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OUR VIEWPOINT

- Africa: The World Cup and reality

Every four years millions of people throughout the world suddenly become football fans. Many of us know that the organizer –FIFA- is a huge and corrupt money-making machine. We also know that football is big business for a large number of highly destructive transnational corporations. We even know that football players are in many cases no more than modern gladiators sold as human commodities in the FIFA market.

In spite of the above, the magic of football glues us to the TV sets. The beauty of the game and the art displayed by some of its players is coupled with a very rare quality in today's world: equality. Regardless of the political and economic power of the country they represent, 11 young men compete in equal terms with 11 other young men. Within the teams, collaboration between the players and with the coach are essential. The rules of the game are the same for both teams and referees are usually neutral in their application.

For the first time ever the World Cup is taking place in Africa, which is a good opportunity for comparing football with reality in this continent.

To talk about equality in the relations between Africa and the economic powers of the world is a bad joke. Rules are imposed by the referee (Mr. World Bank, Mr. IMF, Mr. WTO and other misters) to assist corporate players in winning the game. The African coaches –governments- have been bribed by the opponents, thus making collaboration within teams impossible. In the opposite side, corporate managers –Northern governments- impose changes in the rules whenever their teams require them to change. Fair play is non existent. The result of the game is known well in advance: Transnational corporations easily win over Africa.

Contrary to football, where losers simply feel unhappy for some time, the Corporations-Africa scenario is full of real human suffering: hunger, death, violence, dispossession, homelessness, environmental destruction. The riches of the continent –forests, minerals, oil- enrich the already wealthy while pushing African people into absolute poverty. The “game” is not a game at all: it's a tragedy.

However, little or nothing of this is being informed by the thousands of journalists present in South Africa reporting on the World Cup. Both the host country and the rest of the continent appear to be full of joyful people dressed in colourful clothing and blowing a vuvuzela, only concerned about the success or failure of their teams in the beautiful game.

But the real suffering and exploited Africa is in fact very visible for anyone wishing to see it. And so are its many communities, organizations and movements struggling against all odds in the unfair game being played against the continent. They have been kept well away from World Cup reporting but, fortunately for Africa's future, they are still there and getting stronger. Our support to them!

COMMUNITIES AND FORESTS

- Brazil: Juma REDD test case in the Amazon

At present, the initiative for Reducing Emissions from Deforestation and Forest Degradation (REDD) is rather a collection of proposals and some pilot schemes. However, it is being strongly pushed and at a remarkable speed inside as well as outside the United Nations process, with the aim of including carbon forest in the array of mechanisms for carbon permits and carbon offsets.

Over the past two years, national proposals and plans for REDD projects have proliferated involving governments, multilateral organizations, big NGOs and corporations. The World Bank and northern governments including Norway, Australia and Great Britain have created a large fund of some \$800 million to finance REDD projects.

In Brazil, the Juma Sustainable Development Reserve Project, in the south-eastern corner of the state of Amazonas, in the municipality of Novo Aripuanã, is the first Brazilian implemented project involving REDD and has received the validation to the Climate, Community, and Biodiversity Standards (CCBS) in Brazil, issued by the German audit company Tüv Süd.

The REDD test case of the Juma Sustainable Development Reserve covers a forest area of 589.612 hectares and announces that it will avoid the degradation of around 366.151 hectares of tropical rainforest from the total area and the emission of 210,885,604 million tones of CO₂ into the atmosphere by 2050. The project promises to pay local families an allowance for conserving the forest untouched.

The money for the project comes from the Brazilian NGO the Amazonas Sustainable Foundation (ASF), which manages the reserve with funds donated from the provincial government, the Brazilian private Bradesco Bank and the big multinational hotel chain Marriott International. Hotel guests worldwide are invited to donate \$1 per night to the Juma fund as a way to voluntarily offset the calculated emissions from their individual hotel stay - the hotel's website announces: "Ten dollars will offset the carbon for your next ten roomnights at Marriott hotels and is tax deductible for U.S. taxpayers" (1).

Another financial source for the Juma project is the prospective sale of carbon credits for the CO₂ emissions avoided by not deforesting the reserve in the voluntary carbon market of emissions compensation, which according to the project (2) is being developed in partnership with Marriott International. For a big corporation like the Marriott Hotel Group, the project might well be very useful as a "green" public relations exercise.

The Juma project claims it benefits local communities with direct payment through the programme "Bolsa Floresta" – an allowance for the 339 families living in 35 communities in the area, who will be remunerated to protect the rainforest by receiving roughly US\$ 28 on a monthly basis transferred

through a debit card issued to the wife.

A contract signed by each family head binds them not to cut or burn the trees, which will be supervised by regular inspections. In case of deforestation, the government will stop the allowance.

The Center for Investigative Reporting Frontline wanted to have their own look at this project which is being hoisted around the world as a model way to halt tropical deforestation. So they conducted a field trip by Mark Schapiro (3) who found that for residents like Dalvina Almeida, it takes a two-day roundtrip journey by boat just to receive their 28 monthly dollars. The report quotes Dalvina's husband saying 'We used to plant a lot. When this became a reserve they told us that we could no longer plant in the forest. Everyone signed up for Bolsa Floresta. But Bolsa Floresta can't sustain my family.'

The allowance of US\$ 28 per month represents US\$ 0.93 per day. For an average rural family of at least 5 people the per capita income drops to US\$ 0.18 per day. It would be good to inform the Juma Project managers and funders that this meagre payment is well below the poverty line, estimated by the World Bank as people earning less than 1.25 US dollars per day. Such a pittance becomes scandalous when compared to the US\$ 25,000 per month payment that is said the Juma Project foundation director receives.

Additionally, it is important to highlight that local communities that have until now obtained their means of livelihood from the forest will lose most of those resources as a result of the Juma reserve.

Schapiro comments in his report that "some farming families have lost a significant portion of their income when required to shift their food-growing activities from primary to secondary forests, and that the roughly \$25 'Bolsa Floresta' stipend has not significantly made up for the short-fall."

What makes matters even worse is that the preservation of this forest will allow polluters to continue emitting fossil fuel-related carbon. This means that the inclusion of the Juma forest into emissions trading will in fact contribute to climate change, because it will allow polluting corporations and rich countries claim that they are "offsetting" their carbon emissions by conserving a patch of forest in Brazil. Were it not because the World Bank strongly supports emissions trading, its economists would define the Juma project as a "lose-lose situation" for climate and people. But of course they won't.

