

# Ethical Trade Currents

TRADE WITHOUT  
TRAGEDY

BUSINESS AS USUAL



ISSUE NO. 6  
SUMMER 2005

MAKE POVERTY HISTORY

G8 SUMMIT  
EDINBURGH

DROP THE DEBT BETTER AID



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Welcome

## Trade Talk



G'day and welcome to the Sixth issue of Ethical Trade Currents, the global links business newsletter. This issue, we focus on the Make Poverty History Campaign and the G8.

This summer has been a juncture in history where millions and millions of people around the world made a clear message to the world's leaders that Poverty and Global Warming was not going to be tolerated anymore.

I followed the business of 'Make Poverty History' around Britain to see the size of this campaign and to see what a mass mobilisation of civil society could do for developing countries.

I was astounded by the amount of persons, old and young, trade unionists and students, business persons and bankers, all joining together to say NO MORE POVERTY!

We could not have been more naive to think that the leaders of the world would give a break to the small business person in Africa. Instead, they were on the side of transnational corporations. It is now clear that the G8 leaders do not want to lift places like Africa out of poverty and into the market of life enjoyed by the rest of us.

**Andy Parnell**

Editor

### **Ethical Trade Currents:**

Summer 2005, Issue 6; Published by PEDEC 4 times per year; 12 Great Oak Street, Llanidloes, Powys, SY18 6BU.

[www.pedec.org.uk](http://www.pedec.org.uk)

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## Acknowledgements

We would like to thank Craig Owen from Oxfam Cymru for info on MPH; WWF Scotland for their banner shot; George Monbiot for his views on DFID; Walden Bello for his talk on the WTO; Bob Geldof for his talk at the Hay Festival; Greenpeace for their information on climate and illegal logging procurement; Vicki Thomas for the Glastonbury photo; The WAG for the 'Wales and Africa' event; UNESCO for their launch details and DFID for funding this publication.

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# MAKE POVERTY HISTORY?

From one rally to the next...

**The Make Poverty History campaign, what impact has it had?**

**The Editor of Ethical Trade Currents has been following the events over the last few weeks and has been personal witness to many of the activities that the Make Poverty History campaign has been doing. Here are his observations:**

At the Hay on Wye Festival, I heard Bob Geldof speak to an audience of around 2000 people. He was a fantastic speaker and he presented a case that the Commission for Africa, made up of the world's greatest experts have come up with a blueprint for solving that continent's problems. All it needs is the world leaders to implement it. His was a rallying cry for everyone to

join in the march to Gleneagles and Edinburgh this July. I later asked him to sign up to the ancient forest friendly book campaign when I met him in person and handed him the author's pledge. Perhaps he'll get around to doing it when he's less busy but he told me that he'll 'look at it later'...

Next, it was off to Glastonbury... 150, 000 people (equivalent to a city the size of

Newport, Wales) parked out on the fields near Castle Cary subjected to flash floods, lightning strikes and mud. If we wanted to get a message across that Global Warming will exacerbate Poverty in Africa and is currently directly responsible for 150, 000 deaths each year (according to the WHO) in the developing world, this was the place to do it. The message was

loud and clear and particularly notable was the Saturday afternoon where 150, 000 people stood in silence then made the biggest noise ever straight after to Make Poverty History. It was a deafening roar!!! Greenpeace, Oxfam and Water Aid really got their message across and many, many people were wearing the white armbands.

Having gone up to rally in



Edinburgh on July the 2nd, 2005 I was struck to see how many like-minded people exist in Britain. In total there were approximately 225, 000 people marching that day.

These people were largely part of various movements comprising the social justice movement (Make Poverty History Campaign), the

environmental movement (Climate Movement), the peace movement (Stop the War Coalition), trade unions and churches and various political movements. NGO's and their supporters comprised the bulk of those marching including Oxfam, Christian Aid, Tearfund, CAFOD, WWF, Friends of the Earth, CND, World Vision,

WaterAid, World Development Movement, G8 Alternatives Coalition and many, many others including numerous smaller NGO's such as the Development Education Centres, One World, People and Planet and FARM Africa to name a few. Amongst the political groups there were the various organisations such as the

Socialist Workers Party, The Socialist Party and the Green Party. Then there were the various anarchist groups such as The Dissent Network, the WOMBLES ("White Overall Movement for Building Liberation through Effective Struggles"), the Clandestine Insurgent Rebel Clown Army (CIRCA), the People's Golfing Association



(PGA) and the Black Bloc.

