



**THE TRANS-PACIFIC
PARTNERSHIP**
CORPORATIONS BEFORE PEOPLE AND DEMOCRACY

john a. powell, Elsadig Elsheikh, and Hossein Ayazi

**THIS REPORT IS PUBLISHED BY
HAAS INSTITUTE FOR A FAIR AND INCLUSIVE SOCIETY
AT THE UNIVERSITY OF CALIFORNIA, BERKELEY**

The Haas Institute for a Fair and Inclusive Society brings together researchers, community stakeholders, policymakers, and communicators to identify and challenge the barriers to an inclusive, just, and sustainable society in order to create transformative change. The Institute serves as a national hub of researchers and community partners and takes a leadership role in translating, communicating, and facilitating research, policy, and strategic engagement. The Haas Institute advances research and policy related to marginalized people while essentially touching all who benefit from a truly diverse, fair, and inclusive society.

AUTHORS

John a. Powell is Director of the Haas Institute for a Fair and Inclusive Society and holds the Robert D. Haas Chancellor's Chair in Equity and Inclusion at the University of California, Berkeley, where he is also a Professor of Law, African American, and Ethnic Studies. John previously directed the Kirwan Institute for the Study of Race and Ethnicity at Ohio State University and the Institute for Race and Poverty at the University of Minnesota. A frequent speaker and prolific writer, John's most recent book is *Racing to Justice: Transforming our Concepts of Self and Other to Build an Inclusive Society*.

Elsadig Elsheikh is the Global Justice Program Director at the Haas Institute for a Fair and Inclusive Society at UC Berkeley. Elsadig's research and writings are on the themes and social dynamics relating to Africa's large-scale land deals, financialization, global food system, global health, human and indigenous peoples rights, state and citizenship, and structural racialization.

Hossein Ayazi is a graduate research assistant for the Haas Institute's Global Justice Program where his work addresses U.S. and global food systems, globalization and neoliberalism, and structural racism. He is a PhD candidate in Society and Environment in the Department of Environmental Science, Policy & Management at UC Berkeley.

REPORT CITATION

powell, john a., and Elsheikh, Elsadig, and Ayazi, Hossein. *The Trans-Pacific Partnership: Corporations Before People and Democracy*. Berkeley, CA: Haas Institute for a Fair and Inclusive Society, University of California, Berkeley, May 2016. haasinstitute.berkeley.edu/tpp

