

# Food First BACKGROUNDER

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## The Trans-Pacific Partnership: A Threat to Democracy and Food Sovereignty

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**T**he Trans-Pacific Partnership (TPP), perhaps the world's most ambitious free trade agreement, is currently under negotiation. What began as a small regional free trade agreement has become one of the primary tools in the United States' geopolitical pivot towards the Asia-Pacific region. The agreement—negotiated in secrecy—will dramatically expand the rights of corporations over those of food producers, consumers, workers and the environment. This Backgrounder outlines the agreement's assault on democracy and food sovereignty and examines the TPP's likely impacts on food and agriculture in Japan, the latest country to join negotiations.

### What is the Trans-Pacific Partnership?

The Trans-Pacific Partnership (TPP) began as a trade agreement signed in 2005 between Brunei, New Zealand, Chile and Singapore. Since then, seven more countries came on board: Australia, Canada, Malaysia, Mexico, Peru, Vietnam, the United States and, most recently, Japan. For the time being, South Korea is not participating, despite pressure from Washington.<sup>1</sup> With Japan's entry, TPP countries account for nearly 40 percent of global economic output and about a third of world trade. The TPP's "docking mechanism" would also enable other countries to join the agreement in the future.

The negotiating partners seek to reach an agreement in time for the October 2013 Asia-Pacific Economic Cooperation (APEC)<sup>2</sup> summit in Indonesia—though this is highly unlikely to be achieved after Japan's entry. Considered the most ambitious Free Trade Agreement (FTA) in the world, partners hope the TPP will set the agenda for future World Trade Organization (WTO) negotiations. For the United States, the agreement represents an expansion and deepening of its 19 existing bilateral and regional FTAs and a strengthening of US influence in the Asia-Pacific region.<sup>3</sup> Over 60 percent of US trade is with APEC member nations, and 34 percent is with TPP partners. The US is particularly interested in

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accessing markets in TPP countries for its agricultural products and financial services including banking and insurance; streamlining and enforcing intellectual property rights; and placing limits on state-owned enterprises. As the most powerful US ally in East Asia, Japan's participation further strengthens US interest in the TPP. While there is no existing US-Japan FTA, trade with Japan already accounts for 6% of total US goods trade and 7% of total US services trade in 2011.

### **The Asian Pivot: TPP, China and US Military Strategy**

One of the hallmarks of President Obama's foreign policy platform has been the so-called Asian Pivot, a strategic shift of economic, military and diplomatic resources away from the Middle East (mainly Iraq and Afghanistan) towards Asia. This geopolitical repositioning comes at a time of increasing tensions with North Korea and China's growing political, economic and military power, including claims on resource-rich contested territories in the South China Sea.<sup>4</sup> In 2012, the Pentagon announced plans to move 60 percent of US naval assets to the Pacific by 2020, a massive peacetime deployment.<sup>5</sup>

In April 2013, the USS Freedom—a new class of warship designed for combat in coastal areas—sailed into Singapore's Changi Naval Base.<sup>6</sup> While US officials deny that the move was meant to intimidate China, some, like retired Army general and senior advisor to the Center for a New American Century David Barno, do not mince words: "China should and will take note," said Barno, "the United States is and will remain a Pacific power, even more so in this century than in the last."<sup>7</sup>

Though China has indicated it is evaluating the possibility of joining the TPP, the agreement's restrictions

on state-owned enterprises—the cornerstone of China's economic model—make it highly unlikely. By assembling US allies in Asia and institutionalizing them as partners in the world's most far-reaching trade agreement, the TPP is part of a broader US geopolitical strategy to offset China's growing influence in the world, and in the Asia-Pacific region in particular.

