

AFTINET Bulletin No. 4

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1) Subscriptions due for future bulletins and education kit.

Many organisation and individuals have subscribed to AFTINET to help cover our administrative costs. If you have not subscribed, please do so if you wish to continue to receive the bulletin and to get a copy of the education kit on the WTO, which will be sent to subscribers next week.

2) AFTINET strategies and actions -report from the working group.

The Working Group has organised:

- regular Bulletins and brief alerts on coming events
- the basic education kit on the WTO
- a series of four monthly seminars on Global Institutions and Protest oriented towards students and activists- on May 29, June 27, July 24 and August 21 see coming events below for details.
- speakers at public events and seminars and media coverage (ABC Life Matters 28/4 and forthcoming Radio Eye and Encounter Programs, interview in the Bulletin, May 3-9, and shorter news items in various newspapers)
- advertising of Department of Foreign Affairs and Trade briefings and regular input from AFTINET members on policy issues
- discussions with Opposition political parties on their trade policy
- a petition to the Senate which calls for a halt to further WTO negotiations and an inquiry into Australia's relations with the WTO - see copy below
- work on a website which should be established by June
- liaison with similar groups in New Zealand the Asia Pacific North America and Europe

3) Export Credit Agencies- Exporting destruction

by James Arvanitakis, AID/WATCH

What's the common element to the recent crisis in Bougainville, nuclear technology exports to China, weapons exports to Indonesia, the Ok Tedi mine in PNG and the proposed Nam Theun 2 hydropower project in Laos? An export credit agency. Specifically, financing by the Australian government owned Export Finance and Insurance Corporation, or EFIC. Export credit agencies (ECAs) have been growing in size quietly yet phenomenally over the past decade.

Now the new big kids on the international finance block, ECAs lent \$US 105 billion to low income countries in 1999, more than double that provided by the more well-known World Bank and other multilateral development banks. ECAs are generally wholly government-owned bilateral agencies in high income countries and the loans they make are tied loans so that low income countries can buy their corporations' exports. EFIC has made loans to the Indonesian government to buy Australian weapons systems and to China to buy Australian nuclear technology.

The Three Gorges Dam in China is a prominent example of the kind of project that can get up with ECA support. The project will severely disrupt the ecology of the Yangtze River, involve a reservoir area as long as England and force the resettlement of around 1.8 million people. Even the World Bank wouldn't touch it. But German, Swiss, French, Canadian, British, Norwegian and Swedish ECAs all offered to back the project through export credits or guarantees.

Australia's EFIC guaranteed commercial bank finance for the Bougainville copper mine. The social and ecological destruction caused by the mine was a key flashpoint leading to the ten-year Bougainville war of independence. EFIC's doing the same with other mines in PNG.

ECAs also provide insurance to protect the profits of investors who put money into infrastructure projects in low income countries. Credit risk insurance protects investment against non-payment for exports. Political risk insurance protects overseas investments against nationalisation, war or other major political disturbance. With the insurance provided directly to corporations and loans their customers, ECAs are providing massive public subsidy for corporations - corporate welfare on a truly global scale.

STANDARDS AND PUBLIC ACCOUNTABILITY

The role of export credit agencies is open to argument. Some argue that they play an important role in promoting exports. Despite any such claims, it is important to note that EFIC continues to provide support to corporations without requiring a commitment to environmental or human right standards. The United States has two ECAs. They are the only two to have any standards at all. They're not high - for example, no involvement in projects that require the resettlement of 5000 or more people.

In a sense each one of us is a 'shareholder' in EFIC, as it funded by our taxes. Yet requests for information about how EFIC is using taxpayers' money are invariably blocked by claims of 'commercial in confidence'. Even parliamentarians in Canberra are given no more than cursory answers by bureaucrats about EFIC involvement in projects overseas. But there is information that could be released about EFIC activities without disadvantage to the corporations it supports. We have a right to know how public money is being used.

If we as taxpayers in Australia can't get information about EFIC, what about the people in low income countries who will be resettled or whose water supply is destroyed, because of EFIC-financed dams? Ultimately, ECAs need to be accountable to both the taxpayers whose money they use and the people

in low income countries who are impacted by their projects.

THE CAMPAIGN

Activists from around the world working on international human rights, environmental and social justice campaigns have analysed ECA-financed destructive development projects. They are campaigning to make their activities transparent and publicly accountable, and to establish standards by which projects must be evaluated.

AID/WATCH and the Mineral Policy Institute (MPI) produced an analysis of EFIC in November 1999. In response, EFIC is now preparing to release proposals for environmental and social standards. AID/WATCH and the MPI will monitor and review EFIC's proposed standards as part of the campaign.

If you would like more information please contact AID/WATCH on (02) 9387-5210 or aidwatch@mpx.com.au, or the Mineral Policy Institute on (02) 9387-5540 or mpi@mpi.org.au.

4) Australian Democrat Trade Statement

In the last bulletin we noted the response of the ALP Shadow Minister to the WTO Seattle meeting. Natasha Stott Despoja, the Democrats spokesperson on Trade, in a statement to parliament in April, criticised the bias in WTO rules which facilitate global commerce at the expense of local economic development. She called for five key areas of trade policy reform: trade must be fair and ethical, it should not contribute to the unjust enrichment of the wealthiest nations and corporations, there must be a review of the effects of past trade liberalisation and the development of permanent dialogue between trade institutions and those concerned with the environment and the implementation of human rights and labour standards.

