



No. 83 – December 2011



the bulletin



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- Vulnerable Workers: London 2012 debate
- Human Trafficking: the links to business
- Tax planning and corporate social responsibility
- Spills and Spin: book review

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**Cover: Tom Bamber; Hedgehog/Fotolia; Metropolitan Police;
Back: Tom Bamber**

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First things

This *Bulletin* reports on ECCR's annual public panel debate last month. We returned to the theme of Vulnerable Workers, the subject of our 2008 debate and 2009 report *Vulnerable Migrant Workers*, in the light of the threats and opportunities presented by the London Olympics 2012; particularly focussing this time on the living wage, trafficking and pornography.

Human trafficking is the subject of current research by ECCR and Suzanne Ismail's article reflects on some of the issues uncovered to date. The first of three briefing papers researched by ECCR and commissioned by corporate member CCLA *Hotels, sex trafficking and London 2012*, is enclosed with the *Bulletin*.

Louise Rouse of ECCR partner and member FairPensions argues that tax planning should be a key corporate responsibility issue and sets out an action plan for multinational companies to make progress in this regard.

ECCR Board member Daphne Norden reviews Tom Bergin's book on BP. And a letter from one of our readers engages with questions around *Food prices and financial markets* that was the theme of our September issue. Letters in response to *Bulletin* articles are always welcome.

ECCR is grateful to Victoria Heath and our Open Debate panellists and to the other contributors to this issue.

On behalf of ECCR's Board and Secretariat team, we wish all our members, partners and readers a peaceful Christmas and New Year and look forward to continuing the work together in 2012.

***Rev Raymond Singh, Vice Chair &
Helen Boothroyd, Church and Membership Relations Officer
(helen.boothroyd@eccr.org.uk)***

News from ECCR

Miles Litvinoff

Miles Litvinoff left his role as ECCR's Co-ordinator in September 2011 to pursue exciting new directions. Miles had been in post since 2005, taking the organisation from strength to strength. He is greatly missed. We are delighted that Miles has become an ECCR individual member. The Board is looking at the appropriate way forward for staffing ECCR in the future.

Miles has set up a writing, editing and project management consultancy service for faith-based and voluntary organisations, NGOs, social enterprises and ethical businesses. He can be contacted at miles@mileslitvinoff.co.uk, tel. 020 8965 9682, www.mileslitvinoff.co.uk. We wish Miles all the very best in his new project.

Oikocredit photo-exhibition: Tom Bamber

ECCR's Open Debate and Members Annual Meeting (MAM) were much enhanced by a beautiful photo-exhibition by Oikocredit volunteer Tom Bamber depicting Oikocredit's study tour to Guatemala. Corporate member Oikocredit's UK and Ireland representative Patrick Hynes gave a presentation at the MAM. A range of work from Tom Bamber Photography can be viewed at www.flickr.com/tedbamber and Tom contacted on tom@tombamber.co.uk.

Welcome to new members

ECCR is very pleased to welcome new corporate members Panahpur and Quakers & Business Group, as well as new individual members who have joined recently.

Members' and partners' consultation

Members and partners will again have the chance to complete an evaluation questionnaire online this year via SurveyMonkey.

Details will be emailed. Any member who would prefer a paper copy please contact Helen Boothroyd: 07503 931172.

Vulnerable Workers, Trafficking, Pornography and the Economics of Exploitation: London 2012 and beyond - debate report

ECCR's 2011 Open Debate took place on 17 November at Friends House, London. Chaired by Victoria Heath, Head of Business Development at EIRIS and ECCR Board member, the panel featured speakers Dr Stella Creasy MP, Catherine Howarth of FairPensions, DI Kevin Hyland of the Metropolitan Police Trafficking and Prostitution Unit, Dr Sasha Rakoff of OBJECT and Bill Seddon of the Central Finance Board of the Methodist Church. It was attended by more than 120 people.

