, competition will be increased and markets will become more innovative and efficient. Moreover, an expanded common market will allow firms to generate economies of scale, which likewise will benefit consumers. On the other hand, several sectors and regions (e.g. crisis-ridden countries in Southern Europe) may suffer extended losses and will experience severe trouble to compete with much stronger ones.

According to the EurActiv.com (2015), more than 3 million citizens have signed against the resolution of the planned free trade agreements with the United States and Canada. More specifically, on November 9, 2015 in Berlin the members of the "Stop TTIP", which is an organized citizens' initiative against the planned EU-US Free Trade Agreement and the EU-Canada, submitted the resolution to the President of the European Parliament, Martin Schulz, asking him to convene the European Parliament. Within a year, the initiative has collected many more signatures than any other initiative. We also had had a number of demonstrations by Greenpeace activists against the agreement (Ermert, 2016). All of the above suggest that such a free trade partnership is nothing but vested interests of big businesses reflected in the contemplation of economic policies by officials on both sides of the Atlantic.

The European South

With the outbreak of the crisis, the countries of southern Europe are facing unprecedented social, political and economic transformations. With similar historical, sociopolitical and cultural bases, but also with their own peculiarities, these countries are largely a region on the fringe of Europe. Especially in a period of crisis, inequalities within Europe seem to intensify, echoing previous models of unequal geographical development and putting on the spotlight the discussion about the European integration.

The results of a research by Freytag, Draper and Fricke (2014) found out a strong increase of trade flows for the GIIPS (Greece, Ireland, Italy, Portugal and Spain) countries, which is obvious for the comprehensive liberalization scenario. Greece, Italy and Portugal could be experiencing growth rates of export and import volumes of around 90 per cent, just in line with the trade growth rates between Germany, the US and Spain could growth in trade of around 80 per cent.

According to a research by Felbermayr, Heid and Larch (2014), which correlates the welfare gains in the EU28 with the baseline level of real GDP per capital came to two conclusions. Firstly, highlighted that countries such as Belgium, Netherlands and Austria who are already rich tend to be rather open because they benefit from low average trade costs with the world, so lower trade costs with the United States will not unlock large additional gains. On the other hand, countries such as Greece Spain or Italy, which appear to have higher multilateral trade costs, and would therefore, benefit more from reduced trade costs with the United States.

A study on the TTIP's potential impact on the Italian economy was published by the Prometeia company in June 2013 showed that while Italy is projected to benefit from the TTIP, some of its key exporting sectors may face intensive competition resulting the agreement (particularly agriculture, chemistry, paper and wood – may face losses due to the higher competitiveness of imported goods).

As for Spanish regions, Villaverde and Maza (2015) published a preliminary analysis with the conclusions that the extent and composition of the bilateral trade between each one of the Spanish regions and the US vary substantially. Accordingly, the impact of the TTIP on the Spanish regions (on both the extent and the composition of their foreign trade with the US) will differ. Secondly, the most developed regions tend to be those that, potentially, will undergo a higher volume in their trade with the US. Combining these two points, and assuming a positive relationship between trade openness and economic growth, the conclusion that emerges is that there is a high likelihood that the TTIP will provoke an increase in regional disparities in Spain.

Portugal being one of the Southern European countries, in accordance with a project by CERP, could not remain unaffected by the TTIP. The summary of the macroeconomic effects is provided in Table 1 below. An important part of the gains comes from reductions in tariffs. These contrasts with the EU as a whole (see CEPR 2013) where tariff reductions had less important impact. The reason is that, in the case of Portugal, exports are more concentrated in sectors that would benefit from the elimination of high US import tariffs. Tariffs are likely to be reduced first (i.e. they will be front-loaded) while non-tariff barrier (NTB) reductions will take place at a much latter time period. Portugal is expected to benefit relatively more from tariff reductions compared to NTB reductions on services than the EU as a whole given Portugal's trade structure. As a result, Portugal is likely to benefit earlier from the initial stages of the TTIP implementation.

In general, the Southern European countries tend to be somewhat more unequal than the ones in the North and Northwest (except the UK). Interestingly, the EU Commission (2014) report at hand states that "too much inequality may harm growth and economic performance through a number of mechanisms, such as some underutilization of human capital, lack of adequate incentives or favouring asset bubbles" as well as "negative effects on aggregate demands". The EC does not seem to take into account that the TTIP could actually worsen inequality in Europe (Progressive Economy, 2016).

The Case of Greece

Taking into account the abovementioned results for the European South we come to the conclusion that inequality has been growing all over Europe since the outbreak of the partially related Euro crisis; particularly in the case of crisis-ridden countries like Greece, followed by Ireland, Spain, Italy, and Cyprus.