### **Secret Negotiations to Expand Corporate Power**

Civil society groups have voiced great discontent about the lack of transparency in TPP negotiations, which are conducted in secret under a confidentiality agreement. Trade policy proposals are only shared among a few TPP partner government officials and the "trade advisory groups" dominated by large corporations. The US advisory committees related to agriculture<sup>8</sup> are composed almost entirely of large agro-food corporations and industry associations including PepsiCo, Tyson Foods, ADM, Cargill, Coca Cola, Kraft Foods, as well as the American Soybean Association and the American Meat Institute.<sup>9</sup>

Covered by the TPP confidentiality agreement, corporate interests are able to influence negotiations through the advisory committees without any scrutiny from civil society. Under the guise of protecting sensitive trade talks, democratic principles have been brazenly cast aside, virtually banning the general public from knowing—and debating—the content of negotiations. Furthermore, the White House is pushing negotiations through a rarely used "fast track" procedure that transfers Congress' trade authority to the executive branch.<sup>10</sup> A recent letter signed by 36 freshman Democratic congressman expressed concern that "the administration has yet to release draft texts after more than three years of negotiations, and the

few TPP texts that have leaked reveal serious problems."<sup>11</sup>

The TPP seeks to phase out trade tariffs on more than 11,000 commodity categories and expand WTO rules on intellectual property rights (known as TRIPS), expanding the scope and scale of what is patentable.<sup>12</sup> Furthermore, TPP seeks to extend patent terms beyond the 20-year TRIPS minimum.<sup>13</sup> By extending patents, large corporations can keep smaller producers out of national and local markets to an extent never before seen in a FTA. Many groups have voiced concern that extended patents will benefit Big Pharma, for instance, while limiting access to affordable, life-saving generic medicines. Additional provisions limiting state-owned enterprises and public procurement policies would severely limit governments' ability to manage their own economy or support local producers.

Moreover, a chapter leaked from the draft document in 2012 revealed the TPP would create a special tribunal allowing corporations to sue governments for loss of profits if, for example, labor or environmental regulations restrict their activities—a legal tool already available under some current FTAs.<sup>14</sup> For instance, after the Canadian province of Québec placed a moratorium on hydraulic fracturing or "fracking" for natural gas in response to widespread civil society protest, the US company Lone Pine Resources sued the Canadian government for \$250 million under provisions of the North American Free Trade Agreement (NAFTA).<sup>15</sup> In short, the TPP seeks to severely limit national sovereignty and the ability of states to protect communities from the onslaught of transnational corporations.

### **Food and Agriculture in the TPP**

Agricultural trade in the TPP has largely been viewed as a tug of

war between the large agricultural producers. Australia and New Zealand, for instance, want increased access to US markets for sugar and dairy, a demand strongly opposed by the US sugar and dairy producers' lobbies. Australia and New Zealand are also pushing the US on the issue of food aid, arguing that it functions as an indirect export subsidy to US producers.<sup>16</sup> With the recent entry of Japan, tensions over agricultural negotiations have heightened. Japan is the largest food-importing nation in the world, but also has strong protections for key products such as rice, barley, sugar, beef and dairy.

For Australia, New Zealand and the US, the liberalization of Japanese agriculture means access to one of

the largest and most profitable food markets in the world. But this would spell disaster for Japan's agricultural sector, which is still predominantly composed of smallholders: 80% of all farms in Japan are smaller than 2 hectares. The TPP countries with food production still in the hands of millions of smallholders would almost certainly be crushed by cheap imports from countries with strong industrial agriculture sectors. Surely, some would benefit: mostly big industrial farms, corporate seed companies, agro-chemical companies and large agricultural trading firms. Food producers—i.e. farmers not producing commodities for the industrial food, feed and agrofuels complex—have been completely excluded from TPP negotiations.

For years, farmers' organizations and social movements such as *La Via Campesina* have been able to keep agriculture out of WTO negotiations through lobbying and protest. A central goal of TPP negotiations is to circumvent the WTO deadlock and take agricultural liberalization even further. As Karen Hansen-Kuhn of the Institute for Agriculture and Trade Policy (IATP) notes, if implemented, the TPP "would expand protections for investors over consumers and farmers, and severely restrict governments' ability to use public policy to reshape food systems."<sup>17</sup> The TPP not only brings agriculture back in to multilateral trade negotiations, it does so with a vengeance.

## TPP and the Dismantling of Japanese Agriculture

By Ayumi Kinezuka

According to the Buddhist concept of "shindo-fuji," a healthy body comes from healthy soil, so one must appreciate the environment one lives in. Japan has a strong food movement, rooted in shindo-fuji, promoting local production and consumption. However, agricultural imports have been on the rise since World War II, severely undermining Japanese food production: in 1965, Japan's food self-sufficiency rate was 73 percent, but by 2010, it had dropped to 39 percent.<sup>18</sup> Japanese food self-sufficiency—now one of the lowest among OECD countries—is often explained as merely the result of changes in dietary preferences. Often missing in this discussion, however, is the tremendous pressure the US applied on Japan to accept surpluses of wheat, soybeans and corn following WWII.

