

Secret cabal of lawyers make a killing from public services related investor-state disputes - Profiting from Injustice

(5 December 2012) The European Union is currently negotiating a free trade agreement with Canada (CETA), The negotiators are considering the inclusion of so-called arbitration mechanisms in the case of investor state disputes. This would allow private companies to pursue a government in case a democratic majority seeks to re-negotiate or cancel an unfair contract as in the case of [Bechtel](#) against the Bolivian government. Due to large protest across the world and with the support of PSI amongst others, the [lawsuit was dropped](#). EPSU and a large group of organisations from Canada have raised the [problematic nature of the EU-Canada Trade Agreement](#).

Groups (CEO, TNI) with whom EPSU cooperates in the [Alter-EU coalition](#) that seeks more transparency in EU lobbying have issued a report that uncovered a secretive elite club of lawyers riding an international litigation boom which benefits multinationals at the expense of taxpayers, the environment and human rights. The report [Profiting from Injustice](#) , reveals that:

- 15 arbitrators, known as an 'inner mafia', nearly all men from Europe, the US or Canada, that have decided 55% of all known investment-treaty disputes.
- law firms that encourage legal cases, often against countries in crisis, fuelling a twelve-fold increase in cases since 1996 by multinationals against states for any action deemed to have unfairly affected corporate profits
- exorbitant legal and arbitration costs averaging over US\$8 million per investor-state dispute, and exceeding US\$30 million in some cases, paid for by ordinary taxpayers in countries where many don't even have access to basic services.
- lobbying by arbitration law firms as well as elite arbitrators that have succeeded in stopping necessary reform of investment agreements in the EU and US in the last four years.
- speculative financing firms such as Juridica (UK), Burford (US) and Omni Bridgeway (NL) which have already become an established and unregulated part of the international investment arbitration industry further fuelling the boom in arbitrations

The report reveals how the alleged fairness and independence of investment arbitration is an illusion and puts forward new arguments why governments should terminate existing agreements and refuse to sign new investment treaties, or at the very least, exclude clauses that allow companies to sue the state.

- The [full report](#)

- The [executive summary](#) is available in French, Dutch and German

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