Corporate Watch[10]

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tenth anniversary
1996-2006

SHEDDING THE STARBUCKS ILLUSION

THE ROTTERS CLUB

PUBLIC PRIVATE PARASITES

a field guide to the creepy crawly corporations infesting our public services

CW'S SHOP IS NOW OPEN!

Corporate Watch

June

3 The Incredible Veggie Roadshow, York. Food, talks, advice, stalls, competitions, campaign news and more. Free entry, 10.30am-4.30pm, the Guildhall, St Helen's Square, York. *www.viva.org.uk/roadshows06/* 0117 944 1000
3 Strawberry Fair, Cambridge. Free rides, music ecology and stalls, *www.strawberry-fair.org.uk*
3 Climate Conference, London. Seminars & workshops on climate-related themes and a planning Session for the November 4th demo. Speakers include Caroline Lucas MEP, Mark Lynas, and George Marshall. 9.45am-6.00pm, London School of Economics, Houghton St. Free/donation, 020 7272 8715, 07903 316 331 *info@campaigncc.org http://www.campaigncc.org/conftimetable.shtml*
4 Camden Green Fair, London. Regent's Park. 12noon-7pm
4-13 Colombia Solidarity: Black Communities' Tour, UK. Three representatives of the Process of Black Communities will be touring the UK 4-13th June, coordinated by the Colombia Solidarity Campaign, UK. If you are interested in organizing a meeting or getting involved or want to make a donation email *mario.novelli@bris.ac.uk* or call 07939546313
10Road Block national conference, Birmingham. Anti-roads campaign. Workshops and guest speakers *www.roadblock.org.uk*
10 Norwich Anarchist Bookfair. Stalls, meetings, food, bar & music. Blackfriar's Hall, 10am-6pm. Free entry.
10 Stop the War Coalition Conference, London. Speakers include Tony Benn, Rose Gentle and Loukas Christodoulou. Friends' Meeting House, Euston Road. *www.stopwar.org.uk; office@stopwar.org.uk;* 020 7278 6694
10 Art Not Oil,London. Art exhibition and campaign against the oil industry. Launch gig, 491 Gallery, 8pm-midnight; *www.491gallery.com; info@artnotoil.org.uk;* 07708 794665; *www.artnotoil.org.uk; www.nationalpetroleumgallery.org.uk*
11-24 Art Not Oil,London. Art exhibition and campaign against the oil industry. 491 Gallery, 491 Grove Green Road, E11 4AA, next to Leytonstone tube; *www.491gallery.com* 07708 794665; *491gallery.com* 07708 794665;
16 End the Occupation now! London. Public meeting organised by Iraq Occupation Focus. Speakers include Tariq Ali, Anthony Arnove, Glen Rangwala. 7pm, main hall, Indian YMCA, 41 Fitzroy Sq, *www.iraqoccupationfocus.org.uk*
16-18 Projectile Film Festival, Newcastle. Films, talks and workshops. Star and Shadow, Crawhall Road, near Byker Bridge *http://www.projectile.org.uk/; i nfo@projectile.org*
17 National People's March and Rally Against Incapacity Benefit Cuts, Sheffield. Assemble Devonshire Green, 12pm. Sheffield Welfare Action Network(SWAN)
29-July 1 Art Not Oil, London. An exhibition and campaign committed to anti-oil art. The Foundry, 84-86 Great Eastern St, London EC2A 3JL, (Old Street tube); *info@art-notoil.org.uk;info@artnotoil.org.uk;* 07708 794665;

July

8 Challenging the corporate water takeover, London. Can privatisation ever be the solution to the global water crisis? Speakers: Bianca Jagger, Oscar Olivera, WDM director Benedict Southworth. 2pm-5.30pm, Friends Meeting House, Euston Road. Free entry. 020 7737 6215 *register@wdm.org.uk www.wdm.org.uk/wrr*
14-16 Hazards 2006. Gathering for trade union safety reps and activists discussing safety in the workplace. For details call 0161 636 7558 *hazconf@gmhazards.co.uk www.gmhazards.org.uk*
15 Latin America: Social movements fight back, London. Conference organised by the Radical Activist network and War on Want. Speakers include Oscar Olivera, Hilary Wainwright and Paul Chatterton. 1-7pm, 3rd floor, University of London Union, Malet St, *www.radicalactivist.net/latinamerica*
15-29 Earth Activist Training, Gloucestershire. A permaculture design and more for activists: Learn the skills to transform a piece of land, a community and our political and economic systems. Ragman's Lane Farm. £100-£500, *eat2006@riseup.net. www.earthactivisttraining.org/course.html*
17-24 National Cruelty Free Week *www.buav.org/campaigns/ba/2006-02.html*
29-12th August Trident Ploughshares International Disarmament Camp, Coulport, Scotland. 15 days of direct disarmament actions at Faslane and Coulport naval bases. *www.tridentploughshares.org/article983*

Newsletter 30: June/July 2006

Corporate Watch is an independent not-for-profit group, which aims to expose how large corporations function, and the detrimental effects they have on society and the environment as an inevitable result of their current legal structure. Corporate Watch strives for a society that is ecologically sustainable, democratic, equitable and non-exploitative. Progress towards such a society may, in part, be achieved through dismantling the vast economic and political power of corporations, and developing ecologically and socially just alternatives to the present economic system. If you would like to help with research, fund-raising or distribution please contact us.

