



TTIP

Transatlantic Trade and Investment
Partnership –
A critical analysis

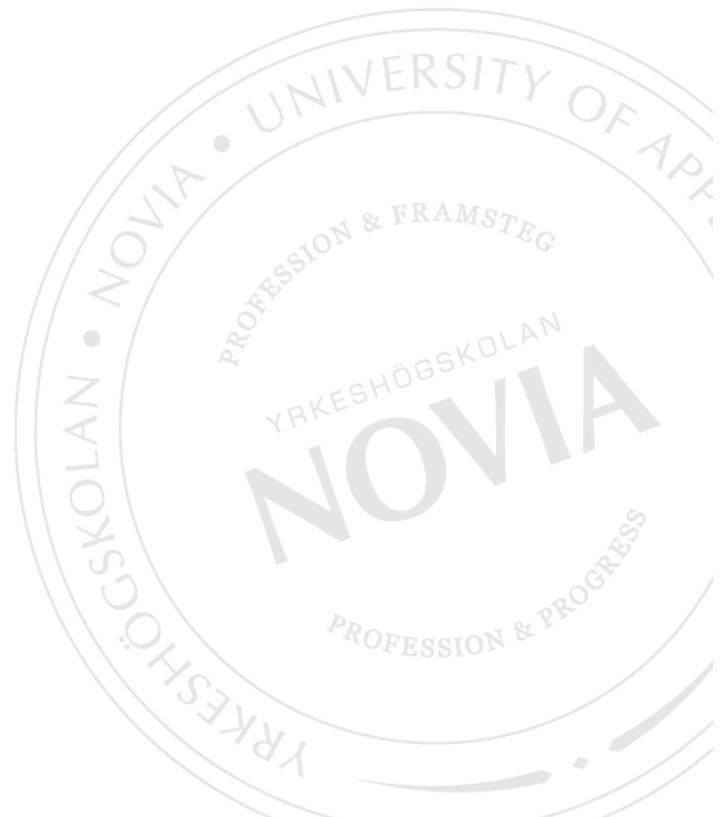
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Bachelor's Thesis for Bachelor of Business Administration Degree
Degree Program in Business Administration





Turku 2015



BACHELOR'S THESIS

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Specialization: Marketing
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Title: TTIP Transatlantic Trade and Investment Partnership – A critical analysis

Date: 11.03.2015 Number of pages: 60 Appendices: 1

Abstract

This Bachelor's Thesis is written within Novia University of Applied Sciences in Turku. My motive for the implementation of the thesis is my personal interest towards the topic as well as the lack of previous research information.

The objective of this work is what the current negotiations regarding the transatlantic trade and investment partnership (TTIP) between the European Union and the United States of America really is about. As this topic is a big issue not only among politicians but also among the public, I would like to present the opponents and the proponents and what position they have towards TTIP.

Besides the theoretical framework I enrich this thesis with qualitative thematic interviews. The study involved four respondents who are specialists in this area.

The results I made out of this are interesting and give a more insight view in to this agreement and may help oneself to build up an own opinion, well-founded on facts and not only on feelings. In summary it can be said that this agreement will bring a lot positive input into the economy of Europe and also into the economy of the U.S., but we should be aware of some negative impacts that might come up. Nevertheless, as there are still no fixed articles made up between the both negotiating parties, we can only guess what will be in this agreement in the end.

Language: English

Keywords: Free trade, GMOs, Agriculture, Globalization, EU, USA, European Commission

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1. Introduction

The idea for the topic of my Bachelor's Thesis came up during autumn 2014, because at that time I had already recognized huge discussions about the currently negotiated TTIP between the EU and the USA. As we are living in a world of globalization, we also live in a world of controversy discussion about exactly this movement of doing business, purchasing products and serving commodities globally. On one side we have those people who combine the approach of cultures, economic growth world wide and undreamt development opportunities with globalization. On the other side there are the types of people fearing the dominance of the economy, the loss of regional diversity, ecological overexploitation as well as a rising gap between rich and poor. (Hartmann, Beyer, Merai, Tenten and Wolf, 2011)

TTIP is a currently discussed topic among the citizens, politicians and economists in the EU as well as in the USA as it might affect everyone taking part in the everyday business life. When this free trade agreement comes into force, many things will change in the environment we live in – positively and negatively. Although it is a current topic, many people are not really aware of it at all.

As TTIP would be one more step towards globalization, there are on the one side many people fighting against it and on the other side there is a group of people trying to promote this free trade agreement. While reading different articles in newspapers and statements of different parties I have realized that I am not really informed about this topic. When I started to build up my own opinion I noticed how difficult it is to get an overview of what is really going on in these negotiations about TTIP and where is the border between facts and feelings. So I thought about how I could treat this topic for my Bachelor's Thesis and from time to time the idea came up, to light up TTIP itself, what is negotiated between the USA and the EU, why are there these strong opponents and proponents and how do they state their opinion.

Through my thesis I will try to find answers to the following questions: what is TTIP about and what are the opponents fearing for and why are the proponents in favor for it. Through this procedure I would like to lighten up this big issue and help the reader to create his own opinion about it.

In this research I will focus on the food industry, because I was especially interested in exposing the differences between the USA and the EU regarding GMOs (Genetically Modified Organisms), food safety and how agriculture is handled on both sides of the Atlantic. Also the fact that most of the population is complaining about 'chlorine chicken' and 'genetically modified beef' lead me to this decision.

I believe my research has produced useful information and people who did not really follow up this topic, will have a better idea of what is going on and how complex such an agreement really is.

1.1 Problem discussion and objective of the thesis

"The internationalization of business was one of the most prominent features of the second half of the twentieth century – and the pace increased as the decades passed." (George, et.al, 2000, 1)

It can be said, due to the fact that we live in a world of globalization that it is challenging for every business to be successful and survive in the environment they are acting in. Of course, doing business over borders implies a lot of opportunities, but nevertheless there is also a complex range of threats waiting for each of us. The market is not only filled with national products any longer, the field of competition becomes ever larger and the skills for managing international issues are indispensable.

Besides this, doing business abroad also means to be aware of the different standards and regulations in the different countries you are acting in. Because of this the idea of free trade, which would ease the entry into another country's market, seems quite welcoming.

The objective of my thesis is to analyze the current trade situation between the U.S. and the EU as well as to examine the different opinions about TTIP.

1.2 Research questions

On the basis of the objective of my thesis I have formulated the following research questions:

1. What does free trade in general mean?
2. What is TTIP all about?
3. Where are the differences between the U.Ss and the EU regarding GMOs, food safety and agriculture?
4. What chances and risks do my interviewees see in TTIP?

1.3 Delimitations

In my research I am going to concentrate on the food industry and Europe's point of view. I will also take a deeper look into the trade relation between the USA and Finland as well as Germany and besides this, I will interview two German and two Finnish specialists. While in Germany several groups have already been established and the discussion was already heated even among the citizens, in Finland nearly nothing was going on like this. Due to this I was interested in the different attitudes towards TTIP of the people living in those two countries.

2. Economic integration

2.1 Forms

“For a variety of reasons it often makes sense for nations to coordinate their economic policies. Coordination can generate benefits that are not possible otherwise.” (Suranovic, 1998)

Altogether five different levels of economic integration exist.

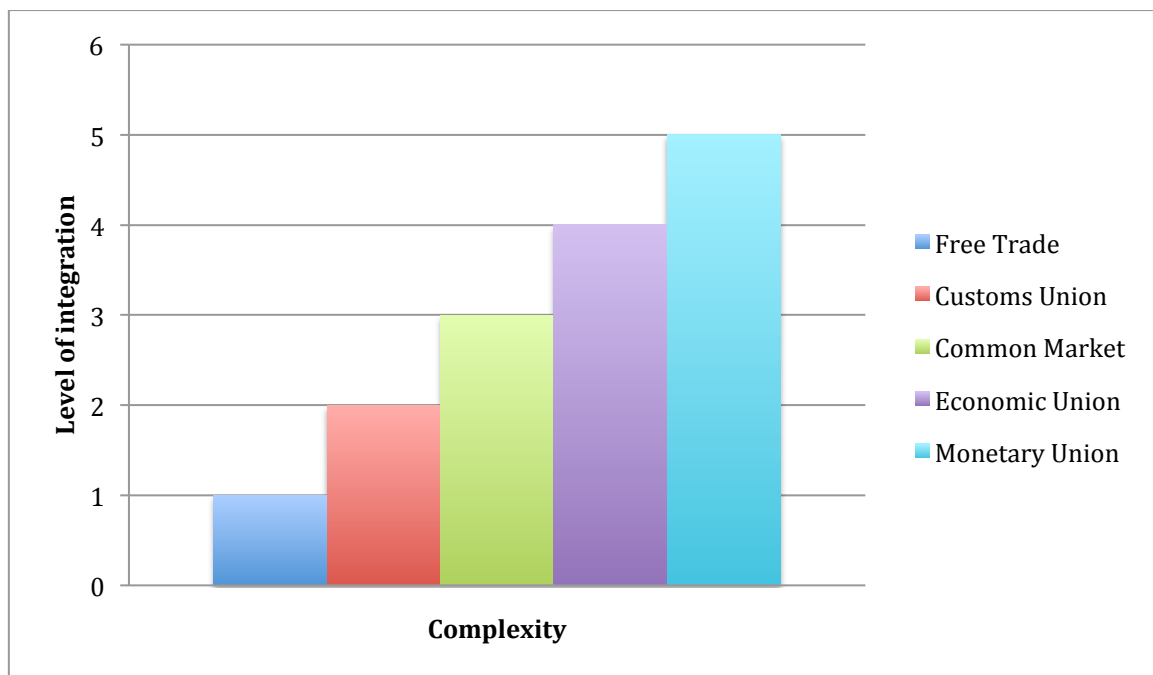


Chart 1 Forms of integration

Chart 1 illustrates those five additive levels regarding their level of integration and complexity.

Beginning with the monetary union, one can clearly see that this is the type of economic integration with the highest level of integration and complexity. In this form the participating nations create a central monetary authority, which is responsible for the monetary policy of the whole union. In the EU, for example, the Maastricht Treaty aimed the implementation of the single European Currency, the Euro, in 1999.

Before a monetary union there is an economic union. Here monetary and fiscal policies are harmonized between the contract nations. Free trade in goods and services, common external tariffs within the union and free mobility of capital and

labor are typical for this stage of integration. A good example is again the EU, which is both an economic and monetary union. Also the USA are an economic and monetary union, or in other words they represent a full integration. Every state has its own government, setting its own policies and laws for its home residents. Even though every state hands over control to a certain extent regarding foreign-, agricultural-, welfare- and monetary policy to the federal government. The free movement of goods, services, labor and capital is enabled without any restrictions among the US-states.

A common market creates free trade in goods and services, allows free mobility of labor and capital and sets mutual external tariffs within the union members. The East African Common Market or the West African Common Market are an example for this type of economic integration.

In custom unions tariffs between the member countries are eliminated while common external tariffs are set on imports from third countries. The aim is to avoid problems regarding the development of complicated rules of origin and to level the competitiveness playing field.

Last but not least we have free trade, the form of economic integration with the lowest level of linkage and complexity. Within free trade a group of countries eliminates tariffs between themselves, but keeps their own external tariffs for the rest of the world. An already existing union like this is for example the North American Free Trade Area (NAFTA) between Canada, the U.S. and Mexico. Besides this, the currently negotiated TTIP also belongs to this form in economic integrity and therefore I would like to take a deeper look into this type of linkage between nations.

(Suranovic, 1998; Rodrigue, 2014)

2.1 Free trade

‘Globalization’ and ‘Free Trade’ are especially discussed controversially right now during times of negotiations about the TTIP between the USA and the EU. The original idea behind free trade is the benefit for all concerned countries and its

advantages. However, many diverse groups come into live and fight against or argue for this currently negotiated agreement. In order to gain a better understanding towards this topic I would, first of all, like to take a deeper look into the theory of free trade in general. (Dittrich, 2009, 3)

2.1.1 Definition

'Free trade' is a short description for an international movement of goods and services, which is not liable to tariff barriers or other (e.g. quantitative) trade restrictions. Due to free trade, prosperity and quality of life of the national economy should be enhanced permanently through international exchange processes. (Dittrich, 2009, 4) According to Irwin (International Trade Agreements, 2008) there are three basic procedures to reform trade: unilateral, multilateral and bilateral.

