Kelsey Ge

Lao People's Democratic Republic

Topic: Trans-Pacific Partnership

The Trans-Pacific Partnership is a United States-led free trade agreement between the twelve nations of Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States, and Vietnam. The agreement originated in 2005 in the form of Pacific Four, which consisted of New Zealand, Chile, Singapore, and Brunei. Following United States involvement in 2008, the negotiations expanded, eventually encompassing its complete twelve members when Japan joined in 2010 (Rajamoorthy). By eliminating over 180,000 trade barriers, including tariffs once present between the nations, the TPP facilitates international trade with an ultimate goal to promote each participant’s economy and the businesses within it ("The Trans-Pacific Partnership”). With a decrease of the additional tax on foreign goods, it is expected that exports increase and are handled more effectively. The TPP was created in part to protect the economies of its nations, particularly from other fast-growing economies such as that of China. However, several aspects of the trade agreement have led to opposition and controversy. Eliminating trade tariffs between nations creates risks that the tariffs had originally protected against; domestic businesses, particularly small and medium-sized enterprises, are likely unable to compete with larger foreign businesses, ultimately favoring the large corporations at their expense. The TPP’s restriction of intellectual property laws raise further issues on individual rights to privacy, and UN expert Alfred de Zayas highlighted its threats to human rights as investors gain the ability to sue a nation’s legislation if they harm its profits (Sutton). This ability holds significant potential to harm the environment as well, as legal action may be taking on laws and restrictions intent on protecting the environment.

Laos does not favor the economic situations resulting from the TPP because it is currently a member of the Association of Southeast Asian Nations (ASEAN), which already covers economic relations and trade agreement amongst its members. The TPP includes four ASEAN nations: Brunei, Malaysia, Singapore, and Vietnam. This disjunction may lead to significant disruptions within the ASEAN Economic Community (AEC). Participation in the trade agreements outside of the Southeast Asian countries could divert investments and economic growth originally projected towards members within ASEAN, particularly harming nations not involved in the Trans-Pacific Partnership, including Laos. Because prominent ASEAN trading partners are TPP-members US, Japan, and Australia, economic gains from trade with these countries may be directed towards the overlapping members of both agreements rather than ASEAN as a whole, negatively impacting the economic goals of ASEAN (Masykur). The TPP ultimately disrupts the unity of ASEAN nations and increases the likelihood of nations pursuing individual economic interests.

The United States, leader of TPP negotiations, may counter this issue by extending membership to all of the ASEAN nations. By doing so, the economic goals of both agreements may be more aligned and thus increasingly mutually beneficial. ASEAN may continue to work coherently within TPP trade networks and for the economic interests of the group, rather than individual economies. In addition to members of ASEAN, nations both outside of and within the partnership have expressed concerns with the agreement, which contains several significant drawbacks to weigh against its potential benefits. Many of the most prominent issues stemming from the TPP pertains to investors’ power to sue governments for legislation perceived to be interfering with profits. Limiting this ability would address concerns about environmental damage, human rights, and, to some extent, intellectual property issues; moreover, the capacity for investors to take legal action favors large corporations that are able to afford to do so, and limiting this ability offers some form of protection for smaller enterprises. Although final agreements had been made on October 5, the agreement may be amended by a consensus within all member nations to address the growing concerns and potentially allow for more widespread participation.

Works Cited

“About TPP.” *US-ASEAN Business Council*, 2016, www.usasean.org/regions/tpp/about.

Masykur, Shohib. “How TPP can disrupt ASEAN economic integration.” *The Jakarta Post*, PT. Niskala Media Tenggara, 6 Jan. 2016, www.thejakartapost.com/news/2016/01/06/how-tpp-can-disrupt-asean-economic-integration.html.

Rajamoorthy, T. “The Origins and Evolution of the Trans-Pacific Partnership (TPP).” *Global Research*, GlobalResearch.ca, 1 July 2013, www.globalresearch.ca/the-origins-and-evolution-of-the-trans-pacific-partnership-tpp/5357495.

Sutton, Maira. “UN Experts Say TPP and Fast Track Threaten Human Rights.” *Electronic Frontier Foundation*, Creative Commons, 7 May 2015, www.eff.org/deeplinks/2015/05/how-tpp-and-fast-track-threaten-human-rights.

“The Trans-Pacific Partnership.” *Office of the United States Trade Representative*, ustr.gov/tpp/.

“Trans-Pacific Partnership Agreement.” *Electronic Frontier Foundations*, Creative Commons, www.eff.org/issues/tpp.