Disclaimer: The objectivity of the media is generally an illusion. Corporate Watch freely acknowledges that it comes from an anti-corporate perspective. It attempts at all times to be factual, accurate, honest and truthful in its reporting. We welcome any comments or corrections.

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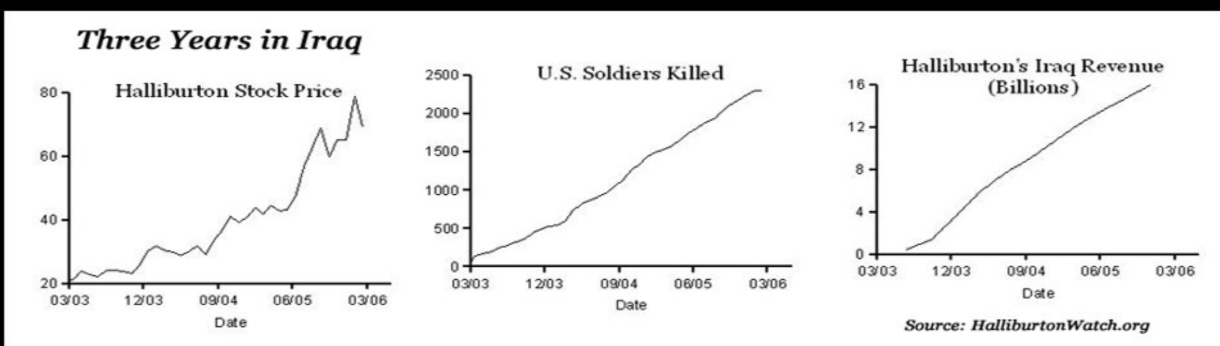
subvert of the month



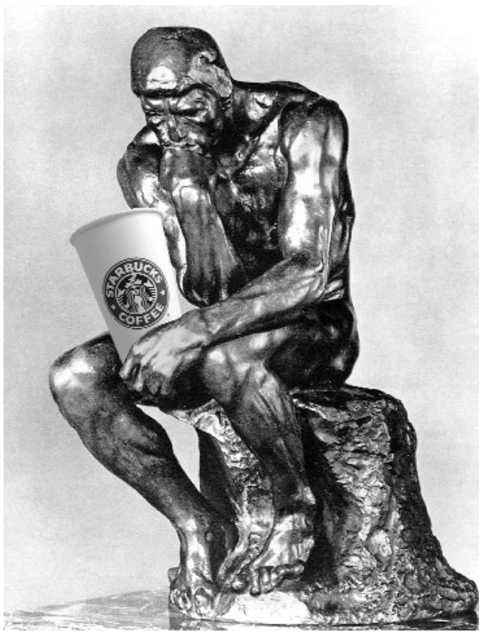
SHEDDING THE STARBUCKS ILLUSION

Many of the Starbucks stores post a sign which reads, 'Starbucks: Drink Deeply, Relax, and Be Inspired.' We are invited to 'kick back' and un-stress. On its website and in brochures, the corporation presents itself as socially responsible and green. But to what extent does Starbucks provide us with a deep drink, relaxation, and inspiration?
Gene C. Sager offers reflections.

Starbucks chief Howard Schultz has said he would like his stores to be our 'third place,' after home and work. Starbucks would be a third place where we can 'chat and connect.' Is Schultz serious, or is this just rhetoric - nice sounding talk that perpetuates a myth? I have chatted and connected in kissaten (Japanese coffee houses) where customers enjoy three stories of comfortable seating; in such a place, people do feel like lingering for hours. But Starbucks has not created an atmosphere where we feel like chatting and connecting. Rather the stores are coffee convenience stores. Starbucks is fast drinks to go. Our on-the-go culture thrives on a quick fix, always the same product and same atmosphere - a clone store. We can count on it to be the same everywhere, just like our Shell station and our McDonalds. The stores provide no respite from the on-the-go, all-the-same convenience culture that has come to define us.

If relaxing in the 'third place' is a laughable myth, what about the inspiration provided by Starbucks' social and environmental responsibility? The corporation's public pronouncements clearly emphasize these responsibilities, and they show an awareness of buzz words, such as 'post consumer recycled and 'CO2 equivalents'. Also lauded is the corporation's contributions to traditional philanthropic benefits such as health clinics, schools, and housing projects, here and in foreign countries. And Starbucks want to know what people think: 'How are we doing?' as they say. I seized the opportunity to let them know.

The most important responsibility of large corporations concerns the way they affect fundamental economic and environmental patterns on a global scale. So how is Starbucks doing? Their published fiscal report says they were 'planning to roll out new hot beverage cups containing 10% post consumer recycled fibre in U.S. stores by the end of 2005.' [this target now amended to 'by 2006'] Soon we will be juggling 10% recycled cups. But given the vast amount of fibre involved and the importance of this issue, 10% is pitifully low. Percentages of post-consumer fiber in most of the other paper products used by Starbucks are also low. The exception is the brochure - Starbucks Commitment



to Social Responsibility, where they detail ideas about responsibilities to communities and the environment - which hardly anyone picks up, unlike the mass-produced coffee cups.

Another case in point is switching from non-renewable to renewable energy sources. The United States Department of Energy has a green power network which encourages and assists corporations who want to purchase renewable power. Plenty of renewable energy is available. However, Starbucks says it will only purchase 5% of its retail energy from renewable resources.

