The U.S. and Latin America in the Trans-Pacific Partnership:

Renewing Hegemony in a Post-Washington Consensus Hemisphere?

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Abstract: The nascent Trans-Pacific Partnership (TPP) trade agreement puts the United States at the center of an expanding liberalization regime connecting the Americas to the Asia-Pacific region. Contending that U.S. power is bound up with the globalization of Latin America’s political economy, this paper builds on (neo-)Gramscian theory to argue that the TPP is indicative of U.S. efforts to renew its hegemony in the region. The TPP reinforces the importance of “free trade” in the post-Washington Consensus agenda, undercutting existing Latin American-led approaches to integration while responding to China’s growing influence in the hemisphere. As the free trade consensus is reconstructed through the TPP process, U.S. hegemony in the Americas is potentially extended, even as it continues to face challenges in the structural, institutional, and ideological dimensions of intra-hemispheric affairs.

Keywords: Trans-Pacific Partnership; hegemony; free trade; post-Washington Consensus; U.S. foreign policy

In recent years the relationship between the United States and Latin America has been characterized by the frequent use of the prefix “post.” Social and economic policies in Latin America are said to embody the post-neoliberalism of a post-Washington Consensus paradigm (Grugel and Riggirozzi, 2009; Macdonald and Ruckert, 2009; Panizza, 2009). For some, the shifts in economic governance are indicative of an autonomous Latin America free from the strictures of U.S. power. In this vein, scholars have postulated a post-hegemonic hemisphere (Riggirozzi, 2012; Riggirozzi and Tussie, 2012), in which Washington has effectively “let go” of its hegemonic designs for the region (Crandall, 2010: 92). The conventional view is that of a disinterested and unassertive superpower content to allow the countries of the region to go their own way on development and security issues (Council on Foreign Relations, 2008).

In contrast, this paper argues that the United States is actively reconstituting its hegemony in Latin America. It examines Washington’s pursuit of the Trans-Pacific Partnership (TPP) trade agreement as one component of this ongoing, multidimensional, and deeply contested process (Biegon, n.d.). As U.S. hegemony in the Americas has historically intertwined with the globalization of the region’s political economy (Robinson, 2008: 38-42; Sader, 2011: 24-28), processes of regional hegemonic renewal unfold in the context of Washington’s wider approach to the world economy. Although the TPP is firstly a response to economic integration in the Asia-Pacific region, its extension to the Americas holds important geopolitical, economic, and institutional consequences for the Western hemisphere. If completed and ratified, the regime could widen divisions between the mainly neoliberal “Pacific-oriented” countries and the region’s more left-leaning and “Atlanticist” governments. The TPP was constructed to be expansive. It holds the potential to add members over time, advancing neoliberal integration under rules devised with considerable U.S. input, in contrast to rival frameworks associated with China and ASEAN (the Association of Southeast Asian Nations).

Based on the heterogeneous (neo-)Gramscian approach to hegemony in international relations (see for example Biegon, n.d.; Gill, 2008; Morton, 2007; Robinson, 1996; 2008; Rupert, 2000), I understand the concept as a dialectical social process involving asymmetrical power relations rather than a fixed condition determined solely by the material resources of dominant states. Crucial here is the notion of consensus, as created and expressed through institutional power, which must be rebuilt over time to account for the opposition of counter-hegemonic forces. Given that critical scholars have thoroughly analyzed the Washington Consensus as a “veritable Gramscian consensus around the neo-liberal project” (Robinson, 2003: 322), its gradual disintegration raises questions about the status, direction, and purpose of the U.S.’s hegemonic foreign policy in the region. This was illustrated most dramatically by the collapse of the Free Trade Area of the Americas (FTAA) in the mid-2000s, the result of growing opposition from leftist and center-left governments in leading South American economies, including Argentina, Brazil, and Venezuela.

The following analysis places U.S. power at the center of the TPP negotiations. The U.S. maintains free trade agreements (FTAs) with all three of the Latin American states currently attached to the TPP (Chile, Mexico, and Peru). Nevertheless, the proposal is significant for a number of reasons, not least because it opens up new paths of capital accumulation. The accord is touted as a means of harmonizing existing rules and regulations while also addressing new disciplines on trade and investment. It focuses on issues at the heart of Washington’s geo-economic agenda (services, intellectual property, state-owned enterprises, and e-commerce, among others). Though focused on Asia, the TPP undercuts efforts at Latin American integration associated with existing regional bodies such as Mercosur (the Southern Common Market) and the Alianza Bolivariana para los Pueblos de Nuestra América (Bolivarian Alliance of the Peoples of Our America, or ALBA). Its accession mechanism is designed to incorporate new members if and when political conditions become appropriate. Although it cannot fully compensate for the failed FTAA, which was hemispheric in scope, additional countries could be brought into the TPP in the future, thus extending efforts to expand U.S.-led “free trade” in Latin America beyond the worn-out bilateral track. If the structural power of the U.S in the regional political economy is to be augmented, however, the ideological purchase of the post-Washington Consensus on economic governance will need to be strengthened. The TPP provides an institutional means of doing so. The accord’s extension to Latin America, alongside its neoliberal content, evidences a concerted effort by the U.S. to remake its hegemony in region, even as it continues to face profound challenges in the institutional, structural, and ideological dimensions of intra-hemispheric affairs. Indeed, the contingencies are many, even if Washington’s objectives are clear.

