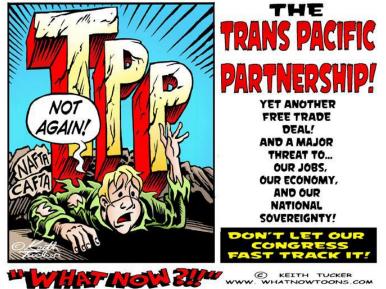
# THE TRANS-PACIFIC PARTNERSHIP'S ATTACK ON JOBS AND LABOR RIGHTS

by Public Citizen's Global Trade Watch (http://exposethetpp.org)

#### What is the Trans-Pacific Partnership (TPP)?

- The TPP is a massive "free trade" agreement currently being negotiated behind closed doors by officials from the United States and 11 other countries Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam.
- The TPP has been under negotiation for five years. The public cannot see the draft TPP text, and even members of Congress, after being denied the text for years, are now only provided limited access. More than 600 official corporate "trade advisors" have access.
- Although it is called a "free trade" agreement, the TPP is not really mainly about trade. Of TPP's 29 draft chapters, only five deal with traditional trade issues. Most would set rules on non-trade matters that affect our daily lives food safety, Internet freedom, medicine costs, financial regulation and more. Our domestic policies would be required to comply with the TPP rules.



## The Trans-Pacific Partnership Would Promote the Off-Shoring of American Jobs

• Nearly five million American manufacturing jobs – one out of every four – have been lost since implementation of the North American Free Trade Agreement (NAFTA) and the World Trade Organization (WTO). Since NAFTA, over 60,000 American manufacturing facilities have closed.



## The TPP would replicate and expand on the NAFTA model.

- A leaked text revealed that TPP is slated to include the extreme foreign investor privileges that help corporations offshore more U.S. jobs to low-wage countries. These NAFTA-style terms provide special benefits to firms that relocate abroad and eliminate many of the usual risks that make firms think twice about moving to low-wage countries.
- Under the NAFTA model, U.S. manufacturing imports have soared while growth of U.S. manufacturing exports has slowed.
- TPP includes Vietnam, a new favorite for corporations' job offshoring because wages there are even lower than China. Already, the growth of the U.S. trade deficit with China, since China entered the WTO in 2001, has had a devastating effect on U.S. workers and the U.S. economy.

Between 2001 and 2011, 2.7 million U.S. jobs were lost or displaced. Devastation of U.S. manufacturing drives down wages, erodes the tax base and heightens inequality. Despite major gains in American worker productivity, real median wages hover at 1979 levels. Government

data shows that two out of every five displaced manufacturing workers who were rehired in 2012 experienced wage reductions of more than 20 percent. With the loss of manufacturing, tax revenue that could have funded social services or local infrastructure projects has declined, while displaced workers have turned to ever-shrinking welfare programs. This has resulted in the virtual collapse of some local governments in areas hardest hit.



## The Trans-Pacific-Partnership Would Ban "Buy American" and "Buy Local" Procurement Preferences

- The TPP's procurement chapter would require that all firms operating in any signatory country be provided equal access as domestic firms to U.S. government procurement contracts over a certain dollar threshold. The United States would agree to waive "Buy American" and "Buy Local" procurement policies for all such foreign firms, eliminating an important policy tool to use U.S. tax dollars for U.S. job creation.
- Some corporate TPP proponents argue that these rules would be good for the United States because they would ban domestic preferences in all signatory countries, allowing U.S. firms to bid on procurement

contracts in other countries on equal footing with domestic firms. It is a idiculous notion that new access for some U.S. companies to bid on contracts in TPP countries is a good trade-off for waiving "Buy American" preferences on U.S. procurement: Taking even the most favorable cut on other countries' markets, the total U.S. procurement market is more than five times the size of the combined procurement market of the current TPP negotiating parties: Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

• Even with Japan in the TPP, the U.S. procurement market is over twice as large as the new TPP procurement market would be. Plus, Japan and the United States are already party to the WTO's Government Procurement Agreement – which covers most procurement that the TPP would likely cover. Accordingly, there will be few, if any, new procurement opportunities in Japan for the United States.

## The Trans-Pacific Partnership Would Threaten Workers' Rights - Affecting Good US Jobs

By making it easier for U.S. corporations to offshore decent jobs to low-wage countries, the TPP would accelerate the "race to the bottom" spurred by other free trade agreements, such as the North American Free Trade Agreement (NAFTA), putting downward wage pressure on U.S. workers while facilitating corporate exploitation of foreign workers. TPP includes the same incentives and protections for off-shoring as NAFTA, such as special investor rights that eliminate many of the risks and costs associated with relocating jobs to low-wage countries.

After NAFTA, thousands of U.S. manufacturing firms closed their doors, fired hundreds of thousands of U.S. workers, and relocated just across the Mexican border so as to take advantage of the low wages in Mexico's maquiladora zone.

While this shift initially created hundreds of thousands of jobs in Mexico, many of those jobs soon evaporated when China joined the World Trade Organization (WTO), inviting the corporations that had off-shored to Mexico to shutter their factories and relocate again to China, where wages and labor protections were even lower.

Vietnam, one the TPP negotiating countries, is considered the low-cost labor alternative to even China. Independent labor unions are illegal in Vietnam and workers are paid about one-third to one-half of what Chinese workers are paid. The TPP would pit U.S. workers against Vietnam's underpaid and repressed workforce, perpetuating the race to the bottom.

The Obama administration has demanded that the TPP include enforceable labor standards, but their proposal would not require adherence to the International Labor Organization's Conventions, which set binding international labor rights. Rather, the U.S. proposal is for the TPP to require countries to enforce the more vague terms of the ILO's Declaration on Rights at Work. Even so, many of the other TPP countries oppose enforceability of such labor terms.

As the infuriating outcomes of the U.S.-Colombia FTA show, proposals to later add side agreements on labor issues are not effective. During the first year of the FTA number of Colombian union members violently displaced from their homes has increased and death threats against unionists have remained, according to Escuela Nacional Sindical (ENS), the institution recognized as an authoritative source of monitoring data. The number of unionists violently forced to flee their homes jumped 76 percent in 2012 compared to 2011, before the FTA took effect. Death threats against unionists have remained rampant, with 471 unionists receiving death threats in the year after the U.S.-Colombia FTA Labor Action Plan was launched, according to ENS. At least 20 Colombian unionists were assassinated in 2012 according to ENS data, while the International Trade Union Confederation (ITUC) reported 35 assassinations last year. Colombia remains the world's deadliest place to be a union member.

## WHAT YOU CAN DO

Contact your Representative and Senators – call, email, fax, and write letters – and demand that they oppose ANY legislation to give President Obama trade negotiating authority for TPP – whether that legislation is called "Fast Track", "Smart Track" or anything else. These bills are designed to help ramrod job-killing trade agreements through Congress by forcing Congress to vote on a tight timeline and preventing members of Congress from making any changes to the agreement – even if they believe it will hurt US jobs! You can find yourelected officials names and their contact information by entering your address at <a href="http://tradejustice.net/leg">http://tradejustice.net/leg</a>.