9. An Innovative, Job-creating Economy

The TPPA is promoted as a 21st century model, but it is premised on the 20th century neoliberal approach of self-regulating markets within a limited state that treats growing inequality and insecure employment as inevitable.

Since the Global Finance Crisis there has been growing support internationally for an approach that requires a more active state which has flexibility to respond to international and domestic changes in economic, social and environmental conditions.

Thriving economies of the 21st century will be technology driven. In some areas of advanced technology innovation, NZ is a world–leader. In the right environment, technological innovation per se and value-added manufacturing, including of agricultural products, has the potential to compensate for our limited manufacturing sector and create good quality sustainable jobs. It is also a means to diversify the economy away from our dependency on minimally transformed agricultural exports and low quality, insecure services jobs. Investors and other innovators may be attracted to NZ if the environment remains conducive.

The US is demanding unprecedented monopoly rights over intellectual property. If it succeeds with even some of the proposals in the intellectual property chapters of the TPPA that were leaked from 2011 and August 2012, the TPPA will thwart innovation by new IT companies and downstream benefits for knowledge-intensive industries and jobs. NZ and most other TPPA countries have rejected these proposals, but most of them are apparently still on the table.

New Zealand IT companies and professionals, telecom users, e-media, Consumer NZ and Trade Me have come together in the Fairdeal Coalition to oppose rules that apply to software patents, temporary copies, digital lock devices, extended copyright terms, parallel importing, and more. These rules can only benefit intellectual property exporting countries, and the US and Japan are the TPPA's only net exporters of IP.

The Institute for IT Professionals describes the US proposals as 'stifling innovation rather than supporting it and protecting mature technology markets (such as that of the US) at the expense of rapidly developing technology export markets such as New Zealand.' Businesses, libraries, central and local governments, schools and universities, would be hit by increased charges. ISPs would face legal obligations to police the Internet on behalf of the IP rights-holders.

Consumer NZ points out that parallel imports, which make cheap goods affordable to low income families in the likes of the Warehouse, would become illegal. There is no local manufacturing capacity to make them here, and the TPPA rules are designed to deter governments from supporting new start-up industries.

The e-commerce chapter is expected to require tariff-free and GST exempt entry for goods and services purchased electronically offshore. IT data storage and processing companies could not be required to store their data in the country, leaving NZ vulnerable to another country's privacy and security rules, quality control systems, and integrity of offshore IT providers.

The TPPA would lock governments into an outmoded 20th model of monopoly property rights that stifles innovation and economic diversification in a forward looking, job creating economy.