



## **ISSUE ADVISORY: Free Trade and Feminism - How the TPP Will Hurt Women**

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The U.S. House of Representatives delivered a stunning blow against the controversial Trans-Pacific Partnership (TPP) Pact, a massive “free” trade agreement that has been negotiated in secret by large multinational corporations over recent years and which promises to be every bit as damaging as past agreements.

**House Vote Stalls Trade Bills** - President Obama had diligently lobbied House members, and they approved the “Fast Track” authority part of the legislation by a 219-211 vote. Twenty-eight Democrats joined 191 Republicans to support the President. But then members voted down (302-126) part of the Trade Act of 2015 (H.R. 1314), a key measure that would grant financial aid to displaced workers. Forty democrats voted on the wrong side (for the displaced workers’ adjustment provisions), but 144 Democrats joined 158 Republicans voting against the legislation, stalling the entire package of TPP bills.

A dozen nations, including the U.S., along the Pacific Rim are part of the agreement – which together account for 40 percent of the global economy. This agreement is intended to increase and ease trade, as well as further economic globalization for the 12 countries involved. These include United States, Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam.

There have been two established patterns with free trade agreements: they tend to export jobs abroad and depress wages. According to the Economic Policy Institute, the United States displaced 682,900 jobs following NAFTA alone, which puts even more pressure and competition on U.S. workers trying to find employment. Free trade agreements also tend to discourage unionization and increase competition with international workers, which in turn, makes wages lower and worsens working conditions globally. These problematic trends will have the most negative impact on low-income workers, whose jobs are vulnerable and whose wages are low. Women make up two-thirds of these jobs.

**Trade Agreement is a Feminist Issue** - This makes the Trans-Pacific Partnership a *feminist* issue. When wages are lowered, this disproportionately affects women who are still subjected to gender-based pay discrimination and persistent patterns of low pay in occupations dominated by women – especially women of color -- such as retail, food service and day care/nursing home and home health care attendants. Additionally, similar consequences in job markets and wages in the 12 TPP countries will negatively impact women and low-income workers in those nations. (see, <http://now.org/resource/fact-sheet-how-the-tpp-will-hurt-women/> )

The Trans-Pacific Partnership will put moderate and low-income women at risk, further cheating them out of the better wages, benefits and the job security that they deserve. On these grounds, the National Organization for Women opposes “Fast Track” and the Trans-Pacific Partnership Agreement, and strongly urges members of Congress to vote against “Fast Track” and to oppose the TPP.

Globally, the TPP could severely restrict women's rights and resources that have been infringed upon through past trade agreements, including essential medicines. Drug companies have been allowed to add stipulations to the TPP that will increase the strength (length) of patents and other related protections. With these protections, drug companies will be able to further monopolize the pharmaceutical market, and will inevitably raise the price of drugs in all twelve countries affected by the TPP, even though their production costs will stay the same. Also, if a small number of drug companies monopolize the market, there will be less pressure for innovation research that produces more effective drugs.

Another controversial and deeply troubling aspect of the TPP is its inclusion of Brunei, a country that just last year passed horrific anti-LGBTQIA and anti-women legislation. Under these new laws, a penal code calls for the stoning of people who engage in same-sex relationships, the jailing of people who have abortions, and fines or imprisonment for women who give birth out of wedlock. A trade agreement that supports a country with such barbarically restrictive laws cannot call itself "free." Under provisions believed to be in the TPP, the United States would have less power to influence which nation is allowed to remain a TPP partner.

**The Media Hype Over the TPP Intense** - What has been said by many major news outlets and business and political leaders about the benefits the TPP sounds promising, but we know better. Increase U.S. exports....reduce our trade deficit. President Obama and backers of the trade deal argue that it would open huge markets to U.S. goods by lowering tariffs and other trade barriers. But critics, including labor and environmental groups, say that the trade agreement would subject American workers to unfair competition from countries with lower standards for both labor rights and environmental protections. Perhaps you could say that this is the major objective of the TPP: to drive down U.S. wages.

Another major claim: The TPP will open up huge markets to U.S. goods. But, most of the countries involved in the TPP already have trade deals with the U.S., so there is little chance of any great expansion access to their markets, according to the Center for Economic Policy and Research (CEPR). Japan, the most important country of the TPP group, already has low tariffs on U.S. exports, so little is to be gained from lowering tariffs further. The remainder of the TPP countries have comparatively small economies and the great distance of those countries from the U.S. makes it unlikely to see a substantial increase in exports as a result of the TPP, CEPR notes.

**President's Claims Belied by History** - President Obama, an unabashed fan of the TPP, stated that it will "have higher labor standards, higher environmental standards... [and include] new tools to hold countries accountable." While his claims sound both groundbreaking and progressive at first listen, they almost identically mimic what has been said about the previous global free trade agreements that have weakened fair labor practices and undermined basic human rights. For example, in 1993, President Clinton claimed that, "the North American Free Trade Agreement (NAFTA) is the first agreement that ever really got any teeth in environmental standards, any teeth into what another country had to do with its own workers and its own labor standards... There's never been anything like this before." However, according to research done by the Economic Policy Institute, NAFTA has since caused unprecedented harm to workers, especially in Mexico, which saw a steep decline in the number of people with regular, paid jobs, sharply decreased wages, and an increase of subsidized, cheap corn from the United States that destroyed local farms and much of the rural economy. Additionally, very little effort has been made

by the U.S. government over time to make sure the protective provisions in trade agreements are being met.

