



200607354

CONSTRAINING THE AUSTRALIAN STATE: AUSFTA'S IMPACT ON SOVEREIGNTY

Elizabeth Blackwood and Stephen McBride*

The likely impact of Australia's recently concluded bilateral trade agreement with the United States is contested. Proponents suggest that it 'will deliver real benefits to all sectors across all states and territories' (DFAT, 2005) whilst critics raise the spectre of national demise (Weiss *et al.*, 2004). In this article we draw on a framework previously used (McBride, 2003) to analyse Canada's experience in the North American Free Trade Agreement (NAFTA), to specify more precisely one potentially negative impact of the Australia – United States Free Trade Agreement (AUSFTA) on Australia. Although Canada's capacity for policy autonomy has not disappeared under NAFTA, the agreement has circumscribed and constrained it in some significant ways. We suspect that the same – diminished sovereignty and capacity for independent policy-making – will be true of the Australian case.

Given the disparity of power between Australia and the US an asymmetrical outcome was, perhaps, to be expected. But it does raise issues about why small or medium size countries are willing to engage bilaterally with the world's hegemon. Under conditions where multilateral trade negotiations are stalled bilateral agreements clearly offer a desirable alternative for hegemonic powers. The United States can use such agreements to advance its own interests which, concretely, are

* The authors would like to acknowledge research funding under an SSHRC MCRI grant, "The Globalism Project" (PI: Gordon Laxer). Thanks are also due to the anonymous reviewers for the journal for their helpful suggestions.

those of American capital. Realist views¹ of US trade policy from the 1980s depict it as being decreasingly 'multilateral' and much more 'multitrack'. This strategy is designed 'either to protect American markets or to increase access by American firms to foreign markets...' (Gilpin, 2000: 232). Notwithstanding a rhetorical commitment to free trade, therefore, US trade policy has reflected managed trade goals underpinned by the theory of strategic trade (Gilpin, 2000: 253). Bilateral trade agreements are thus clearly useful to the United States. When in 2003 both the Doha World Trade Organisation (WTO) round and the Free Trade Area of the Americas (FTAA) negotiations hit stumbling blocks, US Trade Representative Robert Zoellick identified the bilateral and regional alternative for the United States:

The U.S. strategy on trade has sought to press ahead on global trade liberalization through the WTO.... U.S. trade strategy, however, includes advances on multiple fronts. We have free trade agreements with six countries right now. And we're negotiating free trade agreements with 14 more (U.S. Department of State, 2003).

Lloyd Gruber (2000) posits that hegemonic states possess 'go it alone power' which removes the status quo as an option for other states. This induces weaker states to get on board with a proposed agreement to cut their losses. The effect of the choices made by the dominant player is to erode sovereignty, and thus the scope for democratic decision-making, especially for the weaker parties to the agreement. It would be wrong, however, to depict the constraints thus created as exclusively external in origin. Indeed, as recently as 1997 Australia had rejected overtures for a free trade agreement from the US (Capling, 2005: 7-8). It seems likely therefore that the radical departure in Australian trade policy had domestic roots. The extent to which the re-ordering of domestic power

1 Realist theories in international relations and political economy posit the centrality of states as rational, power-maximising entities. They tend to view outcomes in zero-sum terms, as opposed to liberals, who anticipate positive sum outcomes from more benign interactions in which states are only one participant along with individuals, firms and markets. Marxists define and explain zero sum outcomes in terms of class interests, in which states, as such, play an important but secondary role. See Cohn 2005: Ch 3-5.

relations through international economic agreements is driven by domestic factors, such as the desire of governing elites to lock in place neoliberal policy changes, has received insufficient attention in the literature (Krasner, 1999:22; Gruber, 2000:82-4) but certainly seems to be a factor in cases like NAFTA and AUSFTA.

Current US strategy is reminiscent of the 1980s when, with only slow progress being made in the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), the US concluded a bilateral agreement with Canada (the Canada US Free Trade Agreement – (CUSFTA) which subsequently evolved into NAFTA.²

A framework previously used to analyse Canada's experience under NAFTA (see McBride, 2003) can be applied also to the text of the Australia-US agreement. We employ Stephen Krasner's (1999) typology of sovereignty to identify and describe the sovereignty-diminishing aspects of the AUSFTA. That typology is based on two concepts – authority, the recognised right of a state to take certain actions; and control, its actual capacity or ability to engage in them. Based on these criteria Krasner suggests the following types of sovereignty:

domestic sovereignty, referring to the organization of public authority within a state and to the level of effective control exercised by those holding authority; interdependence sovereignty, referring to the ability of public authorities to control transborder movements; international legal sovereignty, referring to the mutual recognition of states or other entities; and Westphalian sovereignty, referring to the exclusion of external actors from domestic authority configurations (Krasner, 1999: 9).

In agreements like AUSFTA, international legal sovereignty remains intact – among other things it is essential for the conclusion of international agreements, but erosion can be detected in the other dimensions of sovereignty. Thus Westphalian sovereignty is diminished to the extent that external actors acquire opportunities to participate in a

² Technically trilateral it can more accurately be described as three bilateral agreements (Canada – US, Canada-Mexico and Mexico-US) cobbled together. (Kerr 2001:1175)

nation's authoritative institutions or where external authorities can overrule domestic institutions. Domestic institutional changes attributable to international agreements and limits imposed on the state's ability to legislate or regulate are indicators of reduced domestic sovereignty; and inability to control trans-border movements show lessened interdependence sovereignty.

Applying this typology to the contents of the Australia-US Free Trade Agreement highlights important features of the AUSFTA that do, or may in the future, affect the various forms of sovereignty. The virtue of the framework is that it allows description and evaluation of the agreement that goes beyond whatever cyclical trade and investment statistics emerge over the next few years. Trade agreements are generally presented as purely economic arrangements that, according to trade theory will have mutually beneficial outcomes.³ In fact they reach much more deeply into the politics and political economies of the signatories, especially those of the weaker parties. Though Krasner's use of these categories of sovereignty reflects a realist ontology, the approach can be useful across other IPE perspectives. It provides a method to identify and interrogate the complex relationship between free trade agreements and state power which brings a more nuanced understanding of the sovereignty-diminishing effect of FTAs. In the Australia-US case, this framework highlights how the agreement secured the economic interests of US capital to the detriment of Australian policy autonomy. But unlike realist accounts, which typically view zero-sum results as the product of inter-state relations, the typology applied here can be used to question that assumption. Though this agreement did reflect unequal negotiating strength, this factor does not sufficiently explain the willingness of Australia, previously committed to multi-lateral trade policies (Capling, 2005: chap. 1), to give up so much for so little in a bilateral agreement with a stronger party.