The debate highlighted the wide range of issues around economic exploitation and vulnerable workers facing the key sectors and sponsors associated with the Olympics 2012, identifying this major sporting event as an important opportunity for FTSE listed companies to put in place robust policies and practices to combat exploitation and protect these workers.

Catherine Howarth: The campaign for a living wage

Catherine Howarth highlighted the longstanding nature of the Living Wage Campaign, started by London Citizens. The living

wage rate is currently £8.30/hour in London and £7.20/hour elsewhere.

FairPensions, which campaigns for responsible investment, is encouraging shareholder activism in support of the living wage, training people to ask questions at company AGMs. Ethical investors are leading the way, but the hope is also to influence the mainstream to take up the issue. The drive for financial returns need not be an amoral search for profits at the expense of human rights.

‘The drive for financial returns need not be an amoral search for profits at the expense of human rights.’

FairPensions is working with FTSE 100 companies, asking them to operate the living wage across their whole UK operation, including not just employees but also contracted staff such as cleaners and caterers.

London Citizens engaged with Sebastian Coe before the UK even won the Olympics 2012 and the Organising Committee did make an early commitment to the living wage. However, a number of the sponsors are not yet living wage companies so further pressure is needed.

DI Kevin Hyland: Combating human trafficking

Kevin Hyland began by focusing on sex trafficking. An estimated 1 million young women are sold worldwide for sex every year. The Metropolitan Police have had recent success in jailing sex trafficking gangs.

Many people are also trafficked for other forms of exploitation including: forced labour, in both legal and illegal trades; domestic servitude; slavery, which does not need to involve international trafficking; and ‘exploitation as a commodity’,

referring to vulnerable people forced into illegal activity such as benefit fraud or shoplifting.

The Metropolitan Police take a victim-centred approach, working in partnership with charities trusted by victims. Christian agencies are prominent in this work including Medaille Trust, Women at the Well, Rahab, Caritas, the Catholic Bishops Conference and the Salvation Army.

The police are asking newspaper publishing companies to stop accepting advertisements for the sale of sexual services. A number of publishers have already ended these advertisements. Other companies can encourage reluctant publishers to take this step by withdrawing their own advertising until they do so.

Dr Sasha Rakoff: Challenging the objectification of women

Sasha Rakoff explained that OBJECT has had some success with regard to legislative change concerning the licensing status of lap-dancing clubs and the criminalisation of the purchase of sexual services from anyone trafficked or forced.

Prior to the recession there was an exponential expansion in the sex industry, she thinks due both to lack of regulation and a prevailing cultural climate, driven by media and advertising, which normalises the idea of girls and women as a product and profoundly influences the views and life choices of the young.

‘The availability of pornography needs to be tackled by businesses and shareholders.’

Companies need to change their policies. Most supermarkets and other magazine retailers now adhere to the voluntary code regarding the placement of pornography on top shelves and covered, but there are still notable exceptions. Pornography sites on the internet

have become increasingly violent and abusive. Children are exposed to this material.

The availability of pornography needs to be tackled by businesses and shareholders as well as government regulation. Now is the time for ethical investors to lead the way on these concerns.

Dr Stella Creasy MP: Working in partnership; finding solutions

Stella Creasy paid tribute to the work of the Living Wage Campaign and of the Metropolitan Police on trafficking. Both have made a major difference in her Walthamstow constituency, an ‘Olympic borough’. It is easy to identify problems, but what are exemplified in this work are solutions, using both specialist knowledge and partnership.

It is very heartening that many of those working in Olympic-related jobs are now being paid the living wage. Shareholder challenges to companies have been significant in bringing change. The work of faith-based investors with the hotel industry is important for the Olympic boroughs.

There is a danger of trafficking and prostitution falling off the political agenda. These issues are not included in the government strategy to end violence against women and specialist support services are being cut.

