


'Time to end ISDS' - please support the Alliance!



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Our demands

Stop ISDS

ISDS – short for 'Investor-State-Dispute-Settlement' is a **obscure parallel justice system only accessible to the super-rich**.

Multinational companies have used this system to threaten governments that dare to stand up to them with claims of up to billions of euros.

Government policies that have been challenged using ISDS include:

- Regulating **pollution levels** on a coal power station
- Introducing **health warnings** on cigarettes
- Declaring a **moratorium on fracking**
- **Halting a mine** that would have destroyed whole communities
- Raising the **minimum wage**
- **Freezing water tariffs** to help the poor
- Stopping **health insurers** from making huge profit

And they don't always have to win their case to get their way. For many countries, the mere threat of a huge claim can be enough to persuade them to back down and let the corporate fatcats win.

When millions of people across Europe rejected the EU-US trade agreement **TTIP**, many people learned about ISDS (which was part of the deal) and were very angry.

Now **there are plans to scale-up ISDS by creating a permanent global court** where corporations will sue states. The EU and member state governments want to do this by inserting it into new trade agreements. Their support for such an unfair toxic system must be challenged.

(20 February 2019) EPSU and PSI recently signed up to a broad alliance that is campaigning to end Investor-State-Dispute-Settlement (ISDS), a parallel justice system only accessible to corporations. This brings together over 100 organisations, trade unions and social movements opposed to the unfair system of Investor to State Dispute Settlement (ISDS) and in favour of corporate accountability rules for companies. You can find more information here:

<https://stopisds.org/join-our-alliance/>

The alliance has launched a petition across 16 EU Member states, calling on the EU and European governments to end corporate privileges by withdrawing from existing trade and investment agreements containing ISDS clauses, and to exclude them from agreements in the future. Rather than dismantling ISDS - as many citizens have called for - the EU has plans to scale-up ISDS by creating a permanent global court. The EU wants to do this by inserting the court into new agreements, most recently with Singapore. Multinational companies have used ISDS to challenge public policies and weaken regulations in the general interest. In

order to stop ISDS the European Parliament and Member States need to oppose these new deals and get rid of existing ones. Corporations and the super-rich do not need a separate system to protect their rights. Human beings need more rights, corporations do not.

In recent years ISDS cases have led to awards of over \$50 Billion USD from the public purse to private investors - more than the GDP of most nations. Furthermore, there has been [an explosion](#) of known cases in the last 20 years, from less than 10 in 1994 to 608 in 2014, of which 80% come from global corporations based in the US and Europe. US-based companies are by far the most frequent users, with twice as many cases as the country of the next largest users. [Most cases are won by investors](#). Experts including Australia's Chief Justice have [raised serious concerns](#) that ISDS is not independent or impartial. The ECJ recently [ruled](#) intra-EU ISDS cases are "incompatible with EU law." The EU Commission's public consultation on ISDS [led to over 97%](#) of respondents rejecting these corporate privileges. The EU has recognised shortcomings with ISDS (and recently [described](#) ISDS as "the most toxic acronym in Europe"). However, the EU's current attempts to reform ISDS - [ICS](#) and [MIC](#) - do not solve the problems. ISDS cases are usually heard by secretive courts made up of just three private arbitrators, appointed as "judges" - many of whom have previously worked for the companies taking cases. Even if a government wins the case, [a 2012 OECD study](#) found ISDS cases last for 3 to 5 years and the average cost is US\$8 million per case, with some cases costing up to US\$30 million. A recent [WTO Working Paper](#) found no empirical evidence that ISDS increases investment. ISDS has no system of precedents or appeals, so the decisions of arbitrators are final and can be inconsistent.

Alongside the campaign to end ISDS, campaigners and social movements from across the world want to see a global system that holds multinationals to account when human rights are abused. Currently there are discussions in the United Nations (UN) for a [Binding Treaty on multinational corporations and human rights](#).

In some countries there are also positive legislative developments, such as the French Duty of Vigilance legislation that could provide a model for EU legislation. Such legislation would oblige corporations to take responsibility for ensuring that human rights are not being violated anywhere in their global supply chains. However the US, most European governments and others are entrenching ISDS and do not yet support the UN binding Treaty. We need to make our voices heard!

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