Unilateral free trade exists when only one country reduces its tariffs independently without having another country making the same. As a result, the benefits of free trade can be received immediately as those countries do not have to wait for another country following them.

Multilateral free trade is made between more than two countries, which might become difficult to organize, but once all parties agreed to the agreement it can be very powerful.

Bilateral free trade exists between two countries and as well as the multilateral free trade it has two advantages over the unilateral one. On the one side the economic gains of such a free trade agreement are stronger and bigger due to many nations, which agree to the reduction of trade barriers. On the other side in each of the countries involved in this free trade agreement political oppositions to free trade might be lowered.

All in all "*free trade agreements between two countries or regions are a useful strategy for liberalizing world trade.*" (Irwin, International Trade Agreements, 2008)

2.1.2 Theory of the comparative cost advantage

Adam Smith was one of the first economists who brought the idea of free trade into live:

“It is the maxim of every prudent master of family, never to attempt to make at home what it will cost him more to make than to buy....If a foreign country can supply us with a commodity cheaper than we ourselves can make it, better buy it of them with some part of the produce of our own industry, employed in a way in which we have some advantage.”
(Blinder, Free Trade, 2008)

Adam Smith defended the idea, if every country exports the goods and services, which it is able to produce at lower costs than the foreign country, both parties would benefit out of this. In other words, every trade between countries makes sense, when one product in country A and another product in country B is produced at lower costs. (Dittrich, 2009, 4)

After Adam Smith, Robert Torrens and David Ricardo developed an idea, based on his theory, of the comparative cost advantage. This theory states that two countries should still specialize in the production of a certain product, even if one country could produce both of these products more efficiently and therefore has an absolute advantage regarding both products. In order to explain the expression ‘comparative advantage’, I would like to carry out a prominent example of David Ricardo, the Methuen Treaty between England and Portugal in 1703. Here we have a bilateral free trade agreement and two homogeny products are taken into consideration, cloth and wine.

David Ricardo proved, even if the cloth industry in Portugal was superior towards the cloth industry in England, Portugal should concentrate on the production of wine and England should specialize in the production of cloth. In other words, Portugal should skip the cloth industry, even though they are more efficient in this area compared to England, due to the opportunity costs they can gain out of it. Ricardo stated this on basis of the following numerical example:

	Cloth	Wine
England	70 work units	120 work units
Portugal	90 work units	80 work units

Table 1 Input work units for production of one output unit

Referring to table 1 both countries produce cloth and wine. England needs 70 work units for one output unit cloth and 120 work units for one output unit wine. Portugal in contrary needs 90 work units for one output unit cloth and 80 work units for one output unit wine. In this case, Portugal can produce wine at lower

costs than England and England can produce cloth at lower costs than Portugal. It is to say, Portugal has an absolute cost advantage regarding wine and England regarding cloth. Now both countries decide to do division of labor and Portugal concentrates on the production of wine and as a countermove England specializes in the production of cloths. As a result, we receive a higher production of wine and cloth as both countries concentrate on their core competences and due to this an absolute cost advantage comes up for both countries. We can clearly see that division of labor is definitely worth it.

Now the theory of the comparative cost advantage claims that trade between those countries is still beneficial, even if one of those countries has an absolute cost advantage regarding the production of both products. In this case the countries have to specialize in the production of the product, in which they have a comparative cost advantage. To demonstrate this theory, we have to make a little change regarding the example before.

	Cloth	Wine
England	100 work units	90 work units
Portugal	90 work units	80 work units

Table 2 Input work units for the production of one output unit

England needs now 100 work units for the production of cloths while Portugal needs 90. Regarding the production of wine the situation stays the same as above. As we can see, Portugal is able to produce both products at lower costs than England, but nevertheless, trade between those two countries is still favorable, as each of them has a comparative cost advantage. England needs less work units for the production of cloths in relation to the production of wine than Portugal. The comparative cost advantage in proportion 100 to 120 work units (referring to table 1 and 2) for cloths and wine is higher in England than in Portugal with 90 to 80. As a result, England will specialize in the production of cloths and Portugal will focus on the production of wine. Despite the fact that Portugal is able to produce both products at lower costs, a win-win-situation will be achieved due to the comparative cost advantage. (Dittrich, 2009, 5-6; Binswanger, 2009, 19-23)

As a conclusion, we can say that the idea of free trade is the specialization of countries in the production of specific products, in which they have whether an

absolute or a comparative cost advantage. Those products will be produced in a higher amount than needed in the own country and the surplus will be traded with products, which would be way to expensive to produce in the own country. The welfare of the nations should rise due to free trade and international trade should include an advantage for all concerned countries. It is to say that theoretically every country should benefit from free trade, as countries, which are outclass, do always have an absolute cost advantage, but not a comparative cost advantage all the time.

However, next to all those positive effects, many important issues are disregarded. All these theories are based on the assumption that every country has the same conditions and the different geographical, climatical and political facts are not taken into account.

In the end free trade enriches every concerned country as far as they have the same starting situation. Otherwise there will always be winners and losers within free trade and globalization. (Dittrich, 2009, 6-7)

2.1.3 Advantages

There are several advantages occurring when trade barriers are lowered. First of all we have the argument for increased production, due to the specialization in the production of those goods and services, in which the countries have a comparative advantage. This is the aspect, which has already been stated by Adam Smith. Then the efficiency of production rises, because resources can be used more efficiently, which ends up in an improved productivity. Besides this, the growth of competition in the particular trade area leads to a boost in the activity of companies. Now they have to focus even more on innovative production methods, the use of new technology and effective marketing and distribution methods. Not only the companies can benefit from free trade, also the consumers. The variety of goods and services rises enormously and due to the higher competition the consumers benefit from offers at the lowest prices. As a conclusion, it can be said that free trade occurs in an economic growth. Countries undergo a rising living standard and increased real income thanks to the bigger competitive environment, increased productivity, efficiency, and production levels. (Edge, w.y.)

2.1.4 Disadvantages

After removing trade barriers, the unemployment in this industry may rise tremendously. This can concern many workers, their families and of course the local economies. It is not only losing the job in this short term, for these workers it can also be really challenging to find another one in this growth industry and this is often followed by the necessity of the assistance of the government. Another big disadvantage is the accompanying dependence of economies on global markets. The vulnerability of industries, workers and consumers will rise regarding downturns of the trading partners. Then there may be countries included in the free trade area, which have a surplus of products, which they can then sell on the world's market at below costs than their competitors. This gives them an unhealthy power regarding the price setting. Not every business will be able to survive in such a trading environment. Even countries, whose economies focus on agriculture will be confronted with disadvantageous terms of trade, as their export income will be much smaller than the payments they have to make for imports. Last but not least free trade can occur in pollution and other environmental problems, because there will be companies, which are not willing to include these costs in the prices of their products and services in order to not lose the ability to compete with the companies which have lower environmental legislation in their countries. (Edge, w.y.)

2.1.5 Impacts

Most of the time economically weaker countries are seen as the 'losers' of globalization due to many circumstances, which make it nearly impossible to compete against stronger countries. The bad position of the economically weaker countries often occurs through double standards in the stronger countries. On the one side they are striving for free trade, but then again those countries are supporting the domestic agriculture by paying subsidies in order to keep, for example, the milk production alive. This type of protectionism in order to guarantee economic security is in conflict with a free and fair trade.

Besides this, economically weaker countries specialize in the production of products, which they are able to produce at low costs, while economically strong countries are able to maintain a higher diversification of production. In other words,

they are able to support the fields of production, which are not always that economically strong, with subsidies due to the financial reserves they have and countries, which do not have such reserves have to specialize in the production of one special product. This can lead to a complete economical dependency. For example Malaysia is specialized in the production of computer chips, which is their main driver of sales. The machinery and the know-how, needed for the production of those computer chips, is nearly totally from the U.S. who are also the main customers of this industry. This leads to a complete economical dependency of Malaysia towards the USA.

Even though, next to these negative impacts, economically weaker countries may also benefit from free trade. If we have for example a country, which has no opportunities to establish a diversified economy due to geographical or cultural reasons, it may be advantageous to export goods, which they are able to produce at low costs, and import the others.

What cannot be said is if the developing countries are the losers of free trade, the industrial nations have to be the winners. This is definitely not what it always looks like. Not only economically weaker countries may suffer from free trade, also economically strong countries have to be careful. Especially in the agricultural sector as the industrial nations often suffer from the cheaper competition of economically weaker countries.

Furthermore, there are employees with a lower professional education, which are falling within the scope of those employees in lower wage economies, doing the same job at lower wages. This is why for example in Germany and Finland there is nearly no textile industry left as they are not able to compete with the low wage level of lower wage economies. This leads to a specialization of industrial nations in those areas, where there are no subsidies. Of course this happens in a lower extent compared to the economically weaker countries, but nevertheless we should not take this out of consideration. (Dittrich, 2009, 9-11)

3. Transatlantic Trade and Investment Partnership

3.1 Definition

As the European Commission says, „*The Transatlantic Trade and Investment Partnership (TTIP) is a trade agreement that is presently being negotiated between the European Union and the United States.*“

The objective of this agreement is the elimination of trade barriers on both sides of the Atlantic, which should lead to an increase of workplaces. With a reduction of trade barriers, the purchase and sale of products and services as well as capital investments should be extracted and eased in both economic areas. In total this agreement consists of three central elements. Firstly, better market access. On the one hand the reduction of tariff barriers for products and restrictions for services. On the other hand improved access to public resourcing market and for investments. Secondly, improved regulatory coordination and cooperation through the reduction of unnecessary regulatory barriers such as bureaucratic double requirements. Third, regarding international regulations, they are striving for an improved collaboration. (EU-Commission guidelines for the negotiations (EUGN), 2013)

3.2 Nature and scope

This agreement will only contain regulations regarding trade and trade relevant areas, which apply to the two contracting parties. It should be confirmed that this trade and investment partnership is based on common values, including the protection and encouragement of human rights and the international safety. It will be compatible with the rules and duties of the World Trade Organization (WTO) in every aspect. The intention is the mutual liberalization of trade with products and services while following the aims that exceed the WTO commitment. All duties coming out of this agreement will be obligatory on every stage of the government. The three main components already mentioned above will be negotiated parallel and will become part of one whole package. This should lead to a well-balanced relationship between the elimination of tariffs and the elimination of unnecessary

trade barriers. All in all it should effectuate a real opening of the markets of both contract parties. (EUGN, 2013)

3.3 Preamble and general principles

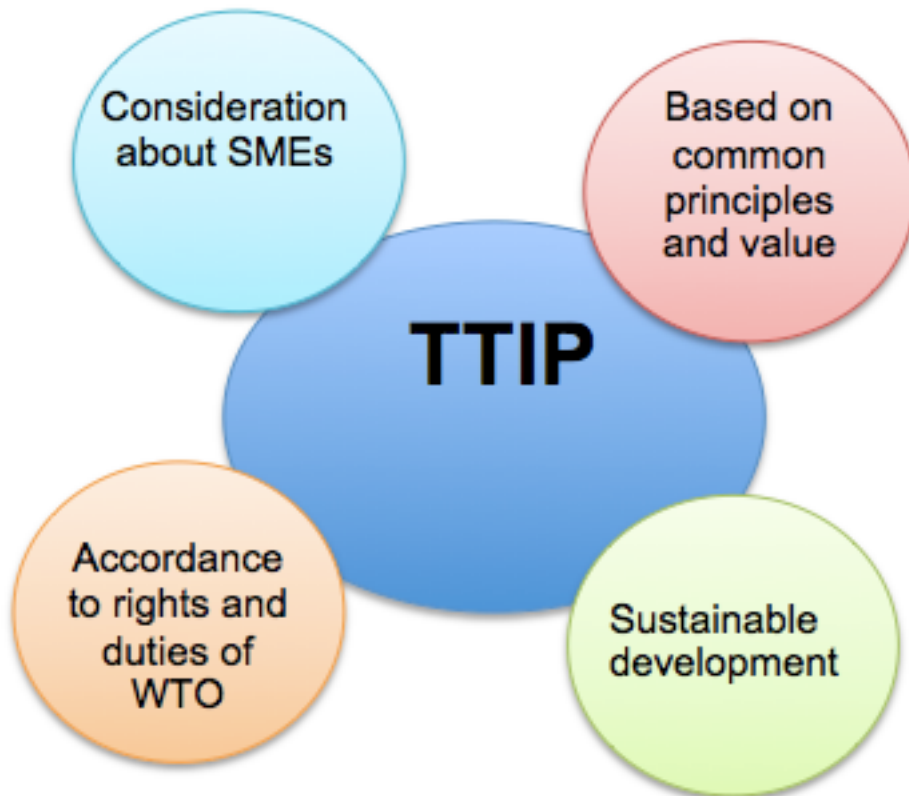


Chart 2 Principles and values of TTIP

The partnership between the USA and the EU will be based on common principles and values, which are conform to the principles and aims of the external trade of the Union. Among other things, they refer to common values regarding human rights, fundamental freedom, democracy and constitutional legality. Part of the international trade is a sustainable development in an economical, social and ecological way. Therefore one focus should be placed on full employment and humane work for everyone as well as the nature conservation and conservation of natural resources. Both contract partners are aware of the accordance of this agreement to the rights and duties, which arise out of the membership of the WTO. Besides that, both parties will have the right to achieve legitimate common welfare aims while taking self-considered advisable protections for health, security, work, consumers, nature and promotion of the cultural diversity into account.

