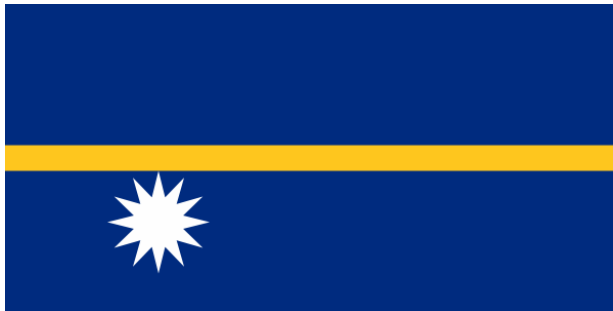


Nauru

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1 Flag of Nauru



Following the independence of Nauru, the flag of Nauru was raised for the first time. The flag, chosen in a local design competition, was adopted on independence day, January 31, 1968. It depicts Nauru's geographical position, one degree below the Equator. A gold horizontal stripe representing the Equator runs across a blue field for the Pacific Ocean. Nauru itself is symbolized by a white 12-pointed star. Each point represents one of the 12 indigenous tribes on the island.

2 The Republic of Nauru

Nauru, officially the Republic of Nauru and formerly known as Pleasant Island, is an island nation in Micronesia in the South Pacific. Its nearest neighbour is Banaba Island in Kiribati, 300 km to the east. Nauru is the world's smallest island nation, covering just 21 square kilometres (8.1 square miles).

Settled by Micronesian and Polynesian people, Nauru was annexed and claimed as a colony by the **German Empire** in the late 19th century. After World War I, Nauru became a **League of Nations** mandate administered by Australia, New Zealand, and the United Kingdom. During World War II, Nauru was occupied by Japanese troops who were bypassed by the Allied advance across the Pacific, and after the war ended, it entered into **trusteeship** again. Nauru was declared independent in 1968.

Throughout the first half of the 20th century, Nauru was a **"rentier state"**. Nauru is a phosphate rock island, with deposits close to the surface, which allow for simple strip mining operations. This island was a major exporter of phosphate starting in 1907, when the Pacific Phosphate Company began mining there, through the formation of the British Phosphate Commission in 1919, and continuing after independence. This gave Nauru back full control of its minerals under the Nauru Phosphate Corporation, until the deposits ran out during the 1980s. For this reason, Nauru briefly **boasted** the highest per-capita income enjoyed by any sovereign state in the world during the late 1960s and early 1970s. When the phosphate reserves were exhausted, and the environment had been seriously harmed by mining, the trust established to manage the island's wealth became greatly reduced in value. To earn income, the government resorted to unusual measures. In the 1990s, Nauru briefly became a **tax haven** and illegal **money laundering** center. From 2001 to 2008, it accepted aid from the Australian government in exchange for housing an illegal migrant detention center that held and processed asylum seekers trying to enter Australia.

From December 2005 to September 2006, Nauru became partially isolated from the outside world when Air Nauru, the only airline with service to the island, **ceased** to operate. (The only outside access to Nauru was then by ocean-going ships.) The airline was able to restart operations under the name Our Airline with monetary aid from Taiwan.

On 15 December 2009 Nauru became the fourth country to recognise Abkhazia, and on 16 December recognised South Ossetia, regions of Georgia which had been de facto independent since the early 1990s and were recognised as such by Russia after the brief Russia-Georgia summer war of 2008. Reports suggest that this decision **netted** Nauru Russian aid of around US\$50,000,000.

3 Economy of Nauru

Revenues of Nauru have traditionally come from exports of phosphate rock. Primary phosphate reserves were exhausted, and mining **ceased**, but in 2006-07, mining of a deeper layer of "secondary phosphate" began. It is hoped that this economic activity might lift Nauru from the bottom rung of global GDP (**The gross domestic product** per capita (*GDP*) or *gross domestic income (GDI)* is a basic measure of a country's overall economic

output.). The only other major source of government revenue is sale of fishing rights in Nauru's territorial waters.

Though for a time phosphates gave Nauruans one of the highest **per capita incomes** in the world, few other resources exist with most necessities being imported, including some fresh water from Australia.