What about fair trade policies? Starbucks says it buys fair trade coffee. I wanted to support Starbucks in this worthy cause, so I asked the barista for a cup of fair trade coffee. She replied that Starbucks prefers to call it Café Estima. 'O.K., I'll have a cup.' But it turns out that Café Estima is only available in bags, some with whole beans, some ground. Starbucks stores and some supermarkets sell the beans, but the reality is that people think of Starbucks coffee as a fresh brew ready to drink - 95% of the customers buy a hot cup and leave.

Starbucks claims that Café Estima is sometimes available as the hot brew of the week, but thorough surveys show it just isn't so. Across the US, internet surveys like that reported by L.A. Green Girl reveal that Café Estima is rarely available in a hot cup. Starbucks' own statistics indicate how much fair trade coffee they buy: l.6% of their total coffee bean purchases are fair trade. Starbucks purchases a small amount of fair trade beans from some growers, roasts them, and bags them - but hardly anyone buys them. For all practical purposes, Starbucks is not engaged in fair trade.

When I first heard about Starbucks, a friend told me the chain was a green corporation with a conscience. Hearing this, I suppose I formed a myth in my mind. I imagined I could go to Starbucks and relax, finding it spacious enough and quiet enough to linger. I assumed I would be drinking from a ceramic mug or a paper cup made mostly from post-consumer recycled material. I imagined the coffee would be brewed with energy from renewable sources. I thought I would be inspired because the coffee would be fair trade coffee.

Having dispelled these myths, I am 'disillusioned' in both senses of the word - free of illusions and saddened by my findings. But one avenue of hope has been opened by Starbucks - it professes to care about what we think. So we should boycott the Big Star and let them know why. Starbucks is big and strong. Its large profits can take a setback while its directors decide what the term 'social and environmental responsibility' really means.

PUBLIC PRIVATE PARASITES

THE ROTTERS CLUB

Gosh, all the companies in this list have fingers in so many service provision pies that they're fighting it out for contracts! Read on for some rollicking yarns about UK based corporations currently involved in public service takeover bids! See the things that have gone wrong! Marvel at the fact that not only is the government still using them - some of them are also seeking world domination, thanks to the Private Finance Initiative (PFI).

Labour Loves The Capita Group Plc.

You've probably heard of Capita. Hardly ever out of the news - from the teachers' criminal records debacle in 2003 to the resignation of chair Rod Aldridge in March 2006, after it was revealed he had made generous loans to the Labour Party.

Capita provides privatised services primarily to local and central government. It is a 'support services' firm, which basically means providing anything from customer services to software systems. At the end of 2005 Capita's turnover was £1,436m.

Rotten to the core:

Capita's is possibly best known for its mismanagement of the Criminal Records Bureau. For failing to check teachers' records on time it was eventually fined £2 million - a small dent out the £400 million budget it received for the contract. There are many other examples of Capita's inability to deliver certain services punctually or of any quality. In 2003, while operating London's congestion charge fee scheme, it was fined for bad customer service; which Capita blamed on its management information systems! Capita also ran the, now defunct, Independent Learning Accounts (ILAs) which were supposed to give financial support to adult learners. The ILA scheme was scrapped after it went £60 million over budget. And a subsidiary, Capita Financial Administrators (CFA), was recently fined £300,000 for having poor anti-fraud controls by the Financial Services Authority.

With all these past, and present misadventures, it's no surprise that this firm has earned the moniker 'Crapita', originally coined by Private Eye.

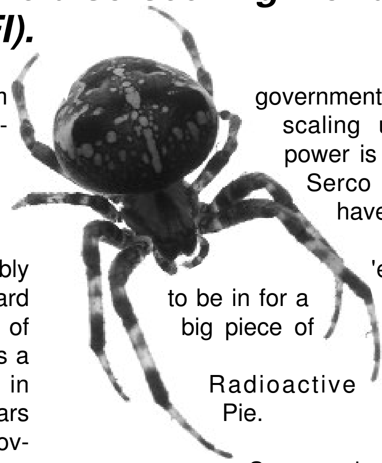
Secretive Serco Group Plc

The Guardian has called Serco 'probably the biggest company you've never heard of'. Founded in 1929 as a division of Radio Corporation of America, Serco is a business services company based in London. It has grown in recent years thanks to the ongoing outsourcing of government services.

Serco's activities include: technical support, IT support, air traffic control and road management systems. It also runs the country's speed cameras. Serco manages Manchester Metrolink under the Public Private Partnership (PPP) that its subsidiary Altram (Manchester) has with the Greater Manchester Passenger Transport Executive (GMPTE). Altram's main shareholders are Serco and GMPTE. Altram operates and provides maintenace for the first two phases of Manchester Metrolink. Serco also bought out shares for London's Docklands Light Railway in 1999 to run Serco Docklands Plc.

Rotten to the Core:

Serco currently manages a large chunk of the UK nuclear safety industry, as part of the Central Electricity Generating Board (privatised in the 90s) and also as part of the United Kingdom Atomic Energy Authority (funded by the Department of Trade and Industry with a commercial arm managed by AEA Technology). If the government's push for scaling up nuclear power is successful, Serco seem to have the 'experience' to be in for a big piece of Radioactive Pie.



