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CONTROL THE VAMPIRE COMPANIES!

Oxfam's Annual Report 2022, *World Inequality*, warns that 240 million more people are likely to fall into extreme poverty and face dire hunger because of the economic trends of the past two years. Meanwhile, in these same years, the wealth of the world's billionaires increased by 42% more than over the previous 23 years. As a result, the ten richest men in the world own more than 40% of all humanity. The 20 richest people have more wealth than the entire gross national product of all the countries of sub-Saharan Africa. The richest man in the world – Elon Musk – has increased his wealth nearly sevenfold since 2019. His excessive consumption, and the consumption of others like him, also creates excessive carbon emissions.

What is particularly important in this Report is what it reveals about **the rising fortunes of some large multinational companies, during this time of global misfortune**. The inflation causing so much havoc across the world, especially among already poor populations – is driven much more by profiteering by large companies and financial speculation than by supply shortages.

Research from the Economic Institute indicates that, in the USA alone, corporate profits accounted for 54% of inflation between April-June 2020 and October-December 2021. Labour costs contribute only 8% and other input costs 38%. By contrast, in the previous three decades, labour costs accounted for 62%

of inflation, other input price rises 7% and higher profits 11%. This demonstrates that more than half of the recent inflation results from unchecked profiteering by large companies.

The Oxfam Report notes, in particular, that corporations dealing in food, fuel and pharmaceuticals have accumulated massive profits. For example, the billionaire dynasties that control the agribusinesses, which dominate so much of our global food system, are growing in strength. Their collective wealth increased by \$82 billion (45%) in the last two years) and created 62 new billionaires. The family, which owns most of *Cargill* – one of four agribusinesses controlling over 70% of the global market for agricultural commodities has seen its wealth increase by around \$20 million every day during the pandemic. The Walton family, which owns around half of *Walmart's* share capital, has seen the company's wealth increase by half a billion dollars each hour, as it continued to suppress wages to its employees and payments to farmers and producers across the world.

The large oil companies (known as Big Oil) are also raking it in; oil prices are projected to increase by about 50% this year, but already, during the pandemic, the profit margins of oil companies have doubled. The five largest energy companies – *BP, Shell, TotalEnergies, Exxon* and *Chevron* – made a combined profit of \$82 billion in 2021. They paid \$51 billion in dividend to shareholders,

90% of which went to the richest 10% of USA households.

The obscene profits made by the dominant pharmaceutical companies (Big Pharma), especially from the COVID-19 vaccines, which they refuse to supply to the world's poorest people, grew even more in the second year of the pandemic. *Moderna*, which benefited from public subsidies to produce its COVID-19 vaccine, currently has a 70% pre-tax profit margin on this item. No wonder *Moderna* is fighting to prevent other producers in South Africa from making substitutes, while it is seeking to stash some of its profits in tax havens. *Pfizer* has sold the most COVID-19 vaccines of any company and has proportionately provided it to low-income countries. Both companies are spending heavily on lobbying against any waiver by the World Trade Organisation of trade-related intellectual-property rights, which would reduce their control over the knowledge that gives them this massive market power.

Global technology companies (the Big Five) – *Apple*, *Microsoft*, *Tesla*, *Amazon* and *Alphabet* – made \$271 billion in profits in 2021, an increase of nearly 40%

Source: Jayati Ghosh, 'Social Europe and International Politics and Society (IPS) Journal,' 23 May, 2022. Slightly edited by Mary Boyd.

MEXICO-EUROPEAN UNION TRADE AGREEMENT CIVIL SOCIETY GROUPS OPPOSE RATIFICATION

Twenty-seven years ago, Mexico, with Canada and the USA, signed the North American Free Trade Agreement (NAFTA), the most aggressive trade agreement in the world. Then, in 2000, Mexico signed a similar agreement with the European Union (EU), which has been in the process of modernisation between 2016 and 2020. For years, Mexican and international social movements have been denouncing the free trade agreements due

on 2019. Of course, with such wealth comes immense political power: *Amazon* and *Google* together spent \$7.5 million on open lobbying of USA politicians in the first three months of 2022, and probably much more indirectly.

This power, achieved by great wealth, influences governments to design regulatory and monetary policies in favour of the rich and large corporations, and is one reason why these inequalities just keep on increasing. It is also probably why obvious solutions are not being implemented, for example

- taxing excess profits;
- reducing monopolies by revising the oppressive system of intellectual-property rights;
- democratising access to knowledge;
- eliminating taxpayers subsidising of such big companies;
- preventing share buy-backs and other strategies that increase corporate wealth and power.

In the face of such corporate power, we need much more concerted citizens' action, if we are to have any hope of leaving this dystopia behind.

to impacts on human rights and the environment and, in particular, the dramatic effects of so-called 'liberalisation'.

