1. What is the TPPA?

The Trans Pacific Partnership Agreement (TPPA) is a US-lead multi-lateral Free Trade Agreement (FTA) which aims to achieve economic integration and seamless commercial transactions in the Asia Pacific. It pushes the neoliberal agenda of trade liberalization and deregulation in the region to greater heights by (1) opening every sector of the economy of involved countries to foreign investments, (2) removing barriers and tariffs restricting trade (zero tariff by 2015), and (3) granting foreign investors and corporations the right to sue governments if their investments are threatened by the latter's policies. Unsurprisingly, the TPPA has been called as "*the NAFTA of Asia Pacific*."

2. Which countries are currently involved with the TPPA?

Currently, there are nine (P-9) member countries negotiating the text of the current agreement: (1)United States, (2)Malaysia, (3)Peru, (4)Australia, (5)Vietnam, (6)Singapore, (7)Chile, (8)New Zealand, and (9)Brunei Darussalam.

More countries have expressed their intention to enter the negotiations: the Philippines, Taiwan, South Korea, Japan, and Canada. Their participation has yet to be approved by the P-9 countries.

North American Free Trade Agreement

NAFTA is an agreement signed by the governments of Canada, Mexico, and the United States, creating a trilateral trade bloc in North America. The agreement came into force on January 1, 1994. It superseded the Canada – United States Free Trade Agreement between the U.S. and Canada.

The agreement opened the door for open trade, ending tariffs on various goods and services, and implementing equality between Canada, America, and Mexico. NAFTA has allowed agriculture goods such as eggs, corn, and meats to be tariff-free. This allowed corporations to trade freely and import and export various goods on a North American scale.

(Trade Undersecretary Adrian Cristobal Jr. said that the Philippines would benefit from the estimated $10 Billion worth of exports if the Philippines will join the TPPA. However, Senior Advisor of the American Chamber of Commerce John Forbes stated that the Philippines might not even be invited to join the talks because of its very strict policies when it comes to the practice of certain professions of foreign nationals in the country.)

3. What have the negotiations reached so far?

The negotiators have focused on 21 topics that working groups: business mobility, customs, competition, cooperation, e-commerce, environment, financial services, horizontal issues, government procurement, investment, intellectual property, labor, legal issues, market access, rules of origin, sanitary and phyto-sanitary measures, technical barriers to trade, and telecommunication[1].

Japan and Canada are already engaging the US government in talks to back their bid on joining the negotiating rounds. However, these two countries are experiencing difficulties in getting support from US; Japan's trade has numerous trade barrier while Canada's products are seen as in competition with those of the US.

The negotiations are carried out in secret. The US and the negotiating parties aim to sign the deal without any direct intervention and scrutiny from the public and agreed not to release the text until it has been finally completed and signed. Civil society is kept out of the negotiations and can access only leaked documents, such as one on US proposals. On the other hand, corporations are stepping up their lobby efforts to advance their interests. The US government in particular refused to release the text but allowed over 600 corporate 'trade advisors' full access to the documents.[2]

The US negotiates unilaterally, meaning it does not want to give up on its own subdisides

4. The America's Pacific Century through the TPPA

The TPPA is part of the renewed US offensive (economic, political, military, diplomatic) in the Asia Pacific to establish its hegemony in the region.

Deeply shaken by the current global crisis, the US looks towards Asia's growing economies in the hope of tapping their markets to save its own economy. However, standing in its way is China's growing influence in the region and the possibility of an East Asian economic integration that will significantly impact US's sway over Asia Pacific. As a move to

[1] Kesley, J. (2011). Transpacific Partnership Agreement Negotiations: A View from New Zealand. http://www.converge.org.nz/watchdog/26/05.htm.

[2] It's Branded as a Trade Agreement, but What's Really at Stake?:TPP's Investment Rules Harm the Environment http://www.citizen.org/documents/fact-sheet-tpp-and-environment-2-12.pdf

counter these obstacles, US Secretary of State Hillary Clinton announced during the November 2010 Asia Pacific Economic Cooperation (APEC) meeting in Honolulu, Hawaii that the US will pursue an American Pacific Century through renewed political, economic, and security ties in the region.

The Asia Pacific region is home to 61% [3]of the global population. It is the world's largest market for US exports. Two-thirds of US agricultural exports go to this region, for instance. In 2010 US foreign direct investment (FDI) in Southeast Asia alone increased by USD23 billion[4].

