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Reconsidering Significance of TPP on the Occasion of the Current Extraordinary Session of the Diet

By SUZUKI Keisuke

The autumn session of the Diet has started on September 26th. On that day, Prime Minister delivered a policy speech and Financial Minister delivered a financial policy speech respectively, which were followed by party representatives' questions on 27th and 28th. Among the issues to be discussed in the current Diet session, including economic fiscal stimulus package, postponing bill for consumption tax hike, IR promotion bill, one of the gravest would be the TPP Agreement and its related bills which were tabled at the previous session of the Diet.

At the spring Diet session, I stood at the forefront of the debate on TPP issues as a ranking member of TPP Special Committee and discussed the matter with Prime Minister at the Diet questioning as a member of the ruling coalition. In that capacity, I have strong reservations about the way in which then Democratic Party of Japan dealt with the issue in light of the national interest. I sincerely hope that the opposition party under the new dispensation will engage in ever more constructive discussions.

With regard to TPP, we need to revisit the strategic significance of it, as is true not only with Japan but also with the United States. First of all, TPP should be the biggest political bargaining chip to offset the negative impact of declining population in the context of the size of the Japanese market. The greatest challenge for Japan is population decline and certainly market and labor force will be directly affected. Besides, even if Japan looks toward broad free-trade zone, it is extremely difficult for Japan in the first place to create a free-trade bloc in the Asia-Pacific region in which Japan can demonstrate overwhelming leadership and influence. Realistically speaking, Japan has little choice but to be affected either by U.S. or by China.

Such being the case, given the Japanese social ethos, its legal system and its business environment, we would have to admit the United States have far more affinity for Japan than China does. This is apparently so when we look at such areas as intellectual property rights, dispute settlement, legal predictability. It is vital for Japan to take initiatives together with U.S. to develop a marketplace which has a high affinity for Japanese domestic legal system and its business environment, especially when it comes to promotion of Japanese economic growth.

Another point is strategic significance of TPP. It is highly probable that a free-trade block in Asia-Pacific including China will be established before long. In view of the national interest of Japan as well as regional stability, it is imperative that common rules with affinity for those of Japan and U.S. as well as common values such as rule of law and human rights lay the foundation for it. And this feeling is actually shared among many Asian countries.

For many Asian countries daunted by China's unilateral hegemonic imposition, participating in TPP led by Japan and the U.S. means a lot strategically. In addition, as the best scenario for the stability in the Asia-Pacific region, it is expected that the whole region would share such values as rule of law, human rights, freedom and democracy in the long run through participation in TPP as a leverage, and China would also participate in it under this condition.

Thus, TPP has many profound implications. Of course, TPP has its meaning as trade negotiations, it is unlikely that Japan will make an all-out victory in areas such as trade including tariffs. It is true that TPP negotiation will be accompanied by some pain, for each country with different economic structure engage in tough negotiation to get more than fifty-fifty split. However, we need to reaffirm the fundamental merits it has in terms of diplomacy, strategy and economy, which outweigh the negative aspects of it, and these negative aspects are to be duly addressed by domestic law properly.

In the previous Diet session, various points of discussions were conducted for more than twenty hours at the special committee of the House of Representatives. While the scope of the issue has already been covered thoroughly, it is expected that we reaffirm the significance of TPP and discuss additional points if any and make a decision. I think making such a constructive debate at the current Diet session would be the best way in pursuit of Japan's national interest.

(This is an English translation of the article written by Mr. SUZUKI Keisuke, Member of the House of Representatives (LDP), which originally appeared on the e-forum “Hyakka-Somei (Hundred Ducks in Full Voice)” of CEAC on October 1, 2016.)