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## Development

The Trans-Pacific Partnership (TPP) levels the playing field for American workers and American businesses, leading to more Made-in-America exports and more higher-paying American jobs here at home. By cutting over 18,000 taxes different countries put on Made-in-America products, TPP makes sure our farmers, ranchers, manufacturers, service suppliers, and small businesses can compete—and win—in some of the fastest growing markets in the world. With more than 95 percent of the world’s consumers living outside our borders, TPP will significantly expand the export of Made-in-America goods and services and support American jobs.

### **EXECUTIVE SUMMARY**

The TPP joins countries at widely varying levels of development. Recognizing this, the Development chapter creates a permanent Committee to help ensure that the Agreement’s developing-country Parties can take full advantage of the opportunities TPP creates for development and poverty reduc-

tion, and to focus attention on major development goals including inclusion of women, micro-enterprise, poverty reduction, and education, science, and technology.

## **CHAPTER OVERVIEW**

The Development chapter, in tandem with the Cooperation and Capacity Building chapter, addresses the above challenges not through an assistance program, but through an initiative to leverage public and private sector resources to maximize the TPP Agreement's development benefits.

### **Development Role**

The Development chapter explicitly affirms the goal of Parties to improve economic opportunities in support of development, inclusive growth, and regional economic integration, and further, that these goals can be enhanced by cooperation among Parties, recognizing the different levels of development of the TPP countries.

### **Development Priorities**

The chapter includes three specific areas to be considered for collaborative work once TPP enters into force, including:

- **Broad-Based Economic Growth**

Promoting broad-based economic growth through policies that take advantage of trade and investment opportunities created by the TPP Agreement can contribute, among other goals, to sustainable development, poverty reduction, and the promotion of micro, small- and medium-sized businesses.

- **Women and Economic Growth**

Enhancing opportunities for women to participate in the domestic and global economy through TPP contributes to economic development, including through activities aimed at helping women build capacity and skill; enhancing their access to markets, technology and financing; developing women leadership networks; and identifying best practices in workplace flexibility.

- **Education, Science and Technology, Research and Innovation**

Policies related to education, science and technology, research and innovation can help Parties maximize the benefits of the TPP agreement, including through activities aimed at developing expertise and managerial skills, and enhancing enterprises' ability to transform innovations into competitive products and start-up businesses.

## **TPP Development Committee to Promote Joint Development Activities**

The chapter establishes a TPP Development Committee that will meet regularly to promote voluntary cooperative work to identify and potentially support ways for TPP's developing economies to tap new opportunities created by TPP for their development priorities. We anticipate that the Committee will work with governmental bodies as well as civil society groups, private companies, academic institutions, and non-governmental organizations, and promote joint activities to promote and align development activity, expand joint engagements in science, technology, and research; and facilitate public-private partnerships to enable private enterprises, small and medium-sized enterprises to bring their expertise to bear to support development goals.

## **NEW FEATURES**

TPP is the first U.S. agreement to include a development chapter, incorporating commitments to promote sustainable development and broad-based economic growth. It has the potential to support new cooperative activities aimed at enhancing the ability of women to fully access and benefit from TPP, as well as activities designed to promote education, science, technology and innovation, including through science and technology agreements, public-private partnerships, and other joint development activities.

## **IMPACT**

The Asia-Pacific region has been the center of one of the most rapid reductions of poverty in history. The World Bank estimates that from 2002 to 2011, despite the financial crisis, the number of Asians living in absolute poverty fell from 518 million to 161 million people, or by 70 percent. In the same period, Latin America has also seen a nearly 50-percent cut in abso-

lute poverty. World Bank projections suggest the possibility of near-elimination of deep poverty in the Asia-Pacific over the next 15 years.

To further this progress, the TPP partners will need to further promote trade and investment by strengthening regional integration, spurring innovation, and ensuring inclusive and sustainable growth. The United States has many decades of experience in trade and development policy, dating to the Kennedy era Alliance for Progress, the creation of the Generalized System of Preferences in the 1970s, and the African Growth and Opportunity Act in 2000. In TPP, we have an opportunity to draw on this experience and the ideas of our partners and civil society groups, in pursuit of equity, inclusion, and the alleviation of poverty in the world's most populous region.

Complementing the agreement's provisions on market access, e-commerce, customs, and other issues, the Development chapter's institutional focus on development-related issues will help to ensure that TPP will be a model of high-standard trade and economic integration, that TPP's developing-country members can obtain the complete benefits of the agreement, and that they are fully able to implement their commitments. This will help sustain growth rates, alleviate poverty, promote food security, and boost living standards broadly for citizens in all TPP countries; and at the same time, enable TPP's developing-country members to emerge as more prosperous societies and stronger markets for America's goods and services.