We note some of the asymmetries that characterise the AUSFTA. The loss of Australian sovereignty and policy capacity, and the corresponding gain in US capacity to influence Australian policy and regulatory decisions, constitutes an ongoing advantage for the US in future

3 For a critique of orthodox trade theory see McBride 2005:72-8

Australian – US economic relations. In a paper of this length we must be selective and focus on a number of cases to illustrate how AUSFTA has or may serve to limit types of sovereignty: investment, biosecurity and pharmaceuticals for Westphalian sovereignty; the Pharmaceutical Benefits Scheme (PBS), government procurement, and intellectual property rights for domestic sovereignty; and aspects of intellectual property rights and investment for interdependence sovereignty.

Westphalian Sovereignty

According to Krasner, Westphalian sovereignty is guided by two principles: 'territoriality and the exclusion of external actors from domestic authority' (Krasner, 1999: 20). In the NAFTA case perhaps the most acute challenge to Westphalian sovereignty was the inclusion, in Chapter 11, of an investor's rights clause that allows foreign investors to launch a claim directly against member governments without their own national government acting as an intermediary. The NAFTA Chapter 11 investor rights provisions are controversial and subject to considerable criticism in all three member countries (see: Schneiderman, 2005; Mann, 2001).

An interesting feature of the Australia - US Free Trade Agreement is the absence of an equivalent investor rights clause. Does this mean that the agreement is less invasive of Australia's sovereignty, and thus a better agreement than the NAFTA agreement is for Canada? Initial critical opinion in Australia, as reflected in the title of one of the first book length assessments of the agreement, *How to Kill a Country* (Weiss, Thurbon and Mathews, 2004), would suggest otherwise. Still, such a clause has been an objective of U.S. pro-business lobby groups in trade deals since NAFTA and is vehemently opposed by citizens groups, so its absence is notable. Though the US was largely in favour of the inclusion of an investor-state arbitration clause, curiously, it did not make the AUSFTA contingent upon including such a clause (Capling and Nossal, 2006). Part of the explanation may lie in the acceptability, to the Americans, of recourse through Australia's court system. Part may lie in the changes made to investment and intellectual property rules together with the inclusion of an 'insurance policy' that appears to allow either

party to trigger a Chapter 11 equivalent, should circumstances warrant. Thus corporations may eventually gain investor–state arbitration rights as a result of Article 11:16:1 of the agreement which stipulates that:

[I]f a Party considers that there has been *a change in circumstances* affecting the settlement of disputes on matters within the scope of this Chapter and that, in light of such change, the Parties should consider allowing an investor of a Party to submit to arbitration with the other Party a claim regarding a matter within the scope of this Chapter, the Party may request consultations with the other Party on the subject, including the development of procedures that may be appropriate. On such a request, the Parties shall promptly enter into consultations *with a view towards allowing such a claim and establishing such procedures* [emphases added].

By making reference to ‘a change in circumstances’ the agreement provides a means by which investor-state arbitration could take place on the initiative of one party. Capling and Nossal (2006:161) consider that ‘circumstances’ are unlikely to change sufficiently to trigger this provision. Since, however, their list of circumstances, derived from a United States Trade Representative (USTR) press release, includes ‘the confidence of ... investors in each others’ markets’, this may be too sanguine unless permanent neoliberalism on the part of Australia’s government is assumed. For example, should a future activist government attempt to increase or re-instate the screening powers of Australia’s Foreign Investment Review Board (FIRB), this would be construed as a change in circumstances by US business, which would pressure ‘its’ state to act. In any case, the term ‘change in circumstances’ is capable of broad interpretation so other developments could also trigger such a request.

In other areas infringements on Westphalian sovereignty are clearer. Australian trade ‘restrictions’ that had previously withstood the scrutiny of the multilateral trade system will be challenged by new bodies that will bring US officials into the fold of Australian regulatory decision-making. Ostensibly these are designed to provide a degree of transparency and communication between the two trade partners.

However, the text of the agreement suggests greater scope, as illustrated by the impact on Australia's quarantine and biosecurity measures.

Australia achieves a competitive advantage in the export of agricultural products largely due to its unique geography and 'disease-free' status, maintained through a comprehensive quarantine and biosecurity program (Chang and Kristiansen, 2004; Australian Government, 2005). The program is compliant with WTO rules: 'Australia takes a 'managed risk' approach to biosecurity based on scientifically justified measures that are the least trade restrictive possible' (WTO Secretariat, 2002). Australia's biosecurity regime is not a barrier to trade since the measures 'are believed to be necessary to ensure that Australia's reputation as a reliable exporter of high quality agricultural products is not jeopardized by pests and diseases' (WTO Secretariat, 2002).

The United States opposes Australia's regulations on food and agricultural products, referring to them as 'foreign trade barriers' (USTR, 1999: 16). Various restrictions on vegetable and meat products have been targeted by the office of the United States Trade Representative (USTR). A US commitment to, 'continue to raise these issues with Australian officials at all levels and in appropriate fora' (USTR, 2002) indicates US goals in the newly established bodies – the Committee on Sanitary and Phytosanitary Matters, and the Standing Technical Working Group on Animal and Plant Health Measures. Their mandate is vague, leaving considerable uncertainty about the policy and regulatory influence they will have. Australian officials argue that the AUSFTA will not change Biosecurity's⁴ regulatory capacity: 'The integrity of Australia's quarantine regime and our right to protect animal, plant and human health will not be affected. Decisions on matters affecting quarantine will continue to be based on science' (Australian Government, 2004a).

4 The Australian Biosecurity Agency is an independent agency within the Department of Agriculture, Fisheries and Forestry. Its purpose is to provide 'science based quarantine assessments and policy advice that protects Australia's favourable pest and disease status and enhances Australia's access to international animal and plant related markets.' (see Biosecurity Australia: <http://www.affa.gov.au/biosecurityaustralia>).

AUSFTA Chapter Seven does reaffirm each nation's 'existing rights and obligations with respect to each other under the [WTO] SPS Agreement.' Sceptics (such as Weiss *et al.*, 2004) point to the role that will be played by the new bodies, as well as to changes that began to occur in Biosecurity during the AUSFTA negotiations, to argue that the regime may change significantly. Chapter Seven maintains that these bodies have been established 'with a view to facilitating trade between the Parties to the greatest extent possible while preserving each Party's right to protect animal or plant life or health in its territory and respecting each Party's regulatory systems and risk assessment and policy development processes' (AUSFTA, Annex 7-A 1). The USTR states that the agreement 'establishes a new forum for scientific cooperation between U.S. and Australian authorities to resolve specific bilateral animal and plant health matters based on science and with a view to facilitating trade' (USTR, 2004). It further claims that the two countries will now 'cooperate in the development of science-based measures that affect trade between the two countries' (USTR, 2004).