For the US, Asia Pacific is an important market that the US has to protect and consolidate. JP Morgan Asset Management described the Asia Pacific as the 'workshop of the world' because most of the goods used worldwide are produced in the region. Encouraging investors to invest in the region, JP Morgan further described it as home to "commodity-rich Australia, technology-focused markets of Korea and Taiwan, and the fast-growing China"[5]. Although certain risks are present in investing in the region, its developing markets offer more potential for growth than the developed markets of the west.[6]

The US will use the TPPA, combined with increased military presence in the region, to re-channel the emerging Asian regionalism and to counter the expanding influence of China, thereby, securing US influence in the region.[7]

5. Impacts of the TPPA

A. Attacks on Jobs and Justice, More Migration of Workers

If implemented, the TPPA will attack workers' job security, wages and benefits, occupational safety, and weaken worker's rights in general. It will also encourage migration of workers and promote discrimination against migrant workers and also women workers.

The TPPA negotiators propose to use the existing labor chapter of the US-Peru FTA as the model for the TPPA labor text. This labor chapter was deemed to be much better than the NAFTA's because the labor provisions were put in the body of the agreement instead of appending it after the document which happened with the North American Agreement on Labor Cooperation (NAALC) of the NAFTA.

The US-Peru trade agreement says that each party must abide by the core principles of labor by the International Labor Organization (ILO). However, because of loopholes such as the enforcement of existing national regulation, sovereignty to modify them, and the existing anti-labor policies of both US and Peru, the labor provisions of the US-Peru FTA were not able to protect worker's rights.

The liberalization and deregulation of economies can cause migration of industries to countries where the rate of profit is higher due to cheaper labor and raw material inputs. These countries also have weak environmental and labor protection laws. The migration of industries causes mass lay-offs in origin countries and a superficial kind of industrial development in the recipient countries. Such industrial shifts will not automatically spell a win for the workers of the countries where the manufacturing businesses migrate.

Looking at the NAFTA experience, US manufacturing industries moved to Mexico where labor is cheaper. Workers in the manufacturing cities of California, New York, Michigan, and Texas suffered lay-offs. Companies that stayed in the US threatened to migrate to Mexico and used this as a leverage to be able to freeze the wages and benefits of US workers. Workers in the Mexican *maquiladores* (export processing zones) on the other hand suffered severe exploitation. They had no labor rights, no health benefits, and worked for as long as 12 hours. Women were discriminated against by having to take pregnancy tests before applying for jobs.[8]

Likewise, the flooding of cheap manufactured imports into less developed countries who cannot compete with the technology used and subsidies given by the more developed countries can destroy the local manufacturing industries.

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[3] http://www.unescap.org/stat/data/syb2011/I-People/Population.asp

[4] Hervandi, R. (2011). US Direct Investment in Southeast Asia Increased by $23 Billion in 2010. http://aseanmattersforamerica.org/us-direct-investment-in-southeast-asia-increased-by-23-billion-in-2010/648

[5] Why Invest in Asia Pacific? http://www.jpmorganassetmanagement.co.uk/Investor/OurInvestmentRange/InvestmentsByRegion/Asia-Pacific.aspx

[6] Ibid.

[7] Kesley, J. (2011). TPP and the Anti-US Strategy. http://www.scoop.co.nz/stories/WO1111/S00589/tpp-and-us-anti-china-strategy-conclusions.htm

[8] Amadeo, K. (2012). Disadvantages, Problems, and Negative Effects of NAFTA. http://useconomy.about.com/od/tradepolicy/p/NAFTA_Problems.htm

The collapse of local economies and communities caused by the flooding of imports and ecological breakdown will intensify rural-to-urban and international migration, as workers and communities move from one place to another in the hope of finding new sources of livelihood. This creates another set of compounding problems such as brain drain, international security, overcrowding of urban centers, food insecurity, downward pressure on wages, and even ethnic and racial discrimination against migrant workers.

Moreover, investor rights give corporations more leverage in pressuring the governments to change their labor and social protection policies if these are seen as infringing on investment opportunities. Corporations can use the carrot-and-stick tactic with a government: entice it with the supposed jobs and taxes that their investments will generate, on one hand, and threaten to file hefty lawsuits or look elsewhere for more 'accommodating' governments if it chooses not to give in to their demands. This is what exactly happened when the New Zealand government changed its labor laws upon being pressured by the Time Warner Company in filming the Hobbit movies. Aside from allowing the company to remove the actors' rights to unionization, strike, and benefits such as holidays and sick pay, the New Zealand government also arranged a $25-million tax break for Time Warner when it threatened to shift filming elsewhere. [9]

(The existing anti-labor policies of Philippines such as labor flexibilization, non-living wages and benefits, and union busting will worsen under TPPA. Given the government's history of dependence on foreign investors, the further catering labor policies to the needs of foreign investors such as what Australia did is possible.)

