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America and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership: The Case for a New Chapter of US-Asia Policy

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Introduction

In 2009, the United States made a commitment to begin negotiations toward the establishment of a free-trade agreement (FTA) among itself and several Asia-Pacific area nations. By removing trade barriers such as tariffs for key sectors and by modernizing trade frameworks to address twenty-first-century technologies, the Trans-Pacific Partnership (TPP), as it was called, was set to usher in a new framework for American economic policy. Including global partners such as Australia and Japan, as well as nations warming to American diplomacy such as Vietnam, TPP was set to encompass 40 percent of global gross domestic product (GDP) and raise standards of living across the globe as the largest free-trade deal in world history.¹

TPP was never ratified by the US Senate, however, facing opposition from members of both parties. Critics feared job losses in domestic sectors like manufacturing, as well as an ability for foreign nations to “manipulate” the United States in a way inconsistent with the true nature of trade policy.² And eight years later, despite its history as an original signatory to the agreement under the Obama administration, America withdrew from TPP on January 23, 2017—only the third day of the Trump administration.³ While President Trump had long criticized TPP,⁴ the move was seen by many on the global stage as abrupt and close-minded, as well as frankly compromising to American interests.

The eleven countries who were set to join the United States in TPP surged on, however, and committed six months later to reach their own TPP-style agreement *without* the world’s largest economy as a member. In March 2018, those nations signed a free-trade agreement dubbed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, or CPTPP, in Chile. CPTPP came into force soon after, at the end of 2018.⁵

Standing economic theory tends to suggest that, in countries that embrace the global economy and “liberalize” trade, consumers *gain* more than producers *lose*, resulting in net benefits for an economy.⁶ Trade liberalization is widely reputed to reduce inequality,⁷ foster democratic reform,⁸ and improve public health.⁹ It is *not* like a game of Risk, with delineated winning and losing countries. All else being equal, every participating nation in the long run does gain from trade.

In 2017, President Trump called his decision to withdraw from TPP “a great thing for the American worker.”¹⁰ He seemed to doubt that however, given his attempts to later join CPTPP.¹¹ CPTPP nations, meanwhile, have prospered,¹² while America remains in a relative isolation created by its own action. Now, in a new administration, President Biden plans to maintain a similar policy of US exclusion from CPTPP,¹³ once seen as his former boss’s hallmark achievement in the Asia-Pacific region.¹⁴

In spite of this rocky history, it isn’t too late. CPTPP is open to American admission,¹⁵ and there are still many benefits to be realized. Therefore, remedying past blunders by both Republican and Democratic officials concerning American trade policy, the United States should formally seek entry into the CPTPP trade agreement. Doing so has much to offer the United States and the world altogether, and membership would bring a range of American goals closer to success in ways that ought to please citizens of every political stripe.

Analysis

Noting the many benefits to be seen from trade in both theoretical and applied contexts better demonstrates the importance of US participation in CPTPP.

Perhaps most easily noticed are the obvious gains to be made for American agricultural markets, which thrive on exports. US trade with the eight current ratifier-nations of CPTPP, for example, totaled nearly \$95 billion in 2021.¹⁶ Three of the United States’ top five destination markets for agricultural exports are CPTPP members; and if China and South Korea are successful in their respective attempts to join (though there is doubt regarding the former¹⁷), then all five will be.¹⁸ Increased agricultural trade with Asia through CPTPP would increase demand for agricultural commodities and raise farmer incomes, spearheading ongoing development issues in dwindling rural America.

The United States may now fall behind in agricultural trade without CPTPP membership. Established markets for American wheat and beef in Japan, for instance, will suffer as signatory nations such as Australia take advantage of tariff reductions coupled with cheaper shipping routes.¹⁹ Non-rivals like Canada now find themselves legitimate competitors with America, given their newfound market openings in sectors such as pork.²⁰ Indeed, gains from exports and investments in Canada are projected to exceed \$4 billion thanks to CPTPP.²¹

Security interests are also at stake regarding CPTPP. Explicitly, CPTPP membership would allow the United States to remain in the dialogue of Indo-Pacific affairs, given the Chinese Communist Party’s ever-growing regional influence through efforts such as the Belt and Road Initiative.²² Implicitly, given Taiwan’s expressed interest in joining the CPTPP, American membership would give further stability to the precarious situation in the area, building upon the overarching theory that trade leads to greater peace by increasing the economic costs of war.²³ Market

reform in Vietnam and Malaysia would be catalyzed, as the standardization of modern trade would span the developed and developing worlds alike.²⁴ This creates better global partners for the United States out of former adversaries.²⁵ In short, America—to many onlookers—is seeing the onset of a level of great-power competition unknown since the Cold War. CPTPP membership would go far in reassuring the farthest reaches of the world that the United States would maintain open dialogues that spanned the hemispheres.

All these facets show much to gain in America with little to lose. Detractors to a US-CPTPP relationship largely neglect the greater beneficial impacts of trade at home, in addition to impacts abroad. This results in damage to America's interests, both domestic and diplomatic.

Implementation

The enactment of a pro-CPTPP policy (i.e., admission) would require Senate ratification. This necessary step would guarantee that, through their elected officials, groups concerned about trade liberalization, such as unions, could make their voices heard and have their concerns addressed.

Taking advantage of current Democratic majorities in Congress, the Biden administration would have been wise to pursue entry recently in ways that also furthered the party's objectives, such as the environmental and labor protections President Obama pursued in TPP. If ratified, TPP member-nations would have seen more unions and fewer instances of child labor.²⁶ Now, if Republicans retake Congress or the presidency, this type of input into CPTPP will find itself constrained.

This idea of forsaken power is not restricted to the Democrats, though, as President Trump's political ambiguity left his Republican trade delegation only able to join CPTPP as the eleven countries created it, rather than in a more welcoming, TPP-esque, renegotiated form.²⁷ In other words, while President Trump would have been easily allowed into CPTPP, it would have been on the other nations' terms, not his. This typifies concerns from the right that trade agreements altogether delegate American policy to non-American policy makers, subverting our country's democratic processes.

This can be addressed through dispute resolution mechanisms, similar to the World Trade Organization's Appellate Body. Maintaining an ability for parties (nations) to enlist impartial mediators gives all participating states greater reliability in having given up a degree of their authority and grants private firms and investors stability in the trade environment.

In short, ensuring an American presence in any would-be CPTPP governance and dispute-resolution processes will allow for consistent evaluation of American interests in the context of the organization. It will also better create global standards for labor and environmental protections that leverage the importance

of economic growth to national and international leaders. This addresses points of contention across the political spectrum. This appears adequate to evaluate the implementation of CPTPP admission and ensure American interests are actually being realized, as is greatly expected.

Conclusion

Whether it's in the pursuit of American agricultural, environmental, human rights, diplomatic, or military interests, all roads lead to CPTPP. Critics may pseudo-dogmatically believe that American interests are being abdicated in favor of unelected actors who seek to abuse us, but this could not be further from the truth. American farmers, manufacturers, conservationists, and servicemembers alike would all be able to witness a new conception of American prosperity that realizes the potential and historical pros to interactions in the global economy. Applying to join the cooperative would create substantial, quantifiable benefits at home and abroad, in both political and economic contexts, and would do much to alleviate the current-day issues in our nation.

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Endnotes

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