

# Citizens Trade Campaign

## Next on Wall Street's Policy Agenda

# The Trans-Pacific Partnership (TPP)

The Trans-Pacific Partnership (TPP) is a massive new international trade and investment pact being pushed by the U.S. government at the behest of transnational corporations. If it continues on its current course, the TPP will serve two primary purposes:

1. Making it easier for corporations to shift jobs throughout the world to wherever labor is the most exploited and regulations are the weakest; and
2. Putting checks on democracy at home and abroad by constraining governments' ability to regulate in the public interest.

The TPP is already being negotiated between the United States, Australia, Brunei Darussalam, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam — but it is also specifically intended as a “docking agreement” that other Pacific Rim countries would join over time, with Japan, Korea, China and others already expressing some interest.

Corporations cheering the TPP include Citigroup, JPMorgan Chase, Wal-Mart, NewsCorp, GE and Halliburton. The TPP has been questioned — if not outright opposed — by labor, environmental, family farm, consumer, indigenous and other social justice groups on four continents.

### ***Preventing Effective Regulation of Wall Street***

The United States first expressed interest in the Trans-Pacific Partnership as a mechanism for expanding financial service agreements throughout the Pacific Rim. Learning nothing from the 2008 financial collapse, U.S. negotiators appear to be pushing for a financial services chapter that would not only provide Wall Street-based firms with greater access to financial service markets abroad, but also explicitly limit governments' abilities to regulate banks, hedge funds and insurance companies.

Provisions that Wall Street supports include: prohibitions against limiting the size of financial institutions (ie, safeguards against “too big to fail”); prohibitions against firewalls between different types of financial institutions (ie, reinstating the Depression-era Glass-Steagall Act); prohibitions against bans on specific financial products (ie, banning the sale of toxic assets); and prohibitions against capital controls (ie, tools designed to stabilize the flow of money into and out of a country).

The TPP is also expected to grant banks and other transnational corporations the power to challenge any laws, regulations and even court decisions that they believe violate the pact through international tribunals that circumvent domestic judicial systems. Under these “regulatory takings” cases, countries would be forced to change their policies and/or pay stiff penalties to the aggrieved corporations.

### ***Trading Good-Paying Careers for Sweatshop Labor***

Since the North American Free Trade Agreement (NAFTA) was enacted in 1994, the U.S. Labor Department has certified more than 2.5 million American jobs as destroyed by either direct offshoring or displacement by imports.

*The World Can't Afford a “NAFTA of the Pacific”*



Much of this job loss was the result of corporations looking to exploit cheap labor abroad — often times in countries where workers are violently suppressed for speaking out in favor of better working conditions.

Vietnam is currently being marketed as the “low-cost labor alternative” for corporations who feel that Chinese sweatshop workers are overpaid. The U.S. State Department noted in 2010 that independent labor unions, and even opposition political parties, are illegal in Vietnam — with dissidents who’ve attempted to form both currently behind bars. The oil-rich Sultanate of Brunei is hardly any better; there is virtually no union activity in Brunei, nor any legal basis for collective bargaining or strikes. While considerably better on paper, Mexico’s maquiladora are frequently controlled by company-run “ghost unions,” insofar as there are any unions at all.

While trade policy could be a tool for lifting labor standards throughout the world, reports suggest that the current U.S. proposal for the TPP labor chapter is similar to the weak labor standards included in Bush-negotiated Free Trade Agreements. If true, the pact’s labor provisions are likely to fall far short of actually protecting jobs at home and basic human rights abroad.

### ***Accelerating Global Warming in the Name of Profits***

Leaked text of the TPP’s investment chapter show the U.S. and most other nations backing a plan to grant transnational corporations the power to challenge any environmental or consumer safety protections that negatively affect their profits as “regulatory takings” in international tribunals that circumvent domestic judicial systems. Portions of the Clean Air Act, Endangered Species Act and Marine Mammal Protection Act have already been rolled back under past trade policies, as have the environmental protections of other nations. Policies large and small that are intended to combat climate change would seriously be threatened by expanding so-called “investor rights” provisions.

Beyond this, the TPP is likely to contain a number of other provisions that encourage “rip-and-ship” resource extraction in each of the countries involved, leading to more drilling, mining and logging regardless of the wishes of local communities. Greater access to sweatshop labor overseas would also further act as a disincentive against reigning in wasteful product lifecycles, as it effectively subsidizes the throw-away consumer culture encouraged by so many retailers and brands.

### ***Destroying Family Farms and Forcing Migration***

The Trans-Pacific Partnership is expected to continue allowing U.S.-subsidized corn, wheat, soy, rice and cotton to be dumped on other countries, while also allowing the import of cheaper (and often less safe) fruits, vegetables and seafood from other countries — consolidating global food supplies in the hands of fewer-and-fewer giant middlemen, while forcing more-and-more family farmers off their land and exposing consumers to wild food price fluctuations.

This phenomenon under NAFTA is already a driving force behind migration from Mexico to the U.S., and is the reason why farmers in many countries are already adamantly opposed to the TPP.

### ***Keeping the Public in the Dark***

For years, the Trans-Pacific Partnership negotiations have taken place behind closed doors. Since negotiations began in 2008, none of the negotiating documents have been officially released for public review (although some have been leaked).

In the United States, approximately 600 corporate lobbyists have been named as official advisors, granting them regular access to the negotiating texts, as well as the negotiators. Most civic groups, journalists and those whose lives will be affected by the negotiators’ decisions have no right to see the texts until the negotiations have concluded — at which point, it is more-or-less impossible to change them.

#### ***The Dracula Strategy***

Besides a stake to the heart, what’s the best way to kill a blood-sucking vampire? Exposing it to the light of day.

Organizers have repeatedly stopped secretive trade negotiations over the years by dragging them out of the shadows and into public scrutiny:

- 1998: The Multilateral Agreement on Investment (MAI)
- 1999: The “Millennial Round” of the World Trade Organization (WTO)
- 2003: The Free Trade Area of the Americas (FTAA)