



Unions Demand Fair Trade Now!

TRANS-PACIFIC PARTNERSHIP FREE TRADE AGREEMENT

INVESTMENT

Trade agreements should not include investment provisions that provide expansive rights to multinational corporations

Some governments negotiating the TPPA are insisting that it should contain dangerous investor-to-state dispute mechanisms which allow corporations to sue countries over their laws and regulatory decisions. These mechanisms allow foreign investors to claim rights above and beyond those that citizens and domestic investors enjoy and have resulted in governments being forced to pay private enterprises hundreds of millions of dollars and in some cases even change the law or regulation at issue. Mnes have challenged zoning decisions, bans on toxic substances, plain-package tobacco laws, and even judicial decisions no area of law or regulation is immune. The investor's right to bypass domestic courts and proceed directly to international arbitrations contrasts starkly with the lack of effective mechanisms to address violations of workers' rights and environmental standards.

Unions demand an end to investor to state dispute settlement

Of particular concern is the ability of enterprises to sue governments directly. The investor-to-state mechanism elevates the private, profit seeking interests of enterprises to the same level as the public interests governments seek to protect. It allows enterprises to challenge the administrative, legislative and judicial decisions of governments in an unaccountable, international tribunal with no appeal mechanism. The tribunals are required to focus on the rights of the investor and are empowered to pass judgment on the actions of democratically-elected governments without any expertise or understanding of the public interests or societal values at issue in a dispute. Instead of providing an avenue for an mne to tear down public interest protections (or prevent them from being enacted at all), the TPPA must instead provide only for state-to-state dispute settlement, which would allow disputes to be resolved in an open process where both state parties would be able to present their legal arguments.

TPPA negotiators must put the interests of citizens and the public ahead of investors

Investor-to-state dispute resolution is not the only concern. The definitions of investment, expropriation and minimum standard of treatment in many investment chapters, for example, are too broad and have resulted in rulings that have had very negative consequences for the public interest in the countries affected. Negotiators must also ensure that financial regulation and taxation are not compromised by investment rules, and that the rules do not permit investment challenges to attack labour, human rights and environmental protections.

