

# CETA Trade Deal Undermines European Democracy: Could Help Investors Attack EU “Public Interest Safeguards” Including Healthcare, Labour Rights, Environment

By [Corporate Europe Observatory](#)  
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A [new report](#) on the Comprehensive Economic Trade Agreement (CETA) reveals how the trade deal could make EU member states vulnerable to costly lawsuits from North American investors that threaten public interest.

Days before EU trade ministers meet in Bratislava to decide on the CETA ratification process, Corporate Europe Observatory, Friends of the Earth Europe, the European Public Services Union (EPSU) and twenty other European civil society organisations publish '[CETA – Trading Away Democracy](#)'. The report shows that the investment chapter of CETA remains a substantial threat to European democratic decision-making.

Once ratified, CETA will codify the right for Canadian and US investors with subsidiaries in Canada to sue EU member states as well as the European Union for legislation which could negatively affect their profits. CETA does not include any obligations for those investors.

Existing trade deals like the North American Free Trade Agreement show that the majority of such cases are filed over laws protecting public health, the environment and labour rights, pitting corporate profits against the public interest.

As highlighted in the report, the investment chapter of CETA will lead to a boom in investor claims. These claims are to be decided in arbitration courts located outside the framework of national and European Union jurisdictions. This parallel justice system makes court proceedings expensive, untransparent and biased, which burdens public budgets and challenges democratic decision-making.

Despite wide-spread public mobilisation against key aspects of the agreement – notably its investment chapter – CETA is supposed to be signed before the end of this year.

**Corporate Europe Observatory's trade policy researcher and campaigner Lora Verhecke** noted: “Our new report screens the European Commission promises meant to reassure citizens that CETA's investment chapter is harmless. But despite the changes in the investment clauses, CETA still fails to protect the EU and member states from investors attacking public interest legislation.”

**Paul de Clerck, economic justice programme coordinator at Friends of the Earth Europe** said: “The Investment Court System is the worst part of recent trade deals as it

undermines our democracy. If CETA is accepted, it opens the door for all Canadian companies and major US companies through their subsidiaries in Canada, to sue European governments. We can expect a flood of new cases of investors attacking laws protecting public health, the environment and labour rights.”

**Penny Clarke, deputy general secretary at the European Public Services Union,** added: “It is not acceptable that public services like healthcare are liable to special investor courts when they exist first and foremost to serve the public. Ordinary people see that it is wrong to hand over to investors huge amounts of public money in these cases, why don’t more governments see it?”

- Read the [full report here](#).
- More demonstrations demanding to stop CETA are organised throughout Europe as part of the [Autumn of Action](#).

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