The problem of legal loan sharking has risen in the current economic climate. Legislation is needed to cap interest rates. It is also important to put pressure on the companies involved through the venture capital firms that underpin them and to encourage the banks to make their services more readily available to financially excluded people.

Bill Seddon: Church investors engaging for change

Human trafficking first came to Bill Seddon's attention through work by US faith-based

'2012 Olympics provides UK investors with the ideal hook.'

investors around the 2010 World Cup who contacted international hotel groups to see how well prepared they were to prevent their premises being used for activities linked to trafficking. The responses indicated that the sector had considerable room for improvement. The strategy of linking the trafficking issue to major sporting events is helpful and the 2012 Olympics provides UK investors with the ideal hook on which to hang a similar effort.

The Central Finance Board of the Methodist Church (CFB) seeks to provide good financial returns within a Christian ethical framework through engagement with the companies in which it invests to encourage the steady improvement of business practices.

CFB and others in the Church Investors Group (CIG) have increased engagement with the two FTSE 100 hotel groups: IHG, best known for Holiday Inns, and Whitbread, which owns Premier. As recently as August Whitbread stated that trafficking was "not an issue" for them. However, since the ECCR briefing paper was first drafted there has been significant movement. The International Tourism Partnership, of which these companies are members, released a statement on tackling human trafficking. CIG has arranged engagement meetings with both companies in December. This seems an issue that has risen rapidly up the level of corporate consciousness.

CFB is finalising an investment guidance policy on pornography to complement and enhance its existing policy on the media. Other CIG members are doing similarly.

Bill Seddon ended with a comment based on Micah 6:8, heard on a recent retreat: “Do not be daunted by the enormity of the world’s grief. Do justly, now. Love mercy, now. Walk humbly, now. You are not obligated to complete the work, but neither are you free to abandon it”.

Questions and discussion

Experience from other Olympics shows increased demand for sexual services; Salvation Army workers are being told by prostitutes they work with “see you next April”.

Stella Creasy (SC): It is important that there are exit strategies for women to get out of prostitution if they wish.

Sasha Rakoff (SR): Three quarters of prostitutes cite poverty as the reason they got into prostitution.

When is the deadline for publishers to stop taking advertisements for prostitution? What about the demand side? If the demand was not there children would not be so likely to get into prostitution.

Kevin Hyland (KH): The Metropolitan Police encouraged publishers to act within a year, but this is not mandatory. Ireland recently brought in legislation making newspaper advertisement of prostitution illegal. Businesses should refuse to advertise in newspapers that continue to carry such advertisements and individuals stop buying them.

SR: In Sweden where demand has been targeted by criminalising the buyer of prostitution rather than the seller there has been a 50% reduction in child prostitution. These measures were combined with advisory services designed to help prostitutes exit the industry.

SC: The Mayor of London has power over advertising on the tube.

‘We should raise concerns about unacceptable advertising.’

We should raise concerns with him about unacceptable advertising, including by legal loan sharks.

The UK Hindu Forum notes that Hindus are not much engaged on these issues. Are there things that religious organisations should be doing differently to be part of the dialogue in a more productive way?

Bill Seddon (BS): The Methodist Church has shared information internally and with other church structures. It seems as if Bishops in the House of Lords lobbying government ministers has had some useful effect. But the churches have not yet been sufficiently vocal around pornography. Distribution of pornography over mobile phones is a growing issue in which churches might be able to use their voice more effectively. It is worth pushing religious organisations to take action.

We need to start by looking at women's poverty. The English Collective of Prostitutes believes the overwhelming reasons women go into prostitution are poverty and debt. Trafficking is used as an excuse to target women acting collectively for their own protection. Women in the sex industry need a voice. The Church should press for decriminalisation and support prostitutes in court.

KH: It is a myth that trafficking is not an issue. Women frequently testify to the contrary. It is right that the law does all it can to protect them.

SC: It is right to focus on poverty. Women's poverty is increasing. There is a need to protect the minimum wage and fight for reduced unemployment, the living wage and continuing legal aid for immigrant women facing violence.