To examine the state of the post-Washington Consensus on inter-American trade governance, this article investigates the dominant discourse(s) on the TPP, as articulated by policymakers, think tanks, and mainstream commentators, giving the analysis an “inside-the-beltway” orientation. This is fully consistent with the genesis of the original Consensus, so defined because it began in the heart of U.S. officialdom, percolating out from the U.S. Treasury Department, International Monetary Fund (IMF), and World Bank, as well as the city’s think tanks (Stiglitz, 2008). The enthusiasm for the TPP on the part of policymakers and the organic intellectuals of U.S. hegemony stems from, among other things, the view that it will spark liberalization on a wider scale (Barfield, 2011; Clinton, 2011; Kotschwar and Schott, 2013), reinforcing the globalized capitalism so central to U.S. power.

**“Free Trade” and U.S. Hegemony in Latin America**

The narrative of a post-hegemonic Western hemisphere can be traced to the rise of Latin America’s new left(s). Progressive governments positioned themselves in opposition to the Washington Consensus while following through with varying rates of commitment and execution. Several “radical” governments (in Bolivia, Ecuador, and Venezuela) experimented with “populist” and developmentalist policies while their “moderate” counterparts charted relatively orthodox macroeconomic paths (Ellner, 2012; Robinson, 2008: 293-294; Sader, 2011). If the backlash against the neoliberal model spelled crisis for U.S. hegemony, the counter-hegemonic moment produced post-neoliberal alternatives only intermittently. As argued here, part of the story rests with U.S. trade policy, which, as has been the case for decades, pertains to much more than tariffs and quotas. In advancing market liberalization in a broad but selective manner, U.S. trade agreements reinforce the country’s structural power privileges. “Contemporary capitalist globalization and U.S. power are intimately entwined” (Rupert and Solomon, 2006: 131). There is a “dual logic” at work, in that the U.S. balances the promotion of its own commercial interests within the wider project of creating a global order supportive of transnational capitalist production (Stokes and Raphael, 2010: 35-38).

A subset of historical materialist thought, (neo-)Gramscianism’s various approaches share the conceptualization of hegemony as a blend of force and consensus. The latter operates through the ideological construction of “common sense” frameworks (Gramsci, 1971: 325-326; Morton, 2007: 75-76; Williams, 1983: 145), which are negotiated and formalized through institutions of international cooperation. The consensus-as-contested-common-sense conjunction criss-crosses the levels of analysis in international relations, meaning the hegemony of the U.S. cannot be severed from the configuration of productive and social forces that place it atop the hierarchy of American states. The power of the U.S. as a national actor emerges out of the interplay of these sub- and transnational forces, which coalesce to reinforce the privileged position of U.S.-based capital in the global economy. The U.S. state may be one actor among many, but its agency is essential to processes of globalization. This dynamic was thrown into relief by the global financial crisis and Great Recession; although the extended shock further damaged the legitimacy of the neoliberal model, it also summoned action on the part of the U.S. state to stem the tide of the crisis and protect the viability of global capitalism (Panitch and Gindin, 2012: 301-340).

Since the “neoliberal turn” of the 1970s, the construction of an elite hemispheric consensus on economic governance has been advanced by the U.S. executive and its Bretton Woods partners. The Washington Consensus provided a universal blueprint. The post-Washington Consensus never congealed as this type of common sense framework (Panizza, 2009; Stiglitz, 2008), but this does not mean that the counter-hegemonic forces of Latin America’s new left had successfully inaugurated a “war of maneuver” against the prevailing bloc. Consensus, like hegemony itself, is fluid. It remains under constant reconstruction as hegemonic agents absorb and deflect the challenges of those resistant to the ideologized common sense of the day. Much of this takes places through the discursive and representational practices of authorities, policymakers, and the organic intellectuals of the transnational elite, even as hegemony is ultimately armoured by coercive (state) power.

