



Earthquake damage in Haiti

# Business vultures pick the bones of disaster

## Australian activist Antony Loewenstein tells Susan Segar how profiteers make fortunes out of misery

**I**N JANUARY 2010, A HUGE EARTHQUAKE shook the Caribbean island of Haiti. In less than a minute, more than 300,000 people were killed, over a million lost their homes, whole areas of the capital Port-au-Prince were left uninhabitable; even landmarks such as the presidential palace and Port-au-Prince cathedral went down. Much of the island's fragile infrastructure was destroyed.

The country, physically disabled, now found itself at the mercy of vulture capitalism – “an ever-worsening phenomenon” that is dissected by bestselling activist author Antony Loewenstein in his latest book, *Profits of Doom*.

The Haiti earthquake provides just one instance of “canny capitalists sifting through the ashes of a disaster, looking for business opportunities”, he says, citing several other examples of “the cashed-up world of disaster profiteers, resource hunters, war contractors and aid leeches” and of ways in which the world is being “sold to the highest bidder without public consent”.

In Australia, all the detention centres for asylum seekers have been privatised and are run for profit by multinational companies, in an arrangement that sees little state oversight and few opportunities for media scrutiny.

Numerous multinationals have

moved in to the poor but richly resourced Papua New Guinea, intent on stripping its mineral resources, destroying agricultural land and the natural environment in the process, while about a third of the population is left to live on less than US\$1.25 a day.

In Pakistan and Afghanistan, where the war economy has set in, “muscle contractors” are earning their fortunes in the privatised military and intelligence gathering firms set up there since 9/11.

In The Kimberley region of Western Australia, The Wilderness Society has been campaigning against a proposal to industrialise the James Price Point





Merten concluded, after seeing countless US firms angling for business, that “each is vying for the ear of the president in a veritable free-for-all”.

The gold rush for private enterprise started almost immediately after the earthquake and ultimately meant that only a tiny percentage of Usaid’s, US\$1.8 billion of funding reached the pockets of ordinary Haitians.

“At a ‘Haiti summit’ held in a luxury hotel in Miami a mere two months after the quake, private contractors... jostled for opportunities,” Loewenstein writes. “Lewis Lucke was appointed America’s special coordinator for relief and reconstruction in Haiti and also the head of Washington’s earthquake relief effort.

Loewenstein, who visited the sites of all situations he describes, believes that the predatory behaviour of multinational executives, government officials and complicit NGO workers is the defining feature of them all.

“Profit at any cost is what I witnessed. The methods vary from country to country but the strategy is the same: exaggerate a threat, man-made or natural, and let loose unaccountable private-sector contractors to exploit it. If there is economic uncertainty, let foreign companies mine any available resource and then sit back and watch as most of the money leaves the country.

“Make sure that wars, including those started for tenuous reasons, last

## Exaggerate a threat, man-made or natural, and let loose private sector contractors to exploit it

headland of Broome, one of the country’s most beautiful holiday destinations. The Woodside corporation, along with BHP Billiton and the Australian government are seeking to build a gas industrial complex on the headland.

In the US, a huge and growing private industry profits from running prisons. The US now has by far the biggest prison population in the world, with profit being one of the incentives.

Loewenstein points out that the WikiLeaks cables released in 2011 demonstrated how the Haiti earthquake created the gap for massive exploitation by multinationals to take place: “Then US Ambassador to Haiti, Kenneth Merten, headlined a cable he transmitted on 1 February 2010 ‘The Gold Rush is On’. He went on to explain his excitement: ‘As Haiti digs out from the earthquake, different companies are moving in to sell their concepts, products and services. [Then] President René Préval met with Gen Wesley Clark [the former US presidential candidate was working for a Miami-based construction company] and received a sales presentation on a hurricane/ earthquake-resistant foam core house designed for low-income residents.’”

He was a veteran of the US establishment and a key figure in overseeing billion-dollar contracts for corporations while he was Usaid mission director in post-invasion Iraq.

“Lucke stepped down from his appointments after only three months but went on to talk about the reconstruction effort in an interview with the *Austin American Statesman* newspaper, saying that ‘it became clear to us that if it was handled correctly the earthquake represented as much an opportunity as it did a calamity... So much of the china was broken that it gives the chance to put it together in a better and different way.’”

Lucke’s motives for quitting became clear two months later, when he signed a \$30,000-a-month deal with a Florida disaster recovery company, AshBritt and a Haitian firm run by one of the country’s wealthiest men, Gilbert Bigio.