(1) <https://www.marriott.com/green-brazilian-rainforest.mi>

(2) "The Juma Sustainable Development Reserve Project: Reducing Greenhouse Gas Emissions from Deforestation in the State of Amazonas, Brazil," Project Design Document for validation at "Climate, Community & Biodiversity Alliance (CCBA)," 29/09/2008, http://unfccc.int/files/methods_science/redd/application/pdf/pdd_juma_reserve_red_project_v5.0.pdf

(3) "The Carbon Hunters," Carbon Watch, reported by Mark Schapiro, produced by Andres Cediell, <http://www.pbs.org/frontlineworld/stories/carbonwatch/2010/05/the-carbon-hunters.htm>

- Bolivia: Hydroelectric dams on the Madera River denounced at the People's Permanent Tribunal

On 14 and 15 March, the Third Session of the People's Permanent Tribunal was held in Madrid (Spain). This is an activity promoted by the Bi-regional Europe-Latin America and Caribbean Network "Enlazando Alternativas" (Linking Alternatives).

The network was set up in 2004 as a response to the European Union's (EU) neoliberal trade policy measures in its search to ensure the widest possible access for its transnational corporations to Latin American and Caribbean markets. Furthermore, the network supports the peoples of Latin America and Europe's resistance to the expansion of European trade.

For its part the People's Permanent Tribunal, (Tribunal Permanente de los Pueblos - TPP), founded in 1979, is aimed at assessing in legal terms all those situations where the massive violations of fundamental human rights are not tried by legal institutions, either national or international. TPP includes a considerable number of members appointed by the Lelio Basso Foundation for People's Rights and Liberation. Its main objectives are firstly to publicly denounce crimes committed by transnational corporations, and the impacts of their activities on Economic, Social and Cultural Rights and, secondly, to show up the co-responsibility of the EU in this respect, given that its institutions and policies favour the increasing power of multinational corporations.

In the framework of the People's Summit Meetings – alternative summits to the official EU and governments of the region summits – the Enlazando Alternativas Network and the People's Permanent Tribunal (TPP) have held meetings of the Tribunal on "Neoliberal Policies and European Transnational Corporations in Latin America and the Caribbean." At these Tribunal meetings presentations were made on the violations of human, labour and environmental rights, committed by more than 25 transnational EU based corporations and their subsidiary branches throughout Latin America and the Caribbean.

During the Third Session of the TPP, organizations such as the Movement of those Affected by Dams in Brazil (MAB), the Bolivian Environment and Development Forum (FOBOMADE) and the Spanish SETEM-Catalunya brought action against GDF-SUEZ (France), Santander (Spain) and Banif (Portugal), and the international organizations supporting them, inter alia the IMF, the World Bank and the European Community, for the construction of dams in San Antonio and Jirau in Porto Velho, capital of the State of Rondonia, Brazil, 10 kilometres from the Bolivian frontier on the Madera River. This is the second largest river in the Amazon, covering close on a quarter of the Brazilian Amazon and spanning Bolivian and Peruvian territories.

The Government of Brazil unilaterally granted environmental permits for the construction of the two dams on Brazilian territory without consulting Bolivia on the negative impacts they would have on that country and refused to carry out environmental impact assessments in Bolivia.

The action reports that the dams are part of a hydroelectric complex included in the interconnection of facilities programme of the Regional South American Infrastructure Integration Initiative (IIRSA).

IIRSA is a plan sponsored among others by Inter American Development Bank which endeavours,

through the construction of land, air and river infrastructure, oil and gas pipelines, river-ways, sea and river ports and electric and optic fibre stringing in the countries of South America, to optimize the efficiency of the flows of transnational corporation international trade and export, mainly improving connection with North American and European markets.

According to reports by Fobomade (1) the construction of the San Antonio dam, which started in August 2008, is an investment made by the Santo Antonio Energy Consortium, part of the Eletrobrás-Furnas (39%) Consortium. The Banco Santander holds 10% of the shares as does the Banco Banif; CEMIG holds another 10%; Odebrecht, 18.6% and Andrade Gutierrez 12.4%.

The Jirau dam, started in November 2008, belongs to the Brazilian Sustainable Energy Consortium (part of GDF-Suez with 50.1% shares), Eletrosul Centrais Elétricas SA. (20%), the Companhia HidroElétrica do Sao Francisco – Chesf (20%), and Camargo Correa Investimentos en Infra-Estrutura SA (9.9%).

The Brazilian Economic and Social Development Bank (BNDES) is the main financing body for the Madera Complex, but the World Bank and the Inter-American Development Bank are also indirectly involved.

Social organizations have lodged complaints with the TPP reporting that the Brazilian dams in Jirau and San Antonio, in an advanced state of implementation, are already causing severe negative impacts and it is expected that they will cause more. Among the impacts are the eviction of indigenous and peasant people with consolidated deed processes from their land, the flooding of vast agricultural and other areas where Brazil nuts -one of the basic foodstuffs in the Amazon indigenous and peasant peoples' economy in the Department of Pando- are harvested and whose living conditions depend entirely on maintaining the forest intact. There are negative impacts on the native flora and fauna, loss of fishery resources, interruption of the natural transit of fish and river dolphins – an endemic species in the municipalities of Pando and Beni; the slowing down of the river flow leading to less oxygenation and increased temperature, water pollution from mercury and increased malaria, yellow fever, dengue and leishmaniasis as a result of the multiplication of transmitting vectors due to increased migration of temporary workers, changes in water quality and increased areas of stagnant water.

Another recent study (2) concluded that the construction of the San Antonio dam will cause massive deforestation due to the works themselves and to the building of the corresponding roads and ducts and will cause the death of at least 11 tons of fish (some sources mention 60 tons) and other animals as a result of the daily explosions involved in the works, in addition to water pollution and the rupture of the indigenous communities' social structure.

The study identifies "one of the direct and most feared negative impacts of building dams in a relatively flat area such as the Amazon is the risk of flooding and its consequences on lowering agricultural soil productivity, damage to biodiversity, groundwater pollution, and human consequences (deaths, diseases, economic losses, and loss of housing)."

It is for all these reasons that at the Third Session of the TPP held in Madrid, Fobomade, MAB and SETEM-Catalunya requested the following action by the Tribunal:

"1. To curb the violation of human rights and the abuse by transnational corporations and to demand compensation.

This implies designing new binding international jurisprudence in the framework of the United Nations, typifying environmental crimes and imposing civil, administrative and criminal sanctions implementing the rule of "the greater the potential for destruction and greater risk to environmental conservation, the greater the degree of responsibility."

2. NO to double standards, NO to double ethics

That the Tribunal must urge governments and community institutions to create global intergovernmental standards on corporations and human rights. A binding and mandatory framework is required to establish effective mechanisms for claims and accountability.

3. That the Tribunal must denounce and prosecute economic crimes and ecocide.

We demand that the EU should be indicted for its trade policies and those of its States and the institutional architecture that legitimates the illegitimate securing of benefits by European transnational corporations. The European Union must be held accountable for the crimes of lese-humanity set out in the International Criminal Court's Rome Statute.