'It is right to focus on poverty.'

What can be done about the problem of bogus self employment – where employers get around paying the minimum wage by claiming that workers are self employed and give them far more work than can be done in the time paid?

Catherine Howarth
(CH): A larger
inspectorate is needed
to prevent employers

‘The minimum wage is inadequate
and a living wage is needed.’

taking crafty ways around legislation. The minimum wage is inadequate and a living wage is needed.

SC: The rates charged by loan sharks cut severely into low wages. Yet the government’s review on employment rights is headed by a venture capitalist funding legal loan sharks. People can help by signing the e-petition on legal loan sharking. There are issues around the exploitation of interns and a need to identify and target companies that use zero hours contracts to avoid their obligation to workers.

The churches should make an ethical and practical choice to include workers from the sex industry in the debate to solve the problems around it. Some of the measures panel members propose would make sex workers less safe. Should the UK decriminalise the sex industry?

KH: The Burn Report suggested there needs to be a debate about decriminalisation of the sex industry. But trafficking is a serious issue. 3-4,000 people a year are trafficked for forced labour; 2-3,000 people for sexual exploitation.

Human Trafficking – the links to business

Suzanne Ismail

The term ‘human trafficking’ describes a situation where people are recruited then subsequently threatened, forced, deceived or coerced for the purposes of exploitation. Cases involving the sex industry or criminal activities such as the cultivation of drugs and

illicit organ removal tend to grab newspaper headlines. Less frequently reported is the fact around a third of trafficking victims are trafficked for the purpose of providing cheap labour in more mainstream economic sectors. Many types of large, listed company could therefore potentially encounter trafficking in their activities.

'A third of victims are trafficked for cheap labour in mainstream sectors.'

Trafficking: the victims

There is no 'typical' victim of human trafficking, however according to the Organisation for Security and Co-operation in Europe over 50% are female, the majority are aged between 18 and 24 and many have at least a mid level of education¹. Although it is frequently assumed that trafficking always involves moving people across international borders, this is not necessarily the case. Trafficking of people within their own country of origin is increasingly being recognised as an issue in many countries – including the UK.

People become trafficked in many different ways. Some victims are 'sold' whilst others are extended 'loans' by the traffickers in order to travel and take up jobs away from home that turn out either not to exist – or have very poor - often illegal - pay and conditions. Victims are controlled in numerous ways. Physical confinement and violence does sometimes occur. But methods are often more subtle and include the withholding or partial payment of wages, confiscation of identity papers and threats of being reported to the immigration authorities (even though in many cases victims have regular migration status). Combined with the fact that victims tend to be less informed about their rights, these are strong factors that make it difficult for them to leave their 'employer'.

Links to businesses

According to the United Nations Office on Drugs and Organised Crime agriculture, horticulture, construction, garments and textiles, catering and restaurants, food processing, contract cleaning and health care are the mainstream sectors most frequently associated with the crime of human trafficking. Many of these industries are characterised by so-called ‘3 D’ work, that is to say the work involved can be dirty, difficult or dangerous.

It is probable that trafficking is most likely to arise at the margins of these sectors. However the complex nature of modern supply chains in industries such as agriculture, food processing and textiles means that companies operating in or selling products from these sectors may well come across incidences of trafficking within their spheres of influence and may handle or sell goods produced by trafficked labour.

Another area where listed companies are at risk of encountering trafficking is through the use of contract or agency workers. This seems to be a growing phenomenon, with businesses of all types increasingly using external labour providers (in some sectors known as gangmasters) to provide ‘non core’ functions such as cleaning or catering or to fill ‘temporary’ or seasonal jobs. Workers in these situations tend to receive far fewer employment protections than permanent employees and as such are more vulnerable to exploitation.