Another important aspect is the aim of the two parties to accommodate the special difficulties for small- and medium-sized companies (SMEs), which would like to contribute to the development of trade and investment. Last but not least both contract parties have to communicate with all interested and relevant stakeholders including private industry and civil-society-orientated-organizations during the negotiations. (EUGN, 2013)

3.4 Aims

The main aim is to expand trade and investment between the EU and the U.S. by taking advantage of the whole potential of a real transatlantic market. Therefore better market access and bigger regulatory compatibilities are necessary. New economical possibilities to create new work places, growth and the path for worldwide standards could be built up. The sustainable development should always be the overriding part of this agreement.

Both contract parties are striving for guaranteeing and facilitating the compliance of international agreements and norms in the area of nature and work. In this agreement everyone should accept that the contract parties would not promote trade and foreign direct investments due to reducing the level of internal norms in the area of protection of nature, labor law or health protection and security at the workplace. Firstly, regulations, which would affect cultural and linguistically diversity of the EU and its member states negatively, are not allowed. Secondly, the agreement should not prevent the EU and its member states from continuing existing politics and arrangements in order to support the cultural sector. (EUGN, 2013)

3.5 Market access

3.5.1 Commodity trade

All tariffs, taxes, dues and other fees on exports will be disposed. Besides this, all quantitative restrictions or authorization requirements for exports into the other contract country, which are not declared as an exception in the agreement, will also be eliminated.

During the negotiations, both, the EU and the U.S., try to converge their concepts of their rules of origin to each other in order to ease the trade on both sides of the Atlantic. Nevertheless, the agreement should include a clause about arrangements regarding antidumping and compensation. With these clauses it should be guaranteed that every contract party has the right to take suitable measures against dumping or compensatory subsidies. In order to ensure an ongoing safe business area for all industries within their home country, the agreement should also contain a safeguard clause, which grants both parties the right to withdraw preferences partly or completely when the rise of the imports of one product represents a risk for the domestic branch of the economy. (EUGN, 2013)

3.5.2 Trade in services and establishment

The aim regarding the trade in service is on the one hand to bind the autonomous liberalization on the highest liberalization level, which exists in both contract parties. On the other hand new market access possibilities should be reached through neutralization of existing constraints.

Both contract parties will sign up commitments in order to guarantee transparency, impartiality and correct methods during approval procedures and qualification requirements and to extend regulation disciplines, which are already part of existing trade agreements of the U.S. and the EU.

The agreement should include a frame for facilitating the mutual recognition of professional qualifications. Laws and regulations and other requirements of the EU and its member states regarding employment and working conditions are still counting. (EUGN, 2013)

3.5.3 Protection of investments

The aim of the negotiations in the area of investments is bargaining regulations regarding the liberalization and the protection of investments on the base of the highest liberalization level and the highest protection standards, which the both parties will have negotiated until then. There should be the highest possible degree of legal protection and legal security for European investors in the USA.

The European standard of protection should be promoted in order to make Europe more attractive for foreign investments.

All in all there should be the same starting conditions for the EU as well as for the USA. The investment protection chapter in this agreement should cover, including the rights for intellectual property, a big range of investors and their investments regardless when those investments were done. All authorities and other positions should be aware of this chapter and guarantee the compliance. (EUGN, 2013)

3.6 Regulatory issues and non-tariff barriers

With this agreement unnecessary trade and investment barriers, including existing non-tariff barriers, should be eliminated due to mutually acceptance, harmonization and better cooperation between the regulation instances. Therefore the agreement will contain several instructions to the following areas. Firstly, all new rules regarding sanitary and plant health requirements will be based on the existing WTO SPS-Agreement (Agreement on the Application of Sanitary and Phytosanitary Measures):

„It allows countries to set their own standards. But it also says regulations must be based on science. They should be applied only to the extent necessary to protect human, animal or plant life or health. And they should not arbitrarily or unjustifiably discriminate between countries where identical or similar conditions prevail.“ (World Trade Organization, 1998).

Another aim of this agreement should be the establishment of mechanisms to reach a better cooperation between the two contract parties, in order to discuss for example the equivalence in the area of animal welfare. There should always be a total transparency when it comes up to sanitary and plant health measures, especially when determining approval of equivalency, implementation of registration in advance of food producing companies etc.

Secondly, both contract parties are looking forward to more openness, transparency and convergence when talking about regulatory concepts and requirements. Especially when it comes up to the development of norms and the takeover of international standards. Amongst others, unnecessary and time-and-cost-consuming testing and certification requirements should be reduced in order

to improve the cooperation. Next to this, labeling and means of avoidance of misleading consumer information should be checked.

Thirdly, more efficient cost-effective and better compatible regulations for commodity trade and service trade should be developed and implemented.

(EUGN, 2013)

3.7 Rules

3.7.1 Intellectual property rights

The agreement will attribute a high value for the protection of intellectual property. Trade with products and services, containing intellectual property, should be encouraged while supporting innovations. (EUGN, 2013)

3.7.2 Trade and sustainable development

The agreement will also consist of obligations regarding working- and environmental aspects of trade and sustainable development. Regulations to support the easement and trade with environmental friendly and low-carbon products, energy- and resource-efficient commodities, services and technologies will be negotiated. The environmentally compatible public procurement and the support of consumers to make a conscious purchase decision should be guaranteed. Besides this, decent work and rules in order to support internationally approved standards for the social responsibility of companies will be part of the agreement as well. To secure the adherence of these regulations there will be two mechanisms, one integrating civil society and another one settling a dispute. Next to the negotiations there will be an independent sustainability impact assessment to control the effects of this agreement. This should guarantee an ideal application of the agreement and the possibility to reduce and optimize probable negative impacts in advance. (EUGN, 2013)

3.7.3 Tariff and trade facilitations

As already mentioned, this agreement has its main aim in simplifying trade between both sides of the Atlantic. Therefore effective controls and fraud prevention measures should be guaranteed. This leads to obligations regarding rules, requirements, formalities and procedures of both parties for imports, exports and transit. Those obligations go beyond the negotiated obligations of the WTO and should support the modernization and facilitation of regulations and procedures, standardization of documents, transparency as well as the mutual acceptance of norms. All in all this should lead to a better cooperation between the customs authorities. (EUGN, 2013)

3.7.4 Trade and competition

The agreement should contain rules and regulations in order to arrange the competition policy. Those rules and regulations should contain laws regarding cartels, mergers and subventions. Furthermore this agreement should deal with state monopolies, state companies and companies with special or exclusive rights. (EUGN, 2013)

3.7.5 Trade related aspects for energy and resources

Regulations regarding trade- and investment aspects of energy and resources will be part of this agreement as well. The aim during the negotiations is to reach an open, transparent and calculable business environment in matters of energy and unlimited and sustainable access to resources. (EUGN, 2013)

3.8 Overview of negotiations

The negotiations about TTIP are represented from different parties on the European side as well as the U.S. side. On the European side we have the European Commission leading those negotiations, with the Trade Commissioner Cecilia Malmström and Ignacio Garcia Bercero, Director at the Directorate General

for Trade of the European Commission, as the Chief Negotiator of the European Commission. The EU-Commission is bound on the guidelines of the European member states and all these member states were involved in the consultations for the mandated design. Experts of the respective head offices and the different governmental departments accompany the EU nominated chief negotiators for the more than 20 teams. Besides this, the EU-Commission established an advisory board consisting of 14 experts from consumer protection, trade unions and different industrial sectors. On the US side we have the Trade Commissioner Michael Fromm and the Chief Negotiator Dan Mullaney.

So far seven bargaining rounds have taken place, but there have still no concrete articles been decided. They have established 24 negotiation teams for areas like market entry for industrial and agricultural goods, public bids, investments and investment protection as well as regulatory cooperation. Representatives of science, trade unions, economy and non-governmental organizations have the chance to hand in their demands and priorities as a statement to both parties before the negotiations take place. Several issues such as investments, trade with services, energy and raw materials as well as a many regulatory issues, like technical trade barriers, have been discussed, but there has no clear agreement been reached so far. Concerning services it remains unclear if financial services will become part of this agreement or not.

Regarding investments, both parties have largely agreed that they are striving for an ambitious agreement, which still gives both nations the regulatory freedom to release rules in the public interest.

However, first proposals regarding the tariff reduction have been made, but they have not ended in a conclusion yet. Furthermore, both parties made clear that they are achieving a total elimination of customs for industrial goods. One important aspect is regulations regarding sustainable development, work and environment should base on already existing rules in European and American agreements.

The main progress has happened within the topic technical trade barriers. Both parties are striving for *“greater regulatory compatibility, without compromising the existing levels of protection in our respective legislation.”* (Report of TTIP Chief Negotiators' Briefing to Stakeholders, 2014)

A special focus was made on the small and medium sized companies. The aim is to create an extra capital in the TTIP, to especially ease the transatlantic trade for those types of companies.

During every negotiation round all members have emphasized again that the agreement would neither lead to a reduction of existing standards, nor to a weakening of the regulatory autonomy. The EU also declared themselves in favor of a non-discrimination of European companies at the level of individual states in the USA. Karel de Gucht, the former EU-Commissioner for Trade, emphasized that some sensible defined foods have to be excluded from the reductions of tariffs. The 8th negotiation round is scheduled from 02. February-06. February 2015 and among other things rules for investor protection will be discussed.

(Federal Ministry of Economy and Energy Germany, w.y.; Report of TTIP Chief Negotiators' Briefing to Stakeholders, 2014)

3.9 Official statements

There are two clearly separated feelings about TTIP – on the one part we have the supporters, which are mainly economic agents and politicians. They are totally enthusiastic about TTIP and believe in an incredible future with this agreement. On the other part there are the opponents, primarily build out of the civil society, especially environmental organizations, consumer organizations and unions who are standing strongly against this negotiated agreement. (Heinrich Boell Foundation, n.a., 2014)

3.9.1 In favor

'Market access', 'Reduction of costs', 'Employment', 'Product variety' – these are one of the phrases one can hear from the side of the proponents of TTIP. The President of the Commission, José Manuel Barroso, states that this agreement would be a type of partnership, which has not existed like this so far and if it comes to a successful contract there will be enormous economical advantages for both sides of the Atlantic. The EU-Commission prognoses a rise in the GNP

(Gross National Product) of about 0,5% for the EU as well as for the U.S., in other words 65 billion € more each year for the EU.