We are prosecuting the EU for ecocide, defined by the State of Chiapas as "criminal intent consisting of causing serious damage to the environment by dumping contaminants, carrying out risky activities or affecting natural resources."

The Henkjan Laats' report also notes that the generation of energy from water in dams is considered to be a renewable source of energy insofar as the construction of the dam does not release significant levels of greenhouse effect gases. However, it should be borne in mind that the levels of CO2 remain high and furthermore, there is an increased release of methane gas, particularly due to the turbines and dumps. Methane gas has an impact 25 times higher on global warming per ton than carbon dioxide. Furthermore, it is estimated that deforestation, fires, increased cattle-raising and the building of highways contribute to make the electricity from the Amazon hydroelectric dams "an unclean energy."

In sum, hydroelectric dams contribute to global warming. Another form of ecocide.

(1) "Caso de las hidroeléctricas en el río Madera presentado ante el TPP en Madrid", (The case of the hydroelectric dams on the Madera River submitted to the TPP in Madrid), Servicio de Noticias Ambientales, <http://fobomade.org.bo/bsena/?p=479>

(2) "El Dilema Amazónico; 'la construcción de Mega-represas en el Río Madera'", (The Amazon Dilemma, the construction of mega-dams on the Madera River); Henkjan Laats, CEADDESC and PEC, Bolivia 2010, <http://www.riomadeiravivo.org/docs/dilamazonico.pdf>

- Posco: Bad for India, bad for Uruguay and bad for the climate

As we reported in October 2009, the Korean steel company POSCO has been granted the opportunity both in India and in Uruguay to occupy territory that is valued by the inhabitants of both

countries.

In India, POSCO was granted permits to install a steel plant and a port and also to carry out mining prospection in the eastern state of Orissa in an area which includes 6000 hectares of pristine forests, prime agricultural land and coastal economy. On its part, the Uruguayan government signed an Investment Promotion and Protection Agreement with the Korean government, whereby all type of support is guaranteed to the Korean firm POSCO to establish a "Carbon sink Forestation Project" (See details in WRM Bulletin No. 147: <http://www.wrm.org.uy/bulletin/144/India.html>)

The only reason why the project in India has not yet been implemented is because of the massive resistance since 2005, involving thousands of people who depend for their survival on the forests, agricultural land and sea-coast the company plans to destroy for its business. According to recent reports, due to the lack of response on the part of the government and in protest against what the locals call the joint conspiracy by the central government at Delhi, the state government and the South Korean President, the inhabitants decided to continue with their "Sit-in" (*Dharna* in the local language), a peaceful protest that started on 26 January 2010 (coinciding India's Republic Day in which the Korean President was official chief guest). One hundred and seven days and nights had gone by, during which women, men and children of farm and fisherfolk families sat in, when they decided to appeal for national and international solidarity as they had been unable to achieve the slightest sense of government responsibility towards the people they are supposed to represent.

In a desperate effort to comply with the promise to "expedite works to hand over lands," to the company, on 11 May this year the government sent 25 strongly armed military squads, which surrounded the area where the inhabitants were carrying out the sit-in, occupying schools and prepared to attack ... the local unarmed population. In this framework, the anti-POSCO movement made a further urgent appeal to participate in the Massive Resistance Week in solidarity with the local strugglers against the giant POSCO and against State brutality.

"At no point, in their struggle for over five years, have the anti-POSCO protestors indulged in any violent activities and have instead set an example to the rest of the country on how to carry out a democratic struggle based solely on the mass support of ordinary men and women" says the movement in their press release. In spite of this, on May 15, Orissa police opened fire on peaceful protesters who stood on the way in defense of their lands and livelihoods. This act of the state was condemned by various human and civil rights organisations across the country and the world. Forest-rights movement groups such as the National Forum of Forest People and Forest Workers (NFFPFW) and the Campaign for Survival and Dignity (CSD) condemned this atrocious brutality and the desperate attempt of corporatisation of forest resources, in which more than 50 people were injured severely and many shops and houses were set on fire by the blood-thirsty policemen.

Despite all the violence against the people and bullets lodged in their bodies, people in the area continue to protest against the acquisition of land for the steel plant and captive port. They are still there because this is not just a "dispute over land acquisition for development" as it has been announced by the government but because POSCO project is illegal and will not bring any benefits for the local population or the country's economy. The POSCO project is illegal as it violates the Forest Rights Act of 2006. Under that law, no forest land can be given to anyone until: 1) all the rights of the people in the area are recognised and 2) their consent is given to the project. The Central and

State governments have no legal right to hand over this land to POSCO. In law, not just in public view, this is daylight robbery of the country's natural resources by a multinational. What is not usually mentioned is that POSCO is getting a huge amount of land, water and millions of tonnes of iron ore in exchange for which it will pay essentially nothing. This is what India's government considers "development".

On June 22, the POSCO–Orissa government Memorandum of Understanding (MoU) was set to expire, exactly five years after it was first signed. This MoU, which basically restricts the government's role to that of a mere "facilitator" for the project and an agency for land acquisition, is highly unethical and should not have been signed in the first place. Five years later, having witnessed the state's brutal repression of the local opposition to this project, and how the state has repeatedly flouted its own laws and policies regarding forest rights and environmental protections, local people demand that this MoU not be renewed and request support by signing the petition available at: <http://www.petitiononline.com/p210610/petition-sign.html>

This same company also disembarked in Uruguay with a project for "clean development" involving monoculture tree plantation aimed at "compensating" for carbon dioxide emissions within the so (badly) called "Clean Development Mechanism" (CDM) of the UN Climate Change Convention. As to be expected, the company assures that its project implies "a significant contribution to the sustainable development of Uruguay."

What is really sad is that the Uruguayan government has just given the green go-ahead to the POSCO project, in spite of the long track-record of opposition to monoculture tree plantations in this country and the enormous amount of documented information available regarding their social and environmental impacts. This decision has disregarded the document submitted by the Network of Environmental NGOs and by the Uruguayan Association of NGOs to the CDM Advisory Committee in Uruguay, in which the arguments used by the company to justify the so-called development associated with its project, are refuted one by one.

What is even more serious is that the government of Uruguay has not considered the level of conflict and repression that the presence of POSCO has caused in India over the past 5 years, clearly showing up the real nature of this company that now intends to appropriate Uruguayan land under the mask of "clean development."

The lack of respect for the right of the peoples over their lands and forests in India, the lack of consideration for the well established social and environmental impacts caused by monoculture tree plantations in Uruguay, are disastrous for either country, and even worse for the climate.

Article based on information from the Appeal of the anti POSCO Movement (PPSS), and the Press Releases of May 15 and June 6 sent by Mamata Dash, e-mail: mamata68@gmail.com

- Paraguay: Report on the Ayoreo People by IWGIA

The International Work Group for Indigenous Affairs (IWGIA) has issued a report on the indigenous Ayoreo people in Paraguay and the injustices they have been experiencing due to the expansion of ranching, illegal sale of land and extractive industries (1).

