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Through the Revolving Door: From Greenpeace to Big Business

by Dr. Sharon Beder

The revolving door that operates between industry, government and public relations firms has been well documented. A similar revolving door between journalism and corporate PR helps grease a smoothly-operating propaganda system in which both corporations and their supposed watchdogs are in fact drinking buddies and business partners.

Now Greenpeace, one of the world's leading environmental organizations and a frequent adversary of corporate polluters, is itself a site of the ubiquitous revolving door. Not only are people like former economist Thilo Bode moving from industry to Greenpeace, but individuals like Paul Gilding, the former CEO of Greenpeace International, are finding career opportunities as industry consultants when they leave.

Gilding's career with Greenpeace began in the late 1980s. He was hired by Greenpeace Australia in 1989 and within six months was appointed its executive director. It was under Gilding that Greenpeace first became involved in Sydney's "green" Olympics. (See my stories in the Second Quarter 1999 *PR Watch* and on page 7 of this issue.) In 1993 Gilding became executive director of Greenpeace International

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Flack Attack

PR Watch has never shied away from controversy, and our second quarter 1999 issue was no exception. It drew strong criticism from three individuals who have been involved in next year's "Green Olympics" in Australia and who took exception to Sharon Beder's critique of the role that Greenpeace has played in promoting the Olympics as an environmental showcase. Their letters appear on pages 5 and 6 of this issue.

Beder in turn replied with a new article, titled "From Green Warriors to Greenwashers" (beginning on page 8) and with the critique of former Greenpeace International CEO Paul Gilding that appears as this issue's cover story.

Given the sharp-tongued nature of this exchange, it is important to point out that both Beder and Greenpeace have a long track record of activism in defense of the environment. The issues at stake in this debate are serious and deserve careful scrutiny.

As *PR Watch* has often revealed, the environmental movement is suffering under a two-pronged attack from chemical, genetic engineering, mining and other interests threatened by environmental reform. On the one hand, a "bad cop" approach is used to create and subsidize anti-environmental attack dogs, from the self-named "wise use" movement of Ron Arnold to "sound science" front groups like Elizabeth Whelan's American Council on Science and Health. These industry-funded groups paint themselves as voices of reason and moderation in contrast to the "terrorism" of environmental extremists and fearmongers.

This "bad cop" assault puts environmentalists on the defensive, while industry's "good cop" tactics attempt to re-define environmentalism in terms acceptable to global capitalism. Companies want to appear green and socially responsible, so they use their PR experts to form "partnerships" with environmentalists to produce "win-win solutions" that claim to resolve

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but was pushed out of that position 18 months later due to internal disputes, including disagreements over his belief in “solutions-oriented” corporate collaborations. However, he remains a member of the Greenpeace Australia General Assembly, a select group of 37 people who elect the Greenpeace Australia board of directors.

In 1995, Gilding started his own private consultancy called the Ecos Corporation, of which he is now chairman. Ecos literature says it offers “strategic support and advice to corporate clients and partners seeking commercial advantage through a focus on sustainability. . . . Our clients are primarily large corporations in the finance, energy, chemical and resource sectors.”

Past and present clients of Ecos include:

- Monsanto, used as a case study in the *Greenpeace Book of Greenwash* and currently warring with Greenpeace in the US and Europe over its genetic engineering of the world food supply.
- DuPont, a multinational chemical company that has been targeted by Greenpeace and other environmental groups for its environmental misdeeds.
- Placer Dome, a Canadian-based gold mining company which owns half the controversial Porgera gold mine in Papua New Guinea. The Porgera mine has caused as much if not more environmental destruction than BHP’s Ok Tedi mine, according to the Minerals Policy Institute, an Australian watchdog group.
- Suncor/SPP of Canada/Australia, discussed in my accompanying story on page 7 of this issue.
- BP Australia, a multinational oil company.

- WMC Ltd. (formerly Western Mining Corporation), a mining company whose uranium and other mining activities are cited as a case study in greenwashing by the Minerals Policy Institute, which criticizes WMC for chemical dumping, deforestation and human rights impacts on indigenous people.

SUSTAINABLE RHETORIC

According to the *Australian Financial Review*, Ecos earned about \$650,000 in its 1997–98 fiscal year. “We are there to service the interests of our clients,” Gilding said. “We are there because we seek to improve the profitability of the people we are working for, so we’re very clear as to whom we’re aligned with. We’re saying we can increase your profitability by focusing on sustainability.”