Finally, listed companies might encounter trafficking if their services, premises or other facilities are used by traffickers. The briefing paper *Hotels, sex trafficking and London 2012* (enclosed) shows how hotel facilities are susceptible to being used by sex traffickers. Other sectors including the passenger transport industry (airlines, coaches, trains etc) as well as tour operators, visa/travel document providers and employment agencies might inadvertently find that their services are used too.

Human trafficking is such a huge problem that tackling it requires action on many fronts. Companies must play their part. Unless they do this they run the risk of being seen to be inadvertently complicit in – or even worse – profiting from this form of modern day slavery. Not only is that morally wrong, it also presents a potential reputational risk that could ultimately affect shareholder value.

The good news is that there is much that businesses can do. The recent Interfaith Centre on Corporate Responsibility investor statement on human trafficking, which has been signed by ECCR², outlines eight key steps that companies can take. These include developing policy, assessing potential exposure to human trafficking, training employees, contractors and vendors to recognise and respond to the issue, working with suppliers and government agencies and taking part in educational campaigns.

‘The recent investor statement outlines eight key steps companies can take.’

Several companies including Carlson, Accor, Manpower and the Body Shop have already undertaken special anti trafficking initiatives. Unfortunately, these seem to be the exception rather than the norm.

If we are to succeed in addressing this form of slavery it is vital that others follow in their path.

Suzanne Ismail (suzannei@quaker.org.uk) is ECCR's Researcher. She also works as Programme Manager, Economic Issues at Quaker Peace & Social Witness.

Notes:

1. <http://www.osce.org/cthb/43556>
2. http://www.iccr.org/news/press_releases/2011/062711HTInvestorStatement.pdf

Tax planning and corporate social responsibility

Louise Rouse

As governments across the globe embark on major reductions in public spending, the ethics of corporate tax planning have come into the public spotlight, demonstrated by the growth in media coverage and campaigns focusing upon it. ActionAid together with FairPensions and Fairfood International published a discussion paper in July highlighting the serious business risks, including reputational damage, facing companies if their corporate tax planning considerations continue to sit outside of their corporate responsibility programmes.¹

Tax planning is a corporate responsibility issue

The paper argues that corporate responsibility must encompass both the: (1) consideration of a business's impact on society and the environment, beyond its obligation to comply with the letter of the law; and (2) consideration of the potential impact of environmental and social issues on a business's long-term performance. Corporate tax planning clearly falls within both aspects of this definition.

Tax payments are an important part of businesses' economic contribution to the

'Tax payments are an important part of businesses' economic contribution.'

countries in which they operate, helping to provide the basic building blocks for economic growth. Tax in developing countries can help provide the funds to expand much-needed public services such as healthcare and education, to alleviate poverty and disease, and for public investment in infrastructure.

Multinational companies' activities result in significant tax revenue for developing countries. In particular, multinationals' corporate income tax payments represent a major component of both actual and potential tax revenues in developing countries. Ghana, for example, relies on foreign-owned businesses for the majority of its corporation tax. Yet a study by ActionAid found that SABMiller paid no corporation tax at all in Ghana for three of the last four years, despite having a large presence in the country.²

Tax authorities in low-income countries are improving their ability to create and enforce legislation. Companies have an opportunity to lead by example; supporting government spending that will strengthen stability, improve education in the workforce, and create new markets in the medium-to-long-term.

ActionAid, Fairfood and FairPensions make the case that corporate tax responsibility in

'Investors are increasingly aware of the risks of aggressive tax strategies in developing countries.'

developing countries means exercising restraint when it comes to tax planning. To do so is to take an enlightened view of a business's long-term interests, and is a sensible business decision: investors and business leaders are increasingly aware of the risks associated with the pursuit of aggressive tax strategies in developing countries.

