MESSAGE OF POPE FRANCIS TO THE WORLD ECONOMIC FORUM

This year’s meeting of the World Economic Forum (WEF) marked its 50th anniversary. The WEF brings together once a year the foremost political, business, cultural and other leaders of society to shape global, regional and industry agenda. It took place in Davos, Switzerland, on 21-24 January. This year’s theme was Stakeholders for a Cohesive and Sustainable World.

Pope Francis, noted that the organisation offers its stakeholders the opportunity:
- to explore innovative and effective ways of building a better world; and
- to overcome isolationism, individualism and ideological colonisation that ‘sadly characterises too much contemporary debate’.

He noted that many of the developments in the economy, labour markets, digital technology and the environment have benefitted humanity; but lamented that they also have had adverse effects and created significant development deficiencies.

The Pope reminded the WEF that ‘we are all members of the one human family’. This, he pointed out, is the basis of the moral obligation to care for one another and of the ‘principle of placing the human person, rather than the mere pursuit of power or profit, at the very centre of public policy’. Too often, ‘materialistic or utilitarian visions, sometimes hidden, sometimes celebrated, lead to practices and structures motivated largely, or even solely, by self-interest’.

This approach views others as a means to an end and entails a lack of solidarity and charity, which lead to real injustice. Pope Francis urges going beyond short-term technological or economic approaches and giving full consideration to the ethical dimension in seeking resolutions to present problems or proposing initiatives for the future.

On the other hand, he noted that a truly integral human development can only flourish when all members of the human family are included in, and contribute to, pursuing the common good. ‘In seeking genuine progress’, the Pope urged the WEF, ‘do not forget that to trample upon the dignity of another person is in fact to weaken one’s own worth’.

While acknowledging the achievements of the past fifty years, the Pope hoped that the Forum would keep in mind the ‘high moral responsibility each of us has to seek the integral development of all our brothers and sisters, including those of future generations’. He hoped that their deliberations would lead to a ‘growth in solidarity, especially with those most in need, who experience social and economic injustice and whose very existence is threatened’. In this regard, Pope Francis underscored the importance of an ‘integral ecology’, which acknowledges ‘our common home’.

OXFAM REPORT: ‘TIME TO CARE’
Gender equality and economic equality go hand in hand

Oxfam’s Report, just released, shows that just over 2000 individual billionaires control more money than 60% of the world’s poor population combined, and that it is the underpaid or even unpaid work done by the world’s poorest women that generates enormous wealth for the global economy.

The report was released just before the World Economic Forum in Davos, Switzerland, 21 - 24 January, and highlights the fact that underpaid and unpaid work by women and girls adds three times more to the global economy each year than the whole technology industry together.

Max Lawson, Head of Inequality Policy for Oxfam International, says that the Report examines the relationship ‘between billionaires and the super-super-rich people at the top of the global economy and the people at the bottom, particularly the hundreds of millions of poor women who spend billions of hours a day in caring for the sick and the elderly, cooking, cleaning, and so on’.

In the report it is calculated that the combined contribution to the global economy of all this work of care done by poor women is worth US$ 10.8 trillion, that is, three times more than the whole high-tech industry. ‘It is this unseen and unrewarded contribution by women that creates enormous wealth that is sucked upward into the the bank accounts of the richest people who are predominantly men’.

The world would be much better off without the current phenomenon of a ‘billionaire boom’.

Lawson is convinced that ‘billionaires are not part of the solution; they are part of the problem, they are a sign of a sick and broken economy. The world would be a lot better if we could take all of that money that is concentrated in the secret Swiss bank accounts of the richest people and distribute it widely across the world: just imagine what we could do with that money - schools, hospitals, teachers, nurses….’

Lawson’s hope lies in the protests and in the passion of ordinary people across the world.

‘The solution to the inequality crisis across the world will not come from Davos and will never come from billionaires. The solutions will come from ordinary people forcing politicians to listen to them’.

Lawson concludes: ‘Because it is an economy built on the backs of women and of poor women and their labour, it is a sexist economy and it’s a broken economy. We can only fix the gap between the rich and the poor if, at the same time, we fix the gap between women and men. This is the message we want to get across this year: that we must fight gender inequality and economic inequality, side by side, step by step, together.’


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1 Oxfam is a global movement, founded 75 years ago, that works for a world without poverty.

www.oxfam.org
THE NEW NAFTA (North American Free Trade Agreement)

The Canada-U.S.-Mexico Trade Agreement (CUSMA), approved by the USA congress on December 18, 2019, has won some significant improvements to the ‘New NAFTA’ that will benefit Canada and Mexico.

