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The Trans-Pacific Partnership Is Essential To Regional Peace And Global Prosperity

Daniel J. Ikenson

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What world-changing behemoth that begins with the letter “C” presents the greatest threat to U.S. commercial and strategic interests in the Asia-Pacific region? Wrong. Even in the wake of this week’s potentially provocative tribunal ruling against Beijing’s territorial claims in the South China Sea, the greatest threat remains Congress, not China. The alarmingly likely failure of Congress to ratify the Trans-Pacific Partnership this year would do more to subvert U.S. regional and global interests than anything China is capable of doing.

The TPP is a comprehensive trade and investment agreement between the United States and 11 other Pacific-Rim nations, which reduces tariffs and other impediments to trade and investment. Its value as an agreement to create greater wealth and higher living standards by more closely integrating 12 economies accounting for 40 percent of global GDP is indisputable. But there is also an even bigger picture to consider.

The TPP is the first step in the process of reestablishing the primacy of non-discrimination and other tenets of the US-led, post-WWII liberal economic order. It is a blueprint for securing U.S. geoeconomic and geopolitical interests now and into the future by refreshing the rules of international trade law and accommodating those institutions to a multi-polar, 21st century global economy.

As an agreement including countries on four continents, the TPP is the only vehicle that can plausibly fill the void created by the once successful, but now dysfunctional, multilateral negotiating “round” approach to global trade liberalization, which served the world well for a half century. Unlike most other trade agreements, the TPP permits new members to join, if they meet the standards established and the conditions set by existing members. The fact that TPP has achieved critical mass allows its terms to be offered on a take-it-or-leave-it basis. Just as larger bodies floating in space have significant gravitational pull on smaller, surrounding objects, the TPP – by virtue of its heft – would pull other countries on other continents into its orbit because the costs of remaining on the outside will increase with each new accession.

The evidence of this effect is considerable. As investment in production platforms and supply chains has begun to shift from TPP outsiders to TPP members, current non-members such as South Korea, the Philippines, Indonesia, Thailand, and Taiwan have been considering and

implementing various domestic reforms to improve their prospects for eventually joining. And with TPP rules and benefits applying to China's most important trade partners, Beijing will have no better alternatives than to embrace the TPP itself.

The TPP was borne of geopolitical considerations in Hillary Clinton's State Department as the economic component of the Obama administration's "strategic pivot" to Asia. There could hardly be a better implement in the U.S. geoeconomic policy toolbox than the TPP for projecting U.S. values, securing U.S. interests, and compelling China and others to play by the rules that will govern international commerce in the 21st century.

What better way to dissuade China from bellicosity over its territorial disputes with Vietnam, Japan, and the Philippines than to demonstrate a prosperous alternative to 1930's-style resource-driven expansionism in Asia? Rather than deploy a naval fleet, offer China's neighbors – and China itself – a clearly plausible path to economic growth and security.

Yet Congress can't see past election-year politics to acknowledge the TPP as this multi-functional tool that will increase the size of markets, elicit compliance with U.S.-authored rules of international trade, and resuscitate U.S.-lead multilateral liberalization. Or perhaps Congress hasn't sufficiently contemplated a world after it rejects TPP.

In that world, China is the large mass drawing smaller countries into its gravitational pull. With the China-led Regional Comprehensive Economic Partnership negotiations waiting in the wings for TPP's failure, countries in the region will be drawn more deeply into China's orbit. Although that doesn't mean trade between the United States and those countries will suddenly dry up, it does mean that existing China-focused investment and supply chain relationships will be reinforced, new ones will emerge and become established, and the costs of reorienting those relationships in the event of some future TPP implementation will increase with each passing year.

Without the payoff of TPP membership as motivation, those countries would be less inclined to continue engaging in unilateral domestic reforms, which would retard their own development and encourage compliance with rules and standards preferred by China. U.S. commercial and diplomatic interests in the region would be further impaired by Washington's failure to follow through on its promises. Reformers in foreign governments that incurred political costs to push the TPP in their countries with expectations of U.S. participation wouldn't soon forget that the United States proved to be an unreliable partner. Hopes for the TPP jump-starting a new wave of global trade liberalization would be dashed and, with U.S. credibility diminished around the world, America's policy objectives would become more difficult to meet.

Congressional failure to ratify the TPP would be an epic geostrategic blunder that the United States – and the world – can ill afford.

Dan Ikenson is director of Cato's Herbert A. Stiefel Center for Trade Policy Studies, where he coordinates and conducts research on all manner of international trade and investment policy.