Consensus is intrinsic to hegemony because it allows states to claim legitimacy, justify leadership, and foster cooperation in a way that benefits the hegemon and/or hegemonic bloc. More than “agreement of opinion” or “compromise,” consensus also implies “a process in which certain issues (are) effectively excluded from political argument;” in which “conventional” practices and understandings are reinforced so that “dissenting movements or ideas can be excluded or repressed” (Williams, 1983: 77-78). In international relations, consensus is built with extant discourses, meanings, and bodies of knowledge, through institutional processes, and in accordance with structurally-allocated capabilities, to be (re)consolidated over time via the dialectical internalization of oppositional currents. Hegemonic actors must work to reconstitute the ideological “adhesive” stabilizing the hierarchy implied by the term (Gramsci, 1971: Robinson, 1996: 20-25; Williams, 1983: 144-146).

As treaties codifying multilateral rules and regulations, FTAs are marginally related to conventional understandings of hegemony. However, trade agreements overlap institutional and structural forms of power (Barnett and Duvall, 2005: 51-55), working to solidify and operationalize the transnational “common sense” on economic governance and integration. They mediate between actors to guide, steer, and/or constrain economic activities of production and exchange. To an extent, they represent “control at a distance,” ordering relations in a way that benefits those with more influence over the formation of the agreements themselves. Structurally, FTAs redirect and lock in existing patterns of behavior, creating “winners and losers” in the political economy both within and across national borders. Beyond simply facilitating the exchange of goods, they foster processes of deeper (neo)liberalization, creating rules and regulations on diverse sectors of public policy – from financial services and foreign investment to labor and environmental standards (Rupert, 2000: 42-64). “Free trade,” defined broadly in this way, solidifies the U.S. as the benefactor of an increasingly globalized capitalism.

**From Washington Consensus to Competitive Liberalization**

Through the Washington Consensus, “free trade” was represented as (part of) a sure-fire path to national development based on a “strong faith... in unfettered markets” (Stiglitz 2008: 41). Though contested by elements of the popular classes, the tenets of the Washington Consensus were accepted and promoted by officials in Washington and Latin America from the 1980s onwards, often with the support of political parties and some backing from the electorate (Panizza, 2009). The discourse of the Washington Consensus ensured that FTAs would “naturally” and incontrovertibly propel deeper processes of neoliberalization, spanning privatization, tax reform, deregulation, a reordering of public spending, and the liberalization of interest rates and foreign investment. While the post-Washington Consensus portended a greater balance between state and market forces (Stiglitz, 2008), it maintained a residual commitment to trade liberalization, and, in the eyes of critics, offered little substantive change (Panizza, 2009: 145-147; Robinson, 2008: 40). The continuities are reflected in U.S. trade policy itself. Despite campaigning against the prevailing model, Obama maintained Washington’s traditional approach, finalizing Bush-era FTAs with Colombia, Panama, and South Korea. The TPP – more ambitious in scope than the bilateral agreements – is the most striking example of this continuity (Wise and Gallagher, 2011).

A protectionist power for much of its history, in the post-war era the U.S. sought liberalized trade through several tracks corresponding to different levels of international political-economic relations: global/multilateral, regional, and bilateral (Cooper, 2012: 3). Following the Cold War, the U.S. utilized multilateral negotiations to establish an expansive rules-based system, transforming the General Agreement on Tariffs and Trade (GATT) into the more comprehensive World Trade Organization (WTO). However, the Doha Development Round (DDR) of WTO negotiations, launched in 2001, stagnated over the following decade, not least because of the emergence of a more assertive bloc of Southern countries (Gallagher, 2007). The U.S. was thus compelled to stake out other paths to market liberalization. Regional agreements, such as the FTAA, were seen as the next best option. These were moulded on the North American Free Trade Agreement (NAFTA), implemented by the U.S., Canada, and Mexico in 1994.

NAFTA was pivotal to the momentum of post-Cold War globalization (Rupert, 2000). Among other things, the agreement provided a model beyond North America. The Clinton and George W. Bush administrations aimed to extend NAFTA to the entire hemisphere via the FTAA, but negotiations for the hemispheric accord ground to a halt in the early to mid-2000s. Venezuelan president Hugo Chávez ceremoniously “buried” the agreement during the 2005 Summit of the Americas, though it was the apprehension of Brazil that demonstrated it was beyond saving (Bandeira, 2006; Grinberg, 2010). When the FTAA proved politically untenable, and in the context of the breakdown of the DDR, U.S. trade policy shifted to sub-regional and bilateral tracks, a move the Bush administration dubbed “competitive liberalization” (Evenett and Meier, 2008). Turning to the sub-regional track, the U.S. finalized the Central American Free Trade Agreement (CAFTA[-DR], comprising Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic) in 2005 but was unsuccessful in establishing a similar agreement with South America’s Andean countries. The bilateral track bore more fruit as the Bush and Obama administrations implemented FTAs with Chile, Peru, Panama, and Colombia. Washington also made use of a unilateral track: “Under this approach, the United States threatens retaliation, usually in the form of restricting trade partners’ access to the vast U.S. market, in order to get the partner to open its markets to U.S. exports or to cease other offensive commercial practices and policies” (Cooper, 2012: 3).

