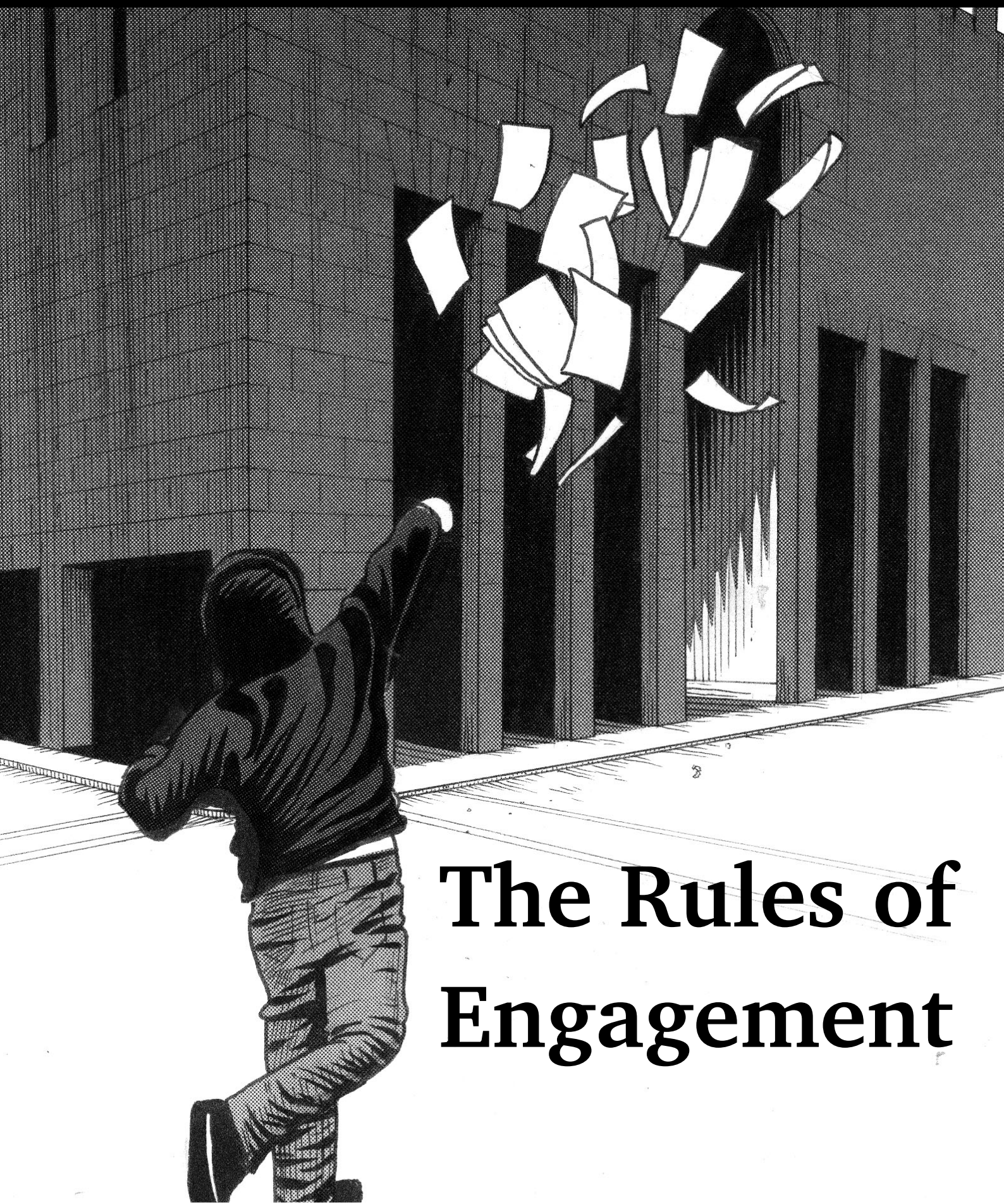


Corporate Watch

issue 49 | summer 2011 | £3.00



The Rules of Engagement

corporate watch.

