

Stop The Fast Track To A Future Of Global Corporate Rule. The Dangers Underlying the TPP and TTIP “Trade Agreements”

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Global Research, March 12, 2015

[Popular Resistance](#)

Region: [USA](#)

Theme: [Global Economy](#)

Several major international agreements are under negotiation which would greatly empower multinational corporations and the World Economic Forum is promoting a new model of global governance that creates a hybrid government-corporate structure. Humankind is proceeding on a path to global corporate rule where transnational corporations would not just influence public policy, they would write the policies and vote on them. The power of nation-states and people to determine their futures would be weakened in a system of corporate rule.

The Obama administration has been negotiating the Trans-Pacific Partnership (TPP) and the Trans-Atlantic Trade and Investment Partnership (TTIP) over the past five years is currently pushing Congress to pass trade promotion authority (known as fast track) which would allow him to sign these agreements before they go to Congress. Then Congress would have a limited time to read thousands of pages of technical legal language, debate the contents and be banned from making amendments.

Fast track would drive us down a dangerous path. The TPP and TTIP have been negotiated with unprecedented secrecy. For the first time texts of international agreements have been classified so that members of Congress have had very limited access and are not able to discuss what they've read. These are more than trade agreements. The portions that have been leaked show that they will affect everything that we care about from the food we eat to the jobs we have to the health of the planet. The fast track legislation could last seven years, meaning that more agreements could be rushed through Congress without open consideration of their potential impacts, cementing corporate rule.

Given the harm that has already been done to economies, human rights and the environment by neo-liberal economic systems required by the World Trade Organization and 'free' trade agreements such as NAFTA; this is not the time to be rushing into new agreements or to cede our power to write the future of the planet.

We are in the midst of a critical political conflict over the future of global governance. Do we want to be ruled by corporations or ruled democratically? This not the time to fast track , it is the time to step back and re-think how to conduct global trade and manage the global economy to prevent further exploitation and harm.

Twenty Years of Experience: Lost Jobs, Trade Deficits and Increased Inequality

Globalization was initiated in its current form by President Bill Clinton when he signed NAFTA

and the World Trade Organization (WTO). NAFTA came into force on January 1, 1994 and the WTO became law on January 1, 1995. Modern trade agreements have had serious negative effects on the US economy. [Reuters reports](#):

“Since the pacts were implemented, U.S. trade deficits, which drag down economic growth, have soared more than 430 percent with our free-trade partners. In the same period, they’ve declined 11 percent with countries that are not free-trade partners. Since fast-track trade authority was used to pass NAFTA and the U.S. entrance into the World Trade Organization, the overall annual U.S. trade deficit in goods has more than quadrupled, from \$218 billion to \$912 billion.”

Trade agreements have also undermined jobs in the United States. Reuters continues: “Nearly 5 million U.S. manufacturing jobs — one in four — have been lost since NAFTA and the various post-NAFTA expansion deals were enacted through fast track.” And, the [Bureau of Labor Statistics reports](#): 3 out of 5 displaced workers who found a job are earning less money and one-third took a pay cut of 20% or more.

These are just two examples of many of the negative economic impacts. The impacts in other countries are also negative. The only beneficiaries are trans-national mega corporations which desire to move capital and businesses across borders without restrictions. Trade agreements consistently [expand the wealth divide](#) and [increase income inequality](#) as transnational corporations seek lower wages and costs in order to increase profits.

The current global economic system is unstable because of the connections between global trade and global financial markets. Interconnectedness and a lack of regulation of finance created a cascading worldwide impact during the 2008 financial crisis. Around the world, this has led to tremendous economic dislocation and revolts against the unfair economy and the financial institutions and governments that are responsible.

With this record it is not time to fast track more of the same rigged corporate agreements through Congress; it is time to stop and ask: How can global trade be made to work for everyone?

At a Crossroads in Global Governance

The economic crash raised doubts about whether international governmental institutions can handle the globalized economy. It resulted in calls for transformation of the government and economy from both grass roots revolts protesting lost jobs, lower incomes, austerity, corruption and an unfair economy as well as from corporate elites.