“Lucke promptly secured \$20m in construction contracts and proudly told *Haiti Liberte* that ‘just because you are trying to do business doesn’t mean you are trying to be rapacious. There is nothing insidious about that.’ Then the giveaway line: “It wasn’t worse than Iraq.”



Australian activist Antony Loewenstein

as long as possible to ensure ongoing work for mercenaries, guards and intelligence officials.

“Industries such as resource mining, construction and security feed off each other. It’s a global gravy train – when one country is sucked dry, it’s off to the next lucrative destination.”

Three years after the earthquake, despite all the interventions by private corporations, large parts of the Haiti capital Port-au-Prince remain in “pieces”, Loewenstein reports.

“I’ve never seen anything like it. The sheer devastation... life at street level is grimmer than I witnessed in Afghanistan.” And his commentary on Afghanistan and Pakistan is similarly alarming: “...since the attacks on New York and Washington, they have been pushed even further from sovereignty, [they have been] transformed into entities that sustain [US and UK] corporations overseas.”

Loewenstein – a relaxed and personable man who lives in Sydney – describes himself as an “atheist Jewish-Australian” independent journalist, author, documentarian and blogger. He is a regular commentator on current affairs and politics for, among others, the BBC, *The Guardian* (for whom he writes a regular column), *Haaretz*, *Huffington Post*, *The Washington Post*, *Sydney Morning Herald* and the online magazine *newmatilda.com*.

A big fan of WikiLeaks founder Julian Assange, Loewenstein believes that Ed-

ward Snowden and Chelsea Manning have “utterly changed the relationship between the state and the public”. Without WikiLeaks, he says, his own book *Profits of Doom* would not have been written. He was also “greatly inspired” by Naomi Klein’s book *The Shock Doctrine: The Rise of Disaster Capitalism*. In it, Klein argues that leaders in some developed countries take advantage of crises to push through exploitative policies while the victims are too emotionally and physically involved in coping with the crises to resist them.

“I wanted to do a book that looked at how corporations become more powerful than the state. I also wanted to question the perceptions of what aid and development is. Often the same companies operate in a number of countries and I wanted to show the connections,” he told *Noseweek*.

What does he think of the state of journalism and the media internationally? “For me, journalism has always been about giving a voice to those who haven’t got one. So it could be with Israel and the Palestinians, or it could be people who are suffering the effects of appallingly repressive economic policies in Afghanistan...”

“Unfortunately, I spend a lot of my time being very critical of the press, because most journalists do not want to be critical. They say they are, but in fact they want to be close to power – to the government or to big business. They want to be insiders. Their work

becomes predictable because they are worried that if they piss someone off too much they won’t get a press release next week. To me, good journalism needs to piss off a lot of people.”

As for the media, Loewenstein believes the real danger – which started under the Bush administration and continued under Obama in the US – is the crackdown on whistle-blowing.

“The Obama administration has been a disaster for free speech. They have prosecuted more whistle-blowers than every previous president combined. As a candidate, Obama was very open about being a believer in free speech and an open press, but, in reality he’s been a disaster. Loewenstein says the US’s constitutional safeguards are being slowly eroded by the president.

Another concern, he says, is that companies are making money from repression in several countries, including some Arab states. “A number of regimes are buying infrastructure and machines from the West to monitor emails, phone calls, tweets, and Facebook posts etc... There needs to be a greater crackdown and awareness of Western corporations who are making a fortune out of repression, for instance in Libya, Egypt, Iran and China.”

Africa? Yes, disaster capitalism is also alive and well on our continent. The extractive industries in particular take advantage of weak regulations and are able to pay off politicians. “This breeds resentment as it shows a degree of Western arrogance, that says a Western corporation doesn’t have to worry... as long as they make a profit for their shareholders.

“Too often journalists do not report these issues, particularly in the business press. They write about the companies and the profits. Human rights rarely get a look in and that, to me, is an abrogation of their responsibilities as writers and journalists.”

How to change the existing defective economic systems operating in the world today? Loewenstein concedes there is no simple answer, but he is adamant that public services – such as electricity, water and prisons or detention centres – should not be privatised. “Private enterprise is always sold to us as being more efficient. That is a lie. There needs to be a belief that a solidly regulated state can provide these services in a way that is best for all.” ■



Prisoners protest at Sydney’s Villawood Detention Centre, a privately owned prison for illegal immigrants