corporate-critical research since 1996

Contents

Editorial	2
Dear Corporation: Corporate Watch and the Soil Association <i>By Tom Anderson</i>	3
Analysis: Partnership or struggle? <i>By Beth Lawrence</i>	5
Remote control: corporations and their public image	9
NGO-corporate partnership: Does it challenge business? <i>By Peter Jacobs</i>	11
Case study: Green is the Colour of Money <i>By Robert Palgrave</i>	14
Case study: Corporate engagement at Hopenhagen <i>By Hannah Schling</i>	16
The Socially Responsible Investment	
Campaign at Cambridge University: a critique <i>By Elly Robson</i>	18
Palestine solidarity: hitting corporations where it hurts <i>By Michael Deas</i>	19
Case study: Engagement with the Deportation Machine? <i>By Shiar Youssef</i>	21
'Upstream engagement' and new corporate technologies <i>By Beth Lawrence</i>	22
When private interest is public interest <i>By Shiar Youssef</i>	24
Campaign spotlight: The Campaign for Freedom of Information <i>By Hannah Schling</i>	26
Company profile: Edelman	30
Babylonian Times	32

Credits: Hannah Schling, Tom Anderson, Shiar Youssef, Beth Lawrence, Michael Deas (Palestinian Boycott National Committee, European Coordinator), Elly Robson, Robert Palgrave (Biofuelwatch), Peter Jacobs

Illustrations: Jon Sack and Polyp

Layout: Don Atherton

Corporate Watch is an independent, non-profit research and publishing group based in London. It 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, at best, an illusion and, at worst, a veil to disguise inherent biases. Corporate Watch freely acknowledges that it comes from an anti-corporate perspective. We do attempt, however, to be factual, accurate, honest and truthful in all our output. Any comments or corrections are always welcome.

@nti-copyright to non-profit organisations and individuals fighting corporate dominance.

ISSN 14705842

www.corporatewatch.org

news@corporatewatch.org

Tel: 020 7426 0005

Corporate Watch is a member the Independent News Collective (INK), the trade association of the UK alternative press. www.ink.uk.com

Printed on 100% post-consumer recycled paper by Footprint (www.footprinters.co.uk)

Dedicated to Simon Levin, anticapitalist and friend, who died during the writing of this magazine

contribute to corporate watch.

The Corporate Watch Magazine is a quarterly publication providing in-depth analysis and information on a wide range of topical issues of interest to those concerned about social and environmental justice. The next issue will focus on housing and gentrification. Please send submissions to contact@corporatewatch.org.

subscribe to the corporate watch newsletter.

4 issues produced quarterly; Individuals/not-for-profits UK £12 Elsewhere £16.

Profit making organisations £30, multinational corporations £5000 (or 1 minutes profit).

Name:

Address:

Postcode:

Phone:

Email:

Date:

I would like to pay Corporate Watch a subscription of:
(circle one) £12 £16 £30 £5000

I enclose a cheque to Corporate Watch for £ _____

Date:

Please complete the form and send it along with any relevant payment to Corporate Watch, c/o Freedom Press
Angel Alley 84b Whitechapel High Street London, E1 7QX

I would like to pay Corporate Watch a donation by standing
order of £ _____.

Name of Bank:

Account Number:

Sort Code

Address of Bank:

Postcode:

I would like my standing order to start on date (dd/mm/yyyy):

Signature: _____

Bank instructions: Please pay the above amount on the 1st of the month to Corporate Watch, account number 50108062 sort code 08 92 50. The Co-operative Bank, 13 New Street, Oxford OX1 1LG / 'You would need to take this form to your bank yourself'



Editorial

In 2008 Corporate Watch decided to begin writing to companies with allegations made about them by grassroots campaigners and publishing their responses. As we did so, we were drawn into several 'engagements' with companies designed to delay and mute dissent.

It was from these engagement exercises, some of which are described here by Tom Anderson in an article titled *Dear Corporation*, that we decided to produce this issue of the *Corporate Watch Magazine*, with the aim of exploring why corporations engage with the public and asking whether grassroots campaigners can ever win through engaging with companies.

Historically, corporations have engaged with workers through unions. Unions have become the mediators between the interests of corporations and workers, with the power dynamics of corporation/worker engagements varying according to the specifics of the workplace, company and workforce in question. In her article *Partnership or Struggle?*, Beth Lawrence examines the dynamics of such engagements in an era of declining union membership and co-option of many mainstream unions and looks forward to new collaborations between unions and grassroots movements.