Ecos defines sustainability as “society’s expectation that business adds economic, social and environmental value from its operations,” according to former Ecos director Mark Lyster. This is very different definition from the usual ones about the needs of future generations and maintaining environmental quality.

“The degree to which a company is viewed as being a positive or negative participant in solving sustainability issues will determine, to a very great degree, their long term business viability,” observes Ben Woodhouse. At the time he made this statement, Woodhouse was director of global environmental issues at Dow Chemical. After 31 years with Dow, he retired and joined up with Gilding as CEO of Ecos.

Woodhouse also worked with the World Business Council for Sustainable Development (WBCSD), an international corporate lobbying organization set up in

FLACK ATTACK *(continued from page one)*

conflicts. For the parties involved, the “win-win” might be real in a bottom-line dollars and cents way: companies use their newly greened image to sell more cars or hamburgers or genetically engineered corn or Olympic advertising; big environmental groups tout major reforms in their fundraising letters and proposals to the Pew Charitable Trusts and others that reward such deals.

Re-read Sharon Beder’s articles in the previous PR Watch, the letters in this issue, and her response and decide for yourself the reality behind the Summer 2000 Olympics: Are they a green victory or greenwashing?

Beder’s related cover story suggests that one reason why environmental groups are being co-opted is that many of their former leaders are finding “greener” pas-

tures as corporate environmental consultants. Most environmental activists are unpaid volunteers. Those that are employed by environmental groups, with a few exceptions, earn much less than they could working for big business. However, some green leaders have found that they can profit handsomely in the corporate world by trading on their knowledge, connections and environmentalist reputations.

As this century closes the green movement is definitely floundering, not because public support is lacking or ecological crises are solved, but because corporations have learned how to tame and turn aside fundamental environmental reforms. As Mark Dowie argued in his 1995 book, *Losing Ground*, the green movement needs to examine and criticize itself, or it will become merely a clever marketing hook and even less relevant to the problems we face in the 21st century.

1990 in the lead up to the United Nation's 1992 Earth Summit in Brazil. "With the able assistance of public relations giant Burson-Marsteller, a very elite group of business people (including Burson-Marsteller itself) was seemingly able to plan the agenda for the Earth Summit with little interference from NGOs or government leaders," observes Joyce Nelson, author of *Sultans of Sleaze*. Its members include the CEOs of Dow, DuPont, Shell, Mitsubishi, Browning-Ferris Industries and many more.

Woodhouse received special thanks in the acknowledgments of WBCSD's 1997 report, "Environmental Performance and Shareholder Value," which promoted the idea that investors were more likely to invest in companies they believed had a good environmental record. Following its lead, Ecos has undertaken a survey of the top 150 companies on the Australian Stock Exchange in order to develop a portfolio of 50 "green" companies.

The companies chosen by Ecos as "environmental leaders" included mining companies with poor environmental reputations such as Western Mining Corporation and Placer Dome (both Ecos clients) and Rio Tinto. When questioned about these choices, Gilding said that they were not chosen because they were "green" but because they had undertaken some environmental initiative that was likely to have financial benefits. This misleading definition of the term "environmental leaders" is not mentioned on Ecos web pages where this survey is described.

The share price performance of this supposedly "green" portfolio in the years 1992-98 was tested

against the Australian All Ordinaries Index and found to outperform ordinary shares by 4 percent. All this is supposed to confirm the Ecos philosophy that "sustainability" can be a key business "driver."

But how real are the improvements in environmental performance? To what extent is shareholder value being added through imagery rather than substance? One clue comes from the résumés of the eight people who currently work for Ecos. Rather than environmental scientists and engineers, its staff consists of financial, PR and communications specialists. They are:

- Ben Woodhouse, CEO and former vice-president and global director of issues management, crisis management and Industry Affairs for Dow Chemical.
- Blair Palese, former head of public relations for the Body Shop International and currently director, Greenpeace International Olympics Campaign. (See her letter to the editor, page 5 of this issue.)
- Alan Tate, a TV news reporter before joining Ecos, which describes him in PR hyperbole as "one of Australia's pre-eminent experts in the full range of business, political and scientific aspects of climate change."
- Sheena Boughen, whose apparent expertise is in developing individual and organizational relationships.
- Cath Bremner, a business analyst.
- Carolyn Butt, Gilding's personal assistant.
- Kim Grosvenor, whose experience is in finance.