B. Privatization of Social Services

Corporate control of social services will make these vital and important services inaccessible to the people, especially to the poor and marginalized sectors.

Access to water and energy will also become costlier once big corporations take over through privatization. The residents of Buenos Aires, Argentina paid higher water bills after the US water company Azurix took over the operation of the water facility. When the local government attempted to cap water prices, Azurix with its King & Spalding law firm filed a lawsuit. The investor-state tribunal decided in favor of the water company and awarded it $165 million from the taxes of the Argentinean public.[10]

The TPPA will also endanger the rights of citizens on access to education. This basic right and also a social service that governments should provide will be for sale once corporations decide to profit from it. Liberalizing the education sector also raises questions on whether the education system is producing graduates needed for genuine industrial development, not just skilled labor for multi-national corporations. Already, the Vietnamese government allows foreign investment in its education sector to accommodate the demand of large multinational corporations for skilled labor.[11]

The TPPA could also impact on educational content, especially on the formation of the national consciousness of citizens. The TPPA's demand that the media policies that support local cultural content be abolished could also be applied to education policies.

In health care, the stringent IPR rules that the US promotes extend the patent and data monopolies of corporations. This extension will delay the creation of generic medicines and allow big pharmaceutical companies to keep the prices of medicines high. It also allows corporations in general to apply evergreening tactics to hold on to their patents longer even without any improvement in the use and efficiency of their products. As a result, medicines that are highly needed such as anti-AIDS/HIV drugs will continually be out of reach for those who need them. New Zealand's Pharmac, which buys medicines at low prices and sells them to citizens at equally low prices, could be dismantled once the TPPA is enforced. Tobacco firms will enjoy more freedom in selling their goods by the abolishment of standard packaging rules countries set to control tobacco use. The strong tobacco lobby can sue governments with strict rules on tobacco packaging and demand the repeal of these laws.

C. Local Agriculture and Food Security

Trade liberalization will further open the gates of the local economies to the tide of cheap agricultural imports that will flood local markets. In the NAFTA, Mexican farmers lost their livelihoods because they could not compete with the more modern and subsidized agricultural industry of the US which dumped their agricultural products in Mexico. Similar will happen to less developed nations who will ratify the TPPA. Even the agriculture sector of the developed countries US, Australia, and New Zealand are opposed to the opening up of their markets to foreign imports of agricultural products.

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[9] Clark, A. (2010). New Zealand changes labour laws to save filming of the Hobbit Movies. *The Guardian.* October 31, 2010. http://www.guardian.co.uk/business/2010/oct/31/warner-bros-new-zealand-hobbit-film.

[10] http://www.citizen.org/documents/fact-sheet-tpp-and-investment-and-services.pdf

[11] Trends in Vietnamese Education Reform. http://www.nesovietnam.org/dutch-organizations/general-market-information/trends-in-vietnamese-education-reform

Meanwhile, the so-called “extended intellectual property rights” (IPR) awarded to corporations, including agricultural giants like Monsanto, can be expected to discourage local agriculture, as proven by various experiences. Monsanto is known to sue farmers near its neighboring plantations for “stealing” their patented plants, when in reality it is the GMO plants that contaminate neighboring plants through cross pollination. With its superior resources, the corporate giant has the upper hand in law suits to discourage local farmers from planting and eventually to force them out of their lands. Terminator seeds produced by Monsanto will keep farmers dependent on its technology for them to be able to plant. Moreover, farmers cannot expect support and protection from the government since the corporation can sue the government to remove any farmer-protection policies that will affect its investments.[12]

For neoliberal economists, this is just an issue of rooting out weaker businesses from the market competition. However, for local producers, especially the small holder farmers, fisher folk, and workers, this means loss of livelihood, cultural identities and loss of traditional indigenous knowledge.

Aside from flooding the local markets with cheap imports from foreign countries, the entry of unsafe food items because of the abolishment of proper labeling and lax border controls is also a concern. Agricultural companies for example will not be required to indicate whether their products were grown using GMO or not. On the other hand, the increase of food imports in the United States from Canada and Mexico caused by the implementation of the NAFTA was accompanied by an increase in food-borne illnesses. This purportedly stemmed from lax inspection of agricultural imports that entered the US.[13]

D. Environment

Liberalized economies and greater investor rights will allow large extractive industries to enjoy unbridled plunder of the natural resources and environmental destruction of their host countries. This will further deprive the people in host countries of their right to use their own natural resources for economic development and renders their communities more vulnerable to environmental disasters.