Reputation and financial risk

Over the last year household names such as Vodafone, Boots and Barclays have found their tax policies and practices the subject of protest group and media attention. As the Financial Times reported, "*tax is becoming an important source of reputation risk*".³ Damage to corporate reputation can impact directly in the short-term on shareholder returns through its effect on the corporate brand and the cost of steps to mitigate it. But there is

evidence that investors may also be concerned at more long-term damage to potential returns, and the possibility of further unanticipated risks such as changes in regulation leading to forced changes in business practices. Public criticism may lead to the re-examination of tax settlements. Companies must take steps to assess their vulnerability to such risks and act to mitigate them.

A strong corporate responsibility policy on tax is required

An effective corporate responsibility response to tax planning must be based on three insights: (1) compliance with the letter of the law is no longer sufficient to protect business from the risks associated with tax planning; (2) lack of transparency around tax planning leads to increased risk; (3) it is the structures and practices of tax planning that are at the heart of tax responsibility, rather than the amount of tax paid, which is an outcome of these practices.

The discussion paper presents the following action plan for businesses:

- i. create a company tax policy setting out the principles they apply and the practices they rule out; disseminate this policy to internal and external stakeholders;
- ii. rule out certain tax practices that if revealed in public could expose the company to significant reputational damage;
- iii. act responsibly in tax negotiations with authorities in developing countries;
- iv. ensure board level oversight of internal tax policymaking;
- v. disclose a range of qualitative and quantitative information on their tax practices and their impacts; and

- vi. work with peers and stakeholders to formulate a mutually agreed code of conduct.

The growing debate around corporate responsibility in the area of tax planning presents businesses with an opportunity to demonstrate their commitment to corporate responsibility and their approaches to risk management. The challenge now is to translate this commitment into concrete steps that contribute to a positive vision of tax responsibility.

*Louise Rouse is Director of Engagement at FairPensions
(www.fairpensions.org.uk)*

Notes

1. ActionAid, FairPensions and Fairfood International, 2011: *Tax responsibility: The business case for making tax a corporate responsibility issue*. http://www.actionaid.org.uk/doc_lib/tax_responsibility.pdf
2. ActionAid, 2010: *Calling time: why SABMiller should stop dodging taxes in Africa*. <http://bit.ly/callingtime>
3. Houlder, V. *Tax claims hit reputation as well as coffers*, Financial Times, November 8, 2010. <http://on.ft.com/k3Wb3I>

Spills and Spin: The Inside Story of BP by Tom Bergin – book review

Sr Daphne Norden

I found this book very gripping reading. Tom Bergin gives the history leading up to the oil spill in the Gulf of Mexico; something he is well placed to do from his background as a former oil broker and now a Reuters correspondent on the oil industry.

History of growth

It is alarming how easily BP managed to survive a collapse in oil prices, a very serious explosion in a refinery in Texas City and a number of oil spills in Alaska before the disaster in the Gulf of Mexico.

Indeed BP not only survived but became one of the largest and most dynamic oil companies in the world under the leadership of John Browne, described as the greatest British businessman of his generation. A physicist, he was part of the exploration team at Prudhoe Bay, Alaska. The oil field discovered there was the biggest in North America. Browne moved quickly up the company until he became Chief Executive Officer (CEO).

After foreign oil companies were thrown out of the Middle East, BP became reliant on Alaskan and North Sea oil. Browne negotiated the take-over of Amoco, the fourth largest US oil producer, and another US company Arco, making BP the world's second largest oil company after Exxon Mobil.

Cost-cutting

Browne totally changed the structure of BP so that big oil fields or clusters of small ones ran as virtually independent companies, without the need to go through BP central bureaucracy, and encouraged outsourcing for technical expertise such as drilling wells. In the drive for all the fields to become profitable managers needed to become commercially focussed to be successful. Cost-cutting became inevitable. Oil field and refinery managers regulated themselves regarding health, safety and ethical matters, leading to maintenance being neglected to save money. BP became more of a commercial than a technical company.

'Cost-cutting became inevitable.'