The rehabilitation of mined land and the replacement of income from phosphates are serious **long-term problems**. In anticipation of the exhaustion of Nauru's phosphate deposits, substantial amounts of phosphate income were invested in trust funds to help **cushion** the transition and provide for Nauru's economic future. The government borrowed heavily from the trusts to finance fiscal deficits. To cut costs, the government froze wages, reduced over-staffed public service departments, and closed some overseas consulates. In recent years Nauru encouraged the registration of **offshore banks** ** and corporations. Tens of billions of dollars were channeled through their accounts, until international pressure saw Nauru **crack down** on **money laundering**. Few comprehensive statistics on the Nauru economy exist, with estimates of Nauru's GDP varying widely.

Aid flows, chiefly from Australia, Taiwan and New Zealand, **keep** the Nauruan economy **afloat**.

3.1 Economic performance

In the years after independence in 1968, Nauru **possessed** the highest GDP per capita in the world due to its rich phosphate deposits. In anticipation of the exhaustion of its phosphate deposits, substantial amounts of the income from phosphates were invested in trust funds aimed to help cushion the transition and provide for Nauru's economic future. However, because of heavy spending from the **trust funds** ***, including some wasteful foreign investment activities, the government is now facing **virtual** bankruptcy. To cut costs the government has called for a freeze on wages, a reduction of over-staffed public service departments, privatization of numerous government agencies, and closure of some overseas consulates. Economic uncertainty caused by financial mismanagement and corruption, combined with **shortages** of basic goods, has resulted in some domestic unrest. In 2004 Nauru was faced with chaos amid political **strife** and the collapse of the island's telecommunications system. Moreover, the **deterioration** of housing and hospitals has continued.

Few comprehensive statistics on the Nauru economy exist, with estimates of Nauru's GDP varying widely. According to the U.S. State Department, Nauru's GDP volume was US\$1 million in 2004. Nauru receives about US\$20 million foreign aid a year from Australia.

3.2 Balance of Payments

Phosphate is Nauru's only product for export. In 2004 income from phosphate export was US\$640,000, with Australia, New Zealand and Japan serving as the country's major export markets.

Nauru needs to import almost all basic and **capital goods**, including food, water, fuel, and manufactured goods, with Australia and New Zealand as its major import sources. In 2004 Nauru's imports totaled about US\$19.8 million.

3.3 Regional Situation



Currently, Nauru is heavily dependent on Australia as its major source of financial support. In 2001 Nauru signed an agreement with Australia to accommodate asylum seekers (mostly from Iraq and Afghanistan) on the island, in return for millions of dollars in aid. This agreement, referred to as the "**Pacific Solution**", came to an end in 2007, prompting Nauruan concerns about the future of the island's revenue. Australia has also sent financial experts to Nauru to help the tiny nation overcome its economic problems. However, serious questions remain about the long-term **viability** of Nauru's economy, with uncertainties about the rehabilitation of mined land and the replacement of income from phosphates.

In 2008, talks began between Australia and Nauru regarding the future of the former's economic development aid to the latter. Nauruan Foreign and Finance Minister Dr Kieren Keke stated that his country did not want aid **handouts**. One possible solution currently being explored would be for Australia to assist Nauru in setting up a "boat repair industry" for regional fishing vessels.

3.4 Taxation

There is no tax on income in Nauru. Taxes include the Airport Departure tax and the bed tax at the Meneñ Hotel. The 2007-08 Budget saw the increase of existing excises on cigarettes and duty on imports. A tax on sugary foods was also introduced, chiefly to help **combat** Nauru's diabetes epidemic.

4 Phosphate mining in Nauru

The economy of Nauru has been almost wholly dependent on phosphate, which has led to environmental catastrophe on the island, with 80% of the nation's surface having been strip-mined. The island's phosphate deposits were virtually depleted by 2000 although some small-scale mining is still in progress.

4.1 Phosphate

Phosphate werden aus Mineralen wie zum Beispiel **Apatit**, $\text{Ca}_5[(\text{PO}_4)_3(\text{OH},\text{F},\text{Cl})]$, gewonnen. Die Hauptvorkommen liegen im nördlichen Afrika (Marokko, Westsahara), Florida, Russland (**Kola-Halbinsel**), Südafrika und China. Früher fanden sich die Phosphatvorkommen mit der höchsten Konzentration (**Nauruit**, welches aus Guano entstand) auf der Pazifikinsel **Nauru**.

Nauruit ist die historische Bezeichnung für ein fluorhaltiges Phosphorit, das ausschließlich auf der namensgebenden pazifischen Insel Nauru vorkam. **Nauruit** fand sich in Form von dünnen, harten und spröden Rinden auf dem Dolomit der Korallen, aber auch auf gewöhnlichem Phosphat; manchmal war er auch ein Bindemittel zwischen den Phosphatkörnern. Die chemische Zusammensetzung ist gleich wie bei anderen Phosphaten, jedoch mit 1,9 Prozent Fluorgehalt.

