

THE TRANS-PACIFIC PARTNERSHIP FREE TRADE AGREEMENT UNIONS DEMAND FAIR TRADE NOW!

TPPA SHOULD NOT INCLUDE PUBLIC SERVICES AND THE ACCESS TO AND THE QUALITY OF PUBLIC SERVICES SHOULD BE GUARANTEED.

Trade unions believe that public services should be provided by public entities, which is the only way to ensure universal access, reasonable pricing and accountability to the public. We have seen the opposite happen, as more and more public services are fully or partially privatized. In many cases, privatized enterprises deliver inferior services at higher prices and do not attempt to provide services on a universal basis. Basic public services should simply be excluded from the disciplines of the services chapter.

As to services generally, unions urge governments to take a ‘positive list’ approach. A positive list approach, which binds only those services specifically name, is the most appropriate method to prevent the application of chapter’s liberalization obligations to services that were not contemplated or did not exist at the time the agreement was negotiated. This is important, since once a service is bound the decision cannot be reversed without payment of compensation – which could be very costly.

TPPA SHOULD PROMOTE FINANCIAL STABILITY

The global financial crisis demonstrated the importance of government and regulation to ensure stability of individual financial institutions, the financial system itself, and the economic system. To prevent future crises, government must have the policy space to effectively regulate the financial sector. However, we are concerned that the TPPTA may create obstacles to effective financial regulation. There should be clearly and unambiguously worded text that permits authorities in each country to take the actions they deem necessary for prudential purposes, to ensure stability of financial institutions, to ensure the stability and integrity of the financial system and to ensure that the financial system supports the stability and health of the economy. This should apply to both precautionary measures and those required during a crisis. The necessity of the actions taken should be self-judging and not subject to judgment by, for example, a dispute resolution panel.

Further, a financial services agreement should provide broad regulatory powers to reign in risky financial products and services, including preventing their use, restricting market size, and restricting cross-border access to such products and services. This should apply to both existing and new financial services.

Additionally, any agreement on financial services should also ensure that countries retain their ability to control capital and exchange movements to and from their economies. Such controls have been identified by many respected economists and international organizations, including the IMF and UNCTAD, as useful and successful in stabilizing economies, assisting development, and helping to prevent damaging crises.

A NEW FRAMEWORK FOR SERVICES IS NEEDED NOW!