MAPS, GRAPHICS, DATA VISUALIZATION

Samir Gambhir

DESIGN/LAYOUT

Rachelle Galloway-Popotas

EDITORS

Rachelle Galloway-Popotas

Sara Grossman

Stephen Menendian

COPYEDITORS

Sara Grossman

Ebonye Gussine Wilkins

**THE WORK OF THE HAAS INSTITUTE IS GENEROUSLY
SUPPORTED BY THE FOLLOWING:**

Akonadi Foundation

The Annie E. Casey Foundation

The California Endowment

The Evelyn and Walter Haas, Jr. Fund

The Ford Foundation

The Kresge Foundation

The Levi Strauss Foundation

Linked Fate Fund for Justice at The Tides Foundation

The Northwest Area Foundation

Open Society Foundations

The W.K.Kellogg Foundation

CONTACT

460 Stephens Hall

Berkeley, CA 94720-2330

510-642-3011

haasinstitute.berkeley.edu

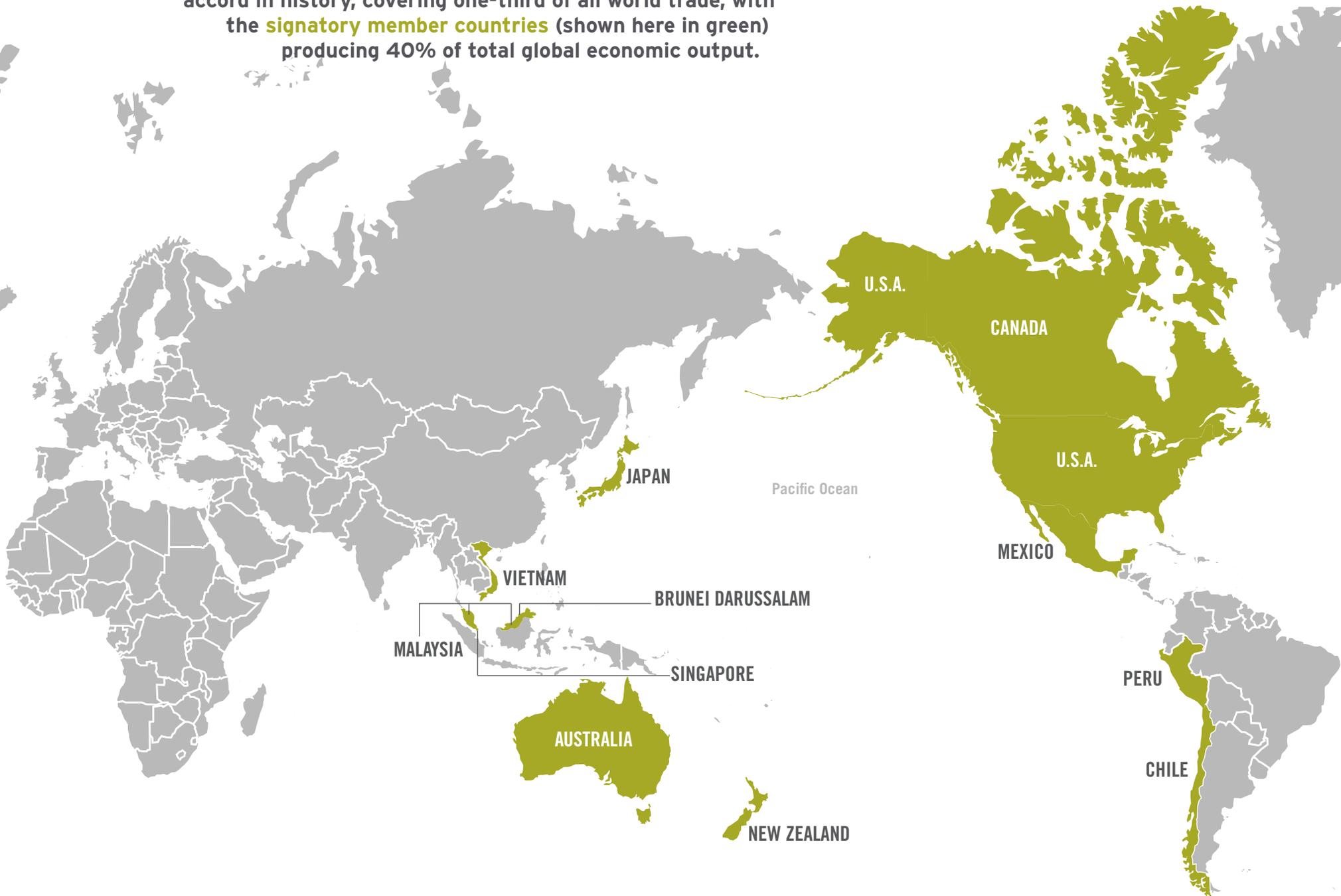


@haasinstitute

TABLE OF CONTENTS

INTRODUCTION	5
Underlying Assumptions vs. Reality.....	6
Our Analysis: Corporate Control vs. Public Good	7
Purpose.....	8
PART I: THE HISTORY, SCALE, AND SCOPE OF THE TPP	10
Trade Agreements, Fast Track, and the Erosion of Congressional Authority	10
An Agreement Made in Secret	12
The Origins of the TPP and US Influence	13
Scale and Scope: The Largest Trade Agreement in History	14
PART II: IMPLICATIONS OF THE TPP: THE CORPORATIZATION OF US FOREIGN POLICY AND EROSION OF DOMESTIC PROTECTIONS.....	16
Geopolitical Intentions and Strategies: The TPP and the “Pivot to Asia”	16
Corporate Control and Transnational Power: State-Investor Settlement Disputes and Voluntary Regulations.....	18
National Policies and Regulations Subsumed by TPP New Rules: Labor, Health, Medicine and Food Safety, and the Environment	19
CONCLUSION	26
RECOMMENDATIONS.....	27
REFERENCES	29

The **TRANS-PACIFIC PARTNERSHIP** is the largest regional trade accord in history, covering one-third of all world trade, with the **signatory member countries** (shown here in green) producing 40% of total global economic output.



INTRODUCTION

ON FEBRUARY 4, 2016, THE UNITED STATES and 11 other Pacific Rim nations signed the Trans-Pacific Partnership (TPP), a massive plurilateral trade and investment agreement that sets rules to which all signatory countries—pending ratification by each—must conform their domestic policies covering financial and other services, intellectual property, government procurement, internet policy, state-owned enterprises and competition, food and other product standards and safety inspections, and more. The pact is designed as an enforceable regime of trade and investment governance in the Pacific Rim that reregulatesⁱ the economic order of signatory nations in Asia, Oceania, and the Americas, geared towards the benefit of corporate interests.

The mega-regional agreement was negotiated by Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam, and the United States.ⁱⁱ Covering one-third of all world trade—with its signatory member countries producing 40 percent of global economic output—the TPP is the largest regional trade accord in history.¹ And, because it is designed as a “docking” agreement, meaning other countries willing to meet its terms can join at any time, the initial 12 TPP countries are not intended to be the only signatories.

The Trans-Pacific Partnership is one of two mega-regional trade and investment deals being negotiated simultaneously. The other is the Transatlantic Trade and Investment Partnership (TTIP)—a proposed trade and investment agreement between the United States and the European Union—which is considered to be the Atlantic counterpart of the TPP. Additionally, negotiations are underway for a major plurilateral sectoral agreement, the Trade in Services Agreement (TiSA). It includes 50 countries from across the world and would cover 70 percent of the global services economy.²ⁱⁱⁱ Among the three, the Trans-Pacific Partnership is particularly significant, as it is designed to be the inaugural agreement for the proposed TPP-TiSA-TTIP triad³, which would establish binding global rules particularly favorable for multinational and transnational corporations.^{iv}

ⁱ In this report, we use the terms “reregulated” and “reregulation” instead of the more common terms “deregulated” and “deregulation” because it is important to note that the TPP is not focused on deregulation. Rather, it is actually a proliferation of a whole new set of regulations and rules, except these rules are written to benefit corporate interests. Additionally, the term deregulation is typically used to connote freedom from government regulation, with the implication that government is doing something that we need to be “free” from. Our analysis of the TPP finds that the terms are actually a reregulation and recalibration of the rules that govern the world economy.

ⁱⁱ Korea, Colombia, Indonesia, and the Philippines have also publicly expressed their countries are considering joining the TPP.

ⁱⁱⁱ While the TPP and TTIP are trade and investment agreements that also include services, the TiSA only covers the service sector. TiSA includes rules on cross border trade in services, service sector investment, and regulatory standards.

^{iv} The difference between the two is that transnational corporations are borderless and without any particular “home” country, while multinational corporations have a parent country despite having a unique selling strategy for the countries where it has investments. Use of the term “corporations” in the remainder of this report refers to both such entities.