More than a report, it is an urgent wakeup call that Director of Iniciativa Amotocodie Benno Glauser introduces as follows:

Non-indigenous society began to invade the vast territory of the Ayoreo only 50 years ago, with the goal of taking possession of the land.

From that time forward, group by group, the Ayoreo were deported to mission stations and sedentarized by force. Today, there are still Ayoreo living in the forest, in six or seven group territories that have always belonged to them. During the Paraguayan dictatorship, most of the northern Chaco region was divided into lots, and what was once Ayoreo territory was turned into a commodity for the benefit and profit of a few hundred private landowners. Until today, they are permitted to deforest or otherwise transform their landholdings as they wish, to pursue productive activities that –under close scrutiny– serve exclusively their own interests.

The future of the Chaco forest, of those Ayoreo who continue to live there as isolated groups, and of a territory that is still the territory of the Ayoreo people, now depends on these landowners: Paraguayan citizens, Mennonites, foreigners, agro-industrial and cattle ranching companies, and oil prospecting firms. They are responsible for determining the future of the only significant continuous forested area left standing in Paraguay.

The state, until now, has not intervened in this matter in any meaningful way, and has failed to assume its responsibility: to protect the public good and public interest, to enforce the country's laws, and to protect human rights and the rights of indigenous peoples.

Non-indigenous society is not even aware of what is happening in and with the northern Chaco. "Public opinion" has no opinion on the matter. The international community is only very slowly beginning to recognize the Chaco, the Gran Chaco, as a vital ecosystem not only for the Ayoreo and other indigenous peoples, but also for the future of non-indigenous peoples and for humanity as a whole.

Today, the Ayoreo people are watching what is happening to their territory, which is their home and the foundation for both their way of life and their livelihood.

They do so in a state of poverty, uprooted from their land, precariously clinging to the margins of the society of their invaders and a culture that is not theirs and never will be. Today, through this publication, the Ayoreo people are speaking out to those who are in charge of the state, and to all non-indigenous people in Paraguay and the rest of the world.

They are speaking out because they need to be seen, and because they need the injustices and human rights violations of which they have been and continue to be victims to be seen, recognized

and repaired. They need non-indigenous people to assume their role and to accept their responsibility in this very recent colonial history, open to everyone's view. They are speaking out to voice a call for the justice that has yet to be extended to peoples and cases like theirs.

Today the Ayoreo people are standing up and reaching out. They are not reaching out to beg or ask for favours. They are taking a stand and demanding to be heard and respected, reaffirming their dignity and their right to their own distinct way of life.

(1) "Paraguay: The Case of the Ayoreo," May 2010, Unión de Nativos Ayoreo de Paraguay (UNAP), Iniciativa Amotocodie (IA), International Work Group for Indigenous Affairs (IWGIA), <http://www.iwgia.org/sw42257.asp>

- Papua New Guinea: Indigenous peoples lose their rights to investors

We are witnessing a global process of agribusiness expansion and land grabbing in the South. Through lease, concession, even purchase, corporations or foreign states take over large areas of farmland on a long-term basis to produce staple foods or agrofuels for export. It is estimated that roughly 1,000 investment groups have targeted more than 50 countries in Asia, Oceania, Africa and Latin America (1).

For that to happen, large quantities of money are mobilised, trade deals are closed and legal amendments are needed to create the infrastructure that will allow private appropriation of the land that in many southern countries is still managed by communities through their traditional systems.

Within this framework IRIN reported (2) that on 28 May, Papua New Guinea's parliament amended sections of the Environment and Conservation Act 2000, which rules on major resource projects in the country. The amendments give the director of the Office of Environment and Conservation wide power to authorize environmental plans submitted by investors. The authority granted is so broad that the director's final decision "may not be challenged or reviewed in any court or tribunal, except at the instigation of an Authorization Instrument".

The amendment has wide range implications for some six million people's rights to land and environment protection. For many years Papua New Guineans could individually or under customary rights protect their land suing or claiming compensation in case of environmental damage. Now, with the amendments, they have lost such rights.

Papua New Guinean indigenous groups have long struggled for their land and environmental rights. In 1997, 1989 and 1999 people were killed when confronting the mining activities of Freeport-Rio Tinto in Bougainville and Ok Tedi copper mines (see WRM Bulletin N° 7). IRIN reports that more than 5,000 people then lost their lives.

Apart from mining, logging operations have destroyed or degraded forests with harmful impacts on

forest dwellers. And more recently, another pressure has been added on forests and forest people: large scale oil palm plantations promoted by World Bank loans, that have increased in a country where 97% of the land is communally owned and most of its 5 million population still lives in the rural area and rely on subsistence farming for their livelihoods (see WRM Bulletin N° 40).

Within this context the new amendments depriving local people from their rights to protect their land seem quite convenient for the corporations' quest for new territories.

We know the high cost: increasing poverty due to destruction of livelihoods, land concentration and displacement, loss of food sovereignty for local communities, more carbon emissions from both deforestation and industrial agrobusiness. Such is the expensive cost of the global trade architecture. Who will be accountable for the destruction?

(1) "Land grabbing and the global food crisis," GRAIN, November 2009, http://www.grain.org/o_files/landgrabbing-presentation-11-2009.pdf

(2) "PAPUA NEW GUINEA: Indigenous people lose out on land rights," IRIN, <http://www.irinnews.org/PrintReport.aspx?ReportId=89322>

COMMUNITIES AND TREE MONOCULTURES

- French economic group Bolloré attempts to intimidate journalists who expose abusive practices on its plantations in Cameroon

Targeting the media

This past May 6, journalist Benoît Collombat and two Radio France Inter directors were convicted of defamation in a lawsuit filed by Vincent Bolloré, CEO of the French industrial group Bolloré. The report that led to the charges featured Cameroonian civil society activists who spoke out about the company's labour practices in the railway, port and plantation sectors, all of which have been privatized and turned over to Bolloré group subsidiaries. None of the group's representatives had been willing to respond to the accusations of exploitation of workers, collusion with the Cameroonian regime, deforestation and pollution in time for their statements to be included in the radio report. The court ordered the defendants to pay a fine of 1,000 plus one euros to Bolloré in damages. It specified, however, that its decision was based on the statements made in the report regarding railway and port operations – but not the company's management of its plantations.