The EESC (European Economic and Social Committee) are supporting the TTIP and believe in the idea that “*a balanced agreement could support growth and job creation in the EU.*” They also stress that the level of social, environmental and consumer protection in the EU should not be lowered. (European Social and Economic Committee, Press Release, 2014)

The Confederation of German Industry (BDI) names three big main advantages due to TTIP. First of all the economical part, as the reduction of trade and investment barriers would increase the market entry, decrease unnecessary costs and as a result employment and economy will flourish.

Next there is the strategic part. With TTIP the EU and U.S. could develop common regulations and standards, which could also be quite attractive besides the transatlantic market as well as for the world trade system. Last but not least the geopolitical part. The transatlantic partnership could be an anchor of stability regarding the global power shift. TTIP would institutionalize and strengthen the transatlantic cooperation politically. (Confederation of German Industry, w.y., n.a.)

3.9.2 Against

At the very same time catchwords like ‘Chlorine chicken’, ‘GMOs’, ‘Lose of regulations in Europe’, ‘quality standards’ can be read in the newspapers, heard on the radio or seen on television. Those are only some of the fears the population, organizations or companies have. Lori M. Wallach from the Organization Global Trade Watch in the USA says that most of the chapters in this agreement will not be about trade at all. In his opinion this all is about sneaking liberalization from the back door and the adaption of standards. He warns the European population of losing a lot regarding their high level of animal welfare, climate protection and data security.

This is also what NGOs (non-governmental Organizations) are worried about. They think that with TTIP there might be a dramatically lowering of the standards for consumers in the EU and this will threaten the citizens' health.

The campaign network 'Campact', also a non-governmental organization, which offers a participatory forum based on the Internet in order to address protest emails directly to political decision makers, says:

"Was in den USA erlaubt ist, würde auch in der EU legal – so wäre der Weg frei für Fracking, Gen-Essen und Hormonfleisch. Die bäuerliche Landwirtschaft wird geschwächt und die Agrarindustrie erhält noch mehr Macht." (Heinrich Boell Foundation, n.a., 2014)

They state that what is allowed in the USA will become legal in the EU as well. As a result, fracking, gen food and hormone meat will have an unrestricted access to the European market. The peasant agriculture will be weakened and the agricultural industry will receive more power. They also share the opinion that TTIP is only looking for the interests of big concerns and not for the consumers. Due to this agreement democracy and constitutional state will be endangered, as foreign companies will be able to sue states in front of non-public sessions of arbitration tribunals if changes in law might reduce their profit. (Campact, w.y.)

The Attac union, also fighting against TTIP, is a globalization-critical network situated in 50 countries around the world. They see a threat regarding the public service task – drinking water, education sector and healthcare – as in all these areas TTIP could bring privatization. Attac expects increasing prices and decreasing quality. Besides this, they taunt the EU Commission with presenting TTIP as a huge growth program. Attac is afraid of the consumers in the EU and the USA suffering under this agreement due to the dismantling of the production levels, consumer protection and labor rights – and this list is endless. Companies will be able to sue states when changes regarding environmental laws and social legislations might reduce their profit. Supermarkets will be filled with meat including hormones and GMOs without labeling. These are just some of the many aspects they are concerned about. (Attac, Kramer,w.y.)

4. USA and the EU – relation and comparison

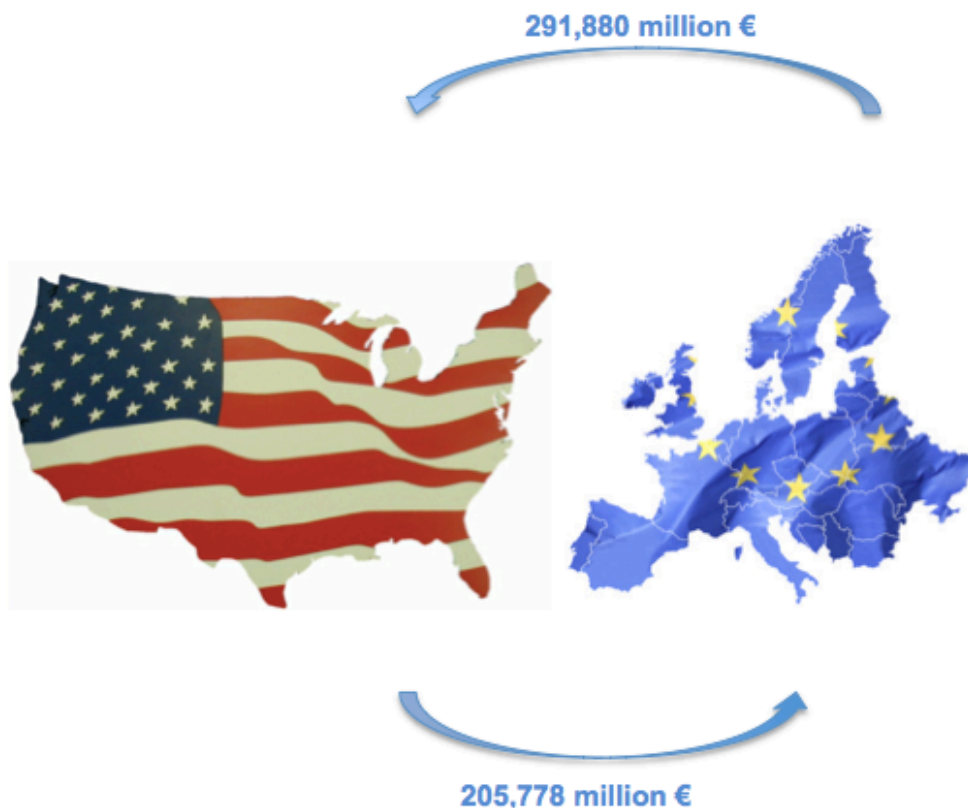


Chart 3 Total trade between EU and USA in 2012 (pictures from Google)

Both parties, the U.S. and the EU, are each other's greatest trade partner concerning products and services. Together they create the world's biggest trading volume with about 40%. Each day we have a transatlantic trade with products and services of about 1,7 billion €. In 2012 we had a total trade of ca. 497,658 million € over the Atlantic, made out of 205,778 million € imports from the U.S. to the EU and 291,880 million € the other way round. In other words, the imports from the U.S. into the EU are 11.5% of all imports into the EU and the exports from the EU to the U.S. are about 17.3% of all its exports. This tremendous trade and investment volume illustrates the close interconnection and interrelation of these national economies. Over the last years, the transatlantic trade gained in importance and especially in the years before the financial crisis (2007/2008), EU-exports to the U.S. have been increasing year by year by 7%. The exports from the U.S. to the EU have been rising by about 5% every year and even after the crisis, the trade relation recovered quickly again.

	2008	2010	2012
Agricultural products	16.2%	13.8%	14.1%
Industrial products	80.8%	82.3%	83.3%
Other products	1.3%	1.7%	0.9%

Table 3 Structures of EU-exports to the USA

As we can see in table 3, the lion's share of all exports of goods from the EU to the U.S. was the export of industrial goods with 83.3% in 2012. The biggest parts in this category are machinery and motor vehicles with 120,880 million € followed by chemical products, such as rubber- and plastic products, with 66,364 million €. Exports of agricultural products and raw materials were a minor part of the total export of products with only 14.1%.

	2008	2010	2012
Agricultural products	15.1%	14.6%	18.1%
Industrial products	79.5%	79.7%	76.9%
Other products	3.4%	3.4%	4.3%

Table 4 Structures of EU-imports from the USA

Regarding the imports of the EU from the USA, table 4 illustrates clearly that industrial goods also play the major role. In 2012 76.9% of all imports of goods consisted of industrial goods. Biggest parts here were motor vehicles and machinery with 38.3% as well as chemical products with 21.2%. Agricultural products and raw materials are again far less intense with only 18.1%.

Currently both nations have to pay tariffs when trading those different products with each other, but those are already on a low stage. The average unweight tariff rate in the agricultural sector runs up to 4,87% on products imported from the USA to the EU. Compared to the tariff rate arising for agricultural products exported

from the EU to the USA, one can see that the USA protects its domestic agriculture stronger than the other way round; 7,94% arise for the European exporter. Tobacco products and alcohol imported from the EU to the USA are tariffed with 82,24%.

Exporting industrial goods is also quite low tariffed with around 3%. The unweight tariff rate from goods exported from the EU to the USA amounts to 3,45% and 3,48% the other way round.

(Gregosz and Walter, 2013, 11-13)

4.1 Trade relation between the USA and Germany

Germany's second largest export market after France is the USA. Besides this, they are also the third source of Germany's imports after the EU and China. In 2013 8% of all German products were exported into the U.S. with a turnover about 88 billion €. In return the imports into Germany from the U.S. were 5% of the total imports, in other words products with the value of 48 billion € were imported to Germany from the USA. This leads to a total trade between those two countries of about 137 billion €.

If we take a deeper look into the Gross Domestic Product (GDP) of both nations, we can clearly see they differ significantly in their export shares. In Germany we have a 50.5% share of exports, while in the U.S. we come to 13.9% of GDP. Due to this we can say, these two nations have different economic orientations: Germany focuses on exports, the USA concentrate on domestic consumption.

Most of the products, which are exported from Germany to the U.S., are industrial goods, namely 80%. In detail, we have over 50% trade in machinery and the automotive sector, trade in agricultural products and services are less than 20%. It is to say, manufactured goods lead the transatlantic trade from a Germans point of view.

In the service sector the U.S. also play an important role for the German economy. In 2013 we had an export in services of about 31 billion €, and when thinking about the last years, from 2004 on, there was a rise in those exports of about 76%. Besides this, Germany imported services from the U.S. of 30 billion €.

If we examine the trade in the agricultural sector further, we recognize that the U.S. export larger volumes to Germany than it imports. Nevertheless, the trade in this sector commands much lower volumes relative to output compared to the other sectors.

Across all sectors it can be said that this transatlantic trade has a strong intra-industry nature, which is quite usual for industrial countries. This makes this trade very important and this is also why the import of products consists of similar products like the exported ones. This is quite typical for countries with the same stage of development. In order to name some numbers, we have for example 80% of German exports in the automotive industry, 76% in the chemical sector and 61% in machinery. It is to say that the U.S. has a higher amount of exports in intra-firm trade to Germany than the other way round.

All in all we have a high level of cross-linkage between those two nations.