Die Ressourcen von Phosphaten sind begrenzt, und die meisten sind belastet mit Cadmium und/oder radioaktiven Schwermetallen. Manche Phosphatlagerstätten dienten bislang als Quelle für Uran. Man geht davon aus, dass die zur Düngerproduktion nutzbaren Phosphatlagerstätten früher erschöpft sein werden als die weltweiten Erdölvorkommen. Der Cadmiumgehalt der Phosphatlagerstätten ist sehr unterschiedlich. Viele Industrieländer haben bereits einen Grenzwert für Cadmium in Düngemitteln eingeführt. **So ist weltweit nur noch eine Lagerstätte bekannt, die den Grenzwert der EU unterschreitet (Kola)**. In Entwicklungsländern dagegen wird Düngung mit billigeren cadmiumverunreinigten Phosphatdüngern durchgeführt.

Die früher in den Industrieländern praktizierte Nutzung von Thomasmehl (einem Nebenprodukt der Eisenerz-Verhüttung) ist auf Grund der hohen Chrombelastung aus Gesundheitsgründen ausgeschlossen.

Es wäre daher sinnvoll die im Klärschlamm vorhandenen gefällten oder biologisch angereicherten Phosphate zu nutzen oder zurück zu gewinnen. In Deutschland und anderen Ländern geht man allerdings immer mehr dazu über Klärschlamm zu verbrennen, da er neben den interessanten Phosphaten auch zahlreiche Schwermetalle und **endokrine Disruptoren** enthält.

4.1.1 Endokrine Disruptoren

Als **Endokrine Disruptoren** (vom griech. endo: innen, krinein: ausscheiden, und lat. dis -rumpere: zum Erliegen bringen, stören) werden Stoffe bezeichnet, die wie Hormone wirken und so das empfindliche Gleichgewicht des Hormonsystems / endokrinen Systems von Tier und Mensch stören können.

Endokrine Disruptoren werden auch als endokrin wirksame Substanzen (EDCs) oder **Umwelthormone** bezeichnet. Es handelt sich um natürliche (zum Beispiel Phytoestrogene) oder synthetisch hergestellte chemische Verbindungen, die in die Umwelt gelangen (z. B. über das Abwasser). Da sie dort möglicherweise (Langzeit-)Schäden bewirken und Gesundheitsgefahren für Tiere und Menschen darstellen können (u. a. „Verweiblichung“), und ihre tatsächliche Bedeutung für den tierischen und humanen Stoffwechsel noch weitgehend unerforscht ist, werden sie seit einigen Jahren in der Öffentlichkeit sowie von Wissenschaft und Politik kontrovers diskutiert.

4.2 First discovery of phosphate

In 1896, a cargo officer for the Pacific Islands Company on the Lady M, Henry Denson, found a unique looking rock on Nauru during a brief stop on the island. He originally believed it to be a piece of petrified wood. Denson, according to legend, had planned on making children's marbles from it but fate would have it end up as a door stop in the company's Sydney office.



In 1899, Albert Ellis, a management official of the Phosphate division of the Pacific Islands Company was transferred to the Sydney office to "analyse rock samples coming from the pacific islands." Ellis noticed the rock and suspected it to be phosphate (similar looking to the phosphate coming from Baker Island), but was rebuffed by Denson and told that it was only wood. Three months later, Ellis decided to test his **hunch** and tested the rock for phosphate. It turned out to be phosphate ore of the richest quality.

It turned out that Banaba (Ocean Island), Nauru's neighbour to the east, shared Nauru's geological luck and also had significant reserves of phosphate.

4.3 History

Ellis' discovery of Phosphate excited the executives of the Pacific Islands Company and they decided to pursue rights and access to Nauru's lucrative resource. The negotiations to pursue rights to the phosphate involved four parties: The British and German governments, the newly reorganized Pacific Phosphate Company, and Jaluit-Gesellschaft (a German mining company that had been exploiting phosphates on Nauru since the late 19th century). In 1906, an agreement was established whereby Jaluit-Gesellschaft's rights were transferred to the Pacific Phosphate Company for "a cash payment of 2,000 pounds sterling (British), 12,500 pounds sterling (British) worth of shares in the Pacific Phosphate Company, and royalty payments for every ton of phosphate exported."

