

E. Tammy Kim writes: The TPP aims to establish the world's largest free-trade zone, affecting an estimated 40 percent of global commerce. Japan and the U.S. are the biggest players in this 12-country agreement, nearly a decade in the works, but their citizens still know little of the agreement's contents. Now, in the U.S. a fast-track bill moving through the Senate could accelerate the process for making the TPP binding.

All this trade talk can seem an impenetrable thicket of arcane economics and alphabet soup. Here we provide answers to some basic questions: Are accords like the TPP still necessary in our Internet-enabled, globalized world? What makes trade more or less free? And what does it all mean for workaday people in the U.S. and the other TPP nations?

### **A new template for business**

Trade between nations is an ancient reality. Yet it wasn't until after World War II that a large number of countries agreed to rules for international exchange. Since the 1990s, the World Trade Organization (WTO) has overseen tariffs and industry-specific rules on exports and imports, and helped resolve disputes — for example, between the U.S. and China on automotive tires. Most trade economists now agree that the WTO, which operates by consensus, is too large and unwieldy to keep up with a fast-changing economy.

More and more, countries have negotiated bilateral and plurilateral free-trade agreements, and multinational corporations do business in dozens of countries at a time. The plurilateral TPP, for better or worse, could supplant the WTO and provide a new blueprint for international trade.

### **So much more than tariffs**

The TPP goes well beyond reducing import fees and other barriers to international commerce: It could set rules for intellectual property, food safety, fisheries management, carbon emissions, labor conditions and the rights of private investors.

### **Why so secretive?**

As with the controversial North American Free Trade Agreement (NAFTA) in 1993, the TPP has been written behind closed doors. Participating governments say this is necessary, given the complexity of the text and the back-and-forth nature of negotiation. In the U.S., this logic has supported fast-tracking trade since the 1970s, and Congress is attempting to do the same now.

Republican leaders in Congress, uncharacteristically aligned with Obama, have attempted to reassure the public that their Trade Promotion Authority (TPA) bill does not sacrifice transparency. If passed, the TPA would do away with normal debate — Congress would only vote yea or nay — but the public would have at least 60 days to examine the full text of the TPP. Free-trade detractors and those in favor of open government — including WikiLeaks, which obtained and released draft sections of the TPP — believe such a massive deal should be negotiated in public and voted on according to regular congressional procedures.

### **Winners and losers**

An official draft of the TPP isn't available, but the Obama administration has offered favorable numbers to make its case, and nongovernmental proponents and opponents have weighed in with calculations of their own. Boosters say the TPP could add \$77 billion per year in income benefits to the U.S. economy. Critics such as the AFL-CIO, the largest union confederation in the country, say the TPP will put Americans out of work.

### **The tradeoffs of “free trade”**

In each of the 12 countries involved, some will win big; others will lose profoundly.

**Agriculture, environment and food safety:** The deal will likely give a boost to U.S. crop growers — and meat producers in the U.S., Australia, Canada and New Zealand — by giving (mostly corporate) farms increased access to Japan. This worries Japanese farmers, who anticipate a flood of cheap imports, and American environmentalists who foresee increased use of scarce water supplies by the agriculture industry.

Vietnam's seafood industry is counting on the TPP to give it new export opportunities in the West — causing concern among fishers and aquaculturists in the U.S. American food safety advocates are also wary: It is unclear what kinds of inspection and phytosanitary guidelines (PDF) the TPP will impose.

The TPP could also be a disaster for the climate, says the Sierra Club and other environmental groups. Developing nations in the pact — including Peru, Malaysia and Vietnam — have opposed limits on fossil fuel subsidies, and the TPP may incentivize exports of fracking-obtained liquefied natural gas.

**Medicines and free speech:** Obama has talked about exporting “innovation and tech,” “the best products in the world.” What he means, it seems from the leaked draft of TPP's intellectual property chapter, is that copyrights and patents would be strengthened. Human rights activists say this will deny consumers access to HIV/AIDS, tuberculosis and cancer drugs and limit governments from mandat[ing] lower drug prices for low-income patients. In Japan, Internet-freedom advocates have condemned U.S. demands for an ill-conceived copyright term extension and copyright prosecutions that could chill fair use.

**Manufacturing and service work:** The Obama administration says the TPP will give domestic automakers new access to the Japanese market and raise working conditions in developing member states. At the same time, they acknowledge that many workers will lose

their jobs: Labor Secretary Thomas Perez promised to advocate for \$575 million in annual trade adjustment assistance to compensate the newly unemployed.

American unions oppose the TPP, pointing to 700,000 in job losses from NAFTA and predicting that manufacturing and legal and clerical services will be shipped abroad. Indeed, Vietnamese and Malaysian companies — making clothes and electronics — hope this will be the case.

**Transnational corporations and wealthy investors:** It is telling, say Sen. Elizabeth Warren, D-Mass., and other critics, that tech companies, banks, Big Ag, pharmaceutical giants and Hollywood are united in their support of free trade. In addition to new business opportunities the pact affords, corporations and individual investors would also be given the right to sue any TPP state over perceived takings — including lost profits, according to some observers. Advocacy group Public Citizen argues that this would put the world's 1 percent on the same footing as nations and cost millions in taxpayer dollars (PDF).

**Competing with China:** China is not a member of the TPP. The Obama administration has made clear that the deal is, at least in part, a response to Chinese power: a way of ensuring that China does not set up rules that advantage Chinese workers and Chinese businesses. TPP detractors, including prominent Democrats and the AFL-CIO, accuse Obama of conflating foreign policy and trade.