Tom Anderson, in *Remote control: corporations and their public image* summarises how corporations have developed Corporate Social Responsibility (CSR) and Public Relations (PR) strategies to manage public perceptions of corporate activities.

Peter Jacobs, in *NGO-Corporate Partnership*, examines a case study of a mutually beneficial relationship between an NGO and a corporation. The engagement enabled each organisation to reach their own goals, but allowed the corporate status quo to continue and reinforced corporate values in the workplace.

In an article titled *Green is the colour of money*, Robert Palgrave examines how Blue NG romanced Greenpeace and Friends of the Earth, as well as celebrities and big name environmentalists, into making statements the company could use to counter grassroots dissent. Similarly, in *Corporate Engagement at Hopenhagen*, Hannah Schling explores how a group of companies emulated a popular campaign, through the *Hopenhagen* 'movement' at COP15, in order to give the impression that they were dealing with the ecological and social justice concerns raised by global justice movements.

Shiar Youssef provides a case study of how engagement with corporations was integrated into a campaign against corporate involvement in the deportation machine.

Corporations have carefully crafted their public personas with the help of PR companies. One of the largest and most controversial independent PR companies, Edelman, is therefore examined by Chris Kitchen, in this issue's company profile.

A forum where activists often voluntarily engage with corporations is through 'ethical investment' and 'divestment' campaigns. Michael Deas and Elly Robson give two examples of such campaigns and argue that these can be forums for corporations to greenwash their business practices or tied to profit agendas. However, in the context of an effective movement employing a diversity of tactics, such as the Boycott, Divestment and Sanctions (BDS) movement against Israeli apartheid, such campaigns have achieved considerable success.

Before corporations engage with specific sections of the public, they have manufactured their image to society at large, meaning any engagements are already massively skewed in favour of corporate values. Beth Lawrence explores how corporations control public perception of emerging technologies in her article, *Upstream Engagement*.

Shiar Youssef, in *When Public Interest is Private Interest*, and Hannah Schling, in a *Campaign Spotlight* piece on the Campaign for Freedom of Information, explore the uses and limits of the Freedom of Information Act to anti-corporate campaigners.

When corporations choose to engage with campaigners, unionists, NGOs or the public at large, they do so to further their own ends. This type of engagement often serves as a public relations exercise, creating the facade that companies are dealing with the criticisms levelled at them. In other words, corporations may use engagements with the public as a tool to head-off further dissent.

This, however, does not mean that the only strategy is to sever all communications. It can sometimes be useful – for example, for grassroots campaigners – to have a channel of communication through which to negotiate with corporations and articulate demands. Unfortunately, the efficacy of these negotiations is often presented by 'community leaders', trade union bosses or CEOs of big NGOs as determined by how 'reasonable' we can be, the presentation of our argument or how well we can emulate the very corporations we are opposing. In reality, the success of these negotiations is determined by where the power lies: if our movements can present a tangible threat to corporate power, we will be more likely to be listened to. If not, activists engaging with corporations will be used as a tool to maintain business as usual.



Dear Corporation: Corporate Watch and the Soil Association

In 2008 Corporate Watch decided to begin writing to companies with accusations levelled at them by grassroots campaigners, sometimes entering into lengthy discussions with them. Many of these communications were published as open letters on the Corporate Watch website, under the header Dear Corporation, along with the companies' responses.

By **Tom Anderson**

Examples of these open letters include ones to companies contracted by the Home Office to provide asylum accommodation, companies exporting goods from illegal Israeli settlements in Palestine, coach companies providing services to the fascist English Defence League and so on. Many of these companies' immediate reaction was angry threats. The assumption seemed to be that, despite the fact that the information we had published was truthful, a mixture of obfuscation, downright lies and allusions to legal perils would result in their being retracted.

Denial

On 28th January 2010, Corporate Watch wrote to Cargoflora,[1] a freight company involved in the distribution of imported flowers to UK supermarkets. The company's partner, J&E Distributors Ltd, based in the same office as Cargoflora, advertises that it imports flowers from Israel. Corporate Watch had received information from campaigners that Cargoflora was providing services to Carmel-Agrexco, which sources its cut flowers from Palestinian land illegally occupied by Israel. Agrexco, a company partially owned by the Israeli state, owns packing houses situated on illegal settlements in the West Bank, such as Tomer, Massua, Ro'i, Netiv Hagdud and Mehola. Our open letter to Cargoflora asked whether, in light of this, Cargoflora and J&E Page Distributors Ltd would cease providing services to Carmel-Agrexco.