Nearly all these movements stayed peaceful and the only trouble that day came from the Black Bloc anarchists who were hemmed in by police. This was completely separate from the main march.

On the main stages in The Meadows park, numerous speakers and activists from many developing countries spoke out, school children presented their message to the G8 leaders in front of live audiences and several bands played.

Yet all this was consigned to a mere footnote by the media who were far more interested in Bob Geldof's concert in Hyde Park and the LIVE8 concerts around the world. In hindsight, it

would have been far more effective to have these two activities on separate days. The messages LIVE8 sent out to the world leaders and viewing audience could have been a bit more political. Very few of the bands actually made statements during or between their set on world poverty or giving a message to the G8 leaders. The world's biggest ever rock concerts happening around the world seemed to have pure entertainment value rather than being leveraged as part of the concerted political campaign to make poverty consigned to the dustbins of history. One notable musician who DID actually have something to say was Sting and even his songs were carefully chosen



such as 'message in a bottle'. MPH organisers were furious with Bob Geldof for holding LIVE8 on the same day as their big march.

African bands were also consigned to a footnote on the world stage and were sent off down to a far corner of Britain at the Eden project in Cornwall where they played to an audience of 5000 people.

The following morning, it was off to the G8 Counter Conference meeting hosted by Friends of the Earth Scotland, People and Planet, War on Want

and the World Development Movement. Here we got to hear the dirty side of aid, trade and privatisation.

George Monbiot pointed out that the MPH campaign failed to address the core issue of challenging the institution of the G8 and all that it stands for. In effect, he was accusing it of being co-opted into the establishment. As evidence, he pointed out that the campaign organisers allowed the likes of the Daily Mail to march and Hilary Benn of DFID. His claim against DFID was that it is helping to finance

privatisation in developing countries such as Ghana and Tanzania by giving money to the Adam Smith International (the UK's specialist firm at privatising off state assets in developing countries).

Does Hilary Benn have a right to march like anyone else? Hilary Benn has stated that the consultancy work that is being conducted is for additional water services in Ghana rather than privatising off any existing

assets.

The problem for DFID is that unlike many other government departments, it has got a very high level of public goodwill and trust and as these allegations come out against it, it loses credibility despite doing mostly a great deal of good in making poverty history. It will have to tread the path of funding water privatisation and oil pipelines very carefully in the future if it is going to keep the public's high level of trust in

it. Unlike USAID, or the Japanese, DFID does not have a policy of tying aid (aid that forces developing countries to buy goods or services off that grant or loan money giving by the donor country).

Next, Walden Bello, trade expert from the Transnational Institute in the US spoke about the WTO. He stated that the consensus view amongst the anti-globalisation movement was that the WTO could not be reformed whilst in previous

years, there was a definite split between those that thought it could be reformed and those that thought we ought to scrap it. His message was that at its core, the WTO's purpose is an institution for liberalism. "The WTO in its recent agreement on agriculture has agreed to keep the USA and EU's tariff and subsidy barriers high whilst forcing developing countries to open up their economies". He stated that we need to derail the WTO and that its core weakness was that it is an institution based upon consensus. If there is no consensus amongst member nations, there is in effect, no WTO. The next big 'battle ground' for the anti-globalisation movement, he went on to say, will be in Hong Kong...



# Our G8 Leaders: What we asked for What we got instead...

What we asked from our G8 leaders... and what we got instead...

## DEBT

**We asked for \$523 billion of debt cancellation for the world's poor countries (\$185 billion for Sub-Saharan Africa in 2003).**

We got \$40 billion of agreed debt cancellation to be written off amongst 18 of the poorest countries only.

## MORE AND BETTER AID

**We asked for \$50 billion of Aid money PER YEAR increase starting this year.**

We got just \$25 billion increase per year in aid money to 2010; rising to \$50 billion from 2010 onwards. In fact, since \$30 billion of this so called 'increase' was actually previously pledged before, we're only actually seeing a new increase of \$20 billion in total new money from 2010. We actually need \$180 billion per year if we're ever going to reach the Millennium Development Goals by 2015.



**We asked for a binding timetable for spending 0.7% of national income on aid.**

The G8 leaders gave us absolutely no such agreement.

**We asked for all aid to be untied.**

No agreement on this was reached and countries like the USA and Japan continue to tie aid to trade and privatisation deals.