Serco also supplies electronic tagging devices for offenders and asylum seekers to the Home Office (these are then fitted by contractors Group 4 Securicor), Serco boasts that it holds around 40% of contracts from the Home Office, tagging around 4000 people; this will probably rise with a new contract that covers the whole of Scotland. Serco also runs two immigration removal centres in the UK, Dungavel and Colnbrook. UK immigration centres have been condemned by Amnesty International in their 2005 report *Seeking asylum is not a crime.* In 2004, one asylum seeker committed suicide in Dungavel and another attempted suicide at Colnbrook (to die later in hospital). Moreover, Positive Action in Housing criticised Dungavel for not having a suicide prevention strategy. A Freedom of Information request to the Home Office disclosed that 'between 1 January 2004 and 10 April 2005, 150 children aged up to 17 years old were detained at Dungavel.'. Since 2004 Serco have also had £5m a year from the US to manage airports in Iraq.

Prisoner Bashing Global Solutions Limited

Global Solutions Ltd (GSL), formerly part of Group 4, was bought by two venture capital companies, Englefield Capital and Electra Partners Europe, in 2004. Both companies' press releases described the buyout it in terms of GSL's favourable position in the PFI market. In 2003, 32% of GSL's revenue came from PFI projects and 50% from PPPs. In its 2004 annual report GSL calls itself a 'major player in this important sector'. Like Capita, GSL is seeking to move into the health sector and is a key supporter of the Local Improvement Finance Trust (LIFT), a PFI by another name.

Rotten to the Core:

Like Serco, GSL also manages detention centres. It manages all of Australia's immigration detention centres and four UK immigration centres: Campsfield House; Yarl's Wood; Oakington; and Tinsley House Removal Centre. GSL staff were depicted as being violent and racist toward immigrants after a damning BBC report on violence at Oakington and Heathrow in 2005.

Managing 'detention' seems to be quite lucrative. According to an article by George Monbiot, GSL broke even within two and a half years of its 25-year contract to manage HMP Altcourse - meaning it can now spend 22 years making profits out of it.

Profit over People, Amec Plc

Amec is huge - no really - it's massive. It has 178 subsidiaries and in 2005 its turnover was £4,942,500m. Trading on the London Stock Exchange as a construction and civil engineering corporation, Amec provides services to many different sectors, particularly to clients in the oil & gas; transport; infrastructure and industrial sectors.

Rotten to the Core:

Amec is a good example of a UK corporation that exports its services for overseas private contracts. One example of this is Amec's participation in the controversial Baku-Tblisi-Ceyhan pipeline, via their subsidiary Amec Spie SA. This company cites its oil and gas services as being a "One Stop Shopping partner for oil operators' and offers a 'complete range of pipeline services'. Anti-Baku-Ceyhan pipeline campaigners point out that 'construction of the pipeline will not actually be completed until 2009', well past the date agreed, and that once completed 'the pipeline plans to ship 1 million barrels of oil a day for the next 40 years...[and that the] export of 365 million barrels of oil and 6.6 billion cubic meters of natural gas each year will add about 170 million tonnes of carbon dioxide to the Earth's atmosphere'. Amec are also involved in developing the paradoxically named 'sustainable oil and gas business' for BP's Azerbaijan International Operating Company.

Not only is Amec keen on expanding and exporting the PFI model, the UK government seem to be actively encouraging it. As reported in Corporate Watch newsletter 29, Amec has been working with US company Fluor on water and electricity contracts in Iraq worth approximately £500million. The US aid work that Amec-Fluor is doing in Iraq bears many similarities to the PFI agreements in the UK - in both, private companies are over-paid to deliver meagre public services, and in both the companies end up with a major element of control over the services. In 2004, when describing Amec's promise to stick around and 'rebuild' Iraq, Ian Thomas, Business Development Director stated: 'We are totally committed to completing and honouring our contracts with the US Government.' The future Iraqi governments may, however, regret that their country was opened up to a well known PFI-junky such as Amec.

And finally - a French Corporation the UK imported...

The Sodexho Alliance
Want to complain about the lack of nutrition and variety in your child's school dinners? You may get sympathy from the teachers but there's nothing they can do about it; the school has entered a 25 year contract with a private catering company. Enter Sodexho, a Paris-based ancillary multinational. Ancillary? This covers 'secondary activities' such as food, groundskeeping, plant operations and postal services. Sodexho is now one of the largest food service companies in the world.

Rotten to the Core:

Student activists in the States have been fighting against the privatisation of their school and college cafeterias since 2000 with the 'Not With Our Money' campaign. Now schools in the UK are facing similar takeover bids, as Sodexho is one of the many companies looking to muscle in on Local Education Authority(LEA) contracts. According to student organisation People & Planet, Sodexho already has contracts with 13 LEAs.

In 2004, Channel 4 showed a documentary exposing the unhygienic preparation of food by Tillery Valley (a subsidiary of Sodexho). Sodexho has been depicted as bad mouthing unions, trying to muscle in as the largest food provider in North America, and it starred alongside McDonalds in the film Supersize Me, in which Sodexho was accused of having poor policies on child nutrition.

Finally, this corporation has come under fire for being part of the notorious Harmondsworth Detention Centre, home to many asylum seekers. The refugees' plight has inspired actions varying from a SOAS students' Sodexho boycott to Queers Without Borders carrying out a pirating action on Sodexho's Thames river cruise boats.

