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- World Trade Organisation still blocked on vaccine monopolies
- Conflict minerals and failed regulation: towards a revision

'INEQUALITY KILLS'

The Trade and Justice Network shares highlights from the special Oxfam Report, *Inequality Kills* (January 2022), released prior to the World Economic Forum (WEF) in Davos, Switzerland. This report is more than shocking.

The world's ten richest men more than doubled their fortune from US\$700 billion to \$1.5 trillion – at a rate of \$15,000 per second – during the first two years of a pandemic that has seen the incomes of 99% of humanity fall, and over 160 million more people forced into poverty.

Oxfam's International Executive Director, Gabriela Bucher, stated: 'If these men were to lose 99.999% of their wealth tomorrow, they would still be richer than 99% of the people on the planet. They now have six times more wealth than the poorest 3.1 billion people.' In their briefing, *Inequality Kills*, January 17, Oxfam says that inequality is contributing to the death of at least 21,000 people each day, or one person every four seconds. This is a conservative finding based on deaths globally from lack of access to healthcare, gender-based violence, hunger, and climate breakdown.

Bucher stated, 'It has never been so important to start righting the violent wrongs of this obscene inequality by clawing back elites' power and extreme

wealth, including through taxation – getting that money back into the real economy and to save lives.'

Billionaires' wealth has risen more since COVID-19 began than it has in the last 14 years. At US\$5 trillion dollars, this is the biggest surge in billionaire wealth since records began. If a one-off 99% tax were imposed on the ten richest men's pandemic windfalls it could make enough vaccine for the world, provide universal healthcare and social protection, fund climate adaptation and reduce gender-based violence in over 80 countries. And these men would still be \$8 billion better off than before the pandemic.

'Billionaires have had a terrific pandemic. Central banks pumped trillions of dollars into financial markets to save the economy, yet much of that has ended up lining the pockets of billionaires riding a stock market boom. Vaccines were meant to end this pandemic, yet rich governments allowed pharma billionaires and monopolies to cut off the supply to billions of people...increasing risks of a rise in every kind of inequality. The predictability of it is sickening. The consequences of it kill,' said Bucher.

Extreme inequality is a form of economic violence, when policies and political decisions that perpetuate the wealth and

power of a privileged few result in direct harm to the vast majority of ordinary people across the world and to the planet itself.

‘The world’s response to the pandemic has unleashed this economic violence particularly acutely across racialized, marginalized and gendered lines. As COVID-19 spikes, this turns to surges of gender-based violence, even as yet more unpaid care is heaped upon women and girls,’ Boucher said.

- Women collectively lost \$800 billion in earnings in 2020, with 13 million fewer women in work now than prior to 2019. 252 men have more wealth than all 1 billion women and girls in Africa, Latin America and the Caribbean combined.
- The pandemic has hit racialized groups hardest. The second wave in England saw five times as many people of Bangladeshi origin more likely to die of COVID -19 than the White British population. In Brazil, black people are 1.5 times more likely to die from COVID-19 than white people.
- Inequality between countries is expected to rise for the first time in a generation. Developing countries, denied access to sufficient vaccines because rich governments are protecting the monopolies of pharmaceutical companies, have been forced to slash social spending as their debt levels spiral and now face the prospect of austerity

measures. Compared to rich countries, roughly twice as many people in developing countries who have COVID-19 die from the virus.

‘The COVID 19 pandemic has revealed openly both the motive of greed and the opportunity, by political and economic means, for extreme inequality to become an instrument of economic violence. ‘

Inequality goes to the heart of the climate crisis, as the richest 1% emit more than twice as much CO₂ as the poorest 50% of the world, driving climate change throughout 2020 and 2021 that has contributed to wildfires, floods, tornados, crop failures and hunger.

Inequality at such pace and scale is happening by choice, not chance, Bucher said. ‘Not only have our economic structures made all of us less safe from this pandemic, they are actively enabling those who are already extremely rich and powerful to exploit this crisis for their own profit.’

The Oxfam Report notes that the USA and China are starting to consider policies that reduce inequality, including passing higher tax rates on to the rich and taking action against monopolies. ‘This provides us some measured hope for a new economic consensus to emerge.’ said Bucher.

Source: Oxfam, www.oxfam.org Edited Mary Boyd.

WORLD TRADE ORGANISATION STILL BLOCKED ON VACCINE MONOPOLIES

The World Trade Organisation (WTO)_ General Council met virtually on 10 January 2022. As we reported in the last Bulletin (November 2021) this was a response to the proposal originally of India and South Africa that the WTO respond to the COVID-19 pandemic, by temporarily

suspending WTO intellectual property rules on vaccine monopolies, to enable the production of affordable vaccines in low-income countries.