## TRADE JUSTICE

**We asked for the right for poor countries the right to choose their own solutions to protect the environment and poverty.**

We got no such

agreement; the WTO still has precedence over many other international agreements such as CITIES for example.

**We asked for an end to export subsidies that damage the livelihoods of the poor around the world.**

We got nothing. Governments continue to pay subsidies such as CAP and dump surplus produce on developing countries.

**We asked them to make laws that stop big business from profiting at the expense of the environment and people.**

We got no agreement

on this what so ever.

## CLIMATE CHANGE AND GLOBAL WARMING

**We asked for a clear statement that the G8 leaders accept the scientific evidence for global warming, the fact that the majority of the warming is human-induced and that acknowledges the scale and urgency of the problem.**

We got agreement from 7 of the G8 leaders and a statement by George Bush that Global Warming 'might' be caused by man-made emissions...we also got an agreement

# Development News

## Climate, Forests, Agriculture and Water Issues

showing a resolve and urgency to tackle the problem but with no firm commitments.

**We asked for a clear political signal to the business community that that the G8 is committed to an expanded system of carbon trading, linked with deeper cuts in emissions thus ensuring continuation of the carbon markets after 2012.**

We got nothing.

**We asked for agreement to implement the World Summit on Sustainable Development (WSSD) plan to help Africa prepare for, and mitigate, climate disasters at both a community and national level.**

We got no such agreement.

**We asked for a commitment that by 2008 all G8 countries' development policies and programmes will be designed to ensure that poor people in developing countries are less vulnerable to the**

**impacts of climate change.**

You guessed it we got no such commitment.

### WEB LINKS

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#### MAKE POVERTY HISTORY

[www.makepovertyhistory.org](http://www.makepovertyhistory.org)

#### CLIMATE MESSAGES G8

<http://www.greenpeace.org.uk/MultimediaFiles/Live/FullReport/7133.pdf>

#### JUBILEE DEBT CAMPAIGN

[www.jubileedebtcampaign.org.uk/](http://www.jubileedebtcampaign.org.uk/)

#### TRADE JUSTICE MOVEMENT

<http://www.tjm.org.uk/>

#### BBC G8 SUMMIT 2005 IN-DEPTH

[http://news.bbc.co.uk/1/hi/in\\_depth/uk/2005/g8\\_gleneagles/default.stm](http://news.bbc.co.uk/1/hi/in_depth/uk/2005/g8_gleneagles/default.stm)

#### G8 ALTERNATIVES WEBSITE

<http://www.g8alternatives.org.uk/admin/test/g8Mambo/>

#### G8 SUMMIT UK SITE

<http://www.g8.gov.uk>

#### DFID ON THE G8

<http://www.dfid.gov.uk/aboutdfid/DFIDwork/g8.asp>

#### ONE WORLD.NET G8

<http://uk.oneworld.net/article/archive/7233>

### World Climate News

NGO's are already starting to form the Climate Movement after the successes of the Make Poverty History campaign, the Trade Justice Movement and the Jubilee Debt coalition. Talks are currently going on between global environmental NGO's and Development agencies and pressure groups. Over the coming year, it is likely that Climate and Global Warming issues are going to be big news and the Climate Movement is likely to be a political force that politicians will have to take note of and take positive action to give more money to climate adaptation and mitigation measures. Although the movement is starting off in Britain, it is likely that a worldwide movement is going to be built by the NGO sector and civil society.

### World Forests News

Wales construction projects are trashing Ancient Rainforests

Over the course of the

last few years, many fine Welsh buildings are unfortunately home to the remnants of many of the world's ancient forests. Government appears to be either powerless to do anything about it or may be simply 'turning a blind eye'. How and why is this possible?

Ethical Trade Currents spoke to the Strategic Policy Unit in the Welsh Assembly Government on what their policy is regarding procurement of timber and the Head of Strategic Policy (Charles Coombes) stated:

"As far as I know, we seek to buy timber from sustainably managed forests only, wherever possible. Which should mean that we don't buy wood felled from virgin rainforest. (I'm not sure whether we have an official position on buying second-hand tropical hardwoods previously used for some other purpose, but that issue doesn't often come up.) We can't always get the amount we need from a certified source, but the wood we end up with is usually North

European or French in those cases.“

It turns out, that the Welsh Assembly Government is allowing local councils to buy paper from non-Forest Stewardship Council or non-recycled sources. For example, ETC has traced back budget Impega paper (bought by Powys County Council) to a mill in Poland. The mill although it complies with ISO14001 environmental management system, fails to show where it sources its timber from and is certainly not registered under the Forest Stewardship Council's sustainable timber certification scheme.

