
Ecos Corp's "Win-Win" Spin for Corporate Environmentalism

by Sharon Beder

PR Watch first reported in 1999 on the activities of the Ecos Corporation, an "environmental PR" firm founded in 1995 by former Greenpeace International executive director Paul Gilding. The 1999 article described how Gilding kick-started his fledgling company by recruiting Ben Woodhouse, a former PR executive and vice president at Dow Chemical. In 1999 Ecos only had a modest staff of six others operating from an old church in a suburb of Sydney, Australia.

Although Woodhouse has since left, Ecos now boasts a staff of 15 and has expanded its operations into the United States. The Australian headquarters have moved to a building commanding harbor views in the expensive Sydney Central Business District. Ecos was aided in its rapid growth by Sam Weiss, an American who formerly headed Nike in Europe and now sits on the Ecos board of directors.

Ecos evangelizes for the "win-win" gospel of corporate environmentalism and also acts as an intermediary between corporations and troublesome activists. It markets itself as a bunch of talented yet passionate idealists campaigning to help business to save the world. "Gilding's passionate belief that business can lead the world to sustainable solutions has proved to be infectious," states company literature. "For its people, Ecos has become both an adventure and a deep responsibility."

Behind this ideological façade, however, Ecos is quite pragmatic about the reputation management service it offers to corporations. In the *Australian Financial Review*, Gilding explained to a business audience that environmental issues are no longer about morality. It is time, he said, to accept reality: "We are there to service the interests of our clients... We are there because we seek to improve the profitability of the people we are working for, so we're clear as to who we're aligned with."

ENVIRONMENTALISTS ON THE PAYROLL

Ecos offers to help companies "operationalize sustainability" by "building brand and corporate reputation"; "motivating and attracting employees"; identifying "new product opportunities"; and helping companies to develop products "for the roughly 4 billion people in the Developing World who have not been fully integrated into the market economy."

Ecos's specialty, however, is its ability to offer companies insights into how activists think and operate, using the insider knowledge and contacts provided by former environmentalists on the Ecos payroll. Apart from Gilding himself, there is Rick Humphries, another former Greenpeace campaigner who was once Strategic Director of The Wilderness Society (TWS) in Australia. He

is described in Ecos literature as a "born-again believer in the power of free enterprise." Another Ecos employee, Sheena Boughen, has been a friend of Gilding since his Greenpeace days. Ecos staff member Blair Palese is a former Director of Communications for Greenpeace, and prior to that was Head of Public Relations for the Body Shop International.

Other PR and communication specialists include Rebecca Melkman, a public relations consultant, and Sandra Davey, an internet communications expert. Victor Del Rio boasts "extensive experience in the television and print media industry" and Don Reed was Director of Corporate Engagement at the World Resources Institute.

Ecos has also beefed up its journalistic staff, such as Murray Hogarth, a former environment editor and journalist for the *Sydney Morning Herald*. In addition, Ecos draws on the contacts and insights of personnel with U.S. government and political backgrounds. Kats Fisher was Chief of Staff for US Republican congressman John Porter.

Ecos boasts of its "access to complex network of high-level contacts and relationships with influential and well-placed individuals and organizations in the NGO and governmental sectors. But more exceptionally we also offer a deep insight into the psyche and ethos of the activist, non-business sector and an intimate understanding of the perceptions and beliefs that guide the actions of such organizations. And we can harness these skills to help you increase your market share or open new markets to solve society's wants and needs."

Ecos' "successes" depend to some extent on its contacts within the media, and to a larger extent on the gullibility of journalists who unquestioningly accept that former environmental campaigners turned corporate PR consultants are able to give disinterested judgements about what is good for the environment. In June 2001 the *Sydney Morning Herald* published a favorable article on Ecos client DuPont headlined "DuPont turns Green Crusader." The article incorporated praise from Paul Gilding, "former head of Greenpeace International."

RESPONDING WITH SUCCESS

Ecos does not like being labeled as a PR firm: "It is very easy to make the accusation that this is PR and spin-doctoring," says former Ecos staffer Alan Tate, "but because of confidentiality requirements the only thing that we can do is respond with our successes."