The positive economic effects of the EU-Mexico trade agreement have been near negligible for Mexico. Overall unemployment has risen between 2000 and 2018 from 2.8% to 3.6% and living standards have not changed. An

assessment for the period 2019-2028 forecasts an addition of only 90,000 jobs for Mexico (+0.16%) at best, while jobs lost are not accounted for at all.

The modernised agreement foresees an opening of Mexican agricultural markets for European products, such as meat, milk and sugar. Sugar exports from the EU are expected to rise by 1200% even though Mexico is one of the world's leading sugar producers. In return, Europe will open its markets for poultry from Mexico, and both sides have agreed to reduce controls to make trade easier. The agreement also foresees an easier extraction of Mexico's natural resources, as well as fewer

restrictions on EU imports of gas and oil. Overall, economic operations will become more profitable at the cost of environmental destruction and a high climate impact.

The powers of investors will be increased by exclusive access to a private legal system, the Investment Court System (ICS), and European investors will also gain better access to the Mexican public procurement market.

As the Transnational Institute indicate, an increasing number of civil society organizations in both Europe and Mexico oppose the ratification of this agreement.

Source: Transnational Institute: 'Another Step toward Opaque Undemocratic Trade', July 21, 2022, <https://www.tni.org/en/article/another-step-toward-opaque-undemocratic-trade> Slightly edited by Mary Boyd.

TREATY ON BUSINESS AND HUMAN RIGHTS WHERE IS AFRICA?

In 2014, negotiations began in the United Nations on a legally binding *Treaty on Business and Human Rights* (a 'legally binding instrument' - LBI, to use the jargon of the UN) and they are still in process. The reason for such a treaty arises from the need to protect the people of developing countries from the violations and crimes committed by transnational corporations (TNCs) in the exercise of their economic activities, eg, the cases of companies such as Shell in Nigeria, Chevron in Ecuador, Brumadinho in Brazil and Rana Plaza in Bangladesh.

Inappropriate behaviours by TNCs, causing environmental disasters, systematic violations of human rights and economic crimes against public and private institutions, have been reported during decades. This treaty is an opportunity to end the impunity of TNCs by achieving effective mechanisms to hold

them responsible for such behaviour and give local communities in the poorest countries the tools to protect their natural resources and people.

Countries of the Global South often lack the institutional power and mechanisms to prosecute crimes against human rights in their territory, especially those committed by TNCs. In Africa, governments have, for decades, facilitated foreign investment by TNCs that have abused their economic power putting their economic benefit before the rights of the populations. And so, TNCs continue to do so today with impunity.

To remedy these injustices of foreign corporations, an international legally binding treaty was necessary to ensure that:

- companies would be held accountable for crimes against human rights and the environment;
- victims – individuals and communities – would be guaranteed access to justice;
- violations of human rights would be remedied and compensation paid to the victims,
- standards of respect would be made mandatory and not voluntary; and
- TNCs could not be exempt from prosecution for the damages they caused.

Considering the treaty’s relevance to them, you would expect that developing countries, and especially African countries, which have suffered for decades from the plunder and abuse of TNCs, would join efforts to achieve a treaty that protected their populations. Unfortunately, the African Union and the other African governments have had an insignificant presence in the working group meetings to determine and elaborate the content of the document. Only four out of 54 countries have made significant contributions - Namibia, Egypt, Cameroon, and South Africa. Other countries have attended the sessions, but without making any comments or presenting proposals.

In recent years, the commitment of African governments has decreased with the progress of negotiations. They have hardly made any interventions expressing strong interest in achieving the objectives

of the treaty. Even the African Union has not sent a delegation to a meeting or produced any statement supporting a legally binding treaty. This silence is difficult to understand when the lives of millions of African people are at stake.

This lack of commitment of African governments allows a more permissive approach to powerful, large corporations to gain prominence in the negotiations. It also allows TNCs to develop their strategies to continue enriching themselves at the expense of the needs of the people. In the absence of a persistent voice calling for a strong treaty, countries that are present – those who oppose the treaty, such as the USA, Russia and China, and those that hold a less demanding view, such as the European Union, have been defending their interests

In future treaty negotiations, African governments need to go beyond the political self-interest of each country or region and work together to defend the human rights of their peoples.

However, the success of this project needs more than a strong treaty text; it requires a serious commitment from the governments of the States that sign it to facilitate its implementation, namely, create adequate national legislation for the prosecution of human rights violations and the corruption that threatens the prosperity of the African continent.

Sources: José Luis Gutiérrez Aranda, Policy Officer, Africa-Europe Faith and Justice Network (AEFJN), Jan 10, 2022; Report of the Office of the High Commission for Human Rights, www.ohchr.org Edited A Healey.

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The Bulletin is currently produced by the Justice and Trade Agreements Network. Coordinators: - Mary Boyd (maryboyd@live.ca) and Alison Healey (info@grailaustralia.org.au)
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