This coming July 2, it was supposed to be freelance photographer Isabelle Alexandra Ricq's turn to stand trial for defamation. Vincent Bolloré had filed suit against Ricq and two France Inter directors after a France Inter interview in which she talked about the problems she had witnessed on SOCAPALM oil palm plantations and the surrounding area while working on a photo report (published in *Le Monde Diplomatique and Alternatives internationales*, <http://www.isabellericq.fr/socapalm.html>). Invited by France Inter to speak about her experiences, she described the dismal living conditions of

the Bagyeli pygmy ethnic group, the problems of deforestation and lack of access to land, and the deplorable conditions faced by plantation workers who, according to Ricq, "call themselves SOCAPALM's slaves." However, two weeks before the trial was to take place, Bolloré decided to withdraw the charges. Most likely, he knew he had little chance of winning, and would also be exposing himself to the serious threat of having his activities in Cameroon brought into the public spotlight.

Strategy of intimidation

Could there be anything more carefully hidden than the production and commercial operations, networks of influence and repressive actions of large business groups? As long as criticism was limited to "fringe" publications, Bolloré saw no need to react. But when public radio broadcaster France Inter aired certain discordant opinions, Bolloré decided that it had had enough and it was time to "attack" back, in order to "set an example," because "you can't play around with the group," as Bolloré second-in-command Dominique Lafont declared at Collombat's trial. The fact is, Bolloré has become very conscious of its image. "In Africa, Bolloré is a civic enterprise. [...] Our strategy is aimed at lifting the continent out of its isolation" through "sustainable development," stated Lafont. As for the critical opinions, he labelled them as "miserabilist" and "otherworldly" – a reference to the anti-globalization protest movement whose slogan is "Another world is possible."

It should be noted that, in France, Bolloré has other means at its disposal to influence public opinion in its favour. It is the main shareholder in the advertising giant Havas, the world's sixth largest global communications group and leading advertiser in numerous publications. Bolloré also owns the television network Direct 8 and two free newspapers, *Direct Soir* and *Direct Matin*. Obviously, the readers of these newspapers will learn absolutely nothing about the criticisms aimed at Vincent Bolloré's business dealings in Africa, his collusion with local regimes, the quashing of any protests raised on his plantations, or the environmental destruction linked with the Chad-Cameroon oil pipeline... Instead, as far as the general public is concerned, the activity of this industrial group (one of the most diversified on the global market) is to be summed up behind its most presentable face, that of the manufacturer of the Bluecar, an electric car to be launched in 2011 – and the group's main tool to achieve the eco-friendly "repositioning" of its image.

Who is Bolloré?

The Bolloré group is currently one of the world's top 500 companies, with an annual turnover of more than seven billion euros. Its global expansion has been largely concentrated in Africa, where it now operates in 42 countries. Vincent Bolloré – the 18th wealthiest man in France in 2009 – has built an empire much more extensive than the former French colonies. He has gained control over not only plantations and public services throughout Africa, but also, above all, the continent's ports (historically the group's main business activity in Africa) and its oil industry. The Bolloré group has had no qualms about working closely with dictators like Denis Sassou Nguesso, Omar Bongo or Charles Taylor. Vincent Bolloré is also a personal friend of French President Nicolas Sarkozy. After winning the presidential election, Sarkozy took a vacation on the industrialist's yacht and declared that Bolloré "does honour to the French economy."

By buying up former colonial companies and taking advantage of the wave of privatizations spurred by the “structural adjustments” imposed by the IMF, Bolloré has inevitably become a key player in the economic structure and political life of many African countries. His control of strategic sectors and the transfer of part of his African profits to tax havens like Luxembourg or the Channel Islands provide him with the financial capital needed to back his stock market dealings and expansionist strategy.

Bolloré's plantations in Cameroon

Cameroon, a former French colony, continues to be governed by an oligarchy that cares more about serving its own interests and those of France than the public interest of its own population (Transparency International ranked Cameroon as the most corrupt country in sub-Saharan Africa in 2009). Many Cameroonians view the control of strategic sectors by large French companies as a form of neo-colonialism. It is not unusual to see Bolloré group executives swanning about in public with President Paul Biya, his wife Chantal or top government officials. For Pius Njawé, director of the newspaper *Le Messager*, the Bolloré group's interference in the political life of Cameroon is beyond doubt: “It is a sort of state within a state... a perfect example of so-called *Françafrique*” (a pejorative term coined by combining the French names for France and Africa).

In Cameroon, the Bolloré group controls vast oil palm and rubber tree plantations, either directly through SAFACAM (which operates 8,400 hectares of plantations), or indirectly through SOCFINAL (which administers 31,000 hectares), together with the two families of the Rivaud group (acquired by Bolloré in 1995): the Fabri and Ribes families. Bolloré holds close to 40% of the shares in SOCFINAL, one of the various Rivaud holdings listed on the Luxembourg stock exchange. One of its subsidiaries, Intercultures, runs SOCAPALM (Société Camerounaise de Palmeraies), the company implicated in the two lawsuits mentioned above. Of SOCFINAL's total annual profits, no less than 45% come from SOCAPALM. Established through a government programme in 1963 with the support of the World Bank, SOCAPALM was privatized in 2000 and taken over by the group.

SOCAPALM has been a constant source of serious social and environmental problems, as reported by WRM on numerous occasions (Bulletins 112, 116 and 134 and WRM Series on Tree Plantations No. 13). When it was owned by the state, it confiscated lands that were historically the property of local populations without any sort of compensation. Today, it continues to expand without regard for neighbouring ecosystems, thus seriously endangering the food sovereignty of those same populations. In addition, the agrochemical products used on its monoculture plantations and the waste effluents discharged by its factory in Kienké have drastically contaminated the area's waterways. On the plantations, living and working conditions are abominable: insalubrious living quarters and shared latrines, lack of regular access to water and electricity, mostly temporary employment at miserable wages, etc. Hundreds of workers work six days a week, in some cases from 6:00 a.m. to 6:00 p.m., with no social security coverage or adequate protection, for approximately 1.6 euros a day, as long as the subcontractors don't forget to pay them. This situation has given rise to numerous strikes and protests, but in 2007, when a resistance movement against these labour practices emerged, its leader was immediately arrested by the police, and the authorities let him know that “if he kept it up he was going to get killed.”

Bolloré's plantations in other parts of the world

The Bolloré group, through SOCFINAL, has a number of other rubber tree and oil palm plantations in Africa and Asia. Many of them give rise to similar problems with their workers and neighbouring communities. In Liberia, for example, SOCFINAL owns the country's largest rubber tree plantation. In May 2006, the United Nations Mission in Liberia (UNMIL) published a report that described the dire human rights situation on the plantation: child workers under the age of 14, the massive use of sub-contracting, the use of carcinogenic products, the quashing of trade unions, arbitrary dismissals, the maintenance of order through private militias, and the eviction of peasant farmers obstructing the expansion of the plantation area.