The World Economic Forum (WEF) began a [Global Redesign Initiative](#) (GRI) as a result of the 2008 economic crash (GRI is bankrolled mainly by Qatar). WEF participants saw globalization threatened because there has been a loss of legitimacy and ineffectiveness of global governance: Too many countries, organizations and people were openly critical of globalization and multinational banking. The WEF blames nation-states, the United Nations and groups like the G-8 for failing to respond appropriately to the economic crisis. In an analysis of the GRI, [the Center for Governance and Sustainability at the University of Massachusetts Boston writes](#):

“WEF is concerned that such widespread public skepticism can lead to widespread doubt about the underlying principles of the global system. They recognize that when corporate leaders are seen as lacking morals, it does not take much for the institutions of globalization to be seen as immoral. In this situation, it would become harder and harder for the G20, for the IMF, or for individual corporate spokespersons to command respect and effective leadership on global matters of concern to the Davos community. They know that it would be increasingly problematic if important messages from the world’s elite leaders were ignored by large communities of people around the world.”

To save globalization the WEF believes governance must be redesigned. [David Sogge describes their view in “Davos Man”](#): “When it comes to tackling global problems, nation-states and their public politics are not up to the job. Their old, run-down institutions should be re-fitted ...” The WEF solution is a greater role for multi-national corporations in decision making and the weakening of nation-states. They want the UN remade into a hybrid corporate-government entity, where corporations are part of decision-making. The goal is to end nation-centric decision making and include corporations as decision makers.

The WEF points to how trade rules have [stalled in the WTO as an example of the failure of nation-state governance](#). They believe by making corporations partners in decision making the ‘can do’ attitude of business will push these rules forward where the ‘failure mentality’ of the state-centric system stalls trade rules. From the perspective of people’s movements, this is an example of why we do not want corporations to replace nations as decision makers.

The WTO has been stalled because their rules are opposed by people around the globe. There have been massive protests at their negotiations because, for example, international trade agreements (misnamed “free” trade, really rigged trade for transnational corporations) have had a devastating impact on agriculture by destroying traditional farming, forcing farmers into cities and creating a downward depression of wages. Social movements oppose policies that promote private profit over public necessities. A growing worldwide movement led by communities most affected by globalization seeks another direction.

In light of the failure of the WTO, the elite’s push toward global corporate rule is now being codified into law through international agreements like the TPP and Trans-Atlantic Trade and Investment Partnership. Under these agreements corporate sovereignty will increase while the sovereignty of governments shrinks and people lose their ability to influence public policy. These corporate trade agreements will create a series of laws designed to aid corporate profits over the health, safety, income and well-being of most people and further undermine the already at-risk ecology of the planet.

National and local laws will be required to be rewritten to be consistent with trade agreements negotiated in secret. This “harmonization” will require a new bureaucracy to review all laws and regulations for consistency.

The profits of transnational corporations will become so important that governments can be sued if their laws to protect public health, safety or the planet interfere with expected profits. The cases will be heard in special trade tribunals, staffed mainly by corporate lawyers on leave from their corporate jobs. Their decisions cannot be appealed to any other courts. This makes the public interest secondary to the market interests of big business.

The WEF sees itself as the model for future governance writing “The time has come for a new stakeholder paradigm of international governance analogous to that embodied in the stakeholder theory of corporate governance on which the World Economic Forum itself was founded.” The Center for Governance and Sustainability describes this [in the context of the UN](#):

“This integration of global executives with UN diplomats and civil servants was seen as a way to rejuvenate the acceptance of globalization. The thinking is that, if globalization leaders were more involved in the policy development and program implementation of the UN, then organizations and peoples throughout the world may well look more favorably on the legitimacy of their combined efforts.”

People will react in horror to the dystopian idea of the UN becoming a corporate-government hybrid. People already see corporations wielding too much influence at the UN and within nations. The WEF approach will inflate corporate power, creating a corporate neo-feudalism that will kill democracy and the body politic.

How did the WEF arrive at this proposal that so narrowly focuses on building the power of corporations, while weakening national sovereignty? The Center for Global Governance and Sustainability [describes the process](#):

“A key constraint for the broad acceptability of WEF’s new system is the narrow band of experts they convened to develop their proposals. WEF did not call openly for proposals. It did not invite a number of key international constituencies to participate in the process. And it did not even establish a website for public comments. WEF selected its friends to work on its Global Redesign Initiative. Over 50% of WEF’s experts were working in the US while advising World Economic Forum on this project, hardly an indication of a geographically well balanced team. Even though GRI’s finances came heavily from non-OECD countries, only 2% of its experts were working in developing countries at the time. Of WEF’s friends, only 17% were women. This narrow base has serious consequences. It undermines the WEF claims that it truly understands a multi-polar world and that it has the ability to pick the global leaders of today and tomorrow.”