Thus, while Washington preferred the broadest possible agreement, it would push for free trade on multiple levels and through various channels. As summarized by the U.S. Assistant Trade Representative in 2006, U.S. policy was “to pursue all available multilateral, regional, and bilateral opportunities to lower trade barriers and promote international commerce” (Wikileaks, 2006). In the hemispheric context, this piecemeal strategy was successful insofar as it produced CAFTA and the various bilateral accords mentioned above. However, it was necessarily limited in scope, generating an “inefficient and cumbersome trading system” of criss-crossing rules and regulations (Hornbeck, 2011: 6). Insofar as it seeks to extend a neoliberal commercial framework, the TPP represents Obama’s continuation of Bush-era competitive liberalization. Further, it is an attempt to resuscitate a broader free trade consensus while synchronising existing trade agreements within a single regime; to move beyond the limitations of the previous competitive liberalization approach. It lays out a more ambitious agenda to facilitate the kind of capital accumulation at the core of the U.S.’s structural-material national interest. Major winners include agribusiness, technology and pharmaceutical firms, insurers, and large manufacturers and exporters (Weisman, 2015). It serves a geo-economic function, as well, mainly as a means of responding to China’s growing influence in the global political economy (Gordon, 2012; Song and Yuan, 2012).

**The TPP and Latin America in Obama’s Pivot to Asia**

The Trans-Pacific Partnership stands to be the world’s largest trade pact (it has yet to be ratified as of this writing). The 12 countries currently in the accord (Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the U.S., and Vietnam) comprise approximately 40 percent of global gross domestic product (GDP). Alongside the Transatlantic Trade and Investment Partnership (TTIP) under negotiation by the U.S. and the European Union, it illustrates Washington’s commitment to position itself at the center of global trade governance. There is a “contest of templates” in the Asia-Pacific, with the U.S. and China competing to construct regimes that improve the terms of trade for their strongest sectors (Gordon, 2012; Petri and Plummer, 2012). China’s goods-based template takes the form of the Regional Comprehensive Economic Partnership, launched in 2012. Officials were forthright about the TPP’s connection to the “pivot” to Asia (later dubbed the “rebalance”), the Obama administration’s purported realignment of strategic priorities and resources (Clinton 2011; Ross, 2012; Donilon, 2014). While the Obama administration has argued that the pivot is not about China per se, most observers see it in this light. Even if China’s rise provides much of the impetus, the TPP, ensconced in the strategic rebalance, has implications that extend well beyond Sino-U.S. relations. China’s recent focus on building economic linkages to Latin America adds weight to the TPP’s geo-economic logic.

The TPP is expansive and outward-facing in scope, meaning its rules do not preclude an eventual entry by China (Solís, 2013). As currently configured, it “would have neither ASEAN nor the three major East Asian economies (China, Japan, and South Korea) as its driver,” but “would instead have the United States as the central participant” (Lewis, 2011: 39). There is debate over the degree to which the TPP “targets” China, and the Obama administration has sent mixed messages in this regard (Song and Yuan, 2012). China’s inclusion would have to garner the support of existing TPP members and would also depend on Beijing’s willingness to participate in a comprehensive, U.S.-led regime. Washington’s ambivalence on whether China could eventually be brought into the TPP shows that the logic underpinning the regime extends beyond its utility as a targeted response to China’s rise.

Meanwhile, China’s interest and activity in Latin America has increased considerably since the early 2000s (Ellis, 2009; Gallagher, Irwin, and Koleski, 2012; Jenkins, 2010; Shixue, 2008). A detailed recounting is beyond the scope of this article, but Chinese exports to Central and South America have boomed across a number of sectors, as has Chinese investment. Latin American exports to China – concentrated in a few commodities, such as copper, oil, soybeans, and iron ore – also grew steeply. Between 2000 and 2009, total trade between China and Latin America increased by over 1,000 percent. China is now the largest trading partner for a number of Latin American countries, including Brazil. In 2013, Chinese President Xi Jinping toured Mexico, Costa Rica, and several Caribbean countries in a riposte to Obama’s pivot (*Economist*, 2013). Xi pledged $250 billion in investment over a ten-year period at the 2015 summit between China and the Comunidad de Estados Latinoamericanos y Caribeños (Community of Latin American and Caribbean States, or CELAC) in Beijing (*Reuters*, 2015). China’s loans to Latin American countries have outpaced those made by the IMF and World Bank, generally with fewer policy conditionalities (Gallagher, Irwin, and Koleski, 2012). The emergent tripartite dynamic has led to speculation that China may serve to counterbalance U.S. hegemony (Ellis, 2009; Jenkins, 2010; Li, 2007). In this context, the extension of the TPP to Latin America is more than an afterthought for U.S. policymakers, in part because it is seen as a response to China’s burgeoning role in the Western hemisphere (Padgett, 2013).