PUBLIC PRIVATE

**Corporate Watch presents a handy guide to the swarm o
have infested the UK public sector.**

WARNING: some can be deadly. Many corporations have a bite that has

**Privatisation *(Amer: privatization), transitive verb*:
1.the process of transferring property from public ownership to private ownership
2.the shafting of public services in pursuit of profit**

ALMO(s) Arms Length Management Organisation(s)
Not-for-profit companies set up by a local authority to manage former council housing, ALMOs have been given the all clear by pro-privatisation accountancy multinational KPMG. Alarm bells ringing yet?. The government promise to 'reward' councils who use ALMOs by wiping out their debt. An ALMO company, which, like PFI contracts, can last for up to 35 years, remains owned by the local authority and managed by an unpaid board of directors. Unlike PFI, ALMOs are not strictly privately financed, however, there is an encouragement for local authorities to borrow from the private market and to seek partnership with private companies. This leads to worries that ALMOs will end up being accountable to the bank rather than the local authority. There has also been concern about ALMOs being privatisation by stealth and the Defend Council Housing campaign have stated that ALMOs are a 'two-stage strategy to privatise council housing.'

DBFO Design-Build-Finance-Op
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roads and have a 'shadow toll' for t
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30 year life span. According to the
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healthcare. LIFTs have a comple
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This scheme should be looked o
paigners as it seems to be one
PPP/PFI.

PFI The Private Finance Initiative
PFI is a form of PPP (qv). It was launched in 1992 by the Conservative government. Rather than abolishing it when they came to power in 1997, the Labour government has embraced, enhanced and enlarged it. PFIwas intended to encourage coopera-tion between the public and private sectors, the main aim being to provide aspects of service (be it food, IT etc) for the public sector using private company 'expertise'. It was also designed to encourage competition and 'choice'. Under the Private Fi-nance Initiative, a consortium of companies is given the contract to design, build, finance and operate a public work such as a school, a hospital or a road. The consortium raises the funds to do this from bank loans and through shareholders. The wo is then rented back to the government or local authority. As Unison points out, PFI does not represent any new finance b cause all the money is eventually paid back, plus the interest on the bank loans and more for shareholder profits. PFI contr can last up to 35 years - so even if the initial costs of a project are paid back within a few years, the consortium will contin be paid for the duration of the contract, and thus continue making profits from taxpayers' money. The private consort likely to have come together specifically for the bid, and typically includes a building company, a bank and a facilities m ment company. Accountacy firms (such as PriceWaterhouse Coopers and KPMG) and lawyers have a large intere and stand to gain huge profits as contracts and negotiations are bounced back and forth between companies.

E PARASITES

f acronyms that hide the corporate-crawlies that

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PPP (or P3) Public Private Partnership
PPP is a system in which a government service or private business venture is funded and operated through a partnership of a government body and one or more private sector companies. In some types of PPP the government uses tax revenue to provide the capital for investment but with the operations run jointly with the private sector or under contract. In other types of PPP such as PFI (qv) capital investment is made by the private sector on the strength of a contract with government to provide agreed services.

PUK (including PfS and PfH) Partnerships UK
The mother of all private public partnerships. PUK was formed in 2000 out of HM Treasury, set up to bridge the gap between public and private sectors. PUK is a PPP (qv) in itself and there is an emphasis on private companies having the majority stake of contracts. Partnerships UK Plc has two subsidiaries: Partnerships for Health (PfH, turnover £8,196,152) and Partnerships UK Finance. Shareholders include Serco, Barclays, Abbey National and HSBC.

LEEDS: LIVE IT, LEASE IT

Ever thought it would be a good idea to have a doctors' surgery owned by a bank? Or a school run by a construction company? It's all happening in the wonderful world of the private finance initiative (PFI). By Claire Fauset

Leeds, the city that paid a PR firm £150,000 for their 'Live it Love it' slogan only to find out Hong Kong had been using the phrase for two years already is now a hotbed for corporate outsourcing. According to one local councillor Leeds is the 'PFI capital of Europe'. The city has a whopping £804 million of PPP/PFI projects in progress, more than anywhere in the UK. Research suggests that in Leeds local region, Yorkshire and Humber, there are currently 75 PFI projects, worth more than £4bn. This is despite what the council itself admits is a shortage of staff trained to effectively manage these type of projects. Leeds' PFI explosion, touching every area of council activity from housing, education and health to street lights and leisure centres, is driven by its pro-privatisation Conservative/Liberal Democrat led city council executive, who are rubbing their hands at the thought of more PFI credits from central government.

So who are the beneficiaries of this massive cash injection? The patients? The schoolchildren? The council house tenants? The local squash and badminton club? Or, more cynically, the law and accountancy firms? As Yorkshire business journalist Jim Simpson suggests, 'the structure required might almost have been devised as a job creation plan for lawyers and accountants.' PFI contracts are predicted to bring in fees of £10 million for Leeds law firms this year alone. Lawyers DLA Piper have five partners specialising in PFI, each acting for projects totalling more than £1bn. The rest of the big six Leeds law firms are expected to have similar portfolios. DLA Piper have a contract with Leeds City Council to provide legal advice for all their PFI contracts.

PFI is also a major boon for the construction industry in the city. Leeds based construction company, Bluewater, has predicted a major rise in their sector, particularly in healthcare, education and leisure: 'Overall, we are expecting 2006 to be a good year for construction in the North East'. With many of the contracts running to 25 or 30 years, including operating and maintenance, companies such as Mowlem, Carillion, Bovis Lend Lease, and Wates Construction are cashing in.