The company replied with anger, saying "the J&E Page group does not import flowers nor any other product coming from Israel." [2] This claim was bizarre, to say the least, as the front page of the company's website (www.jepage.com) advertised that "J&E Page are importers of the finest fresh cut flowers from around the world, including Colombia, Ecuador, Israel, Florida and Malaysia." Denying what was obviously the case was a typical corporate response to the publication of dissenting views, effectively saying 'that may be what we say in public but that's just advertising spin.'

Threats

Our Dear Corporation letters have also often provoked legal threats. After receiving our letters, Cargoflora, the Angel Group, EDOM UK and Fyffes all threatened to instigate legal actions against Corporate Watch if we did not remove the open letters from our website. In all these cases, the threats came to nothing. We often responded asking what exactly was the information that they deemed to be inaccurate or libellous and they backed off.

Obfuscation

When we wrote to Valley Grown Salads (VGS)[3] about its sister company EDOM UK's export of goods from the illegal settlement of Tomer in the West Bank, the company director called us to protest that the claim was "completely untrue." Our researchers spent literally hours on the phone to Jimmy Russo, before finding from a grower in Tomer, called Yair Azoulay, that EDOM UK had indeed exported produce from Tomer in 2009 and 2010.[4] Interestingly, it was the VGS director who had put us in touch with the grower. Russo's motive in entering into protracted conversations with us can only have been in the hope that he would muddy the water enough to dissuade us from publishing a critical, but true, story about his company.



A compliant media

This confidence that offending, but nonetheless truthful, articles would be removed is the result of the majority of the mainstream media's cowardice in the face of legal threats. For instance, during the 1980s and 1990s, McDonalds were able to achieve the removal of dozens of press stories criticising the company. McDonalds, and other companies, did this by using libel laws: Channel 4, The Guardian, the BBC and countless other media outlets withdrew claims critical of the company and apologised. It took two penniless and obstinate campaigners, Dave Morris and Helen Steele, who had distributed a leaflet accusing McDonalds of selling unhealthy food, perpetuating the abuse of animals, causing excess litter and exploiting

the rules of engagement

workers, to refuse to back down and defend their claims in court. Helen Steele, one of the defendants, said of their decision to fight:

"When I was quite young, there was a boy at the end of our street that used to go around bullying everyone and bossing everyone around, and everyone used to go crying to their mums and dads. Eventually my mum got fed up with it and said 'well, hit him back' – so I did and after that he didn't hassle me any more. Well, it's the same with McDonalds really – If somebody's trying to make you do something that you don't believe in, then you have to stand up to them and say, I'm not going to do it, you know; I'm not going to give in to your intimidation and bullying."[5]

However, the mainstream media, who have bank balances to protect and legal departments to keep them in check, don't tend to see it that way and stories are withdrawn, often at the first grumble of complaint from corporate lawyers. Many more stories, even those which are factually correct and verifiable, never find their way into the mainstream because of edgy newspaper legal and advertising departments and the pressure put on them by corporations. In the last two years, Corporate Watch has handled media enquiries from dozens of investigative journalists writing for mainstream newspapers, who have meticulously researched stories criticising corporations. The vast majority of the time, these stories are pulled, usually with no explanation, but it is clear that the editors and legal departments have thought better of tickling a corporate monster.

Holding tactics

In 2008 Corporate Watch wrote to the Soil Association (SA) pointing out that some of the fresh goods that it certified were produced on illegal Israeli settlements in the West Bank and that the Palestinian workers involved in their production were underpaid, not allowed to unionise and were often under 18. These were issues which had been brought to the Soil Association's attention by consumers and campaigners over a number of years. However, the previous responses by the organic food certification charity had been to not take the issue seriously. When Corporate Watch wrote to the SA, it clearly took our approach more seriously, presumably because of the implicit threat of publication, and agreed to meet us.