According to the Inter-American Dialogue (2012: 14), a Washington think tank, the TPP provides a means for the U.S. to “remake” its economic relationship with Latin America by “deeply (engaging) with nations intent on becoming more important global players.” It creates a mechanism for Washington to consolidate the Pacific-oriented bloc of hemispheric governments (which, with the possible exception of Chile, are thoroughly neoliberal in outlook) under new commercial and juridical disciplines not covered in previous FTAs. This process would be expedited by the TPP’s integration of existing rules. Through the building of structural links to East Asian markets, the agreement provides an extra incentive for countries who may be “on the fence” regarding the procurement of an FTA with the United States. For some, the TPP would allow the U.S. to construct “an FTAA of the willing” (Hidalgo, 2012), building momentum toward the further globalization of the region’s political economy.

**Writing the Rules on Trade and Investment**

The TPP is based on the Trans-Pacific Strategic Economic Partnership Agreement signed by Brunei, Chile, New Zealand, and Singapore (the P4) in 2005. Under the Bush and Obama administrations, the U.S. utilized this existing template to pursue a “comprehensive” and “high standard” agreement to develop liberalization commitments that go beyond those in the WTO (Fergusson, McMinimy, and Williams, 2014). The TPP text, made public in 2015, has 30 chapters in total, covering a range of contentious trade, investment, and regulatory issues and disciplines. In the context of negotiations, “cross-cutting issues emerged as high-priority areas, including supply-chain management, competitiveness, transparency, regulatory coherence, labor and the environment, development, and small and medium businesses.” Placed on the agenda by Washington, “these proposed cross-cutting rules, largely aimed at behind-the-border regulatory barriers, became the basis for proclaiming that the TPP would become the new model for a twenty-first-century FTA” (Barfield, 2011: 2). The rules address a number concerns for U.S. and transnational capital, including intellectual property rights, pharmaceuticals, government procurement, and e-commerce. In Washington’s view, the need for the TPP stemmed from “the proliferation of regulatory and non-tariff barriers, which have become a major hurdle for businesses gaining access to foreign markets” (Fergusson, McMinimy, and Williams, 2014: 41). Like previous agreements (Panitch and Gindin, 2012: 224-230), it is driven to facilitate capital accumulation by breaking down select barriers, blending liberalization with protectionism to reinforce the structural advantages in the composition and relative sophistication of the U.S. economy.

The TPP’s rules on investment are similar to those found in NAFTA, though, in some respects, the TPP goes further. Its investor-state dispute procedures were reportedly among the most contentious in the negotiations (Schott, Kotschwar, and Muir, 2013: 34), partly because they threaten existing health and environmental regulations. Stiglitz criticised the TPP because it “allows corporations to seek restitution in an international tribunal, not only for unjust expropriation, but also for alleged diminution of their potential profits as a result of regulation” (2014). The text effectively eliminates capital controls (USTR, 2015). It handcuffs fiscal policy through new rules on government procurement. Unlike previous agreements, the TPP empowers financial firms to “use extrajudicial tribunals to challenge financial stability measures that do not conform to their expectations.” Despite the centrality of “toxic derivatives” to the 2008-09 global financial crisis, “the TPP would impose obligations on TPP countries to allow new financial products and services to enter their economies if permitted in other TPP countries” (Public Citizen, 2015: 6).

In contrast to its overarching liberalization thrust, the TPP’s protectionist elements are consistent with the U.S.’s structural advantages. Its rules “go beyond the level of protection provided in the WTO Trade Related Aspects of Intellectual Property (TRIPS) Agreement” to include the application of these protections to digital media (Fergusson, McMinimy, and Williams, 2014: 29). It would erect more stringent enforcement mechanisms to protect copyrights and punish trademark counterfeiting, including online, with major ramifications for internet governance. Additionally, the U.S. pushed for enhanced protections for pharmaceutical patents in the TPP. There are particular concerns that this will curb Southern countries’ access to generic medicines. The rules would extend the period of data exclusivity for biologics – medical preparations derived from living organisms, which are sometimes treated as distinct from traditional pharmaceuticals (Fergusson, McMinimy, and Williams, 2014: 32). The U.S. sought “language to improve the protections for trade secrets” in response to the “concerns of U.S. business that governments have pressured them to reveal trade secrets or transfer technology to further a country’s ‘indigenous innovation’ policies’” (Fergusson, McMinimy, and Williams, 2014: 33). In the e-commerce discipline, the framework would adjust and synchronise various impediments to e-trade, such as customs duties, the digital environment, authentication of electronic transactions, and localization requirements. It would also “ensure that services distributed electronically benefit from the same protections as services distributed by other means” (Fergusson, McMinimy, and Williams, 2014: 40).