In Cambodia, the situation is not much better (see WRM Bulletin No. 142). After several months of wavering, the government granted a concession for a rubber tree plantation to SOCFIN KCD, a company in which SOCFINAL holds majority ownership. In December 2008, tensions rose to such a height that hundreds of peasant farmers from the Bunong ethnic group joined together to protest against the company, which had already begun clearing the forests and fields near their communities. During the protest, the demonstrators damaged and burned company-owned vehicles. Following this incident, nearly a thousand families from seven neighbouring communities declared that the land belonged to them, since they had been working it for centuries, and that their collective rights, as indigenous peoples, were protected by the country's Land Code. The community members also accused the authorities of taking the company's side because of its promises of employment, hospitals, schools and housing. The conflict has still not been resolved.

Conclusion

The subject of the social and environmental impacts of large industrial groups is becoming ever more untouchable, as demonstrated by a new investigative report released by Reporters Without Borders, "Deforestation and Pollution: High-Risk Subjects". The verdict of the Parisian court in May 2010 bodes poorly for freedom of the press. It will discourage journalists – and civil society in general – from undertaking critical investigations, while encouraging companies to make increasing use of the legal system to silence any attempt to expose their frequently scandalous practices. Along with other large groups like Wilmar and Unilever, Bolloré is now pursuing the development of agrofuels, supposedly "ecological" substitutes for petroleum-based fuels. Will we be facing a situation in which, the more reasons there are to investigate these activities, the greater the efforts to intimidate those who attempt to do so? In any event, there is no doubt that these industrial groups will be anxious to nip any criticisms in the bud and keep them from taking root.

For further references, background information and pictures on this case we encourage you to visit the following special section that WRM has created on its web site: <http://www.wrm.org.uy/countries/Cameroon/Bollore.htm>

- Cameroon: Refuting ten lies about SOCAPALM plantations

After French industrialist Vincent Bolloré filed two lawsuits against Radio France Inter, both for

alleged defamation regarding plantations operated by SOCAPALM (Société Camerounaise de Palmeraies), photographer Isabelle Alexandra Ricq and researcher Julien-François Gerber addressed ten lies typically used to defend Bolloré, one by one.

France Inter was sued for broadcasting two programmes that were critical of plantations operated by SOCAPALM. The company is a subsidiary of SOCFINAL, in which Bolloré controls around 40% of shares (see the related article in this same bulletin). Can it legitimately be claimed that SOCAPALM plantations bring prosperity and development to local populations? That the environment has not been seriously degraded or polluted because of SOCAPALM? Can it be said that the plantation workers are exaggerating when they call themselves slaves, since they all have satellite dishes?

At a moment when the Bolloré group is aiming its considerable weapons against journalists who are overly critical of its activities in Africa, this analysis clearly demonstrates, through conclusive documentary evidence, that all of the multinational's arguments can be shot down one by one.

The full article in French is available at: http://www.wrm.org.uy/countries/Cameroon/Dix_reponses.pdf

- Uruguay: A new opportunity for much-needed debate on the pulp-plantation model

Over the last few years, Uruguay has gained international attention as a result of the drawn-out conflict with Argentina over plans for the installation of two "mega" pulp mills in Uruguay, one by the Finnish company Botnia and the other by ENCE of Spain.

The background to the conflict dates back to 2002, when the Uruguayan government, in keeping with its policy of promoting "forestation" through large-scale monoculture tree plantations, began to encourage foreign investment in the pulp production industry. The incentives already enjoyed under the 1987 Forestry Law by companies that established plantations in Uruguay (subsidies, tax exemptions, soft credits, highway construction, maintenance and repair of rural roads damaged by heavy logging trucks, etc.) were further complemented by the signing of investment protection agreements and the granting of free zone status for sites where pulp mills were to be built (exempting them from all existing or future taxation requirements).

As a result, eucalyptus and pine plantations began to spread over areas formerly covered by grasslands, the main natural ecosystem in Uruguay, generating severe social and environmental impacts: displacement of the rural population, impacts on water and soil quality, the occupation of land suited to cattle farming and agriculture, and impacts on flora and fauna, among others. These problems have yet to be seriously assessed by the successive governments that have continued to promote this pulp-plantation model. Another outcome has been the growing concentration of land ownership by transnational corporations. Three companies alone – UPM-Botnia (Finland), Weyerhaeuser (United States) and Montes del Plata (Sweden-Finland-Chile) own a combined total of 600,000 hectares of land.

The approval granted to ENCE and Botnia to build pulp mills on the Uruguay River, which is shared

with Argentina, sparked a heated conflict between the two countries. One of its most radical manifestations was the prolonged roadblock on the San Martín international bridge, which links Uruguay and Argentina across the Uruguay River, by the Environmental Assembly of Gualeguaychú, Argentina (an action that involved the participation of thousands of Argentine citizens). This locally adopted measure spurred the Argentine government to join in the opposition to the installation of the pulp mills. When it proved impossible to reach an agreement with the Uruguayan government, Argentina took the case to the International Court of Justice in The Hague.

Eventually, ENCE opted to relocate its pulp mill plans further south, to a site on the Río de la Plata (River Plate). After the recent global financial crisis, it sold its shares to Montes del Plata (a Swedish-Finnish-Chilean consortium) in 2009. In the meantime, despite the fierce opposition mounted by Argentina, Botnia went ahead with the construction of its pulp mill on the Uruguay River; it began operations in November 2007.

As noted in a recent press release from the Uruguayan organization Grupo Guayubira, “the blocking of the international bridge raised the conflict to such heights that the real focus of attention and of much-needed debate was lost. We went from analyzing whether or not the installation of a pulp mill of this kind was actually beneficial for the country to a fierce confrontation pitting Uruguayans against Argentines, in which inflamed nationalist sentiments left no room for analysis or for asking ourselves questions that are fundamental for our future as a country, such as: Was it good for Uruguay to open itself up to foreign investment like this, which means continuing to export raw materials, and in addition, under tax-free conditions? Do the benefits obtained justify the mega pulp mill currently operating in Fray Bentos and the hundreds of thousands of hectares of eucalyptus trees that now occupy our countryside?”

For Grupo Guayubira, “this undertaking implies not only the operation of a pulp mill larger than anything ever seen in our country – which according to the company itself consumes 86 million litres of water and uses 400 tons of chemical products every day – but also the utilization of thousands of hectares of land for large-scale monoculture eucalyptus plantations.”

On top of all the conflicts provoked by the presence of this transnational corporation, it should be stressed that after two years of operations, the promised benefits of the pulp mill have yet to be seen. Grupo Guayubira recalls that “the interviews and forums held by Botnia to present the project focused on publicizing the benefits it would bring to the country and its people if it was approved. One of the main promises – aimed at seeking public and political support – was that it would create thousands of jobs.” Two years after the pulp mill began operations, the department (province) of Río Negro, which is where the pulp mill is located, as well as one of the departments with the largest concentrations of monoculture plantations, has the highest unemployment rate in the whole country, as well as the highest rates of domestic violence.