In the first year of mining alone, 11,000 pounds of phosphate were shipped to Australia. After World War I Nauru was given in trust to Britain, Australia and New Zealand. They established the British Phosphate Commissioners, who took over the rights to the phosphates.

In 1968, Nauru became a sovereign, independent nation. In 1970, the newly formed government purchased the full rights to the phosphate business from Australia for AU\$21 million. This purchase brought an economic boost to the Republic, as revenues from the mining operations are estimated to have been AU\$100-120 million annually since independence through virtual resource exhaustion in the early 1990s. Gross production of phosphate from 1968 through exhaustion has been 43 million tons, respectively.

A number of prominent Nauruans, notably René Harris, who have headed the Nauru Phosphate Corporation, have gone on to serve as President of Nauru.

4.4 Investments and finances

The government puts profits from the mining into a trust for the islanders. This trust reached a peak of AU\$1 billion, returning approximately 14% annually. Poor investments and corruption have left the trust fund nearly empty and therefore Nauru with little money.

In the year 1948, revenues from phosphate mining, respectively, was AU\$745,000. A minuscule 2% (AU\$14,900) was being returned to the Nauruans, while 1% was being charged for "administration." In the 1960 future president Hammer DeRoburt negotiated royalties of profit to the Nauruans to be 22% while administration would increase to 14%.

One apparently successful development project was in 1988, whereby the Royalty Trust purchased 600 acres (2.4 km²) of vacant, residentially zoned land near Portland, Oregon. Called Forest Heights, it was controlled by the Nauru trust until 75% of the allotments were sold, when the homeowners association took over.

5 Tourism in Nauru

The Republic of Nauru is a small, isolated Western Pacific island nation, lacking many of the tourist facilities of some of its larger neighbors, such as Fiji, the Cook Islands, or even New Caledonia. Access to the island comes through once a week, with flights from Brisbane, Australia, on the national airline provider of Nauru, Our Airline.

5.1 Accommodations

Hotels within the Republic of Nauru consist of:

- The Menen Hotel (119 rooms, recently updated)
- The OD-N-Aiwo Hotel

5.2 Food & Beverage

The Menen Hotel hosts two restaurants, the Anibare and the Oriental, and one bar. These food and beverage facilities offer views of Anibare bay, off the east coast of the island. The Anibare offers international cuisine and local seafood. The Oriental serves Thai, Chinese, and Indian food. The restaurants are frequented by islanders.

5.3 Leisure activities

- Deep Sea Game Fishing is offered by several locals with privately owned boats who hire their services for chartered amounts of time. Fish that have been caught include: marlin, yellowfin tuna, skipjack, and barracuda.
- Swimming at the beach just outside the Menen Hotel is considered by locals and visitors alike to be the best on the island. White sand and bright blue water rival any other beach in the Pacific.
- Scuba Diving is a treat in Nauru thanks to the clear water and an intact reef. A plethora of marine life can be seen and wreck diving is even available. Equipment needed to scuba dive can be rented on the island.

5.4 Getting to Nauru

Our Airline, formerly known as Air Nauru, operates two Boeing 737-300 aircraft out of Brisbane, Australia. Our Airline serves Brisbane, Honiara (the capital of the Solomon Islands), & Nauru.

6 History of Nauru

The history of Nauru has been intrinsically linked with the extraction of phosphate. Initially inhabited by Micronesian and Polynesian peoples, Nauru was annexed by Germany in the late 19th century, and extraction of the island's phosphate began in 1906. Following World War I it became a League of Nations mandate administered by Australia, New Zealand and the United Kingdom. The island was occupied by Japan during World War II, and after the war entered into trusteeship again. Nauru achieved independence in 1968.

6.1 Early history

Nauru was first settled by Micronesian and Polynesian peoples at least 3,000 years ago. Nauruans subsisted on coconut and pandanus fruit, and caught juvenile ibija fish, acclimated them to freshwater conditions, and raised them in Buada Lagoon, providing an additional reliable source of food. Traditionally only men were permitted to fish on the reef, and did so from canoes or by using trained Man-of-war Hawks.

In 1798 John Fearn, captain of the British whaling ship Hunter, became the first European to land on the island, naming it Pleasant Island. This name was used until Germany annexed the island 90 years later. From around the 1830s, Nauruans had contact with Europeans from whaling ships and traders who replenished their supplies at the island. Around this time, beachcombers and deserters began to live on the island. The islanders traded food for alcoholic toddy and firearms. The latter were used during the 10-year war which began in 1878 and reduced the population from 1400 to 900.