At the behest of U.S. negotiators, the TPP text includes rules on state-owned enterprises(SOEs) previously excluded from most FTAs. These provisions would regulate the subsidies, low cost credit, and preferential access to government procurement enjoyed by state-backed businesses (Fergusson, McMinimy, and Williams, 2014: 42-44). Widely seen as targeting China should the country eventually join the accord, the new rules on SOEs may undercut the development strategies of participating Southern countries. The stated goal is “competitive neutrality;” in practice the application of the provisions would favor U.S. business interests. “As with most trade negotiations, the U.S. position on SOEs likely seeks to balance both U.S. defensive and offensive interests,” meaning the rules would be crafted in a way that allowed for government support for market-oriented products and services within the U.S. (Fergusson, McMinimy, and Williams, 2014: 43). Moreover, as a so-called “living agreement,” the TPP is designed to be capable of dealing with new trade, commercial, and investment issues as they emerge. Finally, it aims to have “intangible effects of renewed momentum toward global economic integration” producing a “convergence toward market economics” similar to previous “waves of liberalization” (Petri and Plummer, 2012: 8).

**Institutionalizing a Pacific Bloc in Latin America**

For the United States, the TPP represents the fertile “middle ground” between the stalled DDR talks and the worn-out bilateral track (Gordon, 2012; Lewis, 2011); the U.S.’s most recent trade agreements in Latin America (the Colombia and Panama FTAs) took over six years to gain entry into force following the completion of negotiations. While outwardly complicating the existing trade architecture, the TPP purportedly holds the potential to disentangle the existing web of bilateral agreements (by superseding them on things like market access). The product of a multilateral diplomatic process, it represents a boon to U.S. institutional power, providing “indirect control” through the construction and imposition of rules that reinforce existing asymmetries in the global political economy – the basis of U.S. structural power (Barnett and Duvall, 2005). This new framework means that the institutional dimensions of U.S. hegemony are reinforced at a time when Latin America has cultivated a new, “post-hegemonic” regionalism, featuring institutions built to the exclusion of U.S. input (Riggirozzi, 2012).

Important to the TPP is the accord’s accession mechanism, which gives it the capacity to broaden over time, potentially adding new members to an established (if adaptable) regime. This feature gives it more flexibility than other FTAs, meaning it is configured to foster – and formalize – the longer-term restoration of free trade’s “common sense” ideological purchase. Proponents have called for the U.S. to “strengthen” the regime “by supporting broader Latin American participation in the TPP” in order to “re-engage” the region (Kotschwar and Schott, 2013). As negotiations advanced, officials were directed to “continue talks with other trans-Pacific partners that have expressed interest in joining the TPP in order to facilitate their future participation” (White House, 2011). In Latin America, much of the interest in the TPP is driven by the appeal of deepening networks with East Asian markets, even if “short-term market access gains (to Latin American participants) appear very modest” (Herreros, 2012: 275).

The TPP brings together several of Washington’s most important partners in Latin America. The Chilean government, one of the original P4, saw value in the expanded agreement’s ability to harmonize existing free trade agreements. Chilean officials emphasized that the TPP could be a “profound agreement” if successfully implemented, mainly because it held the capacity to “return order to the ‘spaghetti bowl’” of overlapping rules and agreements (Wikileaks, 2009). Peru was somewhat hesitant to join the TPP, choosing to base its decision on the accession of other countries and in consultation with the U.S. (Wikileaks, 2008a). The government of Ollanta Humala, a former military leader once seen as a protégé of Hugo Chávez, remained committed to the talks. With the June 2012 announcement that Mexico was entering the fray, the U.S. Trade Representative (USTR) stated: “Mexico has assured the United States that it is prepared to conclude a high-standard agreement that will include issues that were not covered in the North American Free Trade Agreement” (USTR, 2012a). Mexico’s inclusion expanded the push for a renewed free trade consensus in the Americas, intimating increased cooperation among “like-minded globalizing countries” to benefit from, and compete with, a “rising Asia” (O’Neil, 2014: 14). The turn toward the Pacific, and away from initiatives associated with South America’s more “Atlantic” and new left governments (namely Mercosur), was also apparent in the formation of the Pacific Alliance in 2012. The emerging divisions between the Pacific and Atlantic groupings are more political than geographical or economic. The Pacific Alliance has been successful at “rebranding” free trade and foreign investment, but it has had limited impact on the composition of intra-group trade (*Economist*, 2015; Kotschwar and Schott, 2013). Moreover, many of the region’s Pacific Rim countries have shown little interest in the new organization.