Other free trade agreements such as the one President George W. Bush negotiated with the Dominican Republic and Central America, his later agreement with Peru, and President Obama's agreements with South Korea, Colombia, and Panama all contained similar language and produced similar results.

**Sen. Warren's Report Documents Other Trade Agreement Failures** - In her report entitled "Broken Promises", Senator Elizabeth Warren (D-Mass) outlines the failures and shortfalls of these past free trade agreements, revealing that almost all claims made were largely empty. Through a thorough investigation of how the United States implemented the labor provisions of in-place free trade agreements, the Government Accountability Office found "persistent challenges to labor rights, such as limited enforcement capacity, the use of subcontracting to avoid direct employment... [and] violence against union leaders" in many countries with existing agreements. Specifically, the Department of Labor found that ten countries that had free trade agreements with the U.S. (Colombia, Dominican Republic, Guatemala, Honduras, Jordan, Mexico, Nicaragua, Panama, and Peru) continue to use child labor and force labor to produce their goods, regardless of international laws in place to prevent it.

Further, despite the United States Trade Representative describing the 2009 Free Trade Agreement with Peru as containing, "groundbreaking provisions concerning the protection of the environmental and labor rights", the DOL reported wide use of child labor and forced labor after its implantation, as well as the export of illegal timber. In addition, 7 years after the Central American Free Trade Agreement (CAFTA) went into effect with Guatemala in 2006, the International Trade Union Confederation named it, "the most dangerous country in the world for trade unionists... [with] at least 53 union leaders and representatives killed... [and] a culture of fear and violence where the exercise of trade union rights becomes impossible." Finally, shortly after the Colombia Free Trade Agreement passed in 2011, 110 labor and union related homicides were reported that year alone. Clearly, the intent of free trade agreements has not materialized in their impact.

**Women Workers – Especially Women of Color Workers – Will be Hurt** - The ability to organize and unionize safely is absolutely essential for certain populations, such as women, to demand the wages and necessary benefits that they deserve. According to a recent study done by the Institute for Women's Policy Research, white women make only 81.8 cents for every dollar a white man makes, and for women of color it's even lower (68.1 cents on the dollar for black women and 61.1 for Hispanic women). Not only are women earning less, they are also paying more for living expenses than their male counterparts. As previously stated, 2/3rds of minimum wage jobs are occupied by women, and a vast majority of these jobs do not offer health care and other benefits. Therefore, women aren't just making less money; they're also forced to pay out of pocket for these services for both themselves and their children that are provided by higher-income jobs. If the TPP is adopted and the low-wage job market becomes even more competitive, employers will not be incentivized to create just labor practices such as offering health care because they will have an even bigger pool of unemployed – and probably desperate – low income people to choose from. This will most dramatically impact women of color, who, according to the Bureau of Labor Statistics, make up a much higher percentage of minimum wage workers than is proportionate to their total population.

The potential negative effects of the Trans-Pacific Partnership won't just be immediate; they will have long-lasting effects on women and their families. In the United States, a lifetime of unequal pay accumulates to a total net loss of \$400,000 to \$1.2 million, depending on a woman's education, ability level, and race. This means that it will be more difficult for a woman to save money for retirement, her children's college education, or the down payment on a house in a decent school district, which are all necessary for future success.

A free trade agreement that exploits already vulnerable workers will harm women, their children, and their children's children, and only serve to benefit the affluent and the powerful. The TPP will do exactly that.

### **Further Reading**

Dean Baker, "The TransPacific Partnership: A Trade Agreement for Protectionists"

<http://www.cepr.net/publications/opedscolumns/thetranspacificpartnershiptradeagreementforprotectionists>

Kevin Granville, "The TransPacific Partnership Trade Deal: What it Would Mean", The New York Times,

[http://www.nytimes.com/2015/05/12/business/unpacking-the-trans-pacific-partnership-trade-deal.html?\\_r=0](http://www.nytimes.com/2015/05/12/business/unpacking-the-trans-pacific-partnership-trade-deal.html?_r=0)

"Imports Displace Domestic Jobs: Why Do Proponents of Trade Agreements Have So Much Trouble Acknowledging This Fact?", Center for Policy and Research. <http://www.cepr.net/blogs/beatthepress/importsdisplace-domesticjobswhydoproponentsoftradeagreementsshavesomuchtroubleacknowledgingthisfact> Works Used 1.

Senator Elizabeth Warren, "Broken Promises: Decades of Failure to Enforce Labor Standards in Free Trade Agreements," <http://www.warren.senate.gov/files/documents/BrokenPromises.pdf>