Concern about carbon emissions and climate change led Browne to realise the need to become “green”. Producing natural gas, eventually almost 40% of BP's output, and promoting solar energy, BP started to be known as “Beyond Petroleum”. Perhaps this was remembered later rather than BP's mistakes.

Further cost-cutting under the new structures resulted in corrosion of pipelines, leading to serious oil leakages and pollution in Alaska. Maintenance being put off also caused problems in oil refining, the least profitable part of the business. There was a major fire in the Grangemouth refinery in Scotland after management requests for more financial input to the refinery were turned down. The British Health and Safety Executive condemned BP's safety procedures. It became apparent that many minor incidents had not been reported.

Texas City refinery disaster

Worse was still to come. The Texas City oil refinery, a former Amoco plant that had already received too little investment, was forced to undertake further cost cuts. Only the most basic maintenance was undertaken and unsafe equipment continued in use. Again, requests for more money met with refusal. Production goals came first. In March 2005 there was a tremendous explosion and fire at the refinery in which 15 people were killed and hundreds more very badly injured. A pattern of vague PR statements emerged that concealed the truth.

Finally Browne was replaced as CEO but the damage had been done and a culture of putting profit before safety continued to prevail in spite of huge pay-outs necessitated by the serious accidents.

The new CEO Tony Hayward had been Head of Exploration and Production, trained by Browne, but unlike Browne he was not good at public relations. He continued to insist that BP still had

to become more efficient to make up for money lost on damage claims. The fall in oil prices in 2008 caused more cost-cutting.

Gulf of Mexico disaster

By 2010 oil prices had increased. The Gulf of Mexico, a deepwater and thus more costly drilling site, thereby became an attractive place for oil exploration, especially as, having licensed the exploration, the US government did not intervene with company management. Thus BP was able to obtain a licence and start drilling using that equipment which was cheapest to install and maintain.

The result is well known; in April 2010 a huge oil leak caused a fire and explosion in which the rig sank and 11 workers were killed. The author explains in detail what followed, including the role of the US government and how BP tried to shift the blame to the contractors.

The structure of the company again came under scrutiny, and changes have resulted, but sadly in subsequent meetings BP's investors have shown much more concern for financial profit than for health and safety.

'BP's investors have shown more concern for profit than for health and safety.'

Corporations are indeed amoral but how about the personnel involved in running the company, to say nothing about the role of the investors?

Sr Daphne Norden of the Society of Catholic Medical Missionaries is an ECCR Board member.

Letter to the editor

Thank you for ECCR's September *Bulletin*, which was very interesting especially the pension fund and food speculation articles.

Would it be possible to ask your readers to think about what is the biggest asset pension funds invest in?

And then to imagine this asset brings in 1000 times more pension income than food gambling.

And then to imagine that what is actually starving the poor might not be high food prices; rather that some power is constantly forcing wages to starvation levels no matter how cheap the food nor how much surplus they produce.

Would they be surprised to hear this enormous pension fund asset is land? Not even owned by the starving that work it.

And is it hard to imagine they pay rent in food exports to foreign absentee landlords; us? So we may eat cheap. And live long on our pension.

Does this mean we allow the starving to keep just enough food to stay alive and keep producing cheap food for us? But sometimes not even that much.

Look at Somalia. Is there really a famine there? Sure, they are starving. Yet how so when they still export 50% of their food, past piles of dead bodies, as rent, to absentee land asset owners?

Robin Smith, co-founder, The Systemic Fiscal Reform Group

ECCR works for economic justice, human rights and environmental sustainability



ECCR's 2011 report *The Banks and Society: Rebuilding Trust* documents how

- Most banks' business models contribute to financial exclusion.
- Banks often lend to environmentally and socially destructive projects.
- Major banks have facilitated money laundering and tax avoidance.
- Banks continue to have a role in developing countries' debt crisis.
- Investment banks' speculative trading helped cause recent food and fuel price spikes.
- The financial crisis resulted from a collective failure of judgement that could happen again.

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