

Stalling the Trans-Pacific Partnership: The Failure of the Hawaii Talks

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Anti-TPP activists and a bevy of other groups would have had reason to cheer the delays that afflicted the Trans-Pacific Partnership talks in Hawaii last week. The obstacles seemed to loom so large that they, in the end, were irreconcilable.

There are various takes on this. One is that the delay will force negotiators into a Damascus conversion in the name of the public interest. In Ian Verrender's words, writing from the Australian perspective, "this break will steel the resolve of our negotiators to actually fight for our interests".[1] But this is wishful thinking, given that the entire philosophy of the TPP is corporate rather than individual, the executive memoranda stemming from unelected individuals, rather than parliamentary scrutiny and representation.

Australia has already done well to destroy its own standing on various domestic policies in a desperate attempt to bend over backwards to receive the mammon of "free trade". It is willing to append its signature to a document that will abandon "reference pricing" to peg medicines to a set low price as part of its traditional Pharmaceutical Benefits Scheme.

Even as the Australian delegation is ready to slash the wrists of sovereign credibility, along with other colleagues in the TPP circle, the litigation mounted by Philip Morris continues to take place against Canberra in secret. Australia's former treasurer Wayne Swan found himself in Singapore in February to provide evidence in that sizeable case, in which the tobacco giant is suing for lost profits occasioned by the plain packaging regime for cigarettes sold in Australia. Having had their case demolished in the High Court, the corporate giants swooped in on the provisions of the Hong Kong-Australian trade deal which had, crucially, an Investor-State Dispute Settlements clause. These have flowered like vicious weeds in trade deals since the 1990s, when they were deemed exceptional.

From the very beginning, the entire TPP negotiations came from a tilted plane, rather than an equal one. Partners are being treated, less as equals than discomfited stakeholders. The release by WikiLeaks of its latest round of cables, this time on the Tokyo-Washington relationship, continue to show that when it comes to treaties, economic agreements and commerce, an intelligence agency is around the corner doing the hoovering.[2] The US delegation remained impregnable on the issue of its dairy market, preventing such states as Australia and New Zealand from selling more milk, cheese and butter. In fact, the entire agricultural issue proved to be one of the most stubborn of sticking points, with negotiators salivating about getting access to the large US market.

Another point of unmoving obstinacy is that of intellectual property. The TPP is Washington's Trojan horse in this regards, an attempt to insinuate pharmaceutical interests into several economies, thereby stifling the use of generic drugs and maintaining the monopoly of data

protection on “biologics” for up to 12 years. The chairman of the US Senate Finance Committee, Orrin Hatch, has stated that support for a final deal could not be guaranteed without it. In contrast, Chile’s vice minister for trade, Andres Rebolledo, made it clear that his country wanted “an agreement that balances public policy goals for intellectual property in medicines.”

This is not so much a case of free trade, as a form of globalised protectionism of medical knowledge. “Such rules,” asserts Dani Rodrik of Harvard’s John F. Kennedy School of Government, “tend to have an uncertain impact on innovation while generating substantial rents for US patent and copyright holders.”[3] It acts as a form of aggressive mercantilism: we will import less from you while our exports will be guaranteed access and protection in recipient markets.

The positions of the various 12 states varies, with some parties taking the high stand, and others taking a much lower one. Officials in Canberra have been pursuing tariff-free trade with an insistent, dogmatic insistence even as other countries resist opening agricultural markets and keeping their doors shut. All this callow enthusiasm, despite the US-Australia free trade arrangement resulting in the loss of \$53 billion in trade, rather than the promised gain of \$5.6 billion Canberra’s fantasists promised.[4] In the words of a Crawford School of Public Policy report from the Australian National University, “The evidence reveals [that the agreement] resulted in a fall in Australian and US regional trade with the rest of the world – that the agreement led to trade diversion.” Something in this may suggest why negotiations, and the entire process itself, has been cloaked in a secrecy that almost seems venal in nature. Transparency would kill it, precisely because the propaganda of infinite benefits would not cut the mustard. Again, the issue in such trade agreements lies less in the nature of what is free, so much as what is not. This has not prevented the detractors from being optimistic. New Zealand’s Trade Minister, Tim Groser, suggested that much “undergrowth has been cleared away in the course of the meeting in a manner that I would say is streets ahead of any other ministerial meetings we have had.”[5] May these delays continue to be chronic, extensive, and prolonged. As long as they are, there may still be some lifeblood, however little, in the veins of democratic sensibility.

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Notes

[1]

<http://www.abc.net.au/news/2015-08-03/verrender-why-we-should-welcome-tpp-talks-stalling/6667056>

[2] <https://wikileaks.org/nsa-japan/>

[3]

<http://www.project-syndicate.org/commentary/regional-trade-agreement-corporate-capture-by-dani-odrik-2015-06>

[4] <https://crawford.anu.edu.au/pdf/ajrc/wpapers/2015/201501.pdf>

[5]

<http://www.reuters.com/article/2015/08/01/us-trade-tpp-idUSKCN0Q52FL20150801?feedType=RSS&f>

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