The US continues to question the science behind Australia's regulations and views them as barrier to trade. Structured opportunities to promote this perspective inside Australia have been obtained. The new Working group is charged with 'engaging, at the earliest appropriate point in each Party's risk assessment and regulatory processes, in scientific and technical exchange and cooperation regarding animal and plant health matters that may, directly or indirectly, affect the trade of either Party' (AUSFTA: Chapter 7: Annex 7-A).

Thus the combination of the USTR's interpretation of the AUSTFA, the text of the agreement itself, and the events that shaped the negotiation process, raise several issues of concern regarding Australia's Westphalian sovereignty. Although the two new bodies have yet to define the scope of their powers they will exert influence upon the regulatory system. Certainly the USTR believes it will be 'cooperating' with Australia in the 'development of science based measures'. However, as the examples of disputes surrounding genetically modified foods (GMOs) and the use of bovine growth hormones in beef production have shown, the 'science' underpinning trade issues is often contested and

used as evidence to support opposing agendas (see Hervey, 2001; Toke, 2004).

The doors are open to foreign officials to exert influence inside the Australian decision-making system. The fact of joint involvement in developing scientifically derived regulations suggests that Australia's original regulatory regime is no longer intact. The fact that the objective of these bodies is to 'engage, at the earliest point' in each party's regulatory process, suggests that influence over Biosecurity decision-making is the goal. This engagement is to take place 'with the view to facilitating trade.' In other words, phytosanitary regulations can be viewed as barriers to trade, and trade seems to be viewed as more important than phytosanitary concerns.

Evidence did emerge that during the negotiation of the trade deal, Biosecurity Australia was already succumbing to US pressure. Three notable examples of this can be found in Import Risk Assessments (IRAs), made by Biosecurity Australia at the time of negotiations, which were referred to Senate inquiries. Weiss *et al.* (2004: 32-33) believe these decisions to be a direct result of increased US pressure on Australia's phytosanitary regime. Each of the Senate inquiries into the IRAs heard from a wide cross-section of experts and representatives, many of whom concluded that, 'There is no doubt that what is the least trade restrictive is what influences Biosecurity's thinking... and I think it would be equally true to say that there is a free trade culture within Biosecurity...' (APAL representative quoted in Weiss *et al.*, 2004: 51; see RRAT, 2004a)

Thus, while the Australian government maintains that the phytosanitary regime remains intact, concerns surrounding the scope of influence of the 'Committee' or the 'Working Group' and the subsequent erosion of sovereignty in this area seem warranted. This chapter of the agreement is not subject to dispute settlement under AUSFTA, instead leaving the issue of dispute resolution to the WTO. However, it may be that the ambiguous role of the two new bodies in 'resolv[ing] through mutual consent, sanitary and phytosanitary matters that may arise between the Parties' agencies responsible for such matters...' (AUSFTA: Chapter 7, article 5) reflects a more significant regulatory capacity than is implied by the government (Weiss *et al.*, 2004: 38-41). Critical scholars have

argued that the role of 'mutually' resolving matters that arise is meant to pre-empt WTO dispute resolution due to Australia's prior success in defending phytosanitary regulation in that forum (Weiss *et al.*, 2004: 44).

Similarly, AUSFTA stipulates the creation of a Joint US-Australia Medicines Working Group which again enables the US to influence Australian policy-making. Ultimately, this policy synergy will not only result in significant technical and legal changes, but could also lead to substantive philosophical changes surrounding the principle of pharmaceutical delivery itself. The intrusion of powerful foreign actors into the decision-making process will reduce Australian state capacity, or domestic sovereignty.

The PBS is a comprehensive programme within the Australian healthcare system aimed at the equitable distribution of pharmaceuticals. Through the PBS, the Australian government subsidises approximately 2600 different medicines accounting for approximately 80 per cent of all prescriptions filled (Australian Government, 2004b). The principal decision making instrument of the PBS is the Pharmaceutical Benefits Advisory Committee (PBAC), which decides which drugs will be listed for the PBS by comparing new medicines to existing medicines in terms of cost and effectiveness. New drugs without generic versions are covered only if PBAC determines that they offer greater therapeutic value than drugs already available. Little evidence suggests that this programme inhibits access to new drugs; drugs that are not listed on the PBS are available to Australians but are not subsidised by government. However, many new drugs are covered as Australia is one of the world's major consumers of 'new' medicines (Weiss *et al.*, 2004; ABPI 2003).

The US pharmaceutical industry's preoccupation with circumventing the PBS is due to the plan's record in providing medicines at rates considerably lower than those paid by American consumers who pay up to twice as much for medicines as do Australians. The Australian model is one that many American politicians and policy makers have studied in an attempt to find a suitable domestic strategy for lowering US drug prices. Health law Professor Kevin Outtersson, a member of a West Virginia state commission examining the Australian PBS for this purpose, describes the PBS as a 'gold-standard model for the rest of the world,' claiming that 'Australia has lower prices and a more functional

and complete system than anyone else and that's exactly why the drug companies want to shut it down, because it is such an outstanding model' (quoted in Mitchell, 2004).

The American pharmaceutical industry, particularly its main lobby group PhRMA (Pharmaceutical Research and Manufacturers of America), is concerned with Australian pharmaceutical policy on three grounds. First the PBS, which can choose to not list new medicines, acts as a price control system and an unfair barrier to trade (PhRMA, 2003: 108). Second, the bulk purchasing power wielded by the PBAC affords Australia lower pharmaceutical prices. Finally, PhRMA regards the patent protection offered by the Australian government as insufficient, as it tends to benefit generic drug companies without either contributing to the supposed research and development (R&D) costs of the major pharmaceutical companies, or recognizing the rights of patent holders.

Although it applauded some of the changes brought about by the AUSFTA, 'PhRMA is disappointed that not all market distortions and aspects of discrimination against innovative companies were resolved in the Agreement...' (PhRMA, 2004a: 57). The group has also alleged 'backsliding' in Australia's intellectual property protection concerning pharmaceuticals and requested that the United States Trade Representative (USTR) place Australia on its 2005 'Special 301' Watch List (PhRMA, 2005: 43). In other contexts the successful use of this legislation to lever concessions from trading partners is well-documented (Shaffer, 2003: 40-6).

Domestic Sovereignty

The Australian government's claim that the AUSFTA will not weaken the PBS or result in higher drug prices (Australian Government, 2004a) seems implausible. The AUSFTA affects pharmaceuticals by making procedural and technical changes to the PBS decision-making process; and changes to the way in which patents will be viewed and granted. Several provisions that will alter the PBS process affect Westphalian sovereignty, but the impact on domestic sovereignty may be more insidious. It occurs because intellectual property rights (IPR) and trade

are prioritised over consumer access and the equitable distribution of social goods. Chapter Two, Annex-C, section 2-d stipulates that the Parties are committed to the following principle:

the need to recognise the value of innovative pharmaceuticals through the operation of competitive markets or by adopting or maintaining procedures that *appropriately value* the objectively demonstrated therapeutic significance of a pharmaceutical (emphasis added)(AUSFTA, 2005).