The traditional Japanese diet—rice combined with locally produced vegetables and fish—constituted one of the biggest barriers to post-war US imports. To open up a market for US food products, Japanese diets had to change to include bread, meat and dairy products. Through the US-funded "Nutrition Improvement Action" program, people were told, "Eating rice makes you stupid! Eat Bread!" School lunch menus were westernized and "American Trains" and "Kitchen Cars" crisscrossed the country to promote a western diet. Today, Japanese people consume 9.5 percent more wheat, 152 percent more animal products and 131 percent more fat than in the 1950s. According to the Japanese Ministry of Agriculture and Fisheries (MAFF), TPP would drop food self-sufficiency from 39 to 14 percent.<sup>19</sup> Rice production would be hit severely. This could destroy Japanese agriculture and its rural culture. Additionally, important land reform laws passed in the 1940s and 50s that safeguard farmers' right to land have come under attack. Under pressure from the private sector, the government passed a revised land law in June 2009 cancelling the principle of "land to the tiller," allowing non-farmers to own farmland and foreign capital to lease farmland. Deregulation under TPP would grant foreign investors further influence over national policies that protect farmers, farmland and rural communities.

The opposition against TPP in Japan encompasses a wide range of groups<sup>20</sup> from progressive to conservative forces such as the Japan Agriculture and Fishery Organization, the Japan Medical Association and others. As much as 94 percent of prefectural assemblies and 80 percent of local city assemblies have passed resolutions against TPP. In Hokkaido, the opposition encompasses almost all groups and organizations in the prefecture, including the finance community. Of the 13 political parties, seven are opposed to TPP and only one party is vocal about its support to TPP. Opposition transcends traditional political divisions, demonstrating that a broad political coalition against TPP is possible. To do that, we must increase international solidarity among farmers, citizens' groups and local communities. The farmers of Japan hope to build strong alliances with groups and farmers in other TPP negotiating countries to stop corporate interests from destroying our agriculture and eroding our work for food sovereignty.

## Two, Three, Many Seattles: Building Global Resistance to TPP

When trade ministers met in November 1999 in Seattle to initiate a new round of WTO trade and investment liberalization, they likely did not expect to be greeted by several thousand protesters

“dancing, chanting, and conversing in a cold Seattle downpour.”<sup>21</sup> The “Battle of Seattle” marked a watershed in the WTO’s short history: outside the negotiations, global civil society made its voice heard on international trade issues like never before; inside, Global South countries strongly rejected a framework biased in favor of the most powerful nations, producers and corporations. A member of the Zimbabwe delegation commented: “If it keeps going like this, we’ll have to join the protesters outside.”<sup>22</sup>

After Seattle, notes Pritchard, “the issue of how the WTO should relate to civil society became an issue of great concern to the organization.”<sup>23</sup> A few years later, in mid-2003, the WTO’s Doha Development Round Ministerial in Cancún ended in a similar breakdown. Differences over the regulation of food and agriculture—and the powerful role of farmers’ organizations protesting the impact of free trade on rural livelihoods—figured prominently in the meeting’s failure.<sup>24</sup> Like the WTO and other FTAs, the Trans-Pacific Partnership is an attempt to bypass democratic processes and dismantle social and environmental protections that impede unbridled corporate profit. But peasant movements and civil society organizations have built up an unprecedented capacity for transnational mobilization over the last two decades. Successful resistance to TPP will depend upon the effective mobilization of those movements and alliances, building on the experiences and lessons learned from Seattle, Cancún and broader struggles for democracy and food sovereignty.



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## NOTES

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## Resources for Action

Public Citizen:

<http://www.citizen.org/TPP>

Citizens Trade Campaign – TPP & Fast Track Organizer’s Toolkit:

<http://www.citizenstrade.org/ctc/blog/2013/06/04/activists-start-here-the-tpp-fast-track-organizers-toolkit/>

Cross Border Network Against the Trans-Pacific Partnership:

<http://tppxborder.org/>

The Council of Canadians:

<http://www.canadians.org/tpp#.UdsAcINQ2Vw>



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