This temporary waiver on WTO monopoly rules would address the global injustice of

vaccination rates of less than 10% in low-income countries compared with 90% in some wealthy countries, such as Australia. A few pharmaceutical companies control the production and price of the vaccines, with rich countries first in line for third booster doses while millions in low-income countries have not received one dose.

WTO Director General, Ngozi Okonjo-Iweala, called for urgent action. ‘More than two years have passed since the onset of the pandemic. The emergence of the Omicron variant, which forced us - to postpone our Twelfth Ministerial Conference, reminded us of the risks of allowing large sections of the world to remain unvaccinated. We at the WTO now have to step up urgently to do our part to reach a multilateral resolution on intellectual property and other issues and

make our contribution to the global efforts to control COVID-19.’

The waiver is supported by the World Health Organisation and over 100 WTO member governments, but is still being blocked by the European Union (led by Germany) the United Kingdom (UK) and Switzerland, which have large pharmaceutical industries. The Irish Prime Minister supports the waiver, as does the EU Parliament and other EU governments.

WTO General Council Chair, Ambassador Castillo Fernandez, said he would continue to hold consultations with members, underlining ‘the urgency and importance of reaching a meaningful outcome’.

Source: Australian Fair Trade and Investment Network (AFTINET). 11 January 2022, www.aftimet.org.au

CONFLICT MINERALS AND FAILED REGULATION TOWARDS A REVISION

Anyone who has visited a mining area in Africa must have been struck by the negative impact of the activities of extractive companies. These include the complete change of the landscape, the displacement of populations, the local roads destroyed by heavy trucks and mountains of mineral waste. Then there are the comings and goings of people attracted by the crumbs that mining companies leave behind. Crowds of people (including children) scavenge for scraps of minerals among the excavated rocks that are discarded for their low yield, but which provide them with means to earn some money.

These scavengers, as well as artisanal miners, make a living selling what they find on irregular mineral markets. If these activities are carried out in conflict-affected and high-risk areas, the economic

benefits often end up in the hands of armed groups. To prevent the profits of buying and selling minerals ending up in the hands of rebel and armed groups, the European Union adopted a directive, the European Conflict Minerals Regulation, that entered into force on January 1, 2017. This Regulation required mineral importing companies of the European Union (EU) to trace minerals throughout the supply chain of their providers. Companies that purchased minerals from smelters and refiners that had bought the minerals from armed groups would be subject to sanctions.

Ineffectiveness of the directive

As with other legal provisions, the business lobby missed no opportunity to water down the content of the Conflict Minerals Regulation (CMR). First, the mining companies succeeded in making

the directive transitional. The directive was initially implemented as a voluntary regulation in 2017 and only became mandatory in January 2021. Even then, the situation did not change in the places where rebel groups controlled mining areas. In 2020, 44% of investigated companies could not finally report on mineral origins.

The laxity of companies in their implementing of the directive requires the EU to give greater attention to the control of its multinationals and to establish consistent measures in the implementation of the directive.

The CMR was unwillingly, and so inadequately, drafted by the EU. Its scope was limited to particular minerals, such as tin, tungsten, tantalum and gold, and excluded others of equal relevance for new technologies, such as cobalt and nickel. As well, in recent years, the EU has developed new needs for rare metals used in energy production through renewable energies, such as lithium, indium, lanthanum, yttrium and europium. The revision of the CMR planned for 2023 must include all rare minerals and metals essential for developing a green economy.

Accompanying measures

The directive requires accompanying measures to enforce the ban on imports of

minerals that finance armed groups in conflict-affected and high-risk areas. Member States do not agree on these measures and offer varying and undemanding responses to infringements of the Regulation.

Most EU countries consider that companies importing minerals from conflict zones that do not comply with the directive should incur a financial penalty; others, such as Finland and France, support the idea of banning imports from such companies for a set period of time, ranging from one month to one year. Other countries, such as The Netherlands, Sweden and the Czech Republic propose making public the names of offending companies to persuade them to comply with the law.

The revised directive must include penalty mechanisms that ensure coherent action and prevent States from reducing the effectiveness of the Regulation. EU solidarity, so often touted by the EU, should start with something as basic as supporting African States in their fight against the terrorism of armed rebel groups and human rights violations.

Source: [José Luis Gutiérrez Aranda, Corporate Justice](#), | Sept. 6, 2021, Africa Europe Faith and Justice Network (AEFJN). Edited Alison Healey.

‘As in the days of the prophets of old, so in our own day, the cry of the poor and the cry of the earth constantly make themselves heard, pleading for justice and peace’.

Message of Pope Francis, 55th World Day of Peace, 8 December 2021

Contributions to Bulletin and responses to its content are welcomed.

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