This statement addresses concerns raised by US politicians who accuse Australia of taking a 'free lunch' (Australian Broadcasting Corporation, 2004), and interests like PhRMA, which suggest that Australia does not have the appropriate 'attitude' when it comes to protecting IPR and rewarding research and development. Even more telling is a side letter to the agreement by USTR Robert Zoellick that outlines commitments that Australia must agree to with regard to the medicine listing process under the PBS. Zoellick's letter places all its emphasis on securing the rights of pharmaceutical companies. Item 2 of the letter states, 'Australia shall provide an opportunity for independent review of PBAC determinations, where an application has not resulted in a PBAC recommendation to list,' and section 4 states, 'Australia shall provide opportunities to apply for an adjustment to the price of a pharmaceutical under the PBS' (AUSFTA: Chapter 2: Side Letters, PBS). All side letters in the AUSFTA are legally binding components of the agreement.

In both Chapter 2, and Chapter 17, as well as the side letter regarding PBS, the rights of pharmaceutical companies and other patent holders are front and centre. There is no mention of the right to affordable medicines, though this appears to be the fundamental principle of the PBS:

The PBS is a model Australian institution, providing drugs and medicines in an equitable manner. It stands out internationally as an effective vehicle for the fair distribution of medicines, and is based on a simple yet socially invaluable ideal: that everyone should have access to life-saving and life-improving drugs, be they rich or poor. Thanks to the PBS, the idea of people having to choose between buying food or pharmaceuticals is as foreign to

Australians as the companies that would dismantle this precious system (Weiss *et al.*, 2004: 59).

That health policy and the interests of large pharmaceuticals may come into conflict is no surprise, nor is the attempt to enshrine corporate rights into a trade agreement. However, the capacity of the large pharmaceutical lobby to continuously scrutinise Australia's pharmaceutical regime is built into the agreement, with PhRMA indicating that 'it is critical that the United States closely monitor the good faith, effective implementation of these [IPR] and all other FTA commitments' (PhRMA, 2004b).

The procedural changes implemented by the AUSFTA with regards to the delivery of medicines come in the form of the creation of a joint-Medicines Working Group, the creation of an 'independent review process' and changes to drug patent law that may delay the availability of less expensive generic drugs.

The creation of the independent review process thus affects the organization of public authority in Australia and will likely have a substantive result – increasing the costs of the PBS by facilitating challenges and lobbying pressure leading to an increased number of new drugs versus generic drugs approved for PBS listing. The review process 'may be invoked at the request of an applicant directly affected by a recommendation or determination' (Chapter 2, Annex 2-C) though the Australian government maintains that the review process does not provide for the overturning of PBAC decisions, this begs the question why, in that case, a review process is provided at all :

...the realities of the FTA are that Australia is likely to face very large sanctions under the dispute resolution and enforcement sections of the FTA if it does not provide an appeals process that the US and its drug makers find acceptable. Any process that does not have the power to reverse decisions, and which merely returns a submission to the committee for further consideration, will not represent any advance for the American side or the US companies. According to several statements from the industry and the American side, an appeals process without power is not what they think they have secured (Drahos *et al.*, 2004: 14).

Moreover, item four in the USTR Side Letter stipulates that 'Australia shall provide opportunities for an adjustment to the price of a pharmaceutical under the PBS' (AUSFTA, Chapter 2: Side Letters, PBS).

Lastly, under AUSFTA Chapter 17, patent protection will be extended and the terms in which generic pharmaceutical companies can apply for licensing have been made more difficult. This is estimated to have a dramatic effect on the price of medicines in Australia, not merely because fewer generic drugs will be available for purchase, but also because the PBS relies on generic drugs for evaluating the cost-effectiveness and pricing of new drugs. Once generic drugs enter the market the price of brand name drugs fall an average of 30 per cent (Lokuge *et al.*, 2003: 3). The PhRMA calls the AUSFTA a first step in addressing the 'harmful health and economic consequences of foreign price controls' (Aussie Rules: 2004).

The government procurement requirements of AUSFTA also diminish Australian domestic sovereignty and, in essence, require the adoption of US procurement policy by Australia. Consequently, Australia is burdened with the bureaucratic, legal and administrative costs of overhauling its procurement regime, while the US is required to change very little (Brennan, 2004; Weiss and Thurbon, 2004). The incorporation of a formal dispute process where unsuccessful bidders can attempt to have decisions reversed in Australian courts may prove the costliest of all (Brennan, 2004).

The restrictions placed on performance requirements for investment (discussed below) and changes made in the area of government procurement will also serve to limit the ability of government to shape industrial policy and foster domestic business. The principle of non-discrimination and the ban on offsets in Chapter 15 represents a substantial departure in Australia's industrial promotion policy (see Weiss and Thurbon, 2004). Offsets, defined in the AUSFTA as 'any conditions or undertakings that require use of domestic content, domestic suppliers, the licensing of technology, technology transfer, investment, counter-trade, or similar actions to encourage local development or to improve a Party's balance-of-payments accounts' are tools long-used by governments for industrial promotion, especially in fledgling, knowledge

intensive and heritage related industries. The use of offset arrangements in procurement can also serve as a valuable employment strategy.

As a non-signatory to the WTO Agreement on Government Procurement⁵, Australia retained considerable discretion in conducting procurement processes. Strategies used by various levels of government, such as price preference agreements, 'Buy Australia' and the Victoria Industry Participation Plan, will have to be abandoned or significantly revised in order to conform to the agreement. Brennan (2004: 12) has said that 'In Australia the changes that will be required will be extensive.' Though downplaying the effect of these changes, the government also concedes this point:

On its face, Chapter 15 could have major implications for Australia's industry development program... This is because, in the future, an agency will not be permitted to 'seek, take account of, impose or enforce' offsets in its procurements (Article 15.2.5). Accordingly, Australia will need to revise its current industry development policy, and in particular the requirement for agencies to develop model industry development criteria for inclusion in major procurements (AGS, 2004).

Though it is clear that policy-making autonomy will be constrained in this area, the government has suggested that greater benefit may come from the opportunities arising from greater access to the US procurement market. Using Canadian access to US procurement as an example, the Australian government's economic modelling suggests that Australia may expect to obtain market share of about 0.17 per cent of the US Government procurement market, or \$360 million per year (CIE, 2004: 46). This estimate is based on the fact that Canada's economy is 1.8 times larger than Australia's and Canada captures 0.30 per cent of the US government procurement (CIE, 2004: 46).

An econometric study, commissioned by the Senate Select Committee on Free Trade, casts serious doubt on the CIE report. Dr Phillipa Dee⁶

5 Although the WTO was a Single Undertaking and thus all members signed on to all WTO agreements, there are some exceptions - Plurilateral Agreements - including the Agreement on Government Procurement.