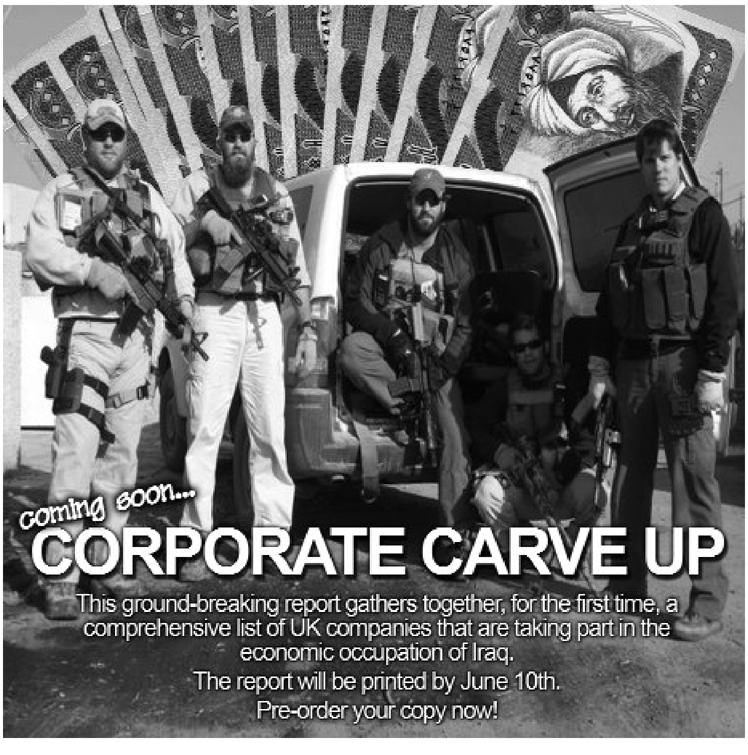
However, for taxpayers the deal doesn't look so great. The supposedly state-of-the-art schools constructed by Mowlem as part of the £35 million Leeds 7 Schools Project were built without kitchens. 'Nutritious', pre-cooked, frozen food is therefore shipped in each day from Mowlem's catering facilities at a hospital near Middlesbrough. Mowlem has a contract to run six schools for at least seven years of the 25 year contract, with the 'majority of non teaching issues handled professionally by Mowlem'.

With at least 20 schools in the city now run under various PFI contracts - the largest PFI programme of any authority in the country - facilities management of schools might soon be totally privately run, with non teaching staff having their employment transferred to the contractor. This is not particularly surprising since the management of education in the city has been contracted out to a council-owned not-for-profit organisation, Education Leeds, which is run by Capita.

In healthcare, the new £220 million cancer treatment centre is being built by the Catalyst Healthcare consortium on a 30 year contract. Catalyst's work on the Calderdale Royal Hospital was dogged with controversy over building work and high costs. Leeds is also one of the first cities to pioneer the new Local Improvement Finance Trusts (LIFTs) which will be the major vehicle for investment in GP surgeries in Leeds for the next 25 years. Through LIFT 'super-surgeries' are being built to house a range of healthcare providers such as GPs, therapists and social workers under one roof. Three of these centres have already been constructed in Leeds with more in the pipeline. The corporate partners in the Leeds LIFT company are Miller Construction and Barclays Capital. Yorkshire Forward, the regional regeneration agency, sees major benefits for business in new investment in the NHS: 'The NHS is set to spend £5.5bn in this region alone and it's important we take advantage of that extra spend.'

In housing, there has been a major campaign against 'comprehensive regeneration' in the Little London area, with one third of the estate signing petitions against the £90 million PFI contract. The scheme will mean a net loss of 312 council homes and force hundreds of residents to leave the neighbourhood. Similar projects are set to go ahead in the Seacroft, Beeston and Holbeck areas, and work has already begun in the Swarcliffe area, where tenants are up in arms about the poor quality of the repair work done by the contractor.

It's not all bad, though. In Swarcliffe, Mole M, Mowlem's cuddly six foot mascot, treated school children to lessons in road safety and not playing on building sites. Cute.



PATHFINDER PROFITEERS

John Prescott's government department may have vanished, but the wrecking ball he has set in motion is still poised to demolish thousands of homes across Northern England and the Midlands - there's far too much money involved to let this one go.

The housing market renewal 'Pathfinder' programme is designed to 'stimulate demand' (i.e. get house prices up) in certain deprived areas. Residents, however are often left wondering if the kind of regeneration they need involves so many compulsory purchases and home demolitions (see 'Demolishing the Community', Corporate Watch newsletter 22). It has been inherited by the new Department of Communities and Local Government, headed by Ruth Kelly. It looks as though Kelly must keep to the line laid down by Prescott - Over £1.2 billion has been released by the, now defunct, Office of the Deputy Prime Minister (ODPM) and building and consulting companies are circling round this honey pot.

A range of companies stand to benefit from this scheme: regeneration spcialists, consultants, construction companies, PR agencies and a network of interests is emerging between many of these bodies and the Labour government.

-The House Builders' Federation, which lobbys on behalf of most of the UK's construction firms, including ones profiting from Pathfinder, is represented by Portland PR, a company set up by Tim Allan, a former deputy to Alastair Campbell. Tim Allan who also worked as a Labour policy researcher from 1994-96. Tim Allan seems to have come out of the Labour Party straight into the service of the corporations - and to be eager to sell his Labour contacts, such as Tessa Jowell, Gordon Brown, David Milliband, Ruth Kelly, Alan Johnson and Alistair Darling to businesses such as Sky.

