

How US Labour can still defeat the Trans-Pacific Partnership

By John Cody

In a coup for lobbyists and harmful special interests, the Trans-Pacific Partnership (TPP) is just months away from full ratification. TPP is a trade agreement among twelve Pacific Rim countries concerning a variety of matters of economic policy that will impact nearly 40 percent of global GDP. It is designed to lower trade tariffs, establish an investor-state dispute settlement (ISDS) mechanism, and will have a broad impact on intellectual property, healthcare, and Internet freedom. However, this deal can still be stopped if labour, activists and progressives can successfully capitalize on growing discontent surrounding it. Already US labour has done much to fight TPP, but it's important that it ramps up its efforts over the coming months or it may face the consequences of a deal that will negatively impact people around the world.

Where TPP Stands

Countries involved in the TPP wrapped up negotiations in October and recently released the text of the massive 5,554-page agreement. In the US, the Obama administration is racing to push the deal through within the next 90 days. The fear is that if agreement on TPP is not reached in time, the debate about its massive impact on the US workforce could spill over into the 2016 Presidential and House of Representatives election cycle.

Considering that the US Congress must still approve the final TPP deal, growing public awareness about the treaty's likely impact on ordinary people has the potential to turn into voter fury that threatens many politicians seeking re-election. In other words, labour has never been in a better position to pressure politicians to put a lid on this damaging trade deal.

Obama's Dangerous Allies

To formulate a response to the TPP, it is important that labour and progressives first highlight who is actively supporting this agreement. From the very beginning, President Obama's TPP agenda was held together by an alliance of Republicans and Big Business against workers. The fact that nearly every single Republican in the senate voted for fast-track authority is enough to raise serious questions about who the TPP is supposed to benefit ultimately. Given the Republican Party's negative views on labour rights, trade unions, environmental regulation, and public funding for healthcare, it should be abundantly clear what Obama's alliance with this party actually means for average people.

Absurdly enough, one of the last lines of defence against Obama's TPP plans—billed as the "North American Free Trade Agreement (NAFTA) on Steroids"—is made up of members of his own party. Democratic senators Elizabeth Warren and Sherrod Brown have been especially vocal critics of the TPP, decrying an agreement that will punish labour, and which was crafted

almost entirely by multinationals. In a letter to President Obama they wrote, "The Administration's 28 trade advisory committees on different aspects of the TPP have a combined 566 members, and 480 of those members, or 85%, are senior corporate executives or industry lobbyists" (Brown and Warren, 2015).

Of course, the very unions that supported Obama through two election cycles have been shell-shocked by the White House's unrelenting support for this deal. The AFL-CIO has decried the TPP as a handout to Big Business, an attempt to strip worker protections, and a Trojan horse for deregulation.

In the end, it's clear that Obama turned on his base.

NAFTA and the broken promises of TPP

To take on Obama's powerful alliance, it is important for labour to continue to highlight the damage of previous trade agreements, with NAFTA still the most prominent example.

A conservative estimate is that NAFTA cost the US at least 700,000 jobs, many of them manufacturing jobs that afforded a middle-class income and benefits (Scott, 2011). Following NAFTA, the US trade deficit ballooned, unions were decimated, and many corporations have moved their operations to Mexico to exploit cheap labour (Beachy, 2014).

Before gaining fast-track powers, Obama held a speech at the headquarters of Nike to tout Nike's promise to bring back 10,000 jobs to the United States if the TPP were passed. While Nike is clearly not a company that trade union activists and workers would associate with fair wages or quality jobs, there are even bigger problems with these corporate "promises" being used as ammunition in this trade debate.

Indeed, very similar promises were made by multinationals in the run-up to NAFTA, including General Electric, Caterpillar and Chrysler all claiming they would add jobs to the US economy if NAFTA was enacted. Those companies never delivered on their promises, but instead downsized their US operations and accelerated offshoring (Public Citizen, 2014).

During his 2008 campaign, Obama also offered his own promises to reign in the more destructive elements of NAFTA, with his campaign website stating, "NAFTA and its potential were oversold to the American people." He indicated he would renegotiate the agreement so it "works for American workers" (English, 2008). Instead, he has pursued

the TPP and the TTIP, two trade agreements which will dwarf NAFTA in size and scope.

In short, labour need to challenge these false claims at every step, and shouldn't be afraid to take on the Obama administration or hammer home his betrayal to the Democratic Party base.

Labour can win by asserting itself

So far, labour has had some success fighting TPP. The AFL-CIO and other unions have already forced Hilary Clinton to come out against TPP, even despite her initial support for the deal.

At the same time, presidential candidates Bernie Sanders and Donald Trump, both on opposite sides of the political divide, are already stoking popular anger against the TPP. Sanders represents the first choice of many progressives in the US while Trump is the Republican frontrunner. The fact that every Democratic presidential nominee and many Republican nominees are against TPP underlines the growing realisation that this deal is a political liability with voters.

Given the popularity of progressive candidates like Sanders, this should be the election cycle where unions can really use their endorsements strategically¹. Union support needs to be conditional to be effective. Democratic candidates, both in the presidential contest and within Congress, should feel pressure from unions to come out against TPP. Unions like the massive National Nurses United have already endorsed Sanders and have been vocal opponents of TPP, illustrating how some unions are taking a very strong stand against this trade deal, and which should also serve as a strong example to others in the labour movement.

However, it's not only Democrats that labour should be targeting. Republicans in the House are also vulnerable in upcoming elections and many can be persuaded to ultimately vote the TPP down. In fact, a number of tea party Republicans previously voted against the TPP, partly because Obama was pushing for it and partly because they view it as a breach of Congress's constitutional authority to negotiate trade. As difficult as it may be, progressives who want to challenge the TPP need to lobby these politicians if they want to win.

Connecting with the public

Direct pressure on politicians will not be enough. A huge public outreach campaign needs to connect with the many who still have no idea what the TPP is.

Unions can achieve this by attaching their message to the populist surge of candidates like Sanders while also highlighting the blatant corporate overreach inherent with the TPP.

Provisions like the investor-state dispute settlement (ISDS) will essentially allow corporations to sue governments when there's a law that threatens a corporation's profit, even if that law was democratically enacted. For example, ISDS makes it possible for a chemical company to sue a government for banning a harmful chemical due to the potential loss of *future profits*.

ISDS courts are stacked with corporate lawyers friendly to Big Business, there is no appeals process, and existing ISDS courts found in previous trade agreements are increasingly abused around the world (The Economist, 2014). Philip Morris is even suing Australia for putting plain packaging on cigarettes because it infringed on their "right" to show cigarette logos. This trend will only accelerate should the TPP pass.

ISDS is only one example, but TPP also jeopardises privacy rights, threatens increased healthcare costs for people by limiting access to generic drugs and providing new powers to pharmaceutical companies, and gravely erodes environmental regulations. The diversity of threats posed by TPP offers labour a huge opportunity to ally with social partners, non-profits, and activists to reach a broad spectrum of society.

Ultimately, the stakes couldn't be higher for a deal that could damage the rights, protections and public goods that so many people depend on. Fortunately, labour can meet this challenge head on.

¹ Endorsements are how people and organisations demonstrate that they officially back a particular candidate. Endorsements are important in US elections, and can significantly bolster a candidate's campaign

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