6 Former senior economist with the Productivity Commission

argues that Canada is not an apt comparison because of its geographic proximity to and long established partnerships with the U.S. However, because of the asymmetrical nature of the agreement, there are additional substantive and technical reasons to question the benefit that Australia will see from AUSFTA's government procurement chapter.

Although many changes will be required concerning local industry promotion through procurement, these changes will not apply to 'small and medium enterprises' (SMEs). However, the definition of a small business varies between the US and Australia. Enterprises with as many as 1500 employees are classified as small businesses in some US jurisdictions, whereas the number is 200 in Australia (Weiss and Thurbon, 2004: 4). Thus, offsets can be used to provide advantage to a greater number of US businesses, acting as a barrier to market access for Australian companies.

Weiss and Thurbon (2004) also raise concerns surrounding US Homeland Security procurements and proposed changes to the 'Buy American Act', both of which would see an increase in protective measures afforded to US businesses vying for government procurement, despite Chapter 15 of AUSFTA. While both countries have retained the right to exclude some aspects of defence related procurement from Chapter 15, the US has taken steps to legally entrench 'Buy American' requirements into defence spending. The 'Department of Homeland Security Authorization Act for Fiscal Year 2006,' passed on May 18, 2005, states:

Notwithstanding any agreement described in subsection (b), more than 50 percent of the components in any end product procured by the Department of Homeland Security that contains components shall be mined, produced, or manufactured inside the United States (House of Representatives, 2005).

Agreements included in 'subsection (b)' are: 'Any international agreement to which the United States is a party'. This move was an attempt to ensure that trade agreements do not undermine the 'Buy American Act' and came in the wake of protests by industry groups who argued that it would very difficult to find many products, including

computers and cell phones, that meet the 50 per cent criteria (Frauenheim, 2005).

In sum, AUSFTA's chapter on government procurement reflects challenges to both aspects of domestic sovereignty - institutional changes and capacity - and further highlights the agreement's asymmetrical nature. Considerable limits are placed on the government to design policy in a way that promotes local industrial growth and employment practices. At the same time, a more complex bureaucratic system to oversee tendering and to deal with challenges to the procurement system must be developed, mandating a particular organization of public authority, one that virtually replicates that of the US.

Domestic sovereignty has also been affected by the extensive changes required to make Australian Intellectual Protection law compliant with the agreement. Chapter 17, 'Intellectual Property Rights' (IPR), can be considered as 'TRIPS Plus' since its provisions go well beyond the IPR protection offered in the WTO's Agreement on Trade-related Intellectual Property Rights (TRIPS). Here, too, Australia is required to adopt an IPR regime that is comparable to that of the US. Weatherall argues that this 'represents a decisive—and unfortunate—move in Australian IP policy' (2004: 18). Her main concern is that IP law, though essential for innovation, can in fact work against domestic innovation in knowledge and technology intensive sectors. When IPR regimes become highly protective they actually work against innovation by severely restricting the diffusion of information and the transfer of technology (Weatherall, 2004).

The strengthening of IPR and extension of trademark, patents and copyright can be costly, as in the effect of IPRs on the PBS and generic medicines. As a net importer of intellectual property, Australia can expect its deficit resulting from royalties to increase substantially. One of the more significant changes to the Australian IP law will be the extension of copyright from 50 to 70 years of life of the author. Economists have calculated that this extension could result in royalties paid by Australia of up to \$88 million higher per year (Dee, 2005: 20). The US, as a large exporter of IP, is likely to reap asymmetrical benefits (Weatherall, 2004: 20).

Interdependence Sovereignty

Loss of interdependence sovereignty—‘the ability of public authorities to control transborder movements’ (Krasner, 1999: 9) – is built into policies that champion the expansion of free trade and, as long as free trade agreements were confined largely to trade in goods, was generally seen as unproblematic. It is the extension of trade agreements to cover such items as services, investment and intellectual property rights that has led to concerns over the degree to which interdependence sovereignty is affected. The AUSFTA, for example, enhances protection of intellectual property rights by granting patent holders the ability to restrict imports of their patented products which may be available at reduced cost elsewhere (AUSFTA 2005, Chapter 17, Article 17.9). Effectively this cedes control over what can and cannot be imported to private parties. This can be particularly detrimental in the area of health where the importation of cheaper drugs from other countries could be severely restricted.

Other notable challenges to interdependence sovereignty, as well as domestic sovereignty, involve changes to investment regulatory capacity, specifically to investment screening under Australia’s Foreign Investment Review Board (FIRB), and restrictions placed on performance requirements for foreign investors. Prior to the agreement the FIRB screened proposals by foreign investors to acquire or takeover Australian companies whose value exceeded \$ 50 million. The new threshold that has been established under the agreement is \$ 800 million. Both the Australian Manufacturing Workers’ Union (AMWU) and the Australian Council of Trade Unions (ACTU) argue that this change will be detrimental to Australian national interest:

... almost 99% of Australian manufacturing companies could be acquired under the proposed AUSFTA with no regard for whether such an acquisition is in the best interests of Australia or Australian workers (AMWU, 2004: 14).

The ACTU further claims that although the ‘vast majority of applications that are screened by the Foreign Investment Review Board are approved... the Board also has a track record of approving applications subject to conditions set to safeguard the national interest’ (ACTU

Submission, p. 76). A comparison of the AUSFTA's investment measures to those of the WTO, suggested that:

The FTA [AUSFTA] goes way beyond the limited envelope of the WTO. With the exception of the limited number of instances where Australia or the United States maintain 'non-conforming measures', the FTA confers an absolute, across-the-board right of establishment with investors of the FTA partner guaranteed both national treatment and MFN on an unconditional basis. In addition, the bilateral deal adds importantly to the WTO TRIMS Agreement's disciplines on performance requirements (Stoler⁷, 2004: 4-5).

By eliminating scrutiny of foreign investment and virtually all performance requirements for FDI, important controls on transborder movements have been eliminated and interdependence sovereignty eroded. The elimination of performance requirements also diminishes domestic sovereignty.

Assymetries

The rationalisation for the AUSFTA is that all parties benefit, and that benefits exceed any costs. But whilst Australian autonomy is ceded in areas crucial to US interests the same cannot be said of the US's autonomy in areas central to Australia's interests. And even obtaining greater US market share for Australian goods is doubtful.

Sectoral analysis of the AUSFTA suggests that the gains procured by Australia for greater market access—especially in key areas such as beef and sugar exports—are minimal and unbalanced (AMWU, 2004). Prior to the establishment of the AUSFTA, the US enjoyed a significant trade surplus with Australia. This surplus was expected to increase with the ratification of the agreement. Furthermore, sectoral gains made for US agricultural producers and manufacturers are far greater than those

7 Former Formerly Deputy Director-General of the World Trade Organization.

obtained by their Australian counterparts.⁸ Meanwhile, anticipated inroads into the US markets went largely unrealised by Australian farmers and manufacturers, with many US tariffs remaining or being slowly eliminated in small increments over a long period of time. The unequal distribution of trade benefits resulting from the AUSFTA have led to suggestions that this agreement, particularly for Australia, is more about investment than trade (Capling, 2005: 71). However, by signing a preferential trade agreement with the US, Australia may stand to lose trade and investment opportunities in its already established Asian markets (Capling, 2005; Garnaut, 2002).