To accommodate NAFTA demands, the Mexican government amended the country’s constitution in 1993 to allow open-pit mining, foreign ownership of companies engaged in natural resources, and the sale of protected communal lands. This ushered in Canadian mining companies seeking to mine gold and silver in Mexico.[14] Despite people’s protest, Canadian-owned gold and silver mining company Minera San Xavier was able to operate at Cerro de San Pedro in San Luis Potosi, Mexico. The residents of Potosi were concerned that mining operations in an arid climate will deplete and poison the underground aquifer that they rely on for water supply. Even after the federal tribunal ruled that the mine should not proceed because it will violate important environmental laws, the Mexican government still allowed MSX to operate. After another series of legal battles and civil disobedience actions, the Mexican government was forced to give in to the people’s demands and closed the mine in 2009. In 2010, however, it was found out the MSX has once again started its operations with the backing of the Mexican officials and the Canadian embassy in Mexico[15].

E. Human Rights Violations

Foreign investments on agriculture and extractive industries often encroach on the ancestral lands and territories of indigenous peoples. The TPPA can worsen these attacks of corporations on the communities of indigenous peoples.

In Mexico, part of the constitutional changes that the Mexican government made in 1993 to accommodate the NAFTA was the removal of the Article 27 which protects Indian territories from sale or privatization. As a result, the indigenous population in Mexico is left unprotected from the loss of their remaining lands. Because of this, the Zapatistas called NAFTA “a death certificate for the Indian Peoples of Mexico.” On January 1, 1994, the day that NAFTA came into force, the Zapatista National Liberation Army declared war on the Mexican government. They stormed and occupied four county seats in the southern part of Mexico, Chiapas. However, their rebellion lasted only 12 days as the ill-equipped peasants were no match for the firepower of the Mexican army supported by the United States. Amnesty International recorded gross violations of human rights during the 12-day war and years after. Arbitrary arrests, summary executions, torture, and house-to-house raids were allowed by the Mexican government to subdue any rebellion in Chiapas.[16]

Conclusion

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[12] Monsanto Terminator Technology -Worldwide Famine & Starvation. http://www.ethicalinvesting.com/monsanto/terminator.shtml

[13] http://www.citizen.org/trade/article_redirect.cfm?ID=1894

[14] http://ottawa.mcc.org/miningjustice/casestudies/cerrodesanpedro

[15] http://ottawa.mcc.org/miningjustice/casestudies/cerrodesanpedro

[16] Campbell, G.(1996). The NAFTA War: http://www.tc.umn.edu/~fayxx001/text/naftawar.html.

Free trade agreements (FTAs) are notorious vehicles of the neoliberal market-driven development agenda of economic liberalization and deregulation. They render the economies of less developed countries vulnerable to the onslaught of investments and cheap imported products from more developed countries. They create conditions that allow corporations to hinder national industrialization and sustainable development and violate human rights. 'Free trade' between unequal countries in this context is an unequal trade.[17] The unequal levels of development between countries gives the rich countries more leverage to expand and grow at the expense of the poorer countries.

It is imperative for the US to fast track the advancement of the TPPA negotiations primarily to restore economic growth through multilateral trade. The US experienced merchandise trade contractions, both in import and export trade, as repercussions of the global financial crisis on the US bilateral trade.[18] The US is active in the TPPA negotiation to ensure the provisions that will be advantageous to US corporate interests against new participants. Securing the US corporate interests may also spell favorable support of the US businesses to the reelection campaign of US President Obama for the November 2012 elections.

The Trans Pacific Partner Agreement will not solve the continuing crisis that the US is facing. In their hope to consolidate hegemony in the region, it can only lead to intensification of the conflicts in the region. For the people, the TPPA only means that there will be further plunder of their natural resources, collapse of their local economies, loss of jobs and increasing exploitation, privatization of social services and the public commons, and violation of their human rights.

In the end, trade between nations should be fair and equitable. Economic development from trade deals should benefit the people and foster national industrialization and sustainable development in developing countries. We need to be vigilant and united in exposing and resisting the rusting old neoliberal swindle glittering as a gold standard deal.###

Oppose the US-Lead TPPA!

Citizens' Rights over Corporate Rights!

Protect Local Industries! Promote National Industrialization!

Protect Labor Rights!

Protect Local Farmers and Food Sovereignty!

Protect Access to Social Services!

Stop Corporate Environmental Plunder!

[17] http://www.globalissues.org/article/44/some-regional-free-trade-agreements

[18] James, W.E. US Trade and Global Economic Crisis, ADB Economics Working Paper Series, ADB Publishing, 2009. http://beta.adb.org/publications/us-international-trade-and-global-economic-crisis