

TPP, SDGs: Friends or foes?

OPPORTUNITIES ABOUND: Positive sum game is possible if there are serious reforms based on domestic laws

MANY would agree that 2015 was a historic year for multilateralism. Two significant international and regional agreements have been announced with far reaching impact. First, the United Nations Sustainable Development Goals (SDGs) was approved by 193 countries on Sept 25 last year. This hallmark global consensus consists of a set of 17 universal goals with 169 targets pledged to leave no one behind. A week later, 12 Pacific Rim countries concluded the Trans-Pacific Partnership (TPP), the largest mega-regional trade agreement in history after seven years of negotiations.

The SDGs is a tall order by most counts. Its implementation requires collaborative partnerships and recognition of the unique national circumstances. Meanwhile, the TPP is described as a "comprehensive and high standard" free trade agreement covering 30 chapters that includes trade and trade-related issues, such as investment, services, environment and labour. Its 12 signatories account for 40 per cent of

global gross domestic product. Unsurprisingly, this omnibus trade deal has polarised different groups within those countries.

Issues that were perceived to be negative and positive for the national interest were analysed in the National Impact Analysis (NIA), carried out by Institute of Strategic and International Studies (ISIS) Malaysia since Sept 2013. The report puts forward that the TPP — on balance — falls within the national interest.

A deeper look into Malaysia's performance on SDGs reveals that it varies and is uneven, not only between the different goals but also within. The shift from achieving basic needs to higher order goals requires an integrated lens rather than for it be seen in isolation.

Now, the crux of the matter is: to what extent will the TPP bolster or undercut the SDGs in Malaysia? Has this new standard of global trade agreement incorporated the inter-generational issues? The answer is, it depends.

As a whole, whether TPP will contribute or undermine SDGs will depend on how Malaysia implements the framework and secures its future in engaging, advancing and defending its interests. Three key points can be viewed as either contributing or undermining sustainable devel-



A Trans-Pacific Partnership (TPP) briefing in SMK Kuala Krau in Kuantan, Pahang. TPP is the largest mega-regional trade agreement in history.

opment efforts.

FIRST, no major trade agreement before this one has gone as far as embedding development and environment commitments in the core text of the agreement. TPP has embedded the principles of SDGs in its "Development" chapter. Article 23:1 (5) indicates that "...Parties to reinforce efforts to achieve sustainable development goals". This truly reflects the fundamental of development in enhancing societal welfare through inclusive and sustainable economic growth.

Also in this chapter, a Development Committee will be established to facilitate the exchange of information on formulation and implementation of national policies. This begs for strong integration among stakeholders who are addressing is-

suues from other chapters to streamline their activities.

Notably, in cases of absence in policy consistency between the development chapter and other chapters, the latter will be given a higher priority. This means each country will have to step up towards synergising strategies in achieving a positive sum game in dealing with the trade-offs that are inherent.

SECOND, although TPP aims to create sustainable growth mechanism by promoting trade for growth while strengthening environment, the issue on enforcement mechanisms is rather weak.

For sure, voluntary mechanisms in the environment chapter are inadequate and could potentially lead to a regulatory race to the bottom.

→ *Continued next page*



**MICHELLE
KWA**

In retrospect, however, Canada's withdrawal from the Kyoto Protocol has indicated that a legally-binding deal does not necessarily guarantee that countries will adhere to their commitments.

And, none of the countries that failed to meet their commitments under Kyoto have been sanctioned, despite it being a legally-binding international treaty.

Additionally, TPP stands out from other agreements as citizens have the right to request for investigations and this must be given due consideration in accordance to domestic law. This provision in environment is worth noting if serious domestic reform in institutional frameworks and changes in legislation is introduced in a manner of pursuing trade and investment while keeping sustainable development in mind.

THIRD, high standards in TPP will complement other sustainable development goals by emphasising + good governance, anti-corruption measures, promoting transparency, and co-operation at all levels that are aligned with SDGs 16 and 17 on the means of implementation and effective partnership. While SDG 17 is the backbone of realising sustainable development, it has also been identified as the bottleneck in moving sustainability forward.

Garrett Hardin's 1968 essay on "Tragedy of the Common" or more widely discussed as the "Tragedy of Unregulated Commons" finds its relevance in today's sustainability dilemma.

Ethical impasse in the traditional law system that is "poorly suited to governing the complex, crowded and changeable world" has to be tempered in tandem with a set of renewed statutory and administrative law. Only then, the classical economic maxim of dog-eats-dog world can redirect its focus on conscientious stewardship.

As he puts it, "The devil is in the details. But with an unmanaged commons, you can forget about the devil".

There are opportunities for both TPP and SDGs frameworks to be used as tools for transformation to initiate policy and institutional reform. Indeed, the need for policy integration has never been timelier as the country marches towards achieving developed nation status.

Whether the glass is half full or half empty depends on the mindset of the person looking at it.

→ michelle@isis.org.my

The writer is an analyst at the Institute of Strategic and International Studies (ISIS) Malaysia