The investment links between the US and Australia are substantial. The United States is the largest investor in Australia, representing over 30 per cent of foreign direct investment located in Australia, whereas over 50 per cent of Australian FDI is based in the US. This is more than double the amount of FDI Australia has invested in any other country (FIRB, 2003: 23; 24). Australia is the eighth largest provider of foreign direct investment (FDI) in the United States (BEA, 2004). The dynamic of this investment relationship provides a clue as to why Australia was so eager to sign on to a deal that compromised domestic policy autonomy and appeared to provide little trade benefit in return.

Though many have argued that there are real gains for Australia in terms of investment, opponents have raised numerous criticisms. Empirically it is too soon to tell if there will be a substantial increase in investment from further liberalizing what was already a significantly liberal investment regime. Economic modelling done prior to the ratification of the agreement tells a mixed story (see NIER's assessment of CIE report; Joint Standing Committee, 2004). The gains predicted by a report commissioned by the Australian government (see CIE, 2004) are highly contested (NIER, 2004); even if they were accurate, it remains questionable whether they offset the policy and regulatory implications for the Australian investment regime.

⁸ On US gains see the claims of US Trade Representative Zoellick quoted in AMWU 2004:7.

Conclusions

The US state's willingness and ability to promote the interests of US capitalism is reflected in the contents of the AUSFTA. The typology we have used captures the asymmetrical effects— Australian sovereignty is diminished without reciprocal concessions from the United States. In particular, the US gains access to Australian policy and regulatory decision-making in areas like agriculture (biosecurity) and health (pharmaceuticals) and, in the process, diminishes Australia's Westphalian sovereignty. Partly as a result of these new decision-making processes the Australian state has seen its domestic sovereignty eroded. It will lose some of its capacity to control prices in the pharmaceutical sector and, by replacing its former government procurement system, it will lose much of its ability to impose performance requirements on suppliers. The US, on the other hand, seems to have protected its capacity in the government procurement area. Similarly, Australia's new intellectual property rights regime will be advantageous to US economic interests. Finally, in the area of interdependence sovereignty, Australia has largely sacrificed its ability to control foreign investment and should it attempt to change its policy this would likely trigger US demands for a direct investor-to-state dispute settlement system for investment disputes. Finally, the agreement is characterised by asymmetry: notwithstanding Trade Minister Mark Vaile's (2004) claim that the agreement 'will provide enormous benefits to the Australian economy,' Australia's gains are often hypothetical; those of the US concrete and immediate.

Given the uncertain benefits of the agreement and some fairly definite costs, how is the enthusiasm of the Australian government for AUSFTA to be explained? No definitive answer can be provided here but several possibilities arise.

One, strong external pressure on Australia to sign this agreement, can be rejected, so a domestic explanation seems more likely. Ideologically the governing elite accepts the conventional wisdom among liberal international political economists which *assumes* positive sum outcomes to such agreements. This argument is rooted in the theory of comparative advantage, a bedrock of economic liberalism and liberal theories of international political economy. Thus trade agreements are driven by

mutual gain and there are no losers, except possibly particular sectors of national economies which may require temporary assistance to adjust to new circumstances. Given such an efficiency rationale, Australia's participation must seem unproblematic to those wedded to the theory. Security considerations that emphasise the desirability of closer integration into the American bloc simply reinforce such views (see Albinski, 2002; Oxley, 2003). Essentially this explanation is that Australia's elite was blind-sided by its own ideology into accepting a disadvantageous agreement.

The possibility that the global market society is one of structured inequality between *states* and between *social classes* which international institutions and agreements are designed to maintain is inadequately considered by liberal theorists. They are blind to the possibility that outcomes may be negative- rather than positive-sum; or, alternatively, that the distribution of relative gains may be so unequal as to threaten the long-term interests of weaker signatories (Grieco, 1990). Those liberals who do concede that there will be winners and losers between sectors of national economies argue that on balance gains will be greater than losses and take a benign view of the outcome: 'Thus, the winners (owners of abundant factors) can compensate the losers (owners of scarce factors) and still be better off as a result of freer trade' (Cohn, 2005: 224). This need not detain us since, as Cohn notes, exactly how the compensation is to occur and what is the empirical likelihood of its happening remain unclear.

Classical realist theorists of international political economy do put greater emphasis on inter-state power relations (Carr, 1964). The triumph of US trade policy goals can thus be explained by its superior power. But, if outcomes are negative rather than positive sum, or the relative gains from the agreement are highly asymmetrical, and little in the way of coercion can be detected, the question arises: 'Why would a 'sovereign' state – or, more precisely, the collection of individuals who exercise governmental authority within it – ever be willing to relinquish that prerogative?' (Gruber, 2000:62). To be specific: in the case of the AUSFTA, why would Australia willingly make the concessions it has for so little in return?

The answer to this puzzle must lie within the Australian political system and political economy. Neo-marxian accounts of power in the international system which emphasise class relations – both internal to states and internationally – can more easily address what seems puzzling to liberal and realist scholars. For example, Ricardo Grinspun and Robert Kreklewich (1994: 33) argue that free-trade agreements:

... serve as a restructuring tool or, put differently, as a conditioning institutional framework that promotes and consolidates neo-liberal restructuring. These international treaties serve as a mechanism whereby domestic ruling groups, with the encouragement of the United States government, can advance economic and social reforms that are inherently anti-democratic.

International conditioning frameworks, then, are rooted in the societies to which they apply. The ideological preferences of the elite are aligned with their class interests. In Grinspun and Kreklewich's (1994: 48) account they are also linked to the interests and preferences of an emerging transnational business class. Future research that seeks to account for the Australian state's enthusiasm for an agreement that, on the face of it, provides little advantage and considerable cost to Australia, might profitably begin here.

Elizabeth Blackwood is a PhD candidate in the Department of Political Science, Simon Fraser University and a member of the Centre for Global Political Economy.

Stephen McBride is a Professor of Political Science and Director of the Centre for Global Political Economy at Simon Fraser University

References

ACTU Submission (2004) Senate Select Committee Inquiry Into Australia-United States Of America Free Trade Agreement - ACTU Submission, available from, http://www.actu.asn.au/public/papers/actu_ausfta_ssc_sub/ [March 12, 2005].