5) Useful bulletins and publications

A useful bulletin called *Focus on Trade* is produced by the Focus on the Global South based in Bangkok. Recent issue no. 48 covered the debate on trade and labour rights and no. 49 covered the IMF the Washington protests. You can subscribe and access back issues through the website at <www.focusweb.org>

New Leaf or figleaf? a report on the World bank and IMF globalisation strategy by Brendan Martin which critically examines recent changes in these organisation's strategies, available through <www.brettonwoodsproject.org/reports>

6) Coming events

a) AFTINET/AIDWATCH/NUS Seminar Series

1) Monday 29 May, 6pm -Room 5, Level 5, Wentworth Bldg, (the building with the footbridge into it) Sydney University, City Rd, Darlingtown.

Global Institutions and Global Protest- , the WTO, the IMF & the World Bank

Pat Ranald, Australian Fair Trade and Investment Network - Global Institutions: What they say and what they really do

Thea Ormerod - Jubilee 2000 - Campaigning to Drop the Debt
Jesse Wynhausen -local and global activism

2) Tuesday 27 June, 6.30 pm, Merewether Lecture Theatre 2, University of Sydney, City Rd, Darlington
- What's wrong with Free Trade? Maude Barlow, Chairperson, Council of Canadians and anti-MAI activist

Canadian local and global campaigning on trade agreements

3) Monday 24 July, 6pm - Level 5, Wentworth Bldg, (the building with the footbridge into it) Sydney University, City Rd, Darlington.

Global environment campaigns

Jim Green, Nuclear Physicist, Jabilluka and Lucas Heights campaigns
Rayyar Farhat, Committee against Genetically Modified Food, on GMO campaigns

4) Monday 21 August, 6pm - Level 5, Wentworth Bldg, (the building with the footbridge into it) Sydney University, City Rd, Darlington.

Corporate Power and Corporate Welfare

Lee Rhiannon , Greens MLC- Corporations and Olympic sponsorship
James Arvanitakis- Aid or Trade? Corporations and the Aid Budget.
James Goodman - World Economic Forum meeting in Melbourne in September and planned protests

b) World Economic Forum activities Melbourne 9-11 September

11 SEPTEMBER, 2000 - STAND UP FOR GLOBAL JUSTICE

In September the World Economic Forum will hold the Asia-Pacific Economic Summit, "Asia/Pacific in the 21st Century: Leveraging the new drivers of growth." The World Economic Forum consists of the largest transnational corporations in the world. It holds an annual summit to define its agendas and lobby politicians at Davos in Switzerland each year, and also holds regional summits.

The Asia Pacific summit is jointly sponsored by the Business Council of Australia and the Australian Davos Connection (the Australian arm of the World Economic Forum) and will take place at the Crown Casino, Melbourne, over September 11-13. Participants are being lured to the summit with opportunity to "meet key leaders from business, politics and academia at a time when the eyes of the world will be fixed on Australia, and they may coordinate their participation in the Summit with the Olympic Games."

The S11 Alliance is a coalition of unionists, environmentalists, students, human rights activists and community campaigners. It is organising a rally for global justice and the environment on September 11.

Other activities include a conference on these themes at the Victoria University of Technology on September 9. Further information is available at the website <www.s11.org>

c) World March of Women 17 October

The World March of Women was initiated as a women's march against poverty in 1995 by a group of women in Canada in the lead-up to the UN's Fourth Women's Conference.

Today, women in 146 countries are involved with 3,500 groups having endorsed the campaign. Its themes include an end to poverty; greater equity in sharing of wealth between women and men; and an end to violence against women.

As Tuesday October 17th is both the United Nations International Day for the Elimination of Poverty and the culmination of the seven-month long campaign of the World March of Women in the Year 2000, the Australian coordinating committee invites the women of Australia to contribute to the campaign to end poverty and violence against women by initiating small-scale grass-roots style meetings in their own workplaces/ universities/ schools/ communities/ neighbourhoods etc.

Contact World March of Women in the Year 2000 - Australia
c/o Women's International League for Peace and Freedom (Australian Section)
email: cathpete@camtech.net.au
fax: 08 8377 0706
phone: 08 8296 4357
web site for Australia: <http://www.uq.net.au/march2000/>
web site for overseas: <http://www.ffq.qc.ca/marche2000>

AFTINET SUBSCRIPTION FORM

Contact Details:

Name/Organisation: _____

Postal Address: _____

Phone: (____) _____

Fax: (____) _____

Email : _____

Website: _____

Contact Person: _____

Subscription Fees:

Organisations: _____ \$100 International/National Organisation

_____ \$25 State/Territory/Small Organisation

Individuals: _____ \$10 waged

_____ \$5 individual / concession

The subscription fee means you will be placed on the AFTINET email list.

Would you also like to be on the interactive mailing list which means you will receive more frequent e-mails? YES / NO

Declaration:

_____ (insert name/organisation) agree with the AFTINET principles and join with others to implement them.

Signed _____

Organisation _____

Date _____

Position _____

Further concessions available on request and larger donations are welcome.

*Please make cheques payable to AFTINET

Post cheques to Sarah Mitchell, PIAC (address above). For other payment methods, phone Sarah at PIAC on 02 9299 7833.