This process is exactly what must be avoided in the debate on global trade and why we mustn’t allow new agreements to be fast tracked through Congress. The current system has already been too dominated by the interests of multi-national corporations and has excluded the voices of those who are harmed by its impacts.

We need a broader debate on how globalization should be handled. What is the role of transnational corporations? How can transnational corporations with larger wealth than some nations be regulated? How do we ensure the planet’s ecology is protected at this critical time of the climate change tipping point, mass species die-off, oceans under severe stress, depleting aquifers, floods and increasing desertification? How do we shrink the wealth divide that is impacting almost every country, creating widespread poverty and strife?

Twenty years into modern corporate globalization, we need to stop, think, discuss and debate, not blindly fast track more of the same failed system. Fast track would permit presidents to approve secretly negotiated trade agreements and rush them through Congress without transparency, public participation or real congressional review for the next

seven years. This is the opposite of is needed.

Similar Rhetoric, Different Visions for the Future

There is a shared frustration in the global community with the inability of governments and international organizations to respond to the global financial crisis. The United Nations has shortcomings. As the Center for Global Governance and Sustainability [puts it](#):

“Some are frustrated with the international system because urgent state functions in the international arena are not solved by the UN system. There are wars and the UN cannot stop them. There are major ecological catastrophes and the international system cannot get relief supplies into the affected areas fast enough. There are starving people in Africa and the IGOs do not prevent their unnecessary deaths.”

The WEF uses language very similar to what social movements use. For example, the WEF claims it seeks “bottom-up” decision-making, but does not define what that would look like. For social movements, this means less hierarchy, public participation, transparency, democracy and governments listening to the people at the bottom, rather than taking their cue from the elites at the top.

The WEF promotes a philosophy couched in the concept of “multi-stakeholderism,” another idea consistent with the view of social movements that the world is not unipolar, it has many actors. The WEF uses this concept to give transnational corporations, undemocratic non-state actors, decision-making power, while social movements see big business already having too much influence.

Multi-national corporations wield great influence over the global economy. They decide the distribution of vital necessities, e.g. the prices and quantities of food and medicine, how much workers will be paid as well as the distribution of wealth and the selection of products to be manufactured and where. Control of international markets is more in the decision-making power of transnational corporations than of governments. WEF sees this as a reason to formalize the decision making power of transnational corporations, making them part of government, while people’s movements see a need to expand public participation in government to act in the public interest rather than the private interest for commercial profit.

Which Path Forward? What You Can Do

[David Sogge writes in the “State of Davos”](#) that “By custom and by law, the formal management of international affairs is a matter for sovereign nations and their representatives.” He points out “the UN Charter begins with ‘We the peoples’ and affirms the ‘equal rights of men and women and of nations large and small.’”

As globalization begins its third decade, the question before us is, do we want corporate rule or people’s rule? Is the wealth of a few more important than human rights? What can be done to empower people? Should the nation-state become a thing of the past and corporate sovereignty reign, or is there another path? This is a debate that cannot be fast tracked; it must be brought into the open before trade agreements cement corporate rule for decades to come.

We urge people to put their effort into stopping fast track legislation in Congress. This will not be easy because it is high on the president's agenda, many pro-business legislators and entities like the Chamber of Congress. It can only be stopped if people work together persistently to oppose it. [Get involved here](#).

We expect that as fast track legislation moves through Congress, the White House and corporate lobbyists will inundate members of Congress with promises in exchange for votes. In the past, votes were held open past the legal time limit as members of Congress were picked off one by one until there were enough votes to pass.

We need to maintain persistent pressure on Congress to oppose fast track. When we stop fast track, there should be a broad discussion of our vision for a globalized world structured to support universal human rights and protection of the planet.

Kevin Zeese and **Margaret Flowers** co-direct [Popular Resistance](#) and have been working to stop the Trans-Pacific Partnership and the fast tracking of trade agreements in a [three year campaign](#).

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