Table 1
Summary of macroeconomic effects

	Modest scenario				*Ambitious scenario*				
	Tariffs	*NTBs Goods*	*NTBs Services*	*Total*	*Tariffs*	*NTBs Goods*	*NTBs Services*	*Spillovers*	*Total*
GDP, %	0.35	0.22	0.01	**0.57**	0.35	0.33	0.02	0.07	**0.76**
GDP, €	775	487	14	**1277**	778	718	32	118	**1610**
Consumer Prices, %	0.01	0.06	0.00	**0.08**	0.00	0.10	0.00	-0.12	**-0.04**
Exports, %	0.73	0.58	0.04	**1.35**	0.72	0.94	0.08	-0.01	**1.70**
Imports, %	0.65	0.52	0.03	**1.20**	0.64	0.84	0.07	-0.01	**1.52**
Terms of Trade, %	0.04	0.04	0.00	**0.09**	0.04	0.07	0.01	-0.03	**0.07**
Low skill wages, %	0.58	0.31	0.00	**0.89**	0.58	0.36	0.01	0.01	**0.94**
Medium skill wages, %	0.31	0.19	0.00	**0.51**	0.31	0.29	0.01	0.06	**0.68**
High skill wages, %	0.36	0.22	0.01	**0.60**	0.37	0.32	0.02	0.06	**0.77**

Source: Francois and Manchin (2014).

Greece, having suffered a major blow from within the Eurozone, due to poor management of a prolonged, systemic economic and social crisis, the most severe since the Second World War. The country has lost 25% of its GDP in the past five years. The Unemployment Statistics of Eurostat indicated that this recession rollercoaster has blasted unemployment to an astonishing 25.2% (June 2015), the highest among EU member states. With public health, education and social welfare systems dismantled, and with significant gaps in environmental and investment policy, Greece is increasingly vulnerable to the free-trade pressures of Europe's richest nations, which will be reinforced by the TTIP (Ec.europa.eu, 2016).

The representative of the Greek government, Mr. Stathakis, who in 2014 had described the agreement as "opacity monument" during a debate in parliament, maintained his reservations and expressed his concerns about the economic consequences of TTIP. Nevertheless, he expressed his opinion that the negotiation framework constitutes an intervention field of trading which can be further improved by appropriate changes by granting the right to each particular government to defend its regulatory framework. There is no doubt that with such a view shared by all members of the EU it would be impossible to strike a final deal. In similar vein in a number of occasions the current government in Greece, SYRIZA, has already expressed their hostility to TTIP. In effect, it confirmed that it would exercise its right of veto to prevent the signing of the agreement in the European Council (Teloglou, 2015).

The case of Greece and of other southern countries in the EU clearly prove that problems with integration initiatives can be numerous. The less developed countries of the EU, or those that are not competitive enough, would not gain as much as is usually predicted. The prospect of gaining less or even sustaining losses by less developed economically countries in the South Europe is in line with those economic theories that do not support positive sum impacts of international economic liberalization.

CONCLUSION

The ongoing negotiations of a free trade agreement between the EU and the US, the so-called TTIP, have prompted a heated debate about its impact on both parties involved. There is strong political will on both sides of the Atlantic to reach a balanced and mutual beneficial agreement by the end of 2016 as confirmed during the latest discussions at the last rounds of negotiations. Meanwhile given the situation with the referendum in the U.K in June and the elections in France and Germany in 2017 the political environment in Europe is negative for the settlement of an agreement, which leads to the conclusion that by the end of the yeah we will have a draft of the agreement that is going to be finalized in the year(s) to come.

The benefits to be gained from the TTIP are ambiguous, as there are very vague and contradictory data and results from studies that have been published, especially those that considered the Southern periphery of the EU. Nevertheless, the controversial issues resulting from the negotiations are many and include various aspects of everyday life, which create concerns and discontent to a number of people that protest against the possibility of a finalized agreement.

By taking into account that these conclusions could also apply for all EU regions, it is very likely that the implementation of the TTIP will affect the different EU regions in quite a lot ways, with the main result of the widening of the EU's regional disparities. Whether this negative effect will be more than offset by the expected positive effect of the TTIP at the EU-wide level is unknown. In any case, the conventional trade-off between efficiency (EU-wide GDP growth) and equity (regional distribution of GDP growth) is, once again, at stake.

The European Union should take into serious consideration all the regional inequalities that have been magnified since the beginning of the crisis before sign a serious agreement like this one. The role of the State will be less and less significant as many aspects of the agreement will be corporate friendly such as the ISDS and major public services will be privatized.

In conclusion, the main goal at this point should be a rally between the rounds of negotiations that will ensure that the regional cohesion between the EU peripheries as well as the US states will be one of the highest priorities. Therefore, to prevent the expected negative effects on regional disparities, it is a common belief that the deepening of the EU regional policy should be pursued, even before, the signing of the agreement. The vision of a united Europe cannot be achieved with all those regional disparities. The need for an effective regional policy and social fraternization is stronger than ever.

Notes

1. *http://ec.europa.eu/trade/policy/countries-and-regions/countries/united-states/*

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