

# Malaysia and the Trans-Pacific Partnership (TPP). Malaysians must Reject the US Trade Deal

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The rationale behind for Malaysia's participation in the Trans-Pacific Partnership agreement may be attributable to the herd mentality that surrounds regional trade agreements.

One of the least discussed and least reported issues is the Obama administration's effort to bring the Trans-Pacific Partnership agreement to the forefront, an oppressive plurilateral US-led free trade agreement currently being negotiated with several Pacific Rim countries, including Malaysia.

Six hundred US corporate advisors have negotiated and had input into the TPP, and the proposed draft text has not been made available to the public, the press or policymakers.

The level of secrecy surrounding the agreements is unparalleled – paramilitary teams scatter outside the premise of each round of discussions while helicopters loom overhead – media outlets impose a near-total blackout of reportage on the subject and US Senator Ron Wyden, the Chair of the Congressional Committee with jurisdiction over TPP, was denied access to the negotiation texts.

✘ "The majority of Congress is being kept in the dark as to the substance of the TPP negotiations, while representatives of US corporations — like Halliburton, Chevron, Pharma, Comcast and the Motion Picture Association of America — are being consulted and made privy to details of the agreement," said Wyden, in a floor statement to the US Congress.

In addition to the United States and Malaysia, the countries participating in the negotiations include Australia, Brunei, Chile, Canada, Mexico, New Zealand, Peru, Singapore, and Vietnam.

Japan has expressed its desire to become a negotiating partner, but not yet joined negotiation, partly due to public pressure to steer-clear.

The TPP would impose punishing regulations that give multinational corporations unprecedented rights to demand taxpayer compensation for policies they think will undermine their expected future profits straight from the treasuries of participating nations – it would push the agenda of Big Pharma in the developing world to impose longer monopoly controls on drugs, drastically limiting access to affordable generic medications that people depend on.

Washington is demanding aggressive intellectual property provisions that extend existing patents on medicines for up to 10 years in addition to the current requirement of 20 years.

“We are against the patent extension. According to the agreement, if a medicine is launched in the US, and then three years later it is launched in Malaysia, the patent would start from when it is launched here and not when it was launched earlier in the US, this is not fair,” said Malaysian Health Minister Liow Tiong Lai who has also argued that the TPP would make healthcare less affordable to the public.

According to leaked draft texts, the TPP would also impose investor protections that incentivise offshoring jobs through special benefits for companies – the TPP stifles innovation by requiring internet service providers to police user-activity and treat small-scale individual downloads as large-scale for-profit violators.

Most predictably, it would rollback regulation of finance capital predators on Wall Street by prohibiting bans on risky financial services and preventing signatory nations from exercising the ability to independently pursue monetary policy and issue capital controls – signatories must permit the free flow of derivatives, currency speculation and other manipulative financial instruments.

The US-led partnership – which seeks to impose ‘Shock and Awe’ Globalisation – aims to abolish the accountability of multinational corporations to the governments of countries with which they trade by making signatory governments accountable to corporations for costs imposed by national laws and regulations, including health, safety and environmental regulations.

### **Hollywood’s copyright cartels**

The proposed legislation on Intellectual Property will have enormous ramifications for TPP signatories, including Internet termination for households, businesses, and organizations as an accepted penalty for copyright infringement.

Signatory nations would essentially submit themselves to oppressive IP restrictions designed by Hollywood’s copyright cartels, severely limiting their ability to digitally exchange information on sites like YouTube, where streaming videos are considered copyrightable.

“Broader copyright and intellectual property rights demands by the US would lock up the Internet, stifle research and increase education costs, by extending existing generous copyright from 70 years to 120 years, and even making it a criminal offense to temporarily store files on a computer without authorization. The US, as a net exporter of digital information, would be the only party to benefit from this,” said Patricia Ranald, convener of the Australian Fair Trade and Investment Network.

In the neoliberal investor-state that the TPP is attempting to establish, foreign corporations can sue national governments, submitting signatory countries to the jurisdiction of investor arbitral tribunals, staffed by private sector attorneys.

International tribunals could have authority to order governments to pay unlimited cash compensation out of national treasuries to foreign corporations and investors if new or existing government policy hinders investors’ expected future profits.

The domestic taxpayer in each signatory country must shoulder any compensation paid to private investors and foreign corporations, in addition to large hourly fees for tribunals and legal costs.

A good example of how this agreement neuters national sovereignty comes from Malaysia itself, which was able to recover from the 1997 Asian Financial Crisis more quickly than its neighbours by introducing a series of capital control measures on the Malaysian ringgit to prevent external speculation – the TPP’s proposed measures would restrict signatory nations from exercising capital controls to prevent and mitigate financial crises and promote financial stability.

The TPP regime ensures that foreign investors and multinational corporations retain full rights to undermine the sovereignty of participatory nations by skirting domestic regulations and limiting the abilities of national governments to issue independent economic policy.