Australian mining and steel company BHP (now BHP Billiton—the largest diversified mining company in the world) offers a case study in how Ecos "responds with success." In 1998, BHP hired Ecos to help persuade

stakeholders that it was committed to operating its Ok Tedi copper mine in Papua New Guinea (PNG) in a “more open and transparent way.” In 1996 a class action by some 30,000 PNG landowners had resulted in an out-of-court settlement for approximately \$100 million and a promise to prevent further pollution of local rivers.

The ongoing environmental damage caused by the Ok Tedi mine is uncontested outside of BHP. Even the World Bank said in 2000 that the Ok Tedi mine should be closed because of the environmental damage the mine was doing: “Significant and unacceptable environmental impact (certainly much greater than originally predicted) is occurring in the Ok Tedi and Fly Rivers below the mine,” it stated. “Impacts . . . will be felt for a long time after mine closure, even if there are no more extraordinary movements of material into the river.”

Ecos was employed by BHP to engage with environmentalists and community organizations to turn “a crisis situation into a constructive dialogue.” In August 2001, the landowners in Papua New Guinea reopened their lawsuit against BHP for breach of its 1996 promise not to continue polluting local rivers. In September 2001, BHP reached an agreement with the government of Papua New Guinea to close the mine. However, the agreement “seems designed to absolve the company of responsibility arising from its polluting Ok Tedi mine,” according to Geoff Evans, director of the Mineral Policy Institute.

In December 2001, the government of Papua New Guinea passed legislation that protects BHP-Billiton from any legal action taken after its withdrawal from the Ok Tedi mine. This includes lawsuits filed by landowners in the Australian courts. It exempts BHP “from all and any demands and claims arising directly or indirectly from the operation of the mine.” Shortly after the legislation was approved, BHP withdrew from Ok Tedi, transferring its 52% share of the mine to a trust to fund sustainable development projects. Landowners are concerned that BHP has been allowed to leave without cleaning up the mess, which they argue has destroyed their traditional lifestyles.

This controversy, however, does not seem to have harmed BHP's reputation. In September BHP-Billiton was ranked number one in terms of corporate leadership on “environmental and other ethical issues” by Australian magazine *Business Review Weekly*.

Placer Dome, another Ecos client, has also been embroiled in controversy over its poor environmental practices. Its holdings include 50% of the Porgera gold mine in Papua New Guinea and other mining ventures. Ecos claims to have “guided Placer Dome Asia-Pacific’s

emergence as a sustainability leader in gold mining.” However, the Porgera mine, like the one at Ok Tedi, continues to discharge its tailings directly into a local river.

An independent scientific report by the Australian Commonwealth Scientific and Industrial Research Organisation found that mine waste was posing a threat to local ecosystems in 1996 and fish were already in decline. Placer has used stakeholder engagement to avoid remedying the situation. On advice from Ecos, Placer established the Porgera Environmental Advisory Komiti (PEAK) in 1996, comprised of government and mine representatives, technical specialists, a local NGO representative and a representative of the World Wildlife Fund (which receives funding from Placer.)

The PR intentions behind the setting up of the advisory group became apparent recently with the resignation of one of its members, Yati Bun of the Foundation for People and Community and Development. “My conscience cannot tolerate being involved any longer with the PEAK process of expediting the continuation of riverine discharge,” Bun wrote. He added that his name had been used without his permission in Placer propaganda materials and that “people’s expectations and aspirations do not seem to be getting enough and fair attention by Placer. . . . As a member of PEAK, I was seen as a front for Placer.”

Ecos has also advised the Ford Motor Car Company in its efforts to improve its a public image. It was the relationship with Ford and the growing relationship with DuPont that prompted Ecos to expand into the United States. Ecos employees and associates are now located in cities including New York, Boston, Washington and San Francisco.

