

TPP, TTIP, RCEP, AEC & Other Trade Deals: Are They Really Good for Developing Countries?

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- Chair: Julian Morris, Reason Foundation, USA
- Razeen Sally, Director, ECIPE & IDEAS Chair in Political Economy & Governance
- Sethaput Suthiwart-Narueput, Thailand Future Foundation, Thailand
- Vivek Dehejia, IDFC Institute, India

This session was the first of the concurrent breakout sessions and took place in the Main Ballroom. The session began with Dr Razeen Sally, who laid out the context of Asian economies and the benefits that recently proposed trade deals would have on developing nations within the region. Dr Razeen noted that Asian economies remain quite diverse – within it lie poorer nations such as Myanmar, as well as high-income nations like Singapore. He also pointed out that while innovation is key to economic advancement, this trait is largely missing from many Asian countries. Moreover, he noted that many local governments are still adverse and resistant to change and this hampers liberalisation efforts.

With regards to trade liberalisation in Asia, Dr Razeen noted the importance of the World Trade Organisation (WTO) in facilitating such negotiations. On the Trans Pacific Partnership (TPP), Dr Razeen highlighted some benefits of the deal, including increased trade and investment through greater market accessibility. He also believes that the TPP might lead to greater acceptance of liberal ideology, and that it will be a gateway to internal political and economic change, which will likely result in reduced protectionism and greater prosperity for the local populations.

“Trade agreements haven’t been negative
but they haven’t been totally positive.
The TPP if used right could make a difference
but may not conquer larger issues.”

- Dr Razeen Sally

Dr Razeen also noted that the TPP addressed too many non-trade issues, which could be damaging to the non-economic domains of its signatories. The TPP could also fail to address other serious obstacles to trade apart from tariffs. In concluding his arguments, Dr Razeen said that despite its trade-offs, the TPP is worth ratifying.

Dr Sethaput Suthiwart-Narueput, who spoke next, argued that the TPP appears to be more about furthering the agenda of multi-national corporations than general trade liberalisation. He believes that as a result of signing the TPP, developing countries will not have as much bargaining power compared to large developed economies. He argued that the TPP would not give developing economies its fair share of the fruits of freer trade. Dr Sethaput also predicts that the TPP will undermine existing multi-lateral trade agreements, and that it will set a harmful precedent of including non-trade items in future trade pacts.

Dr Vivek Dehejia challenged the relevance of the TPP with respect to domestic conditions within specific countries. As a counter to Dr Razeen’s claim that the TPP would catalyse reforms, Dr Dehejia argued, using the example of India, that meaningful domestic reforms have to first take place on a national level, before signing (and instead of relying on) an international trade agreement.

He noted that while trade is beneficial, it does not resolve the issue of regulations and rigid laws. Thus, Dr Dehejia claims that national reforms of existing laws would prove more beneficial for a country like India compared to the TPP.

In summary, while the TPP and other trade deals advance economic liberalisation and political reform, its relevance and benefit varies from country to country. The decision to ratify mega trade deals should thus be determined by each country's unique, existing political and economic structures.