One of the biggest is the removal of longer data protection periods for biologic medicines, such as treatments for Crohn’s disease and rheumatoid arthritis. Data protection periods refer to the time competitors are denied access to clinical trials data used to secure regulatory approval for a drug. Generic firms need this information to produce cheaper versions, known as bio-similars. Under the original agreement, Canada had to increase its data protection term for biologics from eight to ten years. – at an estimated cost of at least $169 million per year. Canadians will now avoid these projected cost increases.

Other improvements include curbing the practice of ‘evergreening’ where companies make slight changes to existing drugs with patents about to expire and then obtain new patents, thus maintaining their monopoly for another period of several years and blocking generic competitors.

One of the biggest sticking points in concluding the trade agreement was the issue of stricter enforcement of labour standards, with Mexico as the principal target. US Democrats initially pushed for independent inspection of workplaces suspected of violating labour standards together with provisions written into CUSMA to withdraw preferential treatment of shipments from those factories if violations were found. Mexican President Manuel Lopez Obrador rebuffed this demand as an infringement on Mexican sovereignty. However, in practice, such inspections are a regular feature of international trade. A compromise was reached with Mexico where complaints about workplaces can be heard by panels of independent labour experts and confirmed violations can lead to penalties. In another positive change to the chapter on labour in CUSMA, the three countries agreed to loosen the condition that, to trigger sanctions, labour abuses had to be ‘sustained and recurring’. If this had been left unchanged, it would have allowed a single violation of labour rights, however atrocious, to go unpunished.

These changes and tougher rules protecting Mexican workers’ rights to bargain collectively have improved on previous free trade agreements. But they won’t close the large manufacturing wage gap with Mexico any time soon or halt outsourcing. Indeed, just as a draft version of CUSMA was signed a year ago, General Motors announced plans to shut five plants in the U.S. and Canada.

In the important auto sector, the U.S. pushed for tougher rules of origin if manufacturers are to qualify for tariff-free treatment under the agreement. Any steel used in auto manufacturing must be ‘melted and poured’ within the North American trade zone. This could be a boon number of amendments to the 2018 document were agreed. The USA Congress ratified this final document on 18th December 2019. The name of the agreement is now changed to the Canada-U.S.-Mexico Agreement (CUSMA).

\[2\] In 2017-18, the former NAFTA (1994) was renegotiated by the three countries involved – Canada, USA and Mexico - and the ‘new NAFTA’ was signed by their leaders on 30th November 2018. It needed ratification from all three countries. On 10th December 2019, a
to U.S. and Canadian steel producers; though it is also possible that some auto companies who use offshore steel will simply choose to pay the already low 2.5% tariff on exports to the U.S. Nonetheless, Mexico objected and these steel rules will now be phased in over five years.

US Democrats achieved scant progress on environmental protection. On a positive note, certain multilateral environmental agreements, such as the Basel Convention on transboundary waste, will prevail in the event of any inconsistency with CUSMA’s rules. However, this does not apply to the Paris Climate Agreement, which Trump confirmed the U.S. would be leaving on November 4, 2020. U.S. environmental groups are certain to strongly protest against ratification of a trade deal that ignores the threat of climate change and intensifies ecologically unsustainable trade and energy flows.

The Democrats have likely improved CUSMA for workers and consumers in all three countries. That doesn’t mean it is the right deal. The agreement, like the original NAFTA, privileges multinational capital and increased trade flows above all else. It weakens environmental policy by insisting it not interfere with trade or impose higher regulatory costs on business. It will sustain the accumulation of wealth in fewer and fewer hands.

Canadians, although sidelined in those discussions, can be thankful that CUSMA will not result in higher prescription drug costs and that Mexican workers get a chance to form authentic trade unions and to fight to improve their wages and working conditions. But there is no solace in the fact that politicians and governments have invested so much time and energy in salvaging a discredited trade model as they dither and delay on the climate emergency.


‘Through everyday actions, on everyday issues, we are creating living economies, living democracies, and living cultures. Diversity alliances, cooperation and persistence are our strengths. Service, support and solidarity are our means. Justice, human freedom, dignity and ecological survival are our ends.’

Vandana Shiva, *Earth Democracy: Justice Sustainability*

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3 The Basel Convention was signed May 5, 1992, to minimize the movement of hazardous waste and hazardous recyclable material. In order to ensure they are disposed of in an environmentally sound manner and as close to the source as possible and to discourage developed countries from sending it to poorer countries.

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