(Kolev, 2014)

4.2 Trade relation between the USA and Finland

Besides the European countries and Russia, the USA are a very important trade partner for Finland. And not only this, the USA also have a key position in pushing exports by Finnish companies. (Jari, 2013)

Finland is a country, which welcomes foreign investment. Due to this investors from the USA are very interested in areas such as specialized high-tech companies and investments that take advantage of Finland's position as a gateway to Russia and the Baltic countries. The USA commonly export:

“machinery, telecommunications equipment and parts, metalliferous ores, road vehicles and transport equipment, computers, peripherals and software, electronic components, chemicals, medical equipment, and some agricultural products.”
(U.S. Department of State, Bureau of European and Eurasian Affairs, 2014)

In contrary, Finland exports mainly products such as *“electronics, machinery, ships and boats, paper and paperboard, refined petroleum products, and telecommunications equipment and parts”* to the USA. *“There is one major problem the Finns experienced on the American market and this is the country's*

bureaucracy and juridical complexity.” (U.S. Department of State, Bureau of European and Eurasian Affairs, 2014)

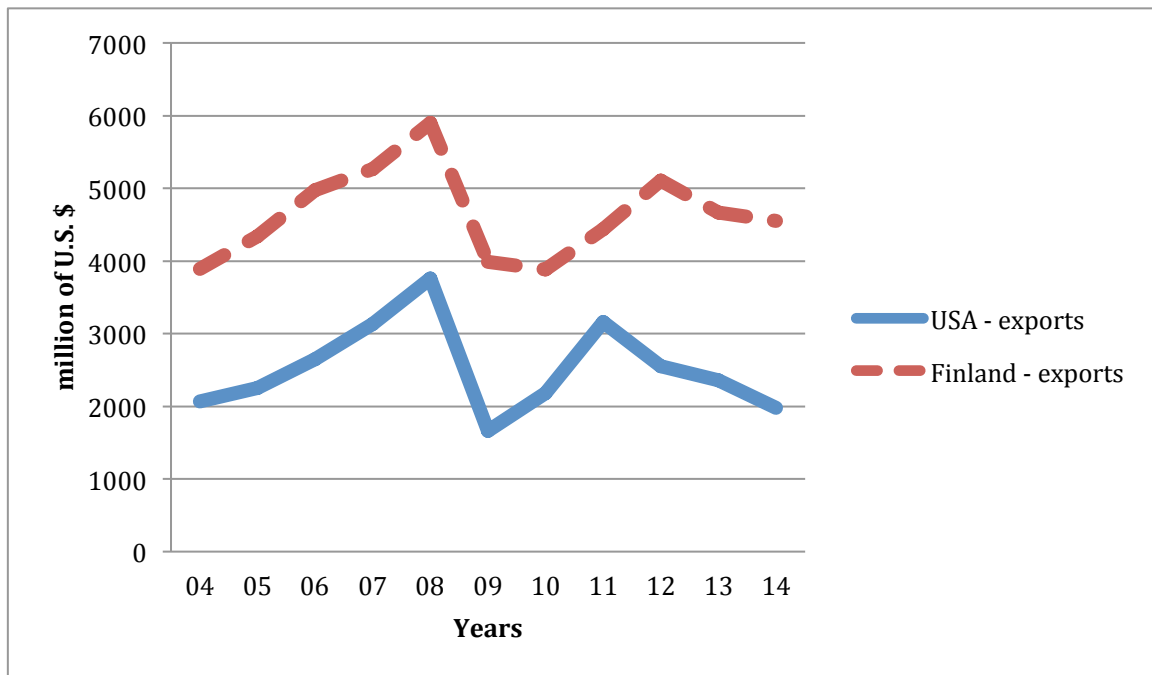


Chart 4 Trade of goods between Finland and the USA

As we can see in Chart 2, trade between Finland and the U.S. has been fluctuating over the last 10 years. In 2004 Finland exported around 3,887 million US \$ worth of goods into the U.S., in other words 6.4% of Finland's total exports went into the US market. In contrary Finland imported around 2,069 million US \$ worth of goods in return. In 2005, both, exports and imports, grew to 4,341 and 2,252 million US \$. Until 2008 we see a continuous increase in the trade action between those two nations and in 2008 exports to the U.S. and imports to Finland reached their peak with 5,093 million and 3,761 million US \$ worth of goods. After this, in 2009, there was a tremendous downstream due to the economic crisis and Finland exported only 3,985 million US \$ and imported 1,662 million US \$ worth in goods. From then on there is a constantly rise and fall in trade between the USA and Finland and the past year we recorded 1,976 million US \$ imports to Finland and 4,551 million US \$ exports to the USA. (Europa auf einen Blick, w.a., 2013; U.S. Census Bureau, Foreign Trade, w.y.)

4.3 Comparison

If the Europeans hear 'USA', many different characteristics of this nation come into their minds. Some of them may be justified others may just be prejudices. Taking a deeper look into the culture of the USA and Europe, there are definitely some similarities as well as differences.

The most critical aspect is the food culture in those two nations. Due to this I would like to take a deeper look into the different regulations and behaviors regarding food and food production in the USA and in the EU.

4.3.1 Food safety

There are four main differences regarding food safety in the USA and in the EU.

In the EU the risk assessment in the food area is made through the government. Food, substances or methods, which are liable to registration, according to the Government of Swabia for example meat, milk, eggs, will be totally evaluated academically through the EFSA (European Food Safety Authority). This is the precondition for the market entry. In the USA such a risk assessment is predominantly made through the companies. US-authorities rely on the company's self made risk assessment or rather their declarations that their products have the status of GRAS (Generally Recognized As Safe).

Regarding GMOs, in the EU we have an approval procedure, in which the EFSA estimates the safety of those products for people, animals and the environment before it is cultivated or used as food for animals. In the USA GMOs are basically classified as essentially equivalent to not-GMOs. There is no approval procedure done through any authority. The FDA (Food and Drug Administration) totally relies on the check-up and classification of the producing companies.

Taking a look into the field of food additives, we come to the next difference in handling the approval. In the EU before those additives are accepted, there is a safety evaluation. In the USA the FDA is using a procedure regarding the approval of additives, which allows companies to evaluate their products as safe (GRAS) by their own. A review through the FDA is left to the companies. More than 250 food additives have been entering the US market since 1997.

Last but not least we will check the handling in both nations regarding chemicals in the food production. In the EU there is the so-called “REACH-legislation” since 2007, which follows the aim to protect human health and the environment from negative impacts. This concerns all chemicals, also those, which are used in the agricultural sector, as well as nanomaterial. Producers and importers have to prove that their products are safe and especially worrying substances have to go through an approval process. As a result, many chemicals, which are allowed in the USA, have been prohibited in the EU. In contrary to this we have a “Toxic Substances Control Act” in the USA since 1976, which basically says that the Governmental Regulatory Authority has to evidence the harmfulness of chemicals, before the usage of those will be limited or prohibited.

As a conclusion, we can say that in the EU there is a higher level of consumer protection due to more governmental and independent controls when it comes to the approval of substances and procedures. In contrary there are fewer governmental controls or approval duties in the USA, which leads to a low level of consumer protection, but there are extensive claim possibilities and high compensations you can receive in the event of damage.

(Consumer center Hamburg, w.a., 2014)

4.3.2 Regulation of Genetically Modified Organisms

“The European Union guarantees the traceability and labeling of genetically modified organisms (GMOs) and products produced from these organisms throughout the food chain.” (EU legislation, Regulation (EC) No. 1829/2003)

Thanks to traceability, consumers in the EU will be informed about GMOs through labeling and they have the chance to decide what to purchase. Another important objective is the creation of a ‘safety net’. This means, GMOs are traceable at all stages – from production to placing in the market. It will ease the control of labeling and of the potential effects on human health and the environment as well as the possibility to revoke products, which might be a risk. The regulation refers to all products, which include or consist of GMOs as well as foodstuffs and feed products for animals made out of them. Products, which enter the market and

contain GMOs in any way, have to be sent to the receiver with the according information in written form, given by the producer regarding the following rules:

- *“An indication of each food ingredient produced from GMOs;*
- *An indication of each raw material or additive for feeding stuffs produced from GMOs;*
- *if there is no list of ingredients, the product must bear an indication that it is produced from GMOs.”* (EU legislation, Regulation (EC) No. 1829/2003)

Besides this, these food and feed products have to be labeled clearly and visibly with the words ‘genetically modified’ or ‘produced from genetically modified (name of the organism)’. However, products, which contain less than 0.9% of GMOs of each ingredient, do not have to be labeled like this *“on the condition that the presence of the genetically modified organism is adventitious or technically unavoidable.”* (EU legislation, Regulation (EC) No. 1829/2003)

In the USA GMOs are handled quite differently than in the EU. There is no federal legislation existing specifically for GMOs, those are regulated according to health, safety and environmental legislation regarding conventional products. The aim of the USA is to focus on the nature of the products instead of focusing on the process, in which they were produced. GMOs are very important components regarding the economy and the biotechnological industry in the USA as they are the world’s leading producer of genetically modified crops. Nevertheless, there are three different agencies, which are involved in regulating GMOs in the USA: the Environmental Protection Agency (EPA), the FDA, and the Animal and Plant Health Inspection Service (APHIS) within the U.S. Department of Agriculture (USDA). (Acosta, 2014)

The EPA is responsible for the regulation of pesticides and microorganisms, which are developed through genetic engineering. In other words, it

“regulates the manufacture, sale and use of pesticides under the Federal Insecticide, Fungicide and Rodenticide Act [...]. Under FIFRA, pesticides must not cause “unreasonable adverse effects on the environment,”[...] which is defined to include both safety to the environment and safety in food for consumption.” (Acosta, 2014)

Furthermore, it is responsible for the regulation of GMOs under the Toxic Substances Control Act, which

“[...] authorizes the EPA to regulate chemical substances that may present an unreasonable risk of injury to health or the environment. Manufacturers of covered substances must submit a premanufacture notification to the EPA.” (Acosta, 2014)

The FDA regulates adulterated food, which

“contains any poisonous or deleterious substance that may render it deleterious to health, and food additives, which include any substance [that may] become a component or otherwise affect the characteristics of any food. The FFDCa prohibits the sale of adulterated or misbranded food.” (Acosta, 2014)

The APHIS allows the use of genetically modified plants in three ways: *„through a notification process, a permitting process, or a determination of non-regulated status.“* (Acosta, 2014) And it regulates the planting, importation, or transportation of genetically modified plants.

Regarding labeling there is no law in the USA, which obligates the GMO ingredients to be labeled on the product itself.

(Federation of American Scientists, w.a., 2011; Acosta, 2014; Lynch and Vogel, 2001)

4.3.3 Agriculture

Not only differs the climate and the field size between the EU and the USA, but also, as we have already discussed before, the attitude towards GMOs. Some years ago, when the Homestead Act came into force, America was the nation of farmers.

Every citizen, reaching the age of 22, had the right to settle down on an unseated ground in order to farm it. This structure cracked, due to the food prices in the middle of the last century and the former Minister of Agriculture started the motto ‘get big or get out’. Nowadays the USA have the strongest agricultural sector all over the world. Soil erosion, problems with the drinking water, etc. are a minor matter in politics; profit is what counts the most. There is already the beginning of the difference to the EU. Compared to the USA in the EU exist around 12 million farmers with plants of an average size of twelve hectare, in the USA there are around 2 million farmers with an average plant size of 180 hectare.

Besides the different size of the plants, the differences in the structure of farming on both sides of the Atlantic are remarkable. In the USA the few global corporations are using mostly GMOs, which leads to four of five genetically modified cultivated sugar beets. In Germany, for example, there are no genetically modified sorts approved for cultivating, which will prospectively not change as there is a lack of acceptance in the population as well as in politics. This expensive development represents not only a risk, but also damages to the fields. While in the USA plants consisting of more than one GMO appear more often at the market, we have a completely different trend the EU.

If we take a deeper look into the legal frame conditions, we might find the possibly biggest difference between those two nations. In the USA the patent protection takes effect at first, when cultivator develop a new sort. They then have the exclusive possibility to keep on working with this type. In Germany we have the variety protections for plants, which contains the permission that as soon as a new sort enters the market, other cultivators may develop it further. An own sort may be protected then as long as it is superior in at least one characteristic compared to its predecessor. The approach of this variety protection is to enable every new culture to be equipped with the most possible improvements. This leads, among other things, to more modern sorts in Germany than in the USA. Maybe this is one of the reasons, why farmers in the EU get along quite well without any GMOs so far. (Editors for Pflanzenforschung.de, 2010)

5. Implementation of research

The empirical part of my Bachelor's Thesis is assisted by interviews, which took place between December 2014 and January 2015. I had the chance to talk to four respondents, two from Finland and two from Germany.

One of my interview partners in Finland was Stefan Lindström, Counselor of the Ministry of Foreign Affairs in Finland and responsible for the Unit for North America. The other one was Satu Tietari, Chairwoman of the Municipal Council of Säkylä and Member of the Committee of the Region in the European Commission.

In Germany I met Jörg Blumtritt, expert for the future and development of the media industry and market – and social research. He is also acting as a counselor for companies and organizations. Besides this, he worked a long time for companies in Europe and the USA before he has started Datarella, a company, which researches in the area of computational social science. My second interview partner was Gerhard Höcht, professor in economics at the college and upper vocational school in Cham.