Comprising Chile, Colombia, Peru, and Mexico, the Pacific Alliance is an outgrowth of earlier efforts to consolidate the neoliberal bloc of hemispheric states under U.S. guidance. Assistant U.S. Secretary of State Thomas Shannon told Colombian officials in 2007 that the Bush administration was “considering establishing a forum of countries that had FTAs with the U.S. that would promote broader economic integration among interested countries.” This idea was welcomed by Colombia, which had a “vision of a Latin Pacific coast network of free trade agreements among like-minded countries.” It was hoped the forum, called the Arc of the Pacific Initiative, would include all of Latin America’s “FTA-aspirant” countries (Wikileaks, 2007). According to leaked cables, “the original purpose of the Arc was to help counteract the isolation that Peru and Colombia face as moderate, centrist governments in a region susceptible to populism.” It attracted interest from Mexico, Chile, and Canada, with the “eventual goal of creating a ‘free trade area’” (Wikileaks, 2008b). The TPP links these countries to a collection of large and emerging markets in East Asia. The Pacific Alliance was likewise designed to rebuild the elite consensus around neoliberal trade integration in piecemeal fashion. “Rather than a single undertaking approach where a full range of issues is decided, negotiated, ratified, and implemented,” in the Pacific Alliance’s “‘early harvest’ model the easiest issues are tackled first to build momentum and confidence” (Dade and Meacham, 2013: 6).

Latin American participation in the TPP is currently limited to members of the Asia-Pacific Economic Cooperation (APEC) forum – Chile, Mexico, and Peru. However, it is has generated wider attention. Colombia has expressed considerable interest (Wikileaks, 2010). Costa Rica, a member of CAFTA, is also seen as a possible addition, as is Panama, which also has an FTA with the U.S. (Kotschwar and Schott, 2013). As new countries are brought into the fray, the TPP may deepen divisions between the Pacific-oriented countries and the Atlanticist cohort, led by the region’s left governments, including Mercosur members Brazil and Argentina alongside the Bolivarian bloc of ALBA members, namely Venezuela, Bolivia, and Ecuador (Herreros, 2012: 275-276; Kotschwar and Schott, 2013). This undercuts Latin American efforts to construct institutional mechanisms to unite the region via institutions that exclude U.S. participation, from economic groupings like ALBA and Mercosur to diplomatic organizations, such as CELAC and the Unión de Naciones Suramericanos (Union of South American Nations, or UNASUR). In contrast to these bodies, the constitutive rules and provisions of the TPP were written with considerable input from U.S. negotiators and formal stakeholders, including transnational corporations (Fergusson, McMinimy, and Williams, 2014). Debates within and around the TPP talks reflect the (transnational) class dynamics that shape not only U.S. foreign economic policy, but the policies of the other participating states. Such was the case with the array of forces that coalesced to produce the Washington Consensus and its neoliberal policies.

**A Renewed Consensus on “Free Trade”?**

The crises that struck Latin America beginning with the Mexican peso crisis of 1994 and extending through the Brazilian and Argentinian crises of the late-1990s stripped the sheen from the Washington Consensus, even amongst its erstwhile supporters. From the perspective of inter-American relations, the antimonies of neoliberal capitalism destabilised the U.S.’s structural-institutional power. This dynamic was interwoven with the rise of leftist leaders and parties, backed in turn by influential social movements (Robinson, 2008: 268-359; Sader, 2011). By the late 2000s, of those Latin American countries without FTAs with the U.S., none were open to the prospect (Hornbeck, 2011: 1). As noted above, the breakdown of the FTAA had already precipitated the turn to a more modest strategy of bilateral agreements. With the bilateral track exhausted, and the DDR deadlocked, the Obama administration turned toward the Asia-Pacific agreement, with the added bonus that – unlike bilateral FTAs – the TPP would hold the potential to develop global supply chains.

The regional consensus on “free trade” had all but cracked when the global financial crisis of 2008-09 problematized Washington’s common sense enthusiasm for “free markets.” Mired in a severe recession, U.S. economic policy turned inward, towards bailouts and fiscal stimulus. In the context of economic contraction, growing trade deficits, the persistent loss of manufacturing jobs, and Obama’s anti-NAFTA campaign stance, free traders in Washington were put on the defensive (Ikenson and Lincicome, 2009: 1-2). According to the right-wing/libertarian Cato Institute (2009: 611-623), which has long pushed for free trade, the bipartisan model that dominated U.S. politics since World War II “collapsed entirely” in the late-2000s. If Obama’s turnabout on trade was predictable, the domestic consensus of previous decades remained elusive, prompting vigorous support from business lobby groups, including the powerful Chamber of Commerce, which actively campaigned on behalf of the TPP as a matter of priority (2015: 16). Of the several hundred corporations and interest groups known to have lobbied Congress for or against the TPP, no organization has been more active than the Chamber of Commerce (Center for Responsive Politics, 2015).