A Corporate Watch researcher visited the SA in 2009 and met with an operations manager and a director of the organisation. The atmosphere was informal and the researcher was told that the SA was sympathetic to the concerns we had raised.

At first the SA attempted to deny the claims, stating it could not be sure where the goods it certified came from, as it took the word of the Israeli certifier, Agrior, that the goods were organic. In the course of Corporate Watch's engagement with the SA, which carried on for several months in the form of emails and phone calls, it became clear that the SA did certify Israeli settlement products as organic.

Secondly, the SA ignored the concerns raised relating to worker's rights and repeatedly attempted to frame our concerns as being purely about the legality of the settlements. This tactic of honing in on one issue and ignoring all others can also be seen in the way corporations deflected criticism of GM (framing it as an environmental concern and ignoring the socio-economic issues) or of climate change (restricting the discourse to carbon footprints rather than the sustainability of economic growth).

Thirdly, the SA used the engagement with Corporate Watch

as a holding tactic to delay dissent. During our talks with the SA, our researcher mentioned that there was a possibility that a legal opinion would be produced on the legality of selling settlement goods. In the event, such a legal opinion never appeared. The SA used the absence of this legal opinion as an excuse to justify carrying on business as normal, despite the concerns we had raised about child labour and non-payment of the minimum wage, contravening IFOAM's organic standards, which should have given the SA reason enough to reassess its supply chains.

Corporate Watch's engagement with the SA carried on until the Summer of 2009, during which time we sent them videos showing that child labour was used at an Israeli settlement, Tomer. The SA admitted that it had certified food grown in the settlement. In spite of this, in Summer 2009, despite the severity of the issues we were raising, our calls and emails ceased being answered.

The SA has mentioned its discussions with Corporate Watch and others in its communications with consumers and clients, claiming that, due of the lack of the legal opinion, the information provided was not sufficient for it to change its practices. So our engagement, which was first used by the SA as a delaying tactic, has now been used as a tactic to effectively deflect dissent.

The rules of engagement

A few lessons can be learned from the engagements described above. Firstly, that corporations attempt to stymie criticism through legal threats and obfuscation, regardless of the veracity of the claims. Secondly, that engagement with campaigners may be used to delay dissent. The important thing to remember, as a grassroots campaigner engaging with corporations, is that action against a corporation should not stop while discussions are ongoing. It may be useful to have a channel of communication with a corporation but our power does not come from the persuasiveness of our argument or the efficacy of our negotiations on the company's own territory. It comes, rather, from our ability to directly affect a company's profits and reputation, which can only be achieved, we would argue, through action.

References:

- [1] <http://www.corporatewatch.org/?lid=3515>
- [2] <http://www.corporatewatch.org/?lid=3532>
- [3] <http://corporateoccupation.wordpress.com/2010/04/29/dear-corporation-an-open-letter-to-valley-grown-salads/>
- [4] <http://corporateoccupation.wordpress.com/2010/06/26/why-the-only-way-to-trade-ethically-is-to-divest-from-israel-%E2%80%93-an-update-on-edom-and-valley-grown-salads/>
- [5] For more info about the McDonalds Libel case, see <http://www.mcspotlight.org/case/index.html>. The quote from Helen Steele is taken from the film 'McLibel: Two people who wouldn't say sorry', Spanner Films (2005).





Partnership or struggle?

Beth Lawrence investigates some of the issues facing trade unions organising in the UK since the onset of neoliberalism, including declining/plateauing membership, low representation in the private sector and the weakening of collective bargaining. In this context, how effective can engagements between unions and corporations can be.

Union membership in 2011

Trade union membership stands at 26.6% of employees in the UK, with only 46.1% working in a workplace with any union presence.[1] The gap between public and private sectors is increasing with 62.4% of trade union members working in the public sector, even though the majority of the workforce, 78%, [2] work in the private sector.[3] Membership density in the private service sector is only around 15.5%.[4] In the late 1970s, union membership peaked at around 13 million, with membership covering over half the population for the first time in 1974.[5] There was serious decline from 1979 - 1997, with numbers down to around 8 million. This is due to various factors, such as rising unemployment, workplace restructuring and defeats suffered by organised workers. There has been continued decline since 1997, but at a much slower rate and with significant periods of relatively stable membership, such as between 1997 and 2003.[6]