The reason for choosing people from different areas regarding their profession was the objective to acquire expertise and statements from different perspectives. Gerhard Höcht and Jörg Blumtritt for example can state whatever they are convinced about regarding TTIP as they do not work for a political party or organization, which officially stated their position regarding this agreement. So they are both free in stating an opinion and not lead by a political direction. Stefan Lindström in contrary is acting in the politics and therefore he might have some information about the negotiations and what is really going on, which one of us might not be able to read in the newspapers. Satu Tietari wrote an interesting and critical article about TTIP and lives in a small town of Finnland, Säkylä. Due to this she might be closer to the citizens and might have some other insights regarding the thoughts of the Finns. Besides this, she participated in several meetings about TTIP.

5.1 Description of research method

For my empirical part of this thesis I decided to take the qualitative research method instead of the quantitative method.

When doing a quantitative research method the aim is to consult a possible high amount of people, which happens normally with the help of standardized methods. Due to this, respondents are not able to specify what is important to them, instead they have to fill out a matrix, e.g. tick of a questionnaire.

The qualitative method can also be called 'unstandardized investigation', as there are mostly asked open questions and the respondents have the possibility to answer largely in a free way. One of the most common surveys is an interview, a participating observation or a group discussion. (Kutscher, 2004)

An essential characteristic of the qualitative method is the development of hypotheses and of theories. Complex procedures, social phenomena and constructions of meanings can be discussed. In other words these are questions, which need a strategy in order to be answered and not a classification into a scale. The respondents mostly need time to think about those questions, have to explain backgrounds and search for explanations. Besides the fact that interviewers receive the evaluation of the respondents regarding specific topics, they will also find out how the respondents came to this point of view. (Dresing and Pehl, 2013, 5-7) My aim was to give the respondents the chance to answer in their own words and as freely as possible as this topic is such a big issue.

5.2 Transcription

Transcription describes the procedure, when audio- or video recordings are transferred into a written form. On the one hand the aim is to write down the spoken words as detailed and diverse as possible in order to offer the reader the best possible impression of the interview, but on the other hand too many details and too much information easily lead to a difficult readability. Here is the conflict between realistic situation proximity and practicable form of presentation. The aim is therefore to be aware of this discrepancy and to be able to overcome it. (Dresing and Pehl, 2013, p. 17-18)

5.3 Method of data analysis

I decided to analyze the data I have collected with the help of Qualitative Data Analysis. According to Nigaut (2009, 21):

“Qualitative Data Analysis (QDA) is the range of processes and procedures whereby we move from the qualitative data that have been collected into some form of explanation, understanding or interpretation of the people and situations we are investigating.”

The aim is to study the qualitative data regarding its' meaning and symbolic.

The approach of my data analysis is deductive, as I would like to find similarities and differences between the grouped data I have received out of my interviews. (Nigatu, 2009, 25)

5.4 Interview themes

The first thing I did during the empirical part of this thesis was to plan suitable questions regarding different themes for the interviews. My aim was to design those questions in a way that they support both - the theoretical framework of the thesis as well as the practical part. All in all I came up with six themes:

1. Chances and risks in general
2. Controversy discussion
3. Secrecy of negotiations
4. Impacts of TTIP
5. Regulations and standards
6. Winners and losers

The main focus on interviews was given to TTIP itself. It is the most important object of interest in my research as it is a currently wildly discussed topic in the EU.

Other themes were discussed as well, because they supported the main theme and helped to build a bigger picture of TTIP. At the end I can say that my interviews were more like an open discussion or talk than just asking questions and writing down the answers. This is the result of TTIP being such a big issue, where you have to consider so many different facts in order to support your statement and opinion.

6. Results of interviews

The results of the interviews will be shown in the same order as they have been discussed during the interviews, in order to keep a logical structure. While analyzing the different statements of my interviewees, I wanted to make clear where there is accordance in the answers and where they differ from each other. I represent those results with using for example the word “agree”. Here it is to say that my respondents did not know what each other had said to any of those questions as I made every interview individually.

I just use the expression “agree” for reporting purposes. The interview base and supporting questions around themes can be found as an appendix at the end of this thesis.

If one now compares the statements between all respondents, one will recognize some compliances as well as some different point of views. Based on the interviews I have analyzed the different themes by using qualitative data analysis. This method of analysis I have already presented closer under chapter 6.1.1.

6.1 Chances and risks in general

Regarding the chances and risks of TTIP in general, several aspects came up during my conversations with my interviewees.

Two of them, Stefan Lindström and Jörg Blumtritt, agreed in the positive effects of streamlining the regulations and standards between the USA and the EU. According to Stefan Lindström (Personal communication, Lindström, 2015) this approach would mostly be a big benefit for the SMEs (Small- and Medium-sized Enterprises) as for the big companies the double standards do not really matter. He mentioned the Finnish company ‘Planmeca’, which produces dental equipment, and the struggles they have when doing business with the USA. If they want to sell their products there, they have to go through a product checking process done by the Food and Drug Administration, which lasts at least five years. This means that entering the USA market costs a lot of time due to the different regulations and standards, which most SMEs are not able to bring up. Another interesting fact Stefan Lindström mentioned is the difference in products that are

exported in the USA and in the EU. The USA do mass production of all raw materials and the EU exports mainly processed products. As a result of TTIP, the EU could benefit from cheaper raw materials for processing and re-exporting.

Jörg Blumtritt (Personal communication, Blumtritt, 2015) agrees in the point that softening such steps would be very beneficial, as it makes a lot easier. He brings up the example of offering services in the USA and the many bureaucratic steps one has to take, especially when it comes up to working visa. But this is not only exhausting for the Europeans doing business there, also for the Americans, when they would like to offer services in the EU. Regarding SMEs and big companies Jörg Blumtritt is not really the same opinion as Stefan Lindström – in his point of view this whole TTIP-project is quite one-sided at the moment, which means that he sees mainly the big companies advantaged. In general, he says, free trade itself is a good thing as it implies a lot of economical chances and simplifies travelling as well as the opportunity of doing business in the other nation.

Here Gerhard Höcht (Personal communication, Höcht, 2015) shares this point of view. He also mentions that free trade in general is a chance due to the fact that many consumers and suppliers come together. As a result, a huge amount of products and services is accessible easily for everyone. Besides this, he sees quite a big potential in the European agricultural sector regarding exporting beer and wine as in the USA these production areas are covered rarely.

Going back to Gerhard Höcht's idea of the great chance for suppliers and consumers coming together, Stefan Lindström sees another chance besides the fact of accessibility of products and services. He mentions that due to this the competition rises, and even if some may see this as a risk, he states that this rise in competition leads to better products and lower prices. His explanation is that products as well as companies that are actually not competitive will be lost in this big market area. So if a company is not able to renew its marketing, develop its products and stay up-to-date, they should not be operating. *"This is the way the world is. We want companies to produce and sell all over the world; this is the activity we want to encourage in companies."*

However, according to Stefan Lindström, *“it is easy to state all the benefits of TTIP”*. Nevertheless, the risks, which might be waiting due to this agreement should also be taken into consideration.

Satu Tietari (Personal communication, Tietari, 2014) is worried about the SMEs, especially in Finland, as she is not sure about how those small companies should be able to compete with the USA or even sell their products there. In her opinion it is more likely that the companies from the USA start selling their products in Finland, which leads to an outcast of the domestic companies. In other words she sees the loss of opportunities for those companies to do business in their home country. Furthermore she mentions that the Finnish government is currently trying to make the people from the countryside move to the cities. Her concern now is that TTIP might intensify this endeavor. In Satu Tietari's point of view TTIP is threatening 'small things' and as a result, Finland will not benefit from this agreement.

Here one can see quite a big difference in the statements of her and Stefan Lindström, because in his opinion such companies should not be operating and this selection can be seen as a chance. In contrary he talks about smaller companies and their preferential market position and as an example he takes Lidl in Finland. After Lidl has entered the Finnish market, immense impacts on the local supermarket-market could be experienced. Due to the existence of Lidl the other domestic food stores recognized that they have to do something in order to stay competitive. As a result, they lowered their prices by about 30% on the 19.01.2015 and their oligopoly position was gone. At this point, Stefan Lindström admits that it might be a risk transferring this situation to the currently negotiated TTIP, but at the same time it can be seen as a positive development from a consumers point of view.

To that Gerhard Höcht states that if the consumers in Europe are welcoming an American business, such as McDonalds for example, this situation described by Stefan Lindström might come up again. Taking a look at the Wal-Mart experiment, when they tried to enter the German market, they did not succeed at all. The Germans did not make any use of this company and its products and as a result they had to leave this market. Going back to what Satu Tietari has said regarding 'small things', Gerhard Höcht expresses nearly the same concerns and he talks

about the risks for farmers in the European region. Although he mentioned a chance for them regarding the production of wine and beer, not every agricultural business in the EU is producing those products. He is wondering how the farmers in European regions should still have a fair chance on the market when the Americans might become the chance to enter this market that easily.

Jörg Blumtritt has a different point of view compared to the others. He sees the most problematic and at the same time most important issue in the service tasks. In the EU the municipalities have the right to regulate the supply of water and electricity publicly and in the USA this is privatized. For him there is a risk in losing the right of doing this publicly in the EU.

All in all 'Gerhard Höcht, Stefan Lindström und Jörg Blumtritt agree with each other that in the end the consumer will benefit from a higher variety of products on the market. The consumer is the one who has the power to determine the products, which will be provided on the market due to buying behavior.

6.2 Controversy discussion

According to Stefan Lindström, the real controversy part of the discussion is that there are a lot of people reacting to the fact that the negotiations are done secretly, but *"this is the way the Commission normally makes legislation."* He also states that this controversy discussion comes up due to ideological thinking of people. No matter what, 30% of the people are always opposing everything. Some of them state their opinion with facts, but many more come up with feelings and neither do they have any background knowledge, nor do they argue with any facts. Then *"there are sometimes 'amazing' articles coming out where you ask yourself 'how can people think like that?'"*. Analyzing the groups of people responding to TTIP he comes up with two different formations. On the one hand the traditional ones, which are the leftists, having their own conspiracies. On the other hand, and this is something new according to Stefan Lindström, there are the right ones who have taken a very hard stand against TTIP.

"And here we have different traces in a sense, because they are the traditionalists." Stefan Lindström explains that these people want to live their life

the way they have done it so far. He is also wondering why people think that this free trade agreement has something to do with how they have to live their life in future. People obviously do not realize that this is a free trade agreement – nothing more and nothing less.

Here I would like to come up with one of the impacts Satu Tietari fears. Referring to what Stefan Lindström said above regarding the fear of people that TTIP might change their life, this is exactly what Satu Tietari is also worried about. Her biggest concern is Finland losing its individuality. She is thinking about the countryside in Finland and that TTIP may push the development of the elimination of the countryside. Besides this, the movement, initiated by the government as Satu Tietari says, from people currently living outside the cities into the cities might increase. She does not see any support through TTIP for countries such as Finland, which are small and individual.

All together, Satu Tietari, Gerhard Höcht and Jörg Blumtritt totally agree with Stefan Lindström that such a controversy discussion exists due to the fact that the negotiations are done secretly.

Also for Satu Tietari this is quite annoying. She says that in addition to the secrecy there was a huge lack of information in Finland the time I have started with my research. She experienced a low awareness about this topic and as a result, nearly no discussion took place about TTIP Finland. In her opinion the government did not deliver any facts about this topic neither did they do anything for raising the awareness about TTIP in Finland. She also explains that during some meetings about TTIP, in which she could participate and had the chance to ask questions, she recognized that critical questions were not allowed. This as a fact raises serious questions also in her regarding the secrecy of the negotiations.

Jörg Blumtritt and Gerhard Höcht are also convinced that the missing information flow of the European Commission leads to a big displeasure and loss of trust, which generates such an uncertainty regarding TTIP and ends in a controversy discussion. Both say that in the EU an unhealthy aversion towards the USA exists due to some unsympathetic stories, which came up with the USA (NSA scandal).

The Europeans are not sure if they should trust in the USA anymore as this nation has lost in credibility.

Jörg Blumtritt also explains the controversy due to the fact that many different areas of the economy will be affected by TTIP differently and this is why all different people from the different economic areas react differently.

6.3 Secrecy of negotiations

As everyone of my respondents sees the secrecy of the negotiations, amongst other things, as a cause for the controversy discussion, I wanted to know why they are handled that secretly.