6.2 German protectorate

The island was annexed by Germany in 1888 and incorporated into Germany's Marshall Islands Protectorate. The arrival of the Germans ended the war, and social changes brought about by the war established kings as rulers of the island, the most widely known being King Auweyida. Christian missionaries from the Gilbert Islands also arrived at the island in 1888.

At the time there were twelve tribes on Nauru: Deiboe, Eamwidamit, Eamwidara, Eamwit, Eamgum, Eano, Emeo, Eoraru, Irutsi, Iruwa, Iwi and Ranibok. Today the twelve tribes are represented by the twelve-pointed star in the flag of Nauru.

Phosphate was discovered on the island by New Zealander Albert Ellis. Beginning in 1906, the Pacific Phosphate Company started exploitation of the rock, and the first shipment left Nauru in 1907.

6.3 World War I

In 1914 Australia took control of Nauru. Then Britain held control until 1920, when the League of Nations gave Britain, Australia and New Zealand a Trustee Mandate over the territory. The British Phosphate Commissioners (BPC) were given the rights to phosphate mining.

In 1932, the first Angam Baby was born.

6.4 World War II

In December 1940 the Nazi German auxiliary cruisers Orion and Komet sank five merchant ships and bombarded the island, causing damage to the phosphate mining.

In 1942 the Japanese occupied Nauru. The native Nauruans were badly treated by the occupying forces. On one occasion forty nine leprosy sufferers were reputedly loaded on to boats which were towed out to sea and sunk. In 1943 some 1200 Nauruans were taken to Truk (now Chuuk in the Federated States of Micronesia) as slave labourers.

On January 1, 1946 with Micronesia now under American control, the approximately 800 Nauruans who survived were returned to Nauru on a BPC ship 'Trienza'. During the post-war period, Nauru was administered by Australia as a UN Trust Territory.

6.5 Independence

On January 31, 1968 Nauru became the world's smallest independent republic. Phosphate rights were acquired from Britain in 1970 and the Nauru Phosphate Corporation was established. Money gained from the exploitation of phosphate was put into the Nauru Phosphate Royalties Trust and gave Nauruans the second highest GDP Per Capita (second only to the United Arab Emirates) and one of the highest standards of living in the world.

6.6 Modern-day Nauru

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By the close of the twentieth century, the phosphate supplies were fast running out. Nauru finally joined the UN in 1999.

As its phosphate stores began to run out (by 2006, its reserves were exhausted), the island was reduced to an environmental wasteland. Nauru appealed to the International Court of Justice to compensate for the damage from almost a century of phosphate strip-mining by foreign companies. In 1993, Australia offered Nauru an out-of-court settlement of 2.5 million Australian dollars annually for 20 years. New Zealand and the UK additionally agreed to pay a one-time settlement of \$12 million each. Declining phosphate prices, the high cost of maintaining an international airline, and the government's financial mismanagement combined to make the economy collapse in the late 1990s. By the millennium Nauru was virtually bankrupt.

In 2000, the G7 nations put pressure on the country to review its banking system, which is used by Russian criminals for money laundering.

In 2001, Nauru was brought to world attention by the Tampa affair, a Norwegian cargo ship at the centre of a diplomatic dispute between Australia, Norway and Indonesia. The ship carried asylum seekers, hailing primarily from Afghanistan, who were rescued while attempting to reach Australia. After much debate many of the immigrants were transported to Nauru, an arrangement known in Australia as the "Pacific Solution". Shortly thereafter, the Nauruan government closed its borders to most international visitors, preventing outside observers from monitoring the refugees' condition.

In December 2003, several dozen of these refugees, in protest of the conditions of their detention on Nauru, began a hunger strike. The hunger strike was concluded in early January 2004 when an Australian medical team agreed to visit the island. Since then, according to recent reports, all but two of the refugees have been allowed into Australia.

During 2002 Nauru severed diplomatic recognition with Taiwan (Republic of China) and signed an agreement to establish diplomatic relations with the People's Republic of China. This move followed China's promise to provide more than U.S. \$130 million in aid. In 2004, Nauru broke off relations with the PRC and re-established them with the ROC.