There has never been such a sweeping corporate assault on sovereignty, and leaked TPP documents detail how the TPP would give international judicial entities the authority to override national laws, allowing foreign companies doing business in the Malaysia the privilege of operating in a legal environment that would give them significant economic advantages.

There are no public discussions on why Malaysia sees participation in the TPP useful to its interests, and the Najib government has not released studies to determine the costs and benefits of TPP membership to the public.

The rationale behind for Malaysia’s participation may be attributable to the herd mentality that surrounds regional trade agreements, whereby Putrajaya feels it could lose out from abstaining.

More plausibly, Najib is likely trying to forge closer economic and strategic relations with the US to make himself more attractive to the Washington consensus, which is ultimately a wrong move.

### **One-size-fits all international rules**

Facing the emergence of strong developing economies like the BRICS group and other nations that seek greater access to industrial growth and development, the Obama administration realises that it must offer Pacific nations – who would otherwise have greater incentives in deepening economic ties with China – an attractive stake in the US economy.

As the Pentagon repositions its military muscle to the Asia-Pacific region, the TPP is clearly the economic arm of the ‘Asia Pivot’ policy, roping strategic economies into a legally binding corporate-governance regime, lured in by the promise of unfettered access to US markets.

The Obama administration is essentially selling off the American consumer to foreign corporations to usher in a deal that would impose one-size-fits all international rules that even limit the US government’s right to regulate foreign investment and the appropriation of natural resources, solidifying a long-discussed model of finance capital-backed global governance.

Due to the unconstitutional nature of the TPP, members of US Congress would likely object to many of its stipulations – naturally, the Obama administration is employing its executive muscle to restrict congressional authority by operating under “fast-track authority,” a trade provision that requires the US Congress to review an FTA under limited debate in an accelerated time frame subject to a yes-or-no vote so as to assure foreign partners that the FTA, once signed, will not be changed during the legislative process.

In Malaysia, members of parliament such as Charles Santiago have voiced frustrations over Putrajaya's unwillingness to release any information regarding the agreement - in fact, the Ministry of International Trade and Industry is the only body with access to the draft text.

In the US, no formal steps have been taken to consult Congress as the agreement continues to be negotiated, and Obama looks set to subtly ram the treaty into law.

Such is the toxic nature of US policies that seek to bring in disaster-capitalism on a global scale, while keeping those whose lives will be most affected by deal completely in the dark.

Recent statistics claim that the combined economic output of Brazil, China and India will surpass that of Canada, France, Germany, Italy, the United Kingdom and the United States by 2020.

More than 80% of the world's middle class will live in the South by 2030, and what a different world that would be.

The United States is economically ailing, and the TPP - Washington's answer to its own dwindling economic performance - is designed to allow US big business a greater stake in the emerging Pacific region by imposing an exploitative economic model on signatory nations that exempt multinationals and private investors from any form of public accountability.

Dr Mahathir Mohamad has called the TPP a means for the United States to access lucrative contracts for government procurements and continue its hegemony in the Asia Pacific region.

"This is something which every country, including the United States uses to support domestic businesses and industries. Once the United States gains access, not only will it make bids but their government pressure would be used to favour their companies," he said.

Considering the close ties opposition leader Anwar Ibrahim enjoys with Washington insiders and Pakatan Rakyat's failure to denounce neoliberal capitalism, the TPP will be an ongoing issue Malaysians must fight against irrespective of who wins GE13.

SM Mohamed Idris, president of the Consumers Association of Penang, argues that the TPP "would raise medicine prices in Malaysia at a time when the government's ability to subsidise medicines is under pressure from the budget deficit. The US is persisting in these demands even though these go against the recommendations of the United Nations Special Rapporteur on the Right to Health. The US' intellectual property demands would also make inputs more expensive for farmers as well as extend copyright protection, making it 120 years (from the current 50) before some books could be copied."

He also noted "the US is also likely to be asking for strong protection for its investors. This protection in existing USFTAs has previously required governments to pay millions of dollars in compensation for ordinary environmental and health and other regulations because they did not suit the foreign investor."

He has also argued that Malaysia's previous attempts to negotiate an FTA with the US stalled and dissolved over dozens contentious issues.

“Previously, the government has made public assurances that it will not sacrifice our national interests in order to forge a deal with the US. The Malaysian government stood firm and rejected the US’ similar outrageous demands in an FTA last time. We hope it does the same this time,” he stated.

Social activists in the United States are deeply opposed to the TPP, and there is no doubt that it will impose far-reaching implications for all signatory states that will be inherently negative for the rakyat.

Malaysians must stand with activists from all countries involved and call for the Malaysian government to back away from the TPP negotiations.

The overwhelming lack of transparency surrounding the talks lends credence to what is known already - that the contents of this trade agreement serve the interests of those on the top of the economic food chain while the rest of us stagnate on the menu.

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