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THOSE WHO CAN'T DO, CONSULT

Gilding argues that Ecos staff members are strategy consultants rather than technical consultants. They can't design an environmental management program, but they can help companies to see the risks and opportunities created by environmental issues. They "advise companies what they need to do differently to secure their long-term commercial future in the context of sustainability changes."

One role that Ecos plays is to help companies produce environmental reports. Gilding stresses that this is within an overall program of change. Ecos helped Placer Dome, the Canadian gold mining company, "produce the world's first mining company sustainability report outlining their economic, social and environmental performance." Ecos also worked with Placer to develop "new approaches to stakeholder engagement at operations in Australia, the Philippines and Papua New Guinea."

Woodhouse advised WMC on its 1997 environmental report which was featured in the Mineral Policies Institute's publication titled "Glossy Reports, Grim Reality." The MPI documented environmental damage caused by WMC operations; campaigns by WMC to oppose environmental legislation in Australia, the Philippines and North America; and a campaign to oppose legally binding greenhouse reduction targets in the lead up to the Kyoto conference on global warming.

The Queensland Timber Board hired Ecos after years of fighting against environmentalists had undermined the Board's public credibility. Gilding had no problem with taking up their cause. "Ultimately forest products are inherently sustainable," he explained to *Between the Leaves*, a Queensland government publication. "Therefore the future of the industry lies in embracing environmental issues as a marketing tool."

Gilding's enthusiasm for business solutions to environmental problems goes beyond a tactical response and has become an ideological celebration of corporate values. "Everywhere now the market is supreme, and this is the victory of the capitalist system," he told *The West Australian*, adding, "There has been a breakdown in environmental conflict and the free market is now driving change." In an interview with the radio program *Background Briefing*, he commented that "in many ways the environmental and social communities are still back in a decade ago where they see government as the main force for driving change."

Not surprisingly, Gilding has received various awards from the business community for his work, including an Environmental Leadership Award in 1997 from *Tomorrow Magazine*, an outlet of the WBCSD.

These accolades and the perks of his profitable business no doubt make it easier for Gilding to turn a blind eye when necessary to the failings of his clients. Reporter Jacquelynne Willcox Bailey of *The Weekend Australian* interviewed him about his work with the Mirvac-Lend Lease consortium on its bid to design the Olympic Village. Asked about the village's proximity to a toxic waste treatment plant, Gilding replied that his job had been to help his client win the bid, and that the client hadn't asked him to consider the treatment plant so he didn't.

WHEELS KEEP TURNING

Gilding is only one of several high-profile Greenpeace staffers who have gone on to become industry consultants. Michael Bland, for example, left Greenpeace in 1989 to work for a Sydney-based green marketing firm called Environmental Marketing Services. Bland then started his own consultancy, Environment Matters, before returning to work for Greenpeace in 1993.

The revolving door goes both ways. The current chairperson of Greenpeace Australia, Bob Wilson, was managing director of the Sydney Water Board in the late 1980s and early 1990s when the board was covering up gross contamination of the ocean by toxic waste from its sewage discharges. High levels of organochlorines in fish were kept secret at Water Board request.

Blair Palese left Greenpeace to work as head of public relations for the Body Shop International, a "socially responsible" cosmetics company. She now works for Greenpeace four days a week. On the fifth day she works for Gilding's Ecos Corporation in the area of communications. Palese is comfortable with the fact that Ecos clients are often Greenpeace targets and denies that she has any conflicts of interest.

One example of a conflict between Greenpeace and Ecos is the development of an oil-shale deposit in Queensland which is opposed by Greenpeace because of the fossil fuel emissions associated with it and the damage it could do to the Barrier Reef. The developers—Canadian company Suncor and Australian company Southern Pacific Petroleum (SPP)—are clients of Ecos.

Greenpeace press releases accuse Suncor and SPP of "misleading the public and their own shareholders over the amount of greenhouse pollution" from the planned development and argue that "oil shale is the most polluting source of energy currently being developed" with much higher carbon dioxide emissions than conventional oil sources.

Ecos literature, on the other hand, calls "Suncor one of the leading fossil fuel focused energy companies in the world on climate change." n