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EU trade policy

Cosmetic investment court proposal fails to address core problems with ISDS

EU trade commissioner Cecilia Malmström today presented a proposal for reforming the controversial investor-state dispute settlement mechanism (ISDS) in the context of trade agreements. The Greens criticised the new 'Investment Court System', which would maintain the fundamental problems of ISDS. Commenting on the proposal, Greens/EFA vice-president and international investment spokesperson **Ska Keller** said:

"The Commission has used deft sleight of hand with its proposal for an 'Investment Court System'. The system being proposed by the Commission has another name and some structural differences but it retains all the hallmarks of the deeply flawed ISDS system: it would remain a private arbitration body, outside the legal system, created for the benefit of corporations to challenge state authorities and democratically-approved laws. Cosmetically changing the mechanism but keeping the same prerogatives for corporations is a marketing stunt, which fails to address the core problems of ISDS that have provoked such widespread public concern and opposition. We cannot allow the Commission to simply put lipstick on the ISDS pig."

Greens/EFA trade spokesperson **Yannick Jadot** added:

"Instead of responding to the widespread concerns with ISDS and shelving it, trade commissioner Malmström is desperately trying to force through some form of private court for corporations. The notion that the choice in the Commission proposal somehow represents an improvement from ISDS is misguided. As under ISDS, businesses would retain their prerogative to sue state authorities and they would continue to be able to choose to do so through private courts outside the legal system. It is also far from clear that such a system would be acceptable to the US, which has insisted on ISDS in the context of EU-US TTIP negotiations. Instead of continually trying to kowtow to demands by the US, the Commission should be pushing forward the interests of European public authorities and heeding the very clear signal from the public on this matter."

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Yannick Jadot

Member



Ska Keller

Member

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