In March 2010, José Mujica took office as the president of the Uruguayan people, and has met on various occasions with Argentine leaders in an attempt to heal relations between the two countries. This created the conditions that led the Environmental Assembly of Gualeguaychú to lift the roadblock on the international bridge, in exchange for shared monitoring of the pulp mill and water quality in the Uruguay River.

It is on the basis of this gesture – and now that the pressure of the international conflict has been lifted, and the pulp mill has already been established – that Grupo Guayubira is now addressing the public with the following message: “Rather than continuing to take for granted that more and ever larger pulp mills will be built, we should stop and assess whether the first and so far only pulp mill in our country has actually benefited the lives of Uruguayans, from an economic, social and environmental point of view.”

Based on a press release issued by Grupo Guayubira on June 24, 2010. The full text (in Spanish) is available at: <http://www.guayubira.org.uy/celulosa/evaluemos.html>

- Chile: Professional foresters denounce violations by company certified by CERTFOR and FSC

Tree plantations owned and operated by Forestal Valdivia S.A., a subsidiary of the Arauco group, have not only been granted certification by the Chilean sustainable forest management system CERTFOR (backed by the international Programme for the Endorsement of Forest Certification or PEFC label), but also chain of custody certification from the FSC (SGS-COC-005376).

According to CERTFOR’s website, “This standard allows forest owners [or rather, plantation owners] to demonstrate that the management they have applied meets the social, economic and environmental performance requirements that the relevant stakeholders demand.” For its part, FSC certification is meant to promote “environmentally appropriate, socially beneficial, and economically viable management of the world’s forests [including plantations].”

Therefore, certification by both organizations would seem to be a double guarantee for socially conscious consumers, who want to make sure that the products they buy have not caused any harmful impacts on other people or on the environment. However, a press release recently issued by the Association of Foresters For Native Forests (AIFBN) in Chile casts serious doubts on the validity of this assumption.

Since 2008, a team of experts from the AIFBN have conducted a series of reconnaissance flights over the Andes and Coastal mountain ranges in the regions of Los Ríos and Los Lagos in order to assess the state of conservation and possible destruction of native forest areas.

The AIFBN revealed that, “Based on the analysis of the data gathered, areas with evidence of illegal forest clearing were identified, leading to the detection of 23 irregularities committed on different properties, which were reported to the National Forestry Corporation (CONAF) in July of last year. This state agency investigated all of the reports filed, and confirmed that breaches of current forestry legislation had been committed in every case.” Among the worst offenders identified in the study is the doubly certified Forestal Valdivia.

When consulted, forester Cristián Frene (listed as the contact person in the AIFBN press release)

commented: "If this monitoring was repeated in the regions farther north (Bío Bío, Maule and Araucanía), I can assure you that the panorama would be even worse, but unfortunately no one does this kind of work in those areas."

Referring specifically to the reported breaches committed by Forestal Valdivia in the commune of Lanco, the press release stresses that "the properties harvested through clearcutting by the above-mentioned company are part of a mountain that provides water to five communities located within the commune of Lanco, where at least 700 people are affected by the harvesting of plantations and subsequent burning of NATIVE vegetation with highly toxic chemicals." In addition, the note adds, "in the northern area of the mountain... there are currently 45 legally recognized Mapuche communities with a total of 1,258 Mapuche families, according to figures from the 2002 census."

This combination of the confirmed destruction of native forest alongside the serious impacts of the company's management of its plantations led the AIFBN to denounce to the National Forestry Corporation "the extremely serious breaches of environmental legislation committed by the company Forestal Valdivia, a subsidiary of the Arauco Group, in the commune of Lanco, in the northern portion of the region of Los Ríos."

The press release adds that these breaches "additionally imply a total lack of social conscience, through the lack of respect for the sources of water for Mapuche communities in this region. Since February of this year, the company has sent subcontractors to eliminate existing NATIVE vegetation with highly toxic chemicals. These chemicals, when applied to the vegetation, remain in the soil and are washed by rainwater into the surrounding waterways, which supply water to hundreds of families in the locality of Antilhue."

In view of all this, what do CERTFOR's guarantee of the fulfilment of "social, economic and environmental performance requirements" and the FSC's guarantee of "environmentally appropriate and socially beneficial management" really amount to? In this case, at least, the answer is clear: a ploy aimed at deceiving consumers.

This article is based on a press release entitled "Una historia de no respeto a los bosques nativos y la ley forestal", issued in May 2010 by the Agrupación de Ingenieros Forestales por el Bosque Nativo (AIFBN). Contact: Cristián Frene cristianfrene@bosquenativo.cl
<http://www.ecoportal.net/content/view/full/93312>

GLOBAL EUROPE: IN THE QUEST FOR SOUTHERN MARKETS

- Free Trade Agreements with the European Union in Latin America: A path to the loss of sovereignty and territories

A group of Latin American social organizations (1) met in Montevideo to examine the Free Trade Agreements (FTAs) that the European Union (EU) signed last May with Central America, Colombia

and Peru. Not only are these FTAs a serious threat to the food sovereignty of the peoples, the forests, the region's main ecosystems and to artisan fisheries, but they will also worsen climate change. The organizations warned that the MERCOSUR (2) countries run the same risks following their decision to re-initiate their negotiations with the EU at the end of June.

These FTAs are part of a strategy called "Global Europe," implemented by the EU since 2006 aimed at strengthening its large transnational corporations worldwide.

The sectoral analysis of FTA impacts show that they have put food sovereignty on the rack and that they affect small-scale agriculture, artisan fisheries, forests and other essential ecosystems and worsen the climate crisis. These trade agreements with the EU are just as dangerous or even more dangerous than the ones signed by the United States with Colombia, Peru and Central America, and have the same objective: to step up trade liberalization in wide sectors of Latin American economies to the benefit of European corporations.

Some of the instruments included in these FTAs are the liberalization of investments and the service sector, the opening up of the agricultural sector, the elimination of export barriers (both tariff and non-tariff barriers), the strengthening of Intellectual Property Rights (patents) and free access to State Purchases by European purveyors.

One of the examples mentioned at the meeting was the case of the recent flooding of the market in Colombia by European dairy products and the lethal consequences this has had, particularly for small Colombian farmers. The European Union had demanded for the dairy sector relief from all tariffs for large quantities of European powdered milk and cheeses. The new regulations also apply to Peru and the Central American countries. In the case of Costa Rica, for example, acceptance of this provision would be very damaging to the sector "as presently it has 'zero imports' of dairy products." (3)

"These measures will increase the presence of large corporations in the agricultural sector. Industrialized agriculture with heavy machinery and the use of agro-toxic chemicals will be further enhanced and, added to seed patents, will be detrimental to family and peasant farming. Food policies controlled by the international market will continue to benefit corporations and damage the peoples' food sovereignty and their possibility to determine their local and national food practices," stated the Latin American social groups present at the event.

