

<https://internationalviewpoint.org/spip.php?article5656>



Trade deals

Britain: the newest 'Pacific Island' paradise?

- IV Online magazine - 2018 - IV523 - August 2018 -

Publication date: Thursday 16 August 2018

Copyright © International Viewpoint - online socialist magazine - All rights reserved

In a somewhat surreal twist, in what is already an increasingly surreal global landscape, UK trade minister Liam Fox announced on Wednesday, 18 July, that the government will do a public consultation on whether the UK should seek to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) once the UK leaves the European Union next March. [1] [2]

Quite rightly, many think this move is ridiculous as we are nowhere near the Pacific. The idea of Britain joining the partnership defies the logic of what is a regional trade bloc. It appears to be a desperate act by a desperate government that is making the majority in this country feel more and more apprehensive each day by its perplexing Brexit plans.

The CPTPP is a modification of the original Trans-Pacific Partnership (TPP), which the US withdrew from in January 2017. It aims to reduce market barriers as well as foster trade in the Asia Pacific region, and establish rules in new areas, such as e-commerce. The bloc has a combined market for 500 million people and a combined gross domestic product (GDP) of £7.6 trillion or approximately 13.5% of the global economy. [3] It currently has eleven member countries, including Mexico, Japan, Singapore, Australia, Brunei, Canada, Chile, Malaysia, New Zealand, Peru and Vietnam. So far, Mexico, Japan and Singapore have ratified the agreement following its conclusion in Tokyo in January this year. The others are still in the process of doing so.

According to Fox, the UK's inclusion in what he called a "historic deal" will "put the UK at the heart of the world's fastest-growing regions."

Old wine in a new bottle

Trade campaigners in countries covered by CPTPP opposed the original TPP and they see no reason why they should now support the revised partnership. Most of the original TPP text remains intact in the new deal, while the provisions that the US prioritised were altered or suspended in the new agreement (which does not include the USA). Two-thirds of the thirty CPTPP chapters are identical to those in TPP. Many elements resemble its counterpart the Trans-Atlantic Trade and Investment Partnership (TTIP), which we in Global Justice Now and our allies in continental Europe and the US opposed.

What remains in the CPTPP are the brutal chapters that have strong and binding arbitration mechanisms at their core. [4] These are:

- Faster and smoother customs procedures, including self-certification of shipments that will make trade more seamless. This is a hallmark of all free trade agreements (FTAs). As we have seen in the past, big business and investors immensely benefit from free trade while marginalising small farmers, businesses and workers. For CPTPP, this means enhanced market access to key developing country markets, especially for the big players.

-

- Provisions that allow businesses to compete for government contracts in other countries;

-

- Facilitation of e-commerce firms through rules that ensure the free movement of data across borders;

-

• The much-disliked investor-state dispute settlement (ISDS) that allows foreign investors to take governments to court for actions they deem 'unfair' or 'unjust';

•

• New rules for state-owned enterprises and monopolies to enable private businesses to compete fairly with them in international trade;

•

The most significant revisions in the new partnership were in the investment and intellectual property (IP) chapters, which were formerly championed by the US but were not supported by the other members of the earlier TPP. For example, in the Investment Chapter, the ability to litigate disputes under investment agreements and investment authorisations by investors will be more limited in comparison to the original provision in the TPP. In particular, this concerns mining and oil investments. `

The provisions favoured by the US in the TPP have been modified, removed or suspended in the CPTPP. This includes the shortening of the length of patent protection for innovative medicines and the copyright periods for written materials, and the narrowing of technology and information protections. These changes and US withdrawal could affect US pharmaceutical companies in CPTPP countries. The 22 provisions on extended patent and trademark rights from TPP that were suspended in the CPTPP were of high concern to the US.

However, despite the alterations, the IP chapter still contains the most advanced and detailed standards on intellectual property in a trade agreement to date. It provides extensive protections to companies operating abroad from having their inventions and innovations stolen and for them to retain their monopoly and control.