This relative stability may seem like a good thing, but there are reasons to be concerned. Because stabilisation has taken place in a comparatively benign environment, created by the Labour governments from 1997 to 2010 who implemented key policy changes which have reinforced the legitimacy of unions, to some degree. For example, the Employment Relations Act 1999, which protected people taking part in lawful industrial action against dismissal during the first eight weeks of a strike. This means stabilisation was the least that could have been expected.[7] Another concern is that the labour force grew significantly between 1997 and 2008, until the financial crisis, meaning the aggregate union density (union members as a proportion of the labour force) has continued to decline.[8]

How has privatisation affected the relationship between unions and the state?

It is important to take a look at the relationship between privatisation and industrial relations in general in order to develop a useful analysis of the changing nature and effectiveness of union engagement with corporations. There is not a direct relationship between privatisation and industrial relations; it is necessary to examine the complexities of the restructuring process to see how disintegration, concentration and consolidation in the different sectors occurs in relation to union activity.[9][10]

Even before this stage of capitalist development, the role of the state in unionism was contested for decades. In the late 1970s, Keith Middlemas, a Professor at various universities including Gresham College in London, suggested that the co-operation

between the government... employers' associations, the TUC and the major trade unions amounted to a system of 'corporate bias' in the UK, 'which encourages the development of corporate structures [in unions] to the point at which their power, divergent aims, and class characteristics can be harmonised, even if that harmony involves a partial loss of class distinction, individuality, and internal coherence', [11] which lasted until the mid 1960s and ensured a low level of class conflict, compared with countries of comparable social and economic development in Western Europe.[12] In general, privatisation tends to affect industrial relations by ending direct political control, creating regulatory frameworks, replacing 'political' orientation with 'shareholder' orientation and introducing new technologies into the workplace.[13]

Relations have changed in recent years in four main ways. First, economic decisions are increasingly being made at the EU level, meaning trade unions' traditional position of influence on policy-making at the national level has been undermined. This has been dubbed 'euro-corporatism', because union representatives can participate in discussions at the EU level, but cannot have much of a direct influence over decisions. This euro-corporatism means that trade unions' position in the neoliberal restructuring taking place has been weakened and co-opted. This process has transformed into a different way of working, often called the 'social dialogue'. [14]

Secondly, the nature of the workplace has changed. Workplaces where unions are recognised as having a significant role in collective bargaining are suffering from a decline in density of union membership.[15] In addition, a situation of 'double exclusion' exists whereby under-represented workers belong to the vast un-unionised workforce, mostly in the private sector, as well as being less likely to get effective representation even if they work in unionised workplaces.[16] The expansion of subcontracting and other similar labour practices in the 1980s and 1990s, the growth of smaller workplaces employing an increasingly diverse workforce, new career structures and management practices, and corresponding shifts in political culture at work have made it more difficult for unions to retain members and to attract new ones and to preserve existing wages and conditions.[17] There are a few cases of unions organising freelance, self-employed and otherwise precarious workers, as well as increasing efforts to organise migrant workers, yet this is by no means the dominant form of union organising. This changed situation requires unions to adapt their tactics[18] The workplace-based model is unable to meet the needs of many workers.[19] Work intensification has led to situations of informal collectivity among low-paid, non-unionised workers, which is

promising.[20] For example, in April 2009, at the Ford parts-supplier, Visteon, hundreds of mostly non-unionised workers occupied factories in Enfield, Basildon and Belfast.[21]

Thirdly, the nature of the power of unions, has changed in the context of a wider shift in power relations between employers and workers, in which the former have been emboldened to cement their control over labour through the implementation of a global neoliberal policy agenda, including the

introduction of more anti-union laws.[22] Power shifts are not simply due to numbers of members: the strength of collective bargaining does not necessarily correspond to numbers. Other factors, such as how central the sector is to the national economy (which is particularly important in the global south where economies mainly depend on single sectors),[23] can override sheer numbers.

