

Pacific Trade Agreement a Recipe for Corporate Greed

Brussels, 6 October 2015 (ITUC OnLine): The ITUC has described the 12-country “Trans-Pacific Partnership” (TPP) trade deal announced on 5 October as a recipe for corporate greed. While the final text of the agreement is still not publicly available, leaked texts have given rise to major concerns amongst trade unions and other civil society groups.

Sharan Burrow, ITUC General Secretary, said, “Powerful corporations were given an inside track in the secretive negotiations of the TPP and their influence is clear in the outcome. Yet again, governments have put the interests of finance and big business ahead of ordinary people, with more financial deregulation, longer patents on medicines at the expense of the public, and restrictions on digital freedoms. Corporations will be able to sue governments under the infamous ISDS dispute procedures; there are no direct remedies for workers.”

Negotiators rushed to complete the deal in time for a “yes or no” vote in the US Congress before the presidential election campaign is in full swing next year.

A labour chapter is included in the agreement. Trade unions put forward a comprehensive proposal to make such chapters more effective in guaranteeing workers’ rights and standards. Few ideas were taken up, and none which would have ensured that complaints see their day in court. While companies can directly launch ISDS proceedings to protect their profits, workers have to ask governments to intervene on their behalf. “Labour enforcement of this type has only ever been used once, under the Central American Free Trade Agreement (CAFTA), against Guatemala. That case has already taken seven years, and still there is no final decision or compliance by the government,” said Burrow.

A leaked draft of the environmental chapter contained no enforcement mechanism and failed to take into account the need for action to mitigate climate change.

During the negotiations, the US controversially watered down its criticism of Malaysia in its Trafficking in Persons report, in a move widely seen as a tactic to help push through the TPP deal <http://www.ituc-csi.org/us-decision-on-people-trafficking>. While TPP-related labour compliance plans were developed for Brunei, Malaysia and Vietnam, these will not come into force immediately, with a five-year delay in the case of Vietnam. No such plan was adopted for Mexico, where there are severe violations of ILO standards.

The TPP will constrain public procurement tenders with highly restrictive international rules that put an ill-conceived notion of “competitiveness” above public policy aims such as job creation, environmental protection and human and workers’ rights, when awarding contracts for procurement. Similarly, several governments have granted market access in public services and utilities that will jeopardise the quality of and public access to such services.

The agreement will also constrain governments’ ability to regulate through the establishment of new procedures that aim at harmonising regulation across the twelve countries, with corporations again getting an inside track.

“Lofty promises made by governments and business lobbies about job creation and living standards from this type of trade deal are a familiar refrain. Unfortunately, the bold predictions have rarely proven to be true, with powerful multinationals the real beneficiaries,” said Burrow.

The ITUC represents 176 million workers in 162 countries and territories and has 328 national affiliates.

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