AGS (2004) Australian Government Solicitor: Commercial Notes: Government Procurement Under the FTA, available from, <http://www.ags.gov.au/publications/agspubs/legalpubs/commercialnotes/ComNote10.htm#pro>

Albinski, H. (2002) An Australian-US Free Trade Agreement: Interests, Politics and Security Implications, Conference paper presented to The impact of an Australia – US Free Trade Agreement: Foreign Policy Challenges and Economic Opportunities Conference held at the National Press Club on 29 – 30 August 2002.

AMWU (2004) Australian Manufacturing Worker's Union Submission to the Joint Standing Committee on Treaties- the Proposed Australia- United States free Trade Agreement, April 2004.

APBI (2003) Association of British Pharmaceutical Industry, Facts & Statistics from the pharmaceutical industry, available from: <http://www.abpi.org.uk/statistics/section.asp?sect=1#1> [March 12, 2005].

AUSFTA (2005) Australia- United States Free Trade Agreement.

AUSTA (2004) The US FTA must Expand and Protect Investment to Benefit Australia, AUSTA FTA Analyst: Issue 24, 19 January 2004 Available from: <http://www.austa.net/analyst/analyst24.html> [March 14, 2005].

Aussie Rules: The global significance of a row over drug prices in Australia, (2004) *Economist*, 8/21/2004, Vol. 372, Issue 8389.

Australian Broadcast Corporation (2004) A Bitter Pill, Broadcast Transcripts: 02/08/2004, Available from, <http://www.abc.net.au/4corners/content/2004/s1165435.htm> [April 24, 2005].

Australian Government, Dept. of Agriculture, Fisheries and Forestry (2005) Exercise Minotaur: National Foot and Mouth Disease Simulation, available from: <http://www.affa.gov.au/exerciseminotaur> [May 14, 2005].

Australian Government (2004a) Department of Foreign Affairs and Trade AUSFTA - Frequently Asked Questions, available from: http://www.dfat.gov.au/trade/negotiations/us_fta/faqs.html [Feb. 14, 2005].

Australian Government (2004b) Department of Health and Aging, Fact Sheet: Pharmaceutical Benefits Scheme (PBS), available from: <http://www.health.gov.au/internet/wcms/Publishing.nsf/Content/health-mediarel-yr2004-ta-pbsfact.htm> [May 5, 2005].

BEA (2004) US Department of Commerce: Bureau of Economic Analysis: International Economic Accounts Foreign Direct Investment in the United States: Country Detail for Selected Items, Available from: <http://www.bea.gov/bea/di/fdilongcty.htm> [November 23, 2005]

Brennan, T. (2004) Government Procurement: Impacts of the Australia – United States Free Trade Agreement, Sydney: Corrs Chambers Westgarth. 5 April 2004.

Capling, A. (2005) All the way with the USA: Australia, the US and free trade. University of New South Wales Press.

Capling, A., and Nossal, K. (2006) Blowback: Investor-State Dispute mechanisms in International Trade Agreements, *Governance*, V.19,no.2

- Carr, E.H. (1964) *The twenty years crisis, 1919-1939: an introduction to the study of international relations*. London: Macmillan and co., limited.
- Chang, Hui-Shung, C. and Kristiansen, P. (2004) *Selling Australia as Clean and Green*, Working Paper Series in Agriculture and Resource Economics, No. 2004-8, University of New England. Available from <http://www.une.edu.au/febl/GSARE/arewp04-8.pdf> [February 12, 2005].
- CIE (2004) *Economic Analysis of AUSFTA: Impact of the bilateral free trade agreement with the United States* Canberra and Sydney, Centre for International Economics. Prepared for Department of International Affairs and Trade, April 2004.
- Clarkson, S. (2002) *Uncle Sam and US: Globalization, Neoconservatism, and the Canadian State*. Toronto: University of Toronto Press.
- Cohn, T. H. (2005) *Global Political Economy: Theory and Practice* (3rd ed). New York: Pearson Education
- Dee, P. (2005) *The Australia-US Free Trade Agreement: An Assessment*, The Australian National University: Pacific Economic Papers, NO. 345, 2005
- DFAT (2005) *Government of Australia, Department of Foreign Affairs and Trade. Australia-United States Free Trade Agreement, Advancing Australia's Economic Future*, available from <http://www.dfat.gov.au/trade/negotiations/us.html> [Oct. 10, 2005].
- Drahos, P., Faunce, T., Goddard, M. and Henry, D. (2004) *The FTA and the PBS*, available from: <http://evatt.org.au/publications/papers/126.html> [April 3, 2005].
- FIRB (2003) *Foreign Investment Review Board: Bilateral Investment*, Available from <http://www.firb.gov.au/content/international/bilateral.asp>
- Frauenheim, E. (2005) *Buy American legislation draws fire*, CNET News, May 20, 2005, available from, http://news.com.com/Buy+American+legislation+draws+fire/2100-1022_3-5715486.html
- Garnaut, R. (2002) *An Australia-United States free trade agreement*, *Australian Journal of International Affairs*, Vol. 56, No. 1, pp. 123-141
- Gilpin, R. (2000) *The challenge of global capitalism: the world economy in the 21st century*. Princeton, NJ: Princeton University Press
- Grieco, J.M. (1990) *Cooperation among Nations: Europe, America and Non-tariff Barriers to Trade*. Ithaca, NY: Cornell University Press
- Grinspun, R. and Kreklewich, R. (1994) *Consolidating Neoliberal Reforms: Free Trade as a Conditioning Framework*, *Studies in Political Economy*, 43.
- Gruber, L. (2000) *Ruling the World: Power Politics and the Rise of Supranational Institutions*. Princeton: Princeton University Press.
- Hervey, T.K. (2001) *Regulation of Genetically Modified Products in a Multi-level System of Governance: Science or Citizens? Review of European Community & International Environmental Law* 10(3): 321-33.

House of Representatives. (2005) Department of Homeland Security Authorization Act for Fiscal Year 2006, H.R. 1817.

Joint Standing Committee on Treaties (2004) Australia - United States Free Trade Agreement, Report 61: Investment and Financial Service, available from: <http://www.aph.gov.au/house/committee/jsct/usafta/report.htm> [Feb. 3, 2005].

Kerr, W. A. (2001) Greener Multilateral Pastures for Canada and Mexico: Dispute Settlement in North American Trade Agreements. *Journal of World Trade*, 35(6) 1169-1180.

Lokuge, B., Faunce, T. and Denniss, R. (2003) A back door to higher medicine prices? Intellectual property and the Australia-US Free Trade Agreement, *The Australia Institute*: November 2003.

Mann, H. (2001) Private Rights Public Problems: a guide to NAFTA's controversial chapter on investor rights. Winnipeg: International Institute for Sustainable Development.

NIER (2004) An assessment of the direct impact of the Australian-United States Free Trade Agreement on Australian trade, economic activity and the costs of the loss of national sovereignty, Prepared by the National Institute of Economic and Industry Research, trading as National Economics, May 2004. Available from: <http://www.aftinet.org.au/campaigns/nier.pdf> [July 3, 2005].

