

THE TRANS-PACIFIC PARTNERSHIP FREE TRADE AGREEMENT UNIONS DEMAND FAIR TRADE NOW!

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-vs-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 corporations hundreds of millions of dollars and even change their laws and regulations. This has involved many areas including environmental, health and safety standards, privatizations gone wrong, social equity, and actions taken in times of financial crisis. The dispute rights available to individual investors contrast starkly with the lack of effective mechanisms to address violations of workers' rights and environmental standards.

TPPA NEGOTIATORS MUST PUT THE INTERESTS OF CITIZENS AND GOVERNMENTS AHEAD OF INVESTORS

Of particular concern is the ability of corporations to sue governments directly. The investor-to-state mechanism elevates corporations to the same level as governments, allowing corporations to directly challenge the administrative, legislative and judicial decisions of governments in an unaccountable, international tribunal with no appeal mechanism and no requirement to use the national court systems that locals must use. The tribunals are required to focus on the rights of the investor and are empowered to pass judgment on the actions of democratically mandated central and local governments without any expertise or understanding of national laws, history and societal values at issue in a dispute. The investor-to-state mechanism also provides another incentive for capital to move from well-developed regulatory and judicial environments into riskier (and often less expensive) environments in search of greater profit. The TPPA must instead provide 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.

UNIONS DEMAND AN END TO INVESTOR TO STATE DISPUTE SETTLEMENT

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

A copy of a 2011 joint trade union letter to the various trade ministers is available online at <http://www.ituc-csi.org/the-trans-pacific-partnership.html>

A NEW FRAMEWORK FOR INVESTMENT IS NEEDED NOW!