-David Taylor, chair of the Hull HMR is another Pathfinder personality who has mixed a corporate and Labour career, having been a former head of development at construction giant AMEC as well as once a personal advisor to John Prescott. His current jobs include supervising the construction of the Olympic Village and Olympic Stadium in London's Lower Lea Valley. This is another contentious development that residents fear will bring no benefits - and likewise another part of the web of quango jobs.

-Among the big building companies involved in the Pathfinder HMR schemes is Bellway Homes. As part of the Liverpool New Heartlands programme it is bulldozing most of the Klondyke Estate and leading the £29m redeveloping of a former primary school and nightclub. Another company positioning itself as a Pathfinder specialist for Liverpool is Gleesons, which is already eager to gain PFI construction contracts.

There is also a number of local campaigns against the disruption of the Pathfinder schemes. Residents of Edge Lane West in Liverpool have been fighting a hard battle to save their street, part of 400 homes maked for demolition as part of the New Heartlands Pathfinder (see *http://www.corporate-watch.org/ ?lid=1950)*. Many other similar campaigns are listed in *www.fightforourhomes.com.*

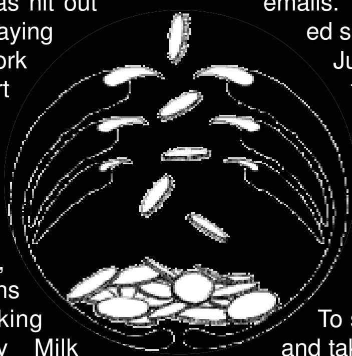
The Pathfinder/HMR programme is one of the major untold corporate stories of the UK today. The only reason that Corporate Watch has managed to find out so much about it is because we have been contacted by residents living in areas threatened by Pathfinder's demolition, many of whom are fighting compulsory purchasing orders.

If you have informations about companies involved in a Pathfinder scheme near to you, please get in touch.

NEWS IN BRIEF

BOYCOTT BODY SHOP?

Campaigners from Baby Milk Action are protesting against the sale of the Body Shop to L'Oreal, a company that is over a quarter owned by Nestle. In a letter to Baby Milk Action, Body Shop founder Dame Anita Roddick has hit out against the protests, saying that 'Boycotts rarely work and the people you hurt are primarily the weak and frail', and advises campaigners to only boycott companies that are 100% owned by Nestle. However, Mike Brady, Campaigns and Networking Coordinator at Baby Milk Action, has said, 'We cannot ignore the fact that buying Body Shop products will put money in the coffers of Nestlé, the world's least responsible company. Our supporters want to know where their money goes, and 99% in an on-line survey we conducted said they would add Body Shop to their personal boycott list and seek ethical alternatives.'



For more information see
www.babymilkaction.org

IRISH POTATOES SAVED FROM GM

On the 8th of May Meath County in Ireland became a GMO-free zone, after two motions were unanimously passed by its council. This decision puts a stop to the attempt this year by German agribusiness BASF to start developing patented GMO potatoes in the Summerhill area of Meath.

Hailed as a victory for campaigners, this vote makes Meath the sixth county in Ireland to prohibit GMO seeds and crops, along with Cavan, Clare, Fermanagh, Monaghan and Roscommon, and the towns of Galway, Navan, Newry and Clonakilty.

For more information see
http://www.gmfreeireland.org

LABOURSTART - EVENING UP THE ODDS

One of the groups using the internet to bring corporations down to size is the pro-trade union group LabourStart. From their website, *www.labourstart.org*, they publish not only information about the latest actions by workers against corporations, but support activists with well-targeted avalanches of protest emails. Recent ones have included supporting Thai campaigner Junya Lek Yimprasert, sued for 'defamation' by French PR giant Publicis Groupe for publishing criticisms on a website; and also protesting against union-busting by Australia's GrainCorp.

To see the latest campaigns, and take part by sending your message, go to
http://www.labourstart.org/actnow.shtml

GET THE DIRT ON THE BUSH-BOTS

The Bush Agenda, a fact packed and hard hitting analysis of the pro-corporate rulers of the US has just been released in the UK. The author is Antonia Juhasz, a US direct action anti-war activist and expert on international finance policy. The Bush Agenda covers themes including the way defence corporations overlap with the US government, the plans behind the invasion of Iraq, and the current economic 'restructuring' of this oil-rich nation by a US government made up of ex-oilmen.

Published by Duckworth (*http://www.ducknet.co.uk*). Why not order it for your local library?

WE WANT YOUR MEMORIES OF CORPORATE WATCH

How long have you been a reader of Corporate Watch? We know that some of our readers have followed us right from the start in 1996. Any comments about the highlights (and lowlights) of our work would be very useful for our 10-year anniversary issue, to be published in November. How has Corporate Watch changed in its ten years? How has the world of corporations changed? Have you seen supermarkets and chain-shops colonise your high street - or private agencies muscle in to your local school? Or maybe you'be been involved in one of the campaigns that has pushed back corporate power. Please get in touch.

NEXT NEWSLETTER - CORPORATE CLIMATE CHAOS

Despite the best efforts of greenwashers such as BP to pretend otherwise, the vast majority of carbon emissions come from corporations and from the oil that they pump. Our climate is being massively altered for the sake of private profit. And now that there is major public concern over the issue of global warming, corporations are lining up to sell us 'solutions' to the problem that they themselves have created. In the August-September issue of Corporate Watch we'll be tackling these topics. If you've got any articles, letters or know of any other material on this theme that you'd like to see us publish, please get in touch with news editor Loukas before 21st July.