Nauru was also approached by the U.S. with a deal to modernize Nauru's infrastructure in exchange for suppression of the island's lax banking laws that allow activities that are illegal in other countries to flourish. Under this deal, allegedly, Nauru would also establish an embassy in China and perform certain "safehouse" and courier services for the U.S. government, in a scheme codenamed "Operation Weasel". Nauru agreed to the deal and instituted banking reform, but the U.S. later denied knowledge of the deal. The matter is being pursued in an Australian court, and initial judgments have been in favor of Nauru.

The government is desperately in need of money to pay off salary arrears of civil servants and to continue funding the welfare state built up in the heyday of phosphate mining (Nauruans pay no taxes). Nauru has yet to develop a plan to remove the innumerable coral pinnacles created by mining and make those lands suitable for human habitation.

7 rentier state

* The theory of the “**rentier state**” says that countries that receive substantial amounts of oil revenues from the outside world on a regular basis tend to become autonomous from their societies, unaccountable to their citizens, and autocratic. The theory is used to help explain why Iran, the Gulf States, many African states (Nigeria, Gabon) and other countries (e.g., Netherlands) with abundant resource wealth perform less well than their resource-poor counterparts. How does this happen, according to the rentier state theory? The short answer, according to Yates (1), is that a rentier state and rentier economy lead to a rentier mentality, which dooms a country's economy and long-term prospects.

7.1 Rentenökonomie

Als Rentenökonomie wird eine Wirtschaftsform bezeichnet, in der in umfangreichem Ausmaße die Akteure nicht durch Eigenleistung und produktiven Faktoreneinsatz zu Wohlstand kommen, sondern durch die Ausnutzung von strukturell bedingten Knappheitslagen, die daher dann auch zum Schaden der Allgemeinheit stabilisiert werden, und nicht durch höhere Produktion überwunden.

7.1.1 Definition Rente

Allgemein sind Renten die Teile von Erträgen, Einkommen und Zahlungen, die deren Opportunitätskosten übersteigen, d.h. der Überschuss über dem regulären "Wert" der eingesetzten Wirtschaftsfaktoren (Arbeit, Kapital, Rohstoffe, Know-How etc.). Die Rente ergibt sich durch eine kurzfristige Knappheitslage (Nachfrage über Angebot), die eine Preiserhöhung ohne höheren Gegenwert ermöglicht. Solche Knappheitslagen können durch natürliche Standortfaktoren, starke Marktmacht der Anbieter (z.B. Monopolrente oder selten auch Monopolrendite), aber eben auch durch absichtlich herbeigeführte Verknappungen, oft durch staatliche Regelungen und Interventionen, gegeben sein.

In jedem Wirtschaftssystem kommen solche Renten vor, allerdings in stark unterschiedlichem Ausmaße. Die Aneignung kann auf legalem und illegalem Wege passieren. In Entwicklungsländern ist auch gerade der Faktor der so genannten "internationalen Rente" nicht unerheblich, der aus den Transfers aus der Entwicklungszusammenarbeit besteht.

7.1.2 Rent-Seeking

Unter Konkurrenz-Bedingungen führen hohe Renten im Normalfall dazu, dass die Produktion optimiert wird, um so die Knappheit eines Wirtschaftsgutes und damit auch dessen vorübergehend erhöhten Preis zu mindern. **Rent-Seeking** hingegen, d. h. die Renten suchende Aktivität, versucht nicht, die Knappheit des Gutes zu mindern, sondern die Rentensituation gezielt dafür zu verwenden, den individuellen Nutzen zu maximieren. Aus volkswirtschaftlicher Sicht ist diese Herangehensweise kritisch zu betrachten, weil für die Aneignung und Teilhabe an den Renten Ressourcen aufgewendet werden, die damit nicht mehr für einen produktiveren Faktoreneinsatz (Effizienz) zur Verfügung stehen. Zu den Aufwendungen im Rahmen von Rent-Seeking-Prozessen gehören: Geld, Zeit, Informationsbeschaffung, Kontaktabbau, Interessenorganisation, Konkurrenzbehinderungen, legale und illegale Mittel zur Beeinflussung (institutionalisierter) Entscheidungen (z. B. Lobbyismus, Korruption).

Rent-Seeking kann durch staatliche oder supranationale Interventionen oder Protektorate begünstigt werden: wenn mittels Protektionismus versucht wird, Marktversagen abzustellen bzw. den (industriellen) Entwicklungsprozess zu beschleunigen. In diesem Zusammenhang verdeutlicht sich die Anfälligkeit außenwirtschaftlicher Maßnahmen (Devisen, Zölle, Lizenzen) für **Rent-Seeking**.