McBride, S. (2003) Quiet Constitutionalism in Canada: The International Political Economy of Domestic Institutional Change, *Canadian Journal of Political Science*, 36:2, June, 251-273.

McBride, S. (2005) *Paradigm Shift: Globalization and the Canadian State*. Nova Scotia: Fernwood Press.

Mitchell, P. (2004) US trade deal raises Prescriptions, *The Australian*, May 20, 2004.

Oxley, A. (2003) Free Trade Agreements in the era of globalisation - new instruments to advance new interests - the case of Australia, *Australian Journal of International Affairs*, Vol.57, No.1, pp. 165-186.

PhRMA (2003) available from: <http://www.phrma.org/international/301.pdf> [Feb. 3, 2005].

PhRMA (2004a) Pharmaceutical Research and Manufacturers of America (PhRMA) Foreign Government Pharmaceutical Price and Access Controls. Submission by the Pharmaceutical Research and Manufacturers of America (PhRMA) to the US Department of Commerce. July 1, 2004.

PhRMA (2004b) Press Release: Nov. 18 2004: <http://www.phrma.org/mediaroom/press/releases/18.11.2004.1097.cfm> [Jan. 5, 2005].

PhRMA (2005) PhRMA 2005 Special 301 Submission.

RRAT (2004a) Rural and Regional Affairs and Transport Legislation Committee, Administration of Biosecurity Australia - Revised draft import risk assessment for apples from New Zealand, Senate Report. Available from:

http://www.aph.gov.au/Senate/committee/rat_ctte/apples04/report/report.pdf [April 11, 2005].

RRAT (2004b) Rural and Regional Affairs and Transport Legislation Committee

Administration of Biosecurity Australia – Revised draft import risk assessment for bananas from the Philippines 2004, available from: http://www.aph.gov.au/Senate/committee/rat_ctte/bananas/index.htm [April 11, 2005].

RRAT (2004c) Rural and Regional Affairs and Transport Legislation Committee

Biosecurity Australia's Import Risk Analysis for Pig Meat, Senate Report, May 2004. available from: http://www.aph.gov.au/Senate/committee/rat_ctte/completed_inquiries/2002-04/pork/report/report.pdf [April 11, 2005].

Schneiderman, D. (2005) Banging Constitutional Bibles: Observing Constitutional Culture in Transition, *University of Toronto Law Journal* 55.3: 833-852.

Shaffer, G. C. (2003) *Defending Interests: Public-Private Partnerships in WTO Litigation*, Washington DC, Brookings Institution Press.

Stoler, A. (2004) AUSFTA as a Third Wave Trade Agreement: Beyond the WTO Envelope, The University of Adelaide: Institute for International Business, Economics & Law 26th International Trade Law Conference Canberra, September 23, 2004, available from, http://www.iibel.adelaide.edu.au/conf/AGC92304_ausfta_SpD.pdf [Jan. 28, 2005]

Toke, D. (2004) A Comparative Study of the Politics of GM Food and Crops, *Political Studies*, 52(1): 179–86.

United States Department of State (2003) U.S. Trade Representative Robert B. Zoellick, U.S. Secretary of Agriculture Ann Veneman, Final Press Conference, WTO Fifth Ministerial Meeting, Cancun Mexico September 14, 2003, [January 19, 2004].

USTR (1999) Australia United States Trade Representative Australia Report, available from: http://www.ustr.gov/assets/Document_Library/Reports_Publications/1999/asset_upload_file34_2806.pdf?ht= [March 12, 2005].

USTR (2001) Australia United States Trade Representative Australia Report, available from: http://www.ustr.gov/assets/Document_Library/Reports_Publications/2001/2001_NTE_Report/asset_upload_file265_6554.pdf?ht=

USTR (2002) USTR Zoellick Notifies Congress of Intent to Initiate Free Trade Negotiations with Australia, 11/13/2002, available from: http://www.ustr.gov/Document_Library/Letters_to_Congress/2002/USTR_Zoellick_Notifies_Congress_of_Intent_To_Initiate_Free_Trade_Negotiations_With_Australia.html

USTR (2004) US-Australia FTA Summary of the Agreement. 07/15/2004

Vaile, M. (2004) FTA Promises Huge Wins for Australian Economy. Press Release: Minister for Trade Australia, 30 April 2004 - MVT27/2004, available from: http://www.trademinister.gov.au/releases/2004/mvt027_04.html

Weatherall, K. (2004/05) Locked In: Australia Gets a Bad Intellectual Property Deal, Policy, Vol. 20 No. 4 Summer 2004/05.

Weiss, L., Thurbon, E. and Mathews, J. (2004) How to Kill a Country: Australia's Devastating Trade Deal with the United States. Crows Nest, NSW: Allen and Unwin.

Weiss, L and Thurbon E. (2004) Impacts of the Australia-US Free Trade Agreement In Three Major Areas: Quarantine, PBS, Procurement A Response to Questions on Notice from the Senate Select Committee on the AUSFTA, held in Sydney on May 4, 2004. Available from: http://www.aph.gov.au/Senate/committee/fretrade_ctte/qon/04050402.pdf [June 18,2005]

WTO Secretariat (2002) Australia's Trade Policy Review, WTO Secretariat Press Release, September 25, 2002.

Special Issue Coming Soon!



REVIEW OF
RADICAL POLITICAL
ECONOMICS

Published in Association with the
URPE Union for Radical Political Economics

Volume 38, Issue 4
History of Heterodox Economics
Available in December 2008!

This special issue of *Review of Radical Political Economics* (RRPE) focuses on the history of heterodox economics—the intellectual history of the various heterodox approaches and the social, institutional, and organizational developments that comprise the history of the community of heterodox economists.

Historians of economics have tended to approach the history of heterodox economics as a collection of disparate episodes. This treatment suppresses the significance of heterodox economics, whose interest is thereby reduced to how it stands in relation to the dominant narrative of mainstream economics. Further, this episodic outlook undervalues and discourages research on historical linkages between heterodox approaches. By devoting a special issue to the history of heterodox economics, RRPE is rejecting this sort of tunnel vision.

To order your copy of this special issue, call
1-800-818-7243 or email journals@sagepub.com

SAGE Publications

SAGE Publications Inc.
2455 Teller Road • Thousand Oaks, CA 91320, U.S.A.
Tel: (805) 818-7243 • (805) 499-9774
Fax: (805) 343-3800 • (805) 499-0871
Email: journals@sagepub.com

SAGE Publications Ltd.
1 Oliver's Yard, 55 City Road • London EC1Y 1SP, U.K.
Tel: +44 (0)20 7324 8500
Fax: +44 (0)20 7324 8600
Email: subscription@sagepub.co.uk