In the U.S., debate over the TPP was channelled through the president’s trade promotion authority (TPA, or “fast track”), in which Congress grants the executive the ability to enter into reciprocal trade agreements in a manner that expedites their implementation (by avoiding “undue” legislative procedures, provided the president observes certain statutory obligations), essentially guaranteeing an up-or-down vote without amendments. Before this was granted in June of 2015, TPA had last expired in 2007. Although it is not required to begin or conclude trade negotiations under U.S. law, its periodic renewal is often tied to legislative support for specific agreements (Fergusson, 2015: ii). The inability of the Bush and Obama administrations to regain this authority slowed executive efforts at revamping Washington’s traditional free trade agenda following the global crisis. The Obama administration called for the passage of fast track as a means of enabling the finalization of the TPP, indicating that the administration saw it as necessary to the culmination of the negotiations and its eventual implementation (Watson, 2013). As a means to an end, the fast track debate was the main battleground over the common sense of U.S. foreign economic policy, as well as a barometer for the shape of the free trade consensus in the heartland of the hegemonic actor.

Given the legislative effort involved in passing FTAs, and because of the perceived inefficiencies in overlapping regimes, from Washington’s perspective it was crucial that trade policy move away from bilaterals to aim for “convergence” (Estevadeordal, 2012: 27). A reconstitution of the free trade consensus, beginning with the passage of fast track, would entail a reinvigorated commitment to liberalization, and in a manner that tied-up the loose strands of existing agreements to give the “spaghetti bowl” a more coherent shape. Convergence in this context allows for new sets of rules to facilitate capital accumulation and mobility by deepening “free trade” with states that already have FTAs with one another. However, like the FTAA and NAFTA before it, the TPP has generated controversy and opposition. If consensus is to be consolidated through the TPP process, the “common sense” position in favor of “free trade” must circumvent or internalize a disparate collection of oppositional forces. As was the case with earlier agreements, including NAFTA (Rupert, 2000), this opposition finds expression in the U.S. itself, and in a way that cuts across ideological and partisan divisions (Needham and Goad, 2013).

The TPP has come under criticism from NGOs and transnational civil society groups over a host of issues, from internet governance to public health (Gordon, 2012). While hundreds of corporations (and some unions) had access to the text as part of a formal stakeholder process, it was reportedly kept from many legislators as it was being negotiated. When challenged over this lack of transparency, USTR Ron Kirk recalled that, following the release of the FTAA text in 2001, that particular deal could not be completed. “In other words,” wrote Lori Wallach (2012: 9), “the official in charge of the TPP says the only way to complete the deal is to keep it secret from the people who would have to live with the results.” Nevertheless, chapters of drafts of the text were leaked by stakeholders, fuelling the disparate strands of political opposition. Attempts to utilize an uneven stakeholder process to frame the negotiations as “transparent” demonstrated an awareness by policymakers that the neoliberal “common sense” on trade had yet to be fully rebuilt (USTR, 2012b), and that the hegemony of the post-Washington Consensus remained a work in progress.

**Conclusion**

The Trans-Pacific Partnership is, in the Obama administration’s slogan for the agreement, “Made in America” (USTR, 2015). A project of U.S. foreign economic policy, the mega-trade deal is focused firmly on the Asia-Pacific. This paper has argued that its extension to Latin America evidences U.S. efforts to renew its damaged hegemonic position in its so-called “backyard.” The reconstitution of U.S. hegemony is an ongoing and multidimensional process that extends beyond the TPP. In Gramscian fashion, hegemony combines coercive elements alongside the ideological production of consent, conceptually spanning levels of analysis to connect foreign policy to class interests within and across national borders. The effort to rehabilitate the free trade consensus is a major component of this process. Constructed to facilitate capital accumulation and transnationalization, FTAs overlap institutional and structural forms of power. Under Washington’s guidance, their rules ensure that the U.S.’s privileged position in the global political economy is protected while the mobility of transnational capital is enhanced.

Against the notion that the hemisphere has now entered a post-hegemonic era, the TPP shows that U.S. agency remains driven toward hegemonic renewal in the Americas. It puts the U.S. at the center of an expanding liberalization regime connecting the Asia-Pacific to the Americas. It gives Washington an architectural role in the harmonization of existing trade rules. And the agreement is designed to bring additional countries into the fold if and when the political conditions allow. From an (inter)regional perspective, the TPP constitutes an inchoate consensus to consolidate the neoliberal position on trade integration against models associated with ALBA and Mercosur. Coming after the breakdown of the Washington Consensus, the collapse of the FTAA, the stalemate in the DDR, and the shock of 2008-09 crisis, the TPP would kick-start the momentum of “free trade.” The prospect of the TPP has thrown up political opposition across the negotiating countries, and its ratification, as of this writing, is not guaranteed. What is apparent is that the TPP represents a reinvigorated commitment to neoliberal globalization. Its extension to Latin America is likely to have myriad of implications for the hemispheric political economy, and for the power of the United States therein.

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