Preisbindungen und eine monopsonistisch strukturierte Agrarwirtschaft können die Abschöpfung von Exporterlösen durch Machteliten begünstigen, die einen für Rent-Seeking anfälligen Staat beherrschen. Ausländische Unternehmen können versucht sein, von dieser Rentiersmentalität und der geringen gesellschaftlichen Responsivität solcher Regime zu profitieren; die rein profitorientierte Umgehung etwa von andernorts gültigen Lohn- und Umweltstandards trägt dabei letztendlich dazu bei, die herrschende Clique zu stabilisieren. Als kritisches Beispiel hierfür kann das Engagement der Shell in Nigeria angesehen werden.

7.1.3 Rentierstaaten

Länder, deren Finanzen sehr stark von Renten aus dem Export (Steuern, Gewinnanteile) abhängen, nennt man auch Rentierstaaten, oder auch Rentenstaaten. Vor allem Erdöl und andere Mineralien bescheren solche Renten (umgangssprachlich ist von "**Petrokratien**" die Rede), die aber häufig nicht zur wirtschaftlichen Entwicklung eingesetzt werden, sondern typische Fehlentwicklungen auslösen, wie hohe Konzentration an wenigen Standorten, kaum industrieller Austausch innerhalb des Landes, Schwächung traditioneller Wirtschaftsbereiche durch Ressourcenfehlallokationen und somit auch unterdurchschnittliches Wirtschaftswachstum.

In Rentierstaaten hängen auch die Staatsfinanzen von solchen Rohstoffrenten ab, das inländische Steueraufkommen ist demgegenüber vernachlässigbar. Diese finanzielle Unabhängigkeit der "staatstragenden" (bzw. sich des Staates bemächtigende) Gruppen vom eigenen Volk lässt – so hat es bisher jedenfalls die Geschichte gezeigt – diese die Entwicklung von zukünftig möglichen, einheimischen Finanzierungsquellen

vernachlässigen. Mangelhafte institutionelle Rahmenbedingungen werden nicht verbessert und weder Rechtssicherheit noch Transparenz noch politischer Wettbewerb oder Ausgabenkontrolle angestrebt.

Insbesondere die enge Verzahnung von politischem Amt und ökonomischen Möglichkeiten (**Neopatrimonialismus und Klientelismus**) könnte für die herrschenden Eliten beim Zulassen politischer Alternativen auch den finanziellen Abstieg nach sich ziehen. Ausufernde Staatsausgaben treffen daher meist auf wenig Gegenwehr bzw. werden mittels repressiver und autoritärer Politik (Autokratie) durchgesetzt. Die effizientem Wirtschaften entgegenstehende Rentiermentalität wird gefördert und das rent-seeking-Verhalten führt schließlich auch zu Korruption und weitverbreiteten Patronagebeziehungen. Damit wird schließlich auch die staatliche Kompetenz und letztlich die Legitimität ausgehöhlt, Staatszerfall droht und ist z.B. – und besonders – in Afrika (bei Staaten mit großen Vorkommen an Diamanten oder Öl etwa) oft die Folge.

8 Offshore bank

****** An **offshore bank** is a bank located outside the country of residence of the depositor, typically in a low tax jurisdiction (or tax haven) that provides financial and legal advantages. These advantages typically include:

- greater privacy (see also bank secrecy, a principle born with the 1934 Swiss Banking Act)
- low or no taxation (i.e. tax havens)
- easy access to deposits (at least in terms of regulation)
- protection against local political or financial instability

While the term originates from the Channel Islands being "offshore" from the United Kingdom, and most offshore banks are located in island nations to this day, the term is used figuratively to refer to such banks regardless of location, including Swiss banks and those of other landlocked nations such as Luxembourg and Andorra.

Offshore banking has often been associated with the underground economy and organized crime, via tax evasion and money laundering; however, legally, offshore banking does not prevent assets from being subject to personal income tax on interest. Except for certain persons who meet fairly complex requirements, the personal income tax of many countries makes no distinction between interest earned in local banks and those earned abroad.

9 What is a Trust Fund?

******* While the common assumption is that trust funds are only for the wealthy, a trust fund can actually be leveraged into an effective financial tool for a larger range of income levels.