According to Stefan Lindström, those negotiations are not really secret as it is the normal procedure of the Commission while negotiating. In his opinion *“this is not a Big Brother show with cameras on while negotiating nor is making legislation.”* Apart from this, there is really nothing what can be told so far as there are no articles existing yet. Comparing those negotiations now with some other free trade agreement negotiations (e.g. CETA), this one is the most transparent negotiation ever. He mentions that the government is already trying to engage people and to educate them about TTIP.

Gerhard Höcht names the same argument as Stefan Lindström that the reason for the secrecy is the normal procedure of negotiating. Those procedures are always kept secret until a specific point or until an important completion. Then those results should be published in order to inform everyone.

Satu Tietari cannot explain why those negotiations are done that secretly, but she is really offended towards this as it leads to this big lack of information, not only for the population, also for her.

6.4 Impacts of TTIP

Here I wanted to know what impacts my interviewees see regarding economical weaker countries (e.g. Finland) and the agricultural sector of the EU.

According to Stefan Lindström the risk for economical weaker countries is the growing competition due to TTIP. One of the results of this agreement will be the opening of markets, which end in an increase in competition. He explains that businesses do have to know what they are doing and what they are targeting. Companies should have the control over their own production and costs and as he already mentioned before, they should be able to adapt and maybe improve their strategies, also in economical weaker countries. All in all he finds it difficult to say what the impacts here will be – some areas might flourish totally, some will be faced with very hard competition.

Satu Tietari's point of view was already mentioned before in 7.2.

Jörg Blumtritt refers to the strong compensation between the countries within the EU. If one of the countries' existence goes down the drains, the others will help with financial means. Due to this system he does not really worry about the economical weaker countries within the EU and that they might suffer from TTIP itself. I also wanted to know how he estimates the possibility that European countries might lose their existing trade partners within the EU and he says that he does not see any reason why this should happen. Regarding the agricultural sector and the small farmers in the EU he asks himself and me if we still have those types of farmers in the EU. In his opinion the chaos in the agricultural sector has existed forever now.

It only becomes clear again through such negotiations. He says that the real question is how we can get out of the big governmental subventions. Besides this, we should come up with a goal in this sector – there is actually no consent existing about how the agriculture in the EU should look like in future. All together this leads to a 'aim-vacuum' and if somebody represents his interests strong enough and is able to enforce then, he will do so.

Gerhard Höcht also links to the European internal market, but in a different way than Jörg Blumtritt did. He says that due to this market we already have a lot of competition and companies acting within this market already need competitive products in order to survive. When TTIP comes into force, the European internal market will be set under pressure due to the increase of suppliers and the growth of the market. Of course this will be challenging for companies, countries and

everyone else. Regarding the agricultural sector Gerhard Höcht tries to draw parallels between TTIP and the free trade agreement between the EU and India. In India the small farmers have been responsible for the food supply for the Indian population. When the agreement came into force, those farmers had to suffer a lot. They lost their economical strength as they were dislodged from the market. Here we have to take into consideration that India belongs to the emerging countries, which is not the case for the EU and its member states.

6.5 Regulations and standards

This is actually what the European Commission and the representatives of the USA are negotiating about – how they can get the regulations and standards on a common level, as Stefan Lindström says. He mentions that in most cases they already have a common level on regulations and standards; it is mainly about bringing the different expressions together (e.g. inches in the USA – cm in the EU). Regarding GMOs he states that they are not negotiating about this yet, because the European Commission does not accept GMOs at all, in other words GMOs will not have an entry into the European market, except the nation states allow it. It is namely to say that this is an issue for national level – whether a country accepts GMOs or not. Last but not least he stresses that TTIP is not going to overall any national legislation regarding what might be ex- or imported that is not part of any negotiation round.

Here we are already talking about what Gerhard Höcht has the most concerns about – GMOs. The EU and the USA do still have different point of views regarding GMOs in food or even in the production of food. The European consumers attach great importance to good food and are particularly critical regarding GMOs while the Americans seem to totally accept these procedures and ingredients in their food.

The big question is, how those different standards can be adapted when in his opinion the Americans surely will not accept compromises up to 100%. It is not only the GMOs he worries about, also the big differences regarding consumer protection. In America it is allowed or even usual to clean chickens in chloral while this procedure is prohibited in the EU.

At this point Jörg Blumtritt also mentions his concerns regarding health and adaption of standards and regulations – on both sides of the Atlantic. He interjects for example the prohibition of blue-veined cheese and processing raw milk in the USA – would adaption mean that this prohibition would also become part of the European legislation? Or what does adaption mean at all? Where will adaption take place? All those questions come into Jörg Blumtritt's mind and he is wondering how this will be treated.

Both, Jörg Blumtritt as well as Gerhard Höcht, point out again that the consumer is the one who has the control over the supply – he is the one who makes the purchasing decision at the end.

As a conclusion to this topic, Gerhard Höcht also says that it is the task of the specialists involved in those negotiations to find a level, where both nations can meet without suffering a big loss. During negotiations there is always someone who wants to bamboozle the opposite and here it is the job of the European Commission to negotiate toughly in order to defend the European standards and regulations. Whether they will succeed or not, so far we can only speculate as there have no results been achieved yet, he states.

6.6 Winners and losers

According to Stefan Lindström, the winners of TTIP will be the consumers, as they will gain the most out of it in every single aspect. Through this agreement they will be given a total freedom of choice and access to markets. Besides this, the SMEs can also be winners in a sense due to the fact that they will have more market possibilities and the entry into the USA market will be way easier for them than it is now. In contrary, he said that the losers are going to be the ones who have to adapt and are not competitive, because of the increasing competition. However, at the end, he mentions, this would happen sooner or later anyway.

Referring to Jörg Blumtritt it is difficult to specify winners or losers of TTIP. But regarding SMEs he does not really agree with Stefan Lindström. In Jörg Blumtritt's opinion the fact that tenders will be extended over the whole economical area might become a problem for the SMEs who are not willing to enter the US-market. Besides this, the decisions for tenders will be mostly made up due to the price and

less because of quality reasons. As a result, it will count the more specialized you are the better it is for your future. Luckily the European products have quite a good reputation in the USA. In order to name a winner, he would definitely say that the big, exporting companies will be the winners.

Satu Tietari declares the Finnish farmers as the real loser of TTIP and she explains that they are already quitting up in the meantime, as they are not able to compete with the fair-trade-products. So she sees nearly no chance for them to survive next to the Americans.

For Gerhard Höcht answering this question means a total speculation, as it is dependent on the particular negotiating skills of the parties. Even though he agrees with Jörg Blumtritt and declares the big companies as the winners and the SMEs as the losers. He again emphasizes that this is just his current tendency as the negotiations are still too unclear to determine this for sure.

7. Comments of the European Commission

To all this concerns, feelings and accusations the European Commission has taken a stand and evaluates the negotiations as following.

First of all they would like to point out that this agreement is no 'request show' for multinational concerns. The aim is to create growth and working places and every head of government within the EU supports this aspect. In order to provide clarification between all those confusing statements from every side, the EU commission published a 'fact-sheet' in which they explain nearly every accusation and why they are wrong.

Many different parties are fighting against TTIP, as they believe that it will change legislation in the EU. According to the European Commission that will definitely not happen. A trade agreement does not have the power to undermine already existing laws anywhere. Due to this an existing prohibition chlorine chicken cannot be called into question. The only thing this agreement is underlining – also on

behalf of the EU – is the principle of non-discrimination. This means that those rules, laws and standards, which apply to nationals also has to apply to foreigners.

Some other opponents fear the privatization in the areas of water supply, health and education. According to the European Commission this fear is baseless. This agreement has nothing to do with any privatization; this is still part of the governments. No free trade agreement obligates member states to liberalize or privatize of water supply or other public services. This special status for public services in the EU is firmly anchored in the EU-Treaty and will not be touched at all. As a result, the EU will not negotiate about the right of the municipalities to offer water as part of the public service task.

Last but not least, the rumor about TTIP opening the gates for chlorine chicken and GMOs. As chlorine chicken and GMOs are both strictly forbidden or strictly regulated in the EU the free trade agreement will not change this. Only national governments or parliaments are able to change this legislation, but the EU is not negotiating about this high level of standards. All EU member states will also in future be able to regulate such issues on their own.

If we take a look at the free trade agreement between the EU and Canada, the EU clearly constituted that Canada is allowed to export only hormone-free beef into the EU. So it is to say, a free trade agreement does not mean that due to the effort towards this agreement the achieved protection level in the EU will be part of the negotiations.

(European Commission, Representatives in Germany, w.y., fact sheet)

8. Analysis of interviews

During my individual interviews I recognized many different, but also many similar opinions and ideas about TTIP and it was quite inspiring to listen to those point of views.

The positive attitude towards free trade and the fact that it is a good thing in general is one of the aspects I totally agree with. Thinking only about our growing environment, globalization and nearly everything striving for becoming internationally – free trade is one of those possible forms of economic integration for trading with other countries more easily. This is also what Adam Smith already tried to prove with his theory of the comparative cost advantage and the specialization in producing products that suit best to the countries core competences. The fact that in this theory the different starting positions, cultures and facilities a country is equipped with are waived at all brings up some legitimate concerns about the free trade theories and especially in the case of TTIP. In my opinion, the USA and EU are as different as nations could only be. The culture, for example, seems to be totally missing in the USA. Las Vegas appears as a replica of some European countries with the cloned Eiffel Tower from Paris. Here one big question arises - how should those two nations be able to cooperate with each other on the same level with so many different values?

8.1 Endorsements

Taking a look at the possible opportunities, streamlining of regulations and standards between the contract partners seems to be a big step towards easing the cooperation between the EU and the USA. Not only two of my interviewees stated this, also the European Commission names it as its main aims. They want to improve the collaboration regarding regulations, regulatory coordination and cooperation. Under chapter 3.6 the objective of the European Commission and the USA of reducing useless testing- and certification procedures has already been mentioned. In my point of view the process of launching new products in the other contract country will lose its complexity and unnecessary waste of time thanks to TTIP and this is justifying for all companies participating on both markets. Besides the simplified flow of goods, some of my interviewees mentioned the positive

development regarding the variety, amount and also quality of products on the market. This is also what has already been threatened in the chapter containing the advantages of free trade in general. Referring to Ken Edge, Head teacher of Social Sciences at Cardiff High School, the production will rise due to specialization and the activity of the companies will be boosted to the growing competition. I think that due to the tough competitive situation that will come up with TTIP, all companies who would like to keep on doing their business successfully will have to adapt and stay innovative and progressive. Not only the price, but also the quality will become more important and companies have to be able to serve both. This is the aspect, where I agree with Stefan Lindström. An interesting statement is the idea that cheaper raw materials for processing and re-exporting will be really beneficial for the EU, as they export mainly processed products. When examining the trade relationship between the USA and the EU earlier in this thesis, one could clearly see that the exports from the USA to the EU are strong regarding industrial products, such as machinery and motor vehicles. Raw materials were only a little part of these exports, although the EU exports a lot of industrial goods to the USA. Taking this fact into consideration, I think lower prices for raw materials due to the streamlining of regulations and standards could really lead to an increase of imports of raw materials from the USA to the EU. So this seems to be an area with a win-win-situation for both nations – the EU receiving raw materials easier and maybe cheaper and the USA exporting more raw materials to the EU.

Another issue mentioned by one of my interviewees was the opportunity for the EU to raise its exports of wine and beer to the USA as this production area is not really extended over there. So far the activity of exporting agricultural products to the USA is quite low, as it remains stable with around 15% of the total export. In my opinion this sector has quite a big potential in becoming stronger regarding its export shares and maybe TTIP will push this activity. Besides this, I already examined the currently existing tariff rate and regarding alcohol it amounts over 80%, so an elimination of this high tariff rate could really push the trade of beer and wine from the EU and the USA.