Trump has withdrawn from the TPP as part of his America First policy, which is to depart from decades of championing multilateral trade as he sees that *his country* is losing from it. Alongside this he has launched unilateral tariff measures targeting China and threatened other trade partners like Germany. [5] This stance has gained Trump support from some leaders of trade unions in the US, but it is not the alternative to free trade we need. [6] His withdrawal from TPP could also simply be because TPP was strongly advocated by previous US president Barack Obama, which seems to be Trump's policy pattern.

It was rejected then, it must be rejected now

Before this massive free trade zone can be realised, it will need six of the eleven signatory countries to ratify the agreement. Once this is achieved, it will enter into force after 60 days. The CPTPP removed the previous requirement in the TPP that signatory nations' combined GDP must represent 85% of the bloc's GDP to pass. The US accounted for about 60%, hence Trump's withdrawal scuttling the original deal.

In Japan, big debates were sparked by Prime Minister Shinzo Abe's efforts to revive the TPP and for Japan to champion it after the US withdrew last year. Opposition parties argued that there is very little difference between the original TPP and the new CPTPP. [7]

The proponents of new mega-trade deals are on a charm offensive to overcome opposition from social movements and NGO campaigners. The European Union is negotiating FTAs from Asia to Latin America which now include human rights and environmental protection provisions in their Preambles. However, adding human rights and democratic clauses will not offset the effects of the neoliberal offensive at the core of these new mega-trade deals.

As observed by Manuel Pérez-Rocha, associate fellow of Washington-based Institute for Policy Studies, the CPTPP is using the same tactic. He said, "like in the Mexico-EU FTA, these chapters will serve no purpose. The added

chapters on the environment, development, small and medium enterprises and women in the CPTPP are as toothless as the labor and the environmental side agreements of NAFTA." Pérez-Rocha also said that "as mentioned by Mexican trade minister Guajardo, particularly in the case of Mexico, the TPP would insulate Mexico's privatisation projects from future governments like in the case of Andres Manuel Lopez Obrador, Mexico's newly-elected president."

On the other side of the Pacific, social movements and campaigners in Asia are also continuing their challenge to the CPTPP and pressuring their governments not to sign the trade deal. According to Joseph Purugganan of the regional organisation Focus on the Global South, "there is nothing progressive about the CPTPP. The agreement retains most of the toxic elements of the TPP that people's movements across the region have rejected." He further asserts that "at the center of this rebranded mega FTA is the corporate agenda which will undermine people's rights and sovereignty".

We should also fight this toxic agreement here in the UK. In trade deals the powerful always win. If the UK joins the CPTPP, it will be the second biggest economy in the bloc and will facilitate bigger roles for British trans-national-corporations in the economies of the developing countries in both regions. The UK surely is not a Pacific island, and it will not be good for it to be seen as a parasitic island by those whose livelihoods and living standards will be negatively affected by this partnership.

(23 July 2018)

[Global Justice Now](#)

PS:

If you like this article or have found it useful, please consider donating towards the work of *International Viewpoint*. Simply follow this link: [Donate](#) then enter an amount of your choice. One-off donations are very welcome. But regular donations by standing order are also vital to our continuing functioning. See the last paragraph of [this article](#) for our bank account details and take out a standing order. Thanks.

[1] <https://www.gov.uk/government/news/new-public-consultations-announced-for-future-trade-agreements>

[2] <https://www.gov.uk/government/consultations/trade-with-the-comprehensive-and-progressive-agreement-for-trans-pacific-partnership-cptpp>

[3] <http://international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cptpp-ptpgp/impact-repercussions.aspx?lang=eng>

[4] investmentpolicyhub.unctad.org/Download/TreatyFile/5672

[5] <https://www.theguardian.com/business/2018/jun/19/donald-trump-tariffs-us-china>

[6] <http://www.globaljustice.org.uk/blog/2018/jun/14/trumps-trade-war-not-alternative-free-trade-we-need>

[7] <https://asia.nikkei.com/Politics-Economy/International-Relations/Revised-TPP-faces-obstacles-on-road-to-ratification?page=1>