The basic concept of a trust places a separate legal entity in control of financial assets (property, savings, etc.) for the benefit of the beneficiary of the trust. The individual who establishes the trust is referred to as the donor or grantor and the group or entity responsible for managing and executing the trust is known as the trustee.

One of the most common goals for establishing a trust is to separate the benefits of property ownership into current and future portions. Common trust designs first pass trust benefits on to one's surviving spouse, and next to the remainder beneficiaries (children, grandchildren, etc.).

What are some reasons for creating a trust fund?

- To help reduce certain types of estate taxes.
- To establish supervision of your assets in case you become unable to personally oversee them
- To transfer your assets more easily to your beneficiaries in the event of your death
- To provide for minors (e.g. your children) who might lack the financial experience needed to appropriately administer their assets

Establishing a trust may not necessarily be the best choice for your situations. Sometimes a well-written will is more effective.

To more fully evaluate your financial and probate law options, contact an Austin Probate Lawyer at Slater & Kennon, LLP. Both professional and experienced, the Austin Probate Lawyers and Slater & Kennon can evaluate your best options, explain them to you in an understandable way, and help you maneuver through the legal and financial documents required to establish a trust fund.

10 Banaba Island

Banaba Island (also Ocean Island), an island in the Pacific Ocean, is a solitary raised coral island west of the Gilbert Island chain and 300 km east of Nauru. It is **part of the Republic of Kiribati**. It has an area of **6.5 km²**, and the highest point on the island is also the highest point in Kiribati, at 81 metres (266 ft) high. Along with **Nauru** and **Makatea** (French Polynesia), it is one of the important elevated phosphate islands of the Pacific.

10.1 History

According to "Te Rii Ni Banaba - The Backbone of Banaba" by Raobeia Ken Sigrah, Banaban oral history supports the claim that the people of the Te Aka clan, which originated in Melanesia, were the original inhabitants of Banaba (Ocean Island), having arrived before the arrival of later migrations from the East Indies and Kiribati. The name Banaba in local tongue[which?] meant "stony". Sigrah makes the controversial (and politically loaded) assertion that Banabans are ethnically distinct from other I-Kiribati. The Banabans were assimilated only through forced migrations and the impact of the discovery of phosphate in 1900. There used to be 4 villages on the island - Ooma (Uma), Tabiang, Tapiwa (Tabwewa), and Buakonikai. The local capital was Tabiang, now called Antereen.

Phosphate rock-mining (for fertiliser) from 1900 to 1979 stripped away 90% of the island's surface (same process occurred on Nauru from 1907 to 1980's). Japanese forces occupied the island from 26 August 1942 until the end of World War II in 1945. The British authorities **relocated** most of the population to Rabi Island, Fiji after 1945, with subsequent waves of migration in 1977 and 1981-1983. Some have subsequently returned, following the end of mining in 1979; approximately 200 were living on the island in 2001. Globally, there are an estimated 6000 individuals of Banaban descent. On Rabi Island the names of settlements are the same authentic four names from Banaba Island.

11 Makatea

Makatea, or Mangaia-te-vai-tamae, is an uplifted coral island in the northwestern part of the Tuamotus. It is located 79 km southwest from Rangiroa to the west of the Palliser group. It is surrounded by spectacular cliffs, rising to a plateau 80 meters above the sea level. This island is 7.5 km long, with a maximum width of 7 km in the south. It is 24 km² in area. Makatea is one of the only four islands of the Tuamotu Archipelago that do not constitute a true atoll.

11.1 History

Mākatea is almost the only Paumotuan island with potable water. Its native name derived from the drinking water being brought out of its dark caves by the local people. "Mā," pure, clear; used here to mean water, "Atea," light of day and "K" for euphony. The other name of the Island was Mangaia-te-vai-tamāe, meaning "Mangaia of the purified (or clear) water."

This island was called "Aurora" by Dutch mariner Jakob Roggeveen in 1722. Later, the Polynesians called it "Papa Tea" (which means "white rock").

There is a ghost town, Vaitepaua, and an adjacent abandoned port, Temoa, on the northwest coast of Makatea. These are from the times of phosphate mining (1917 to 1964). *Makatea is one of three important Pacific raised coral islands that had large phosphate deposits, the other two being **Nauru** and **Banaba**.*

Also, the island of Makatea was featured in the 1998 movie Six Days Seven Nights starring Harrison Ford, Anne Heche and David Schwimmer. To quote Quinn Harris (Harrison Ford): "It's an island, babe. If you didn't bring it here, you won't find it here."