8.2 Concerns

Reading the interviews and the statements of the European Commission it is really surprising what kind of thoughts and opinions meet here. One aspect of criticism coming up in the news as well as in my interviews is the insecure situation, which might appear for the small-and-medium-sized companies. Some of my interviewees see only the big companies advantaged through TTIP and the small ones might be thrown into a disadvantaged position. They fear that the SMEs will not be able to compete any longer under the new competitive situation. Comparing these thoughts with the guidelines for the negotiations of the European Commission, one might be wondering why this fear comes up at all. The European Commission and the USA claim to talk about taking care of the SMEs in particular. They are also planning to evolve an extra capital for SMEs in the contract in order to ease the transatlantic trade also for them and to prevent difficulties that might arise through TTIP.

Perhaps the most serious concerns arise when it comes up to regulations and standards in the food industry. Many accusations occur regarding GMOs, hormone beef etc. The USA are portrayed as the nation of GMOs and the EU seems to be a country, which appreciates the common way of food production. All aspects my interviewees claimed regarding food safety seem reasonable to me. Although it might be quite surprising that even after the European Commission has determined GMOs and the level of consumer protection in the EU as untouchable and non-negotiable, exactly this argument comes up the most against TTIP. Stefan Lindström also claimed that GMOs are definitely not a topic during negotiations. Even though, also for me it is unimaginable, how this area should be taken out of negotiations, as this would be in contrast to the idea of free trade. On the one hand the aim is to open the markets, but on the other hand this should then be followed by restrictions and rules again. I think this kind of protectionism is in conflict with the idea of a free and fair trade. That is also what I have already mentioned in chapter 2.6.. As in the USA nearly all agricultural products include GMOs I am wondering how this market can be opened when the EU is not going to accept GMOs at all. Although, the imports from the USA to the EU regarding agricultural products are quite low and the EU-Commission pledges no changes regarding the high standard in the EU, the USA will not agree to 100% compromises as Gerhard Höcht states, and this is also what I think.

The concerns of Satu Tietari and the fact that she did not see anything positive within TTIP might come up due to the environment she lives in. I think that she recognizes a lot of bad things going on around her – the Finnish farmers quitting, the lack of information about this agreement, the movement from the countryside to the cities – and due to this her fears might be lead by feelings. In the beginning of this thesis I cleared up what TTIP is going to be about and the EU-Commission constitutes clearly that this is a free trade agreement, concerning everything that has to do with trade. The way of living, structure of a city, where the people are living etc. has nothing to do with free trade and even less with this agreement that is what I think. In my point of view it might be difficult for her to be impartial, because she has the closeness to the people living in her area and she is directly confronted with their concerns and acts as their representative.

9. Conclusion

9.1 Summary of research

On the whole it can be said that TTIP has to be analyzed from different aspects. The basic idea of free trade brings a lot of problems, but nevertheless also many beneficial effects can also be initiated.

In chapter 2 the question about what free trade in general means were examined. Different consequences arise when creating a free trade area with another nation. The main reason for forming a free trade agreement is the idea of enhancing prosperity and quality of life of the national economy through international exchange processes. Therefore, tariff barriers or other trade restrictions have to be eliminated or at least reduced in order to ease import and export between the involved economies. At a first glance this seems fantastic and worthwhile due to many advantages. On the one side production increases due to specialization, the growing competition leads to a boost in the activity of companies and the consumers will be served a higher variety of goods and services. On the other side this also implies several disadvantages. Unemployment will rise, because the business field of customs duties will be wiped out. The dependency of economies

on the global market and the vulnerability towards downturns of trading partners will grow.

TTIP is a currently negotiated free trade agreement and it will not only affect businesses, but also consumers within this planned trade area. In chapter 3 the whole topic about TTIP was explained and there are a lot of aspects the negotiating partners have to take into consideration. Not only taking special care about the SMEs and creating an extra chapter for them in the contract, also regarding the different regulations and standards and how to bring them on a common level. This leads to many meetings and negotiation rounds where the EU-Commission and the USA are discussing the framework of the contract and their conditions for this agreement. So far the reduction of tariff barriers, restrictions, and unnecessary regulatory barriers as well as the improvement of the collaboration regarding international regulations have been declared as TTIP's central elements. What this agreement will look like in the end is still unclear, as neither concrete chapters have been concluded nor has its concrete content been decided.

The differences between the EU and the USA were presented in chapter 4. It is not just that in the USA GMOs are handled as convenient products and as a result, there are no governmental approval procedures, but also the agricultural sector is nearly completely working with GMOs. This is in big contrast to the European attitude towards GMOs, as besides the politics also the population has a low acceptance towards them. In addition, the different handling regarding risk assessment and food safety is also enormous. In the EU nearly everything has to pass an approval procedure implemented by governmental authorities, while in the USA the government plays a minor role and the companies are passed the baton. As long as they declare their products as safe their products have free entry on the market and are exposable for the consumers.

All those facts, circumstances and lifestyles lead to many different opinions and feelings about TTIP. In chapter 6 I reported the concerns, hopes and opinions of my interviewees in order to outline the chances and risks they see in TTIP. Interesting arguments and thoughts came up and the biggest concerns appeared regarding GMOs and the streamlining of the different standards and regulations. How GMOs can be excluded from entering the European Market and what happens with the regulations and standards within the EU when TTIP tries to bring

them on a common level with the ones in the USA was is still one big question. Besides this, the effects on SMEs appear on the one hand as a threat but on the other hand also as a chance. One stated that TTIP is quite one-sided and it remains unclear in which way SMEs should benefit from it. In contrary to this the idea of SMEs flourishing through the chance to enter the US-market more easily comes up. Accordance emerged when it came up to the consumers. Nearly everyone of my interviewees agreed that TTIP will lead to a higher variety of products and services on the market and this would be quite favorable for every consumer.

TTIP is a complex topic and many things have to be taken into consideration when thinking about the possible impacts. In the end everyone has to wait until something fix has been declared regarding the content of this agreement. Altogether it will remain exciting as the planned contract formation is scheduled to be this year already.

9.2 Personal point of view

After I have read a lot about the negotiations regarding the transatlantic trade and investment partnership I still have the feeling that I do not have any concrete information about it. Of course this is due to the fact that there has nothing really been decided yet and there are no articles developed for this contract so far. The different statements from everywhere make it also hard for me to stay on the right path. Following the facts and not getting biased by emotions is a challenge and in my opinion it is quite difficult to differentiate between those two things.

From my point of view the citizens and groups fighting against TTIP, are mostly afraid of it, as they do not receive the information they would like to have. They blame the European Commission for doing the negotiations behind curtains. As a result, they draw the conclusion that the European Commission is hiding something. It seems to me that the opponents see the European Commission as an enemy. They are worrying that they will decide something that would 'destroy' the level of standards and regulations of the EU, its culture, agriculture, rights, legislation etc. In my opinion this is the normal behavior of a human being – being critical and becoming skeptical when there is something going on behind closed curtains. I am wondering why the EU-Commission should negotiate something bad

for its own nation. Everyone who is acting in the EU-Commission and participating in the negotiations, is also living in one of the member states of the EU, which will be affected by TTIP – why should they agree to something that would ‘destroy’ their environment and economy? I refuse to believe that this is all about making profit.

I think the secrecy of those negotiations is absolutely legitimate. Necessary compromises and cutbacks from the maximum position have to be accepted by both nations. Living in a media democracy, the EU-Commission tries to prevent the publication of information in the premature phase. They want to avoid the formation of different resistances. As a result, they negotiate behind closed curtains until something concrete has been decided. If the public would have been informed from the beginning on, I am skeptical if effective negotiations without the media pouncing everything would be possible, not even to mention a completion of a contract in the end. The funny thing here is that exactly this is happening at the moment. The media world is catching up some words about TTIP and designs different scenarios about what will happen and what will change in the EU. In other words, the situation, which the EU-Commission wanted to avoid by doing negotiations secretly, has established exactly because of this.

The topic about chlorine chicken and GMOs became really emotional in the EU. I am positive about the fact that as long as the European Commission keeps its position against GMOs and chlorine chicken, they will not have any entry into the European market. Furthermore, even if those products will be accepted in the negotiation text, there are still the national parliaments, which have to agree to this as well. Besides this, the rules fixed by the WTO apply anyway.

As a conclusion, I would like to say that in my opinion, international relationships and their domination in an economical point of view has become more and more important over the years. We should be aware of the fact that the USA are not only negotiating with us about a free trade agreement. According to the Office of the United States Trade Representative (w.y.), the USA are currently also carrying on negotiations with Asian states about a transpacific free trade agreement. This means that if the Europeans are not able to conclude this agreement with the USA, different consequences might arise. Not only important bridges to the USA

will be pulled down, but also significant competitive disadvantages might occur for the EU. The standards will then not be set with the involvement of the EU, but with the USA and different Asian states. Out of this the EU will be forced to orientate towards these standards when doing business in the USA. So I would like to say, TTIP does not only mean economically growth for the EU, it will also protect its world economical position. It is about creating a more and more important position in the global competition in order to secure welfare, security and standards in the own country.

9.3 Critical review

When taking a look back to the moment I have started with my Bachelor's Thesis and the planning how it should be like in the end I have to say that I am quite satisfied with the result. For all themes I was interested in and also seemed to be quite important for this whole topic, I could find appropriate information about. Besides this, I was so lucky to meet four great people for my interviews who were quite enthusiastic and interested in talking to me about TTIP. It was not only an interview situation where I could ask my questions, but rather an intensive and informative discussion.

After all there are also some issues I could have done differently or maybe better. During my first interviews I did not have professional equipment with me, such as a recorder. This means I had to write everything down my respondents told me. It would have been much more easier and convenient for me if I had thought about technical equipment before my first interview. However, I could make it the old-fashioned way, but for the future I will be prepared better regarding technical equipment from the beginning on.

Another aspect I would make differently is the searching for sources and literature. In the beginning I spent a lot of time for combing through the Internet and libraries for appropriate sources I could need for my thesis. In the end I had tons of papers, web pages, articles and statements, which I did not really make use of. It was way too much what I have found and read. Whereby, maybe this was exactly what helped me a lot while writing and understanding specific facts and statements. As a result of reading that much, I had a better understanding at some point than I might have had without this amount of input.

9.4 Reflection

The procedure of writing this thesis enriched my working behavior and time management skills a lot.

First of all I have recognized how important it is to structure myself. Especially creating my own time schedule for this thesis made everything easier for me. I set deadlines on my own in order to not come into time pressure in the end. For each chapter I set dates when I would like to be done with them. Then I structured my daily routine, because when I wrote my first big thesis in school I have experienced that it is not only important to plan when to work on the thesis, but also when to make a pause of it. It helps a lot to make some breaks in between – not only during the day, but also between them. As a result, you can go on with a clear mind and new energy after thinking about something else.

Secondly I figured out, that it is not the most important to always check the correctness of the language (words or grammar). This costs a lot of time and power already in the beginning, when one is full of enthusiasm towards treating this topic. After a while of informing oneself about the research topic it might become a bit exhausting. This is why one should make use of the curiosity in the beginning and later on, when there is a lack of interest or one needs a pause of all this writing stuff, you can concentrate on correcting everything you have already written regarding grammar etc.

Last but not least I have learned a lot during the interviews I made. Not only the fact that I had to talk to persons about a really big issue with a lot of background knowledge needed to understand. The fact that three of them were total strangers to me was also quite exciting. So two big things came together and I had to make this on my own and independently.

I am glad my Bachelor's Thesis implied all those factors as it widened my views and attitude towards new things a lot and it brought me one step closer to seeing things critically und stating my own point of view.

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Personal Communication
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Interview base

1. Chances and risks in general

- What chances do you see in TTIP?
- What kind of risks in contrast?

2. Controversy discussion

- Why is there such a big controversy discussion about this topic?

3. Secrecy of negotiations

- Why are the negotiations done secretly?

4. Impacts of TTIP

- What kind of impacts could TTIP have for economically weaker countries?
- What kinds of impacts may the agricultural sector in the EU be facing?

5. Regulation standards

- How can the regulations in the EU and the USA be brought on a common level?

6. Benefit for consumers

- Where can consumers profit the most?

7. Winners and losers

- Who will be the winners and who the losers?