

Rebranded Corporate-Friendly EU-US Trade Mechanism: European Commission Accused of ‘Putting Lipstick on a Pig’

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A social justice organization has accused the European Commission of “putting lipstick on a pig” with its plan for a new court system for a pending EU-US trade deal the group says still affords “corporations frightening new powers at the expense of our national democracies.”

The proposed system, the Investment Court System, would replace the controversial investor-to-state dispute settlement ([ISDS](#)) mechanism, which allows corporations to bypass domestic courts to sue governments over policies that could affect their profits.

Talks on the trade deal, the [Transatlantic Trade and Investment Partnership](#) (TTIP), “have been dogged by disagreements, particularly over Washington’s insistence that as part of the pact, private companies be allowed to sue governments before special tribunals,” *Agence France-Presse* [reports](#). *Reuters* [adds](#):

Fears that U.S. multinationals could use private arbitration rules in the proposed trade pact to challenge European food and environmental laws have overshadowed a transatlantic project meant to ease business and compete with China’s economic might.

Trade Commissioner Cecilia Malmström made the announcement Wednesday, saying in a [statement](#): “Today, we’re delivering on our promise—to propose a new, modernised system of investment courts, subject to democratic principles and public scrutiny.”

“We want to establish a new system built around the elements that make citizens trust domestic or international courts,” her statement continues.

“I’m making this proposal public at the same time that I send it to the European Parliament and the Member States. It’s very important to have an open and transparent exchange of views on this widely debated issue.”

UK-based Global Justice Now, however, says the proposal offers mere cosmetic changes to the ISDS mechanism, to which the European public has voiced overwhelming [opposition](#).

Nick Dearden, director of the organization, called the proposal

“essentially a PR exercise to get around the enormous controversy and

opposition that has been generated by ISDS. The Commission can try to put lipstick on a pig, but this new proposal doesn't change the fundamental problem of giving corporations frightening new powers at the expense of our national democracies."

"The real issue at hand here is that of corporate power," Dearden added.

"Commissioner Malmström says she wants to 'establish a new system built around the elements that make citizens trust domestic or international courts'—but she hasn't explained why those courts are not good enough for multinational corporations to use."

Friends of the Earth Europe joined Global Justice Now in rejecting the proposal, echoing the concern that the plan ignores the vast public opposition

"The European Commission's proposal for an 'International Court System' is tarred with the same old corporate friendly brush," stated Natacha Cingotti, trade campaigner at Friends of the Earth Europe.

"Despite a new name and some reforms on the functioning of the system, it reaffirms the granting of VIP rights for corporate investors without giving them any obligations that would protect citizens and the environment."

"As long as companies can sue governments if they act in the public interest, the ability of governments to regulate is undermined," Cingotti stated. "It should be resisted at all costs."

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