Cotton Australia employed Ecos Corporation for crisis management when cotton farmers came under criticism for their heavy use of water in dry areas and their reliance on harmful agrichemicals. They use the pesticide Endosulfan, which is toxic to humans, animals, birds, fish and plants as well as insects. Endosulfan tends to be sprayed from planes and to drift long distances. For these reasons its use has been banned in a number of countries (for example, Singapore, Denmark, Germany, Sweden, the Netherlands).

Ecos helped Cotton Australia counter a campaign to ban Endosulfan and, according to its own account, helped “manage a mounting crisis over the industry’s use of Endosulfan by designing and implementing a Best Management Practices manual for growers” detailing how to handle and spray Endosulfan. Ecos also helped Cotton Australia develop a “Code of Sustainability” by engaging environmentalists in a workshop with cotton

growers. A draft agreement between invited environmental groups and Cotton Australia allowed “some of Australia’s key environmental groups to provide advice to Cotton Australia” on developing the Code and will lead, claims Ecos literature, to “positive marketing and branding of Australian cotton internationally.”

Aside from symbolic steps, however, Cotton Australia has not changed. It continues to lobby against water use restrictions. Its use of ULV Endosulfan (the sort that is sprayed from planes) was banned by the government in March 2001 after the cattle industry filed legal actions, complaining that residues were appearing in export beef. The cotton industry responded that the government had “stopped using science for its decisions and become a political body bowing to the pressures of a few agricultural industries.”

“At Ecos Corporation we have one simple aim—to change the world,” the company says. “We believe that the most effective way to make this happen is to get companies to change.” But it has not changed the actual polluting practices at Cotton Australia, Ford, BHP and Placer. The only thing that has changed is that their well-deserved reputations as polluters have been covered up with PR hype. ■

Dr. Sharon Beder is the author of several books, including *Global Spin: The Corporate Assault on Environmentalism* (Green Books in the UK and Chelsea Green in US) which is being published in a new edition next year. She has written numerous articles on environmental and other issues, many of which are available on her website at <<http://www.uow.edu.au/arts/sts/sbeder/>>.

MANAGING ACTIVISM: PR Advice for “NEUTRALIZING” DEMOCRACY

Book Review by John Stauber

When I first picked up Denise Deegan’s book, *Managing Activism: A Guide to Dealing with Activists and Pressure Groups*, I imagined a roomful of uniformed pest applicators at the Orkin company, sitting on benches like military aviators before a bombing mission, being briefed on the best tools available for eradicating cockroaches. I was a spy for the roaches—the pesty “activists” that Deegan works to “manage.” Roaches don’t generally read the “how to” manuals written by their would-be exterminators, but activists certainly should.

As someone who has spent the last decade investigating the seamy side of the “perceptions management” industry, I wish I could tell you that this book is a gold mine of revelation, but for me it is not. Still, I recommend that my fellow citizens read this book.

It is written in classroom text-like fashion, and the author is careful to put the best face on her profession and not include advice that might offend the atypical reader. Nevertheless, it can help people working for democratic social change to understand the often successful ways in which we are targeted for defeat, especially the “good cop/bad cop” tactic for dividing and conquering activists through “partnering” and co-optation by industry. For activists, Deegan’s book provides

a primer on how to recognize these traps and hopefully avoid them.

Managing Activism is written for PR practitioners whose clients engage in risky businesses (fossil fuels, pesticides, genetically engineered foods, nuclear waste, toxic dumps, animal testing) and who therefore become the targets of “activist groups” including “environmentalists, workers’ rights activists, animal rights groups and human rights campaigners.” Don’t expect much sympathy for the activists. Deegan is a battle-hardened PR veteran and a committed soldier in the war against activists who “in an increasingly pluralistic society” present what she calls “a growing threat to organizations of all shapes and sizes. And because activists employ a wide range of aggressive tactics such as generating bad publicity, seeking gov-

ernment and legislative intervention, encouraging boycotts, etc., they can cause severe disruption, including damage to reputation, sales, profitability, employee satisfaction and, of course, share price.”

The picture that Deegan paints is undoubtedly a chilling scenario if you are an executive or major share holder in companies like Monsanto or DuPont that have long histories of worldwide trade in everything from nuclear

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