ANTI-PARLIAMENT BILL GETS THROUGH!

Hi Corporate Watch,

I see you covered this crazy Bill in a recent newsletter (CW 29, 'Titanic Bill to Sink Parliament'). I'm sorry to tell you that on Tuesday 16th May 2006, the UK Parliament voted through the 'Legislative and Regulatory Reform Bill', which was having its final reading in the House of Commons.

MP's were promised that the final version of the Bill would deliver the government's 'Better Regulation Agenda' (for business) and nothing more. However, according to Patricia Barratt, a lawyer at commercial law firm Clifford Chance, there was still nothing in the Bill which would prevent future governments from using it to, for example, suspend Habeus Corpus, or abolish trial by jury! A clause in the Bill could give these legislative powers not just to ministers, but to any person - who may be an individual or a corporation. Francis Davey, a lawyer for saveparliament.org says 'the problem is that such sub-delegated legislation need not come before Parliament or be considered by any elected body, nor need it be published.

So maybe they'll eventually sub-contract this law-making to Capita? In such a crazy world, where Parlament votes to basically make itself irrenevant, anything could happen!

Mary Shearer
Rickmansworth

CORPORATE ALTERNATIVES?

Hi, my name is Gary Long, I am a fan of corporate watch and hope to do my bit for the world in years to come (I am a student now but I am working hard to get to a place where I can change life). I have ideas, etc. but one idea might be useful to Corporate Watch: Instead of singling out bad coporations why not suggest good places to go? I am unsure where to shop because I dont like Tesco or Asda but I am a student and need somewhere reasonably priced. I need direction not stop signs. Please publish something then I can be aware of decent places - and through friends and family more people will understand that there is more than the big corporate dragons polluting and ripping off the public.

Thank you for reading this

Gary Long, by email

Hi Gary, thanks for your letter. The research organisation Ethical Consumer does a good job of suggesting the better products and services - you can check out their website at http://www.ethicalconsumer.org/

THAMES WATER: PUMPING PROFITS

Dear Corporate Watch

I am deeply concerned about the performance of Thames Water, particularly in light of the recent hose pipe ban. Thames Water loses 914m litres of water a day through leaks and yet it can still afford to pay dividends in 2004/05 of Â£141.2 million and has a retained profit for the same financial year of Â£57.3 million. It is a staggering amount of water wastage when water is a precious commodity and the problem is resolvable if they had the commitment to do so - they certainly appear to have the funds.

More details are in this online petition I have set up: http://www.petitionspot.com/petitions/thames-water-protest

If you were interested in helping on this campaign, what would be the best way forward?

Thank you for your time
Matt King, by email

Thanks for getting in touch, Matt - I think the main way we can help is draw attention to this issue by publicising your petition in our newsletter. The issue of water companies making huge profits while mismanaging our water resources is surely one of the biggest concerns of our day and is starting to receive coverage in the mainstream media.

If anyone knows of any similar campaigns against the water companies, please get in touch with Corporate Watch as we would be very interested to hear from you.

send your letters to:
the editor
mail@corporatewatch.org
16b cherwell st. oxford ox4 1bg

Disclaimer: letters printed do not reflect the views and research of Corporate Watch

letters to the editor

Babylonian Times

*Babylon hath been a golden cup in the Lord's hand,
that made all of the earth drunken: the nations have drunken
of her wine; therefore the nations are mad. Jeremiah 51:7*

WE'VE JOINED THE BLOGOSPHERE!

Babylonian Times is now the title of Corporate Watch's new blog. Read regular news, comment and fun, with an anti-corporate theme, at *http://corporatewatch.wordpress.com/.*

With many free websites offering people the chance to set up their own web-log the thousands of sites that make up the 'blogosphere' have become an important arena for radical and critical journalism - epitomised by the legendary Baghdad Burning blog of reports from Iraq. While the majority of bloggers simply use their personal web pages as a kind of public diary to share details of their life, if one's everyday life includes working at, or being ripped off by, a corporation such as Asda or Starbucks, then a blog becomes a way of sharing those frustrations with others - and corporations have recently started to recognise the potential of such blogs to increase anti-corporate feeling.

THE BATTLE FOR THE SOUL OF BLOGS

Computer giant Apple has attempted to sue the *PowerPage.org* blogger, and others, who leaked details of a new product, and the Warren Kremer advertising agency has only recently dropped a case against blogger Lance Dutson, who had been criticising the work the company has done for the US state of Maine. The Morrisons Employee blog was once a thorn in the side of this supermarket giant, but a pro-Morrison site has now been set up, with the same name, but aimed at providing a safe place for employees to let off steam - and with the warning 'if you want to slag off Morrisons, don't bother joining.'

Corporations are also attempting to harness the powerful, 'word of mouth' appeal of blogs to boost their marketing efforts. Wal-Mart has been working with bloggers to plant positive info on their websites since 2005, and many corporations are now encouraging their executives to write blogs that will hopefully 'humanise' the company. Beware - there is also a trend of companies setting up fake websites, that pretend to be grassroots but are actually part of a clever marketing campaign. One example is this 'anti-Tango' website (*http://swansea-res.org.uk*), supposedly set up by Swansea residents, but actually designed by advertising agency Clemmow Hornby Inge, who's clients include - Tango!