However, the National Lottery Fund is the biggest culprit of questionable public funding of construction sites here in Wales.

Take for instance the Swansea National Maritime Museum. Indonesian plywood had been supplied by a company, Tjipta Rimba, who are known to source timber from the tropical forests of Sumatra - home to the critically endangered Sumatran tiger, where habitat loss from illegal logging and forest clearance is pushing the species to the

brink of extinction. This was despite the fact that the contract specified FSC timber to be used only. The National Lottery funded the project to the tune of £11 million. See [http://www.greenpeace.org.uk/forests/media/pressrelease.cfm?ucid=20041109171551&CFID=542481&CF\\_TOKEN=16527839](http://www.greenpeace.org.uk/forests/media/pressrelease.cfm?ucid=20041109171551&CFID=542481&CF_TOKEN=16527839) for more details.

Then there was the Cardiff Millennium Stadium. The decking was found to have come from uncertified timber from Central Africa. The National Lottery gave the project £40 million!

When ASPB's like this one are funding out rainforest destruction like this, it appears that the Welsh Assembly Government is either powerless to do anything about it or not willing to interfere despite these projects being carried out on Welsh national soil.

#### **World Agriculture and Water News**

UNESCO (United



Nations Educational, Scientific and Cultural Organisation) is setting up in Wales. The UNESCO Wales Committee has recently been formed and will be one of four countries in Britain feeding into a British policy making entity. Amongst many of UNESCO's priorities is the issue of Water (closely linked to food security for instance) and conservation (closely linked to farming and forestry issues). More can be found out at <http://www.unesco.org/water/>

At the Wales and Africa Event, held at the Royal Welsh Show on the 19th July 2005, delegates from Business, NGO's, Academia and Government met to discuss what Wales can do for Africa. Carwyn Jones AM spoke to a crowded room about his trip to Ghana and highlighted

how being indebted to the IMF coupled with surplus products from the EU and the USA has destroyed the Ghanaian rice and tomato industries. Carwyn Jones was adamant that we need to scale back production subsidies and instead replace them with conservation subsidies instead, this he stated, would go a long way to making trade fair for the poor of Africa. The event proved a good networking opportunity and delegates included Oxfam, Christian Aid, The Centre for Arid Zone Studies, PEDEC, Dulas Ltd., Wales Trade International and Tropical Forest Products to name a few.

**STRATEGIC POLICY UNIT  
NATIONAL ASSEMBLY  
WALES**  
[www.wales.gov.uk/  
themessustainabledev/](http://www.wales.gov.uk/themessustainabledev/)

# Useful Links & Further Information

## Development with a Future

### Additional Weblinks

#### Monbiot on DFID

<http://www.guardian.co.uk/guardianweekly/story/0,,1528637,00.html>

#### UNESCO

[www.unesco.org](http://www.unesco.org)

#### DFID's Response to the WDM on Water

<http://www.dfid.gov.uk/aboutdfid/world-development-movement-water.asp>

#### CLIMATE MOVEMENT WEBSITE

<http://www.stopclimatechaos.org/>

#### The Commission for Africa

<http://www.commissionforafrica.org/>

#### Bob Geldof's LIVE8

<http://www.live8live.com/>

#### MAKE TRADE FAIR (OXFAM)

[www.maketradefair.com](http://www.maketradefair.com)

#### Christian Aid on Trade Justice

[www.christianaid.org.uk/campaign/trade/index.htm](http://www.christianaid.org.uk/campaign/trade/index.htm)

#### CAFOD on Trade Justice

[www.cafod.org.uk/get\\_involved/campaigning/trade\\_justice](http://www.cafod.org.uk/get_involved/campaigning/trade_justice)

#### World Development Movement

[www.wdm.org.uk](http://www.wdm.org.uk)

#### Greenpeace on Climate

[www.greenpeace.org.uk/climate/](http://www.greenpeace.org.uk/climate/)

#### Transnational Institute Beyond the WTO

[www.tni.org/wto/index.htm](http://www.tni.org/wto/index.htm)

#### Tropical Forest Products

[www.tropicalforest.com](http://www.tropicalforest.com)

#### Centre for Arid Zone Studies

[www.cazs.bangor.ac.uk](http://www.cazs.bangor.ac.uk)

