How the TPP Would Harm U.S. Jobs & Wages

The Trans-Pacific Partnership (TPP) is a proposed new trade and investment pact that was negotiated behind-closed doors between the United States and eleven other Pacific Rim countries, including notorious human rights violators like Vietnam and Malaysia.

As you would expect from a deal negotiated with hundreds of corporate advisors, while the public and the press were shut out, if enacted, the TPP would offshore good-paying American jobs, lower wages and increase inequality by forcing Americans into competition with workers abroad paid less than 65 cents an hour.

When the text of the secretive TPP was finally revealed to the public in October 2015, the public learned that it is actually worse than we thought:

• The TPP includes rules of origin that are worse than standards set in the North American Free Trade Agreement (NAFTA). This enables products assembled from parts made in “third party” countries that are not subject to any TPP obligations whatsoever, such as China, to enter the U.S. duty-free, undercutting U.S. manufacturing.

• The TPP includes investor-state dispute resolution (ISDS) provisions that make it safer — and, in fact, create incentives — for U.S. firms to offshore jobs to foreign countries where they can exploit low-wage labor under privileged foreign investor status rather than be forced to deal with those countries’ regulatory policy and courts.

• The TPP includes procurement provisions requiring that certain government purchasing programs afford foreign bidders “national treatment” and “non-discrimination,” effectively barring Buy American and Buy Local preferences critical for local development.

• Much-touted new minimum wage and hours of work requirements simply require TPP countries to have such laws — they don’t specify what they much include. A country could decide, for instance, to establish a minimum wages of a penny an hour and maximum hours of work at 24 hours a day and still be in full legal compliance.

• The TPP’s new language on forced labor is equally meaningless, only requiring countries to "discourage" through "measures it deems appropriate" the importation of slave-made goods.

• We also know that the TPP does not include the currency safeguards demanded by a bipartisan majority in Congress that would prevent known currency manipulators like Vietnam, Japan and Malaysia from devaluing their currencies to gain an unfair trade advantage over U.S. employers.

According to CWA president Chris Shelton: “Even a cursory review
demonstrates how this trade deal fails working families. It forces U.S. workers to compete with the 65-cent an hour wages of Vietnamese workers and the slave labor employed in Malaysia. It allows multinational corporations to challenge environmental, financial, consumer and other regulations through international tribunals – and outside the court systems of member countries. It pays lip service to addressing real concerns about currency manipulation that costs American jobs and leads to more jobs being sent offshore. And it allies the U.S. with countries that abuse their own citizens, including Brunei, Vietnam and Malaysia.”

According to Machinists president Thomas Buffenbarger: “On nearly all matters of immediate relevance to American working families and their communities, this agreement fails to deliver. Not only are the labor provisions warmed over language from failed past agreements, but the agreement actually takes a giant step backward, with the inclusion of Vietnam, Brunei, Malaysia and Mexico. Additionally, investors and corporations can still challenge basic worker and environmental protections while rules of origin are weaker than even the ones found in the North American Free Trade Agreement (NAFTA) and there are no provisions to bring currency manipulation under control.”

According to Steelworkers international president Leo Gerard: “The USW is unalterably opposed to the TPP because it’s a dagger twisting in the heart of American manufacturing. Even the Wall Street Journal predicted the deal would cause a massive trade deficit in manufacturing which would result in hundreds of thousands of job losses. This sector has yet to share broadly in the economic recovery and is shedding good, family supportive jobs at an ever-increasing pace.”

According to Teamsters general president Jim Hoffa: “Americans’ fears over how the TPP will tamp down on wages, allow foreign companies to sue governments and create even larger trade deficits due to a lack of currency manipulation controls are very real and justified. And because Congress approved fast track trade promotion authority earlier this year, there’s not a damn thing elected officials can do about it except oppose ratification of this bad deal when it comes to a vote.”

Urge Congress to stand up for constituents’ jobs and wages by voting NO on the Trans-Pacific Partnership.