They also pointed out that the FTAs promoted by the EU will increase momentum in the global South of timber extraction activities, agrofuels, agribusiness, extensive stock-raising and monoculture tree plantations, which have devastated forests and other important ecosystems such as grasslands and also displaced local communities, particularly those of indigenous peoples. The European race to access all types of natural resources and seize biodiversity, added to unrestrained economic activities, threatens to eliminate the continent's remaining forests.

The social organizations warned that small-scale artisan fisheries, which are essential for food sovereignty and for feeding the people, also run risks. The large European corporations already occupy dominant positions in the Latin American fisheries and fish-farming sector, controlling the trade of such species as shrimps, tuna, and tilapia. Their absolutely unsustainable trawling is already

serious today and the trade measures defending the fishing corporations are detrimental to the possibilities of small scale fisher-folk who capture fewer and fewer fish.

Finally, the Latin American groups pointed out that the conditions imposed by the EU during the negotiations strengthen the increasing implementation of false solutions to climate change in our countries: development of transgenic plants, agrofuels, projects for the Reduction of Emissions from Deforestation and Forest Degradation (REDD), together with tree plantations to trap and store carbon, and dams. These measures divert attention away from what is really necessary to face the climate crisis: the radical reduction by industrialized countries of green-house gas effect emissions.

Furthermore, these agreements are incompatible with the United Nations Declaration on the Rights of the Indigenous Peoples and with the International Labour Organization's Convention 169 on Indigenous and Tribal Peoples, because the requisite of prior consultations with the indigenous communities has not been fulfilled. This was denounced by the Andean Coordinator for Indigenous Organizations (Coordinadora Andina de Organizaciones Indígenas - CAOI), adding that the governments of Colombia and Peru had issued no information during the whole negotiation process.

"The FTAs that the EU is promoting in Latin America are another turn of the screw to ensure security for its corporations and the abusive consumer patterns of its countries. The beneficiaries in our region will be a few economically powerful groups and the disadvantaged groups will be our peoples. The Central American, Colombian, Peruvian and MERCOSUR parliamentarians are still in time to curb this serious European advance against our future as sovereign peoples," stressed the organizations present in Montevideo.

(1) The Colombian "Grupo Semillas", the Ecuadorian Mangrove Network, the Andean Project for Peasant Technologies in Peru, the Brazilian CEPEDS, the World Rainforest Movement and REDES-Friends of the Earth in Uruguay.

(2) The Common Market of the South (MERCOSUR) comprises Argentina, Brazil, Paraguay and Uruguay while Bolivia, Colombia, Chile, Ecuador, Peru and Venezuela are Associate States to the bloc.

(3) Taken from one of the documents prepared by REDES for this event.

Article based on information from Redes – Friends of the Earth Uruguay. The documents may be requested from Jose Elosegui, e-mail: jelosegui@gmail.com

CARBON TRADING

- What is carbon trading for?

Patrick Birley, the Chief Executive of the European Climate Exchange, knows a thing or two about carbon trading. He should do. He claims that about 95 per cent of all the carbon traded globally is traded through his exchange. So when he talks about carbon markets, we would do well to listen.

Here's what he has to say about carbon trading: "It doesn't reduce a single tonne of carbon going into the atmosphere. It's got nothing to do with it. It's all about the cap. The cap is the mechanism that produces a declining amount of carbon over the long term going into the atmosphere."

This isn't an anti-market, anti-globalisation anarchist speaking. It's the head of the European Climate Exchange, [talking](#) in November 2009, at an event in Ireland, organised by the Institute of International and European Affairs. But if carbon trading does not reduce carbon emissions, what on earth is it for?

Unfortunately, on this point Birley's presentation was a little more vague. "There are people making and losing money," he explained. Of course, he's one of those who is making money. "I am certainly a profit making company aiming to make as much profit as possible for my shareholders and I'm unashamed about that."

But carbon trading is not only about making money. After repeating that his company does nothing to reduce the amount of carbon going into the atmosphere, Birley said, "We are helping those who are reducing their carbon to manage the associated risks."

On one of his presentation slides, titled "Who is the market?", Birley lists four groups: hedgers, investors, arbitrageurs and speculators. Anyone remember sub-prime? Wasn't it triggered by precisely these groups of money-makers managing other people's risk with other people's money?

Earlier this year, I interviewed [Jeff Horowitz](#), founder of Avoided Deforestation Partners, a US-based organisation that is lobbying for forest offsets to be included in US climate legislation. I asked Horowitz why he favoured trading in forest carbon credits when they do not, and cannot, reduce emissions. In five long paragraphs, his only answer to this question was to argue that "without the ability to leverage credible and environmentally robust REDD offsets, the reduction targets achievable by policy makers would be significantly scaled back." Patrick Birley also hopes that carbon trading "will make industry more able to accept a steeper decline in terms of the cap."

But when we look at the cap, there is little or no evidence to support this argument. During the fiasco at the UN climate negotiations in Copenhagen at the end of last year, the US and a handful of other countries presented the world with the Copenhagen Accord. The Accord mentions REDD, but the writers of the Accord took the already flimsy cap from the Kyoto Protocol and shot it so full of holes that it's barely recognisable as a cap. An analysis by the Potsdam Institute for Climate Impact Research published in the *Journal Nature* in April [found that](#): "The current national emissions reduction pledges accompanying the Copenhagen Accord will not limit global warming to two degrees Celsius. In fact, they imply a global mean temperature increase of more than three degrees Celsius this century."

Polluting industry is, at least sometimes, very honest about their motivations for supporting carbon trading. American Electric Power (AEP) is the biggest burner of coal in the USA. In 2008, Diane Fitzgerald, AEP's managing director of environment and safety, explained to [Time magazine](#), "We'll compare forestry offsets to projects like renewable energy, and we have to make the best financial decision."

A year later, Michael G. Morris, AEP's chief executive, told the Washington Post, "When Greenpeace says the only reason American Electric Power wants to do this is because it doesn't want to shut down its coal plants, my answer is, 'You bet, because our coal plants serve our customers very cost-effectively.'" Industry wants carbon trading so that it does not have to reduce emissions. At the same time, polluting industry can create the appearance of doing something by buying carbon credits.

This trade in a commodity that no one can see is expected to be a US\$3 trillion market by 2020. That's if the market doesn't collapse completely before then. The US\$7 billion dollars in fraud that was recently uncovered in the EU illustrates the potential for organised crime to get involved. Trading carbon won't reduce emissions, but it will allow industry to lock in polluting technology.

If we could see meaningful emissions reductions, an end to exploration for new fossil fuels, an end to new coal-fired power plants and a structural shift to renewable energy production then perhaps the carbon trade would be an irrelevant side-show. As it is we can't see any of these three things happening and the carbon trade is helping industry continue with business as usual. That, and making money, is what carbon trading is for.

By Chris Lang, <http://chrislang.org>