Union power is a remarkably under-theorised area of labour relations, and yet it is essential to evaluating organising activity.[24] Theorists[25] writing on power have differentiated between 'coercive power' and 'legitimate power', which is useful for thinking about where unions derive their sources of power. Coercive power is the power to get someone to do what you want them to do because the alternative would have a negative effect on them. Unions use coercive power when they threaten to take industrial action or when they 'harm' an employer in some other way. But threats only work some of the time and labour unions have to build open-ended relationships, which means they need legitimacy in the eyes of employers and workers. As membership declines, unions lose the legitimacy to speak as the collective voice of workers and the impact of collective action/coercive power becomes more limited. Union power is not just about numbers, but about the development of self-organisation, union democracy and links beyond the workplace.[26]

The fourth factor has been the weakening of collective bargaining, which is the negotiation of wages and other conditions of work between representatives of employers and employees, possibly leading to a collective agreement, which is a labour contract between the employer and the union.[27] Collective bargaining can take various forms, such as distributive, integrative and intra-organisational.[28] This weakening is one of the key aspects of privatisation. One of the primary causes for concern is the fall in the number of workers covered by collective agreements, which, according to the latest statistics, is only 16.8% in the private sector and 64.5% in the public sector.[29] Collective bargaining agreements fell from covering 82% of employees in the mid-1990s to 33% in 2010.[30] Some of the reasons for the weakening of collective bargaining are as follows. Even though the majority of people still see the need for unions,[31] unions have not made many advances since 1998 in terms of convincing workers that they make a difference to the workplace. The scope of collective bargaining is shrinking considerably.[32] Several studies[33] have examined the content of bargaining agreements and found that they often only cover 'core' issues such as pay, working time and holidays, rather than issues such as equal opportunities or pensions. This is a key point, because collective bargaining is one of the main ways that unions can use both legitimacy power and coercive power together,[34] hence it is a significant measure of union strength. The situation is not simple though, as sometimes collective bargaining can remain

strong in companies that are financially buoyant, which may not be a sign of union strength, but rather companies allowing improvements to go ahead due to better finances.[35]

It is complex to get a full picture of how this tactic has been weakened, because it is about how unionism itself has become more neoliberal. In the 1970s, unions came to mirror the structure of capitalist corporations as they embraced the principle of 'joint regulation' in the workplace, which is where unions and employers develop, via collective bargaining, an agreed system of rules regulating work relationships. It is a means of industrial government which is neither unilateral management control of the workplace nor workers' control. Joint regulation has been extended in recent years, as well as employers attempting to maintain their own unilateral management of the workplace. This will be looked at in the next section of the article.

Social movement unionism is not just focussed on wage earners but on all workers. It attempts to integrate workers, trade unions and the labour movement into broader coalitions for social justice...

How have unions adapted their engagement with corporations as a result of the changing nature of their relationship with the corporatised state?

One of the main changes in union organising in recent years has been the period of 'new unionism' between 1997 and 2004, which was instigated by the Labour government in an attempt to address the decline in union membership, but also to change the nature of union power to lessen the coercive elements and reinforce the 'legitimate' forms of union power. The options available to unions in 1997 were between an 'integrative' approach, involving more coalitions of employers and government, and an 'oppositional' approach involving militant mechanisms of dissent.[36] There was also a decision to be made between a national and international emphasis on activity, in which the former relies more heavily on (re)creating sympathetic government support.

'Successful' engagement of unions in a neoliberal environment meant integration and conciliation. Unions faced a strategic choice between collective bargaining, which was now being framed as 'limited' engagement, and 'extensive' engagement, incorporating consultation and participative management.[37] Many unions adapted to this New Labour 'partnership' approach, but there were diverging interpretations of what this meant in practise, with the government and the TUC largely disagreeing. There was increasing polarisation within the TUC, with partnership and organising being seen as further and further apart (a dispute of conciliation vs. militancy).[38] However, the choice is not simply dichotomous between 'co-operative' and 'adversarial', because any sustainable engagement with an employer in a capitalist system involves some form of co-operation and carries the risk of co-option[39].

Collective bargaining can in fact generate trust and confidence amongst management and workers and improve the performance of the economy as a whole.[40] This means a certain level or type of bargaining, in certain workplaces at certain times, is good for capitalism. Sometimes maximum democracy at work can mean maximum business success.

The formalisation of bargaining as an official method of industrial relations by the International Labour Office in

Geneva, was partly how a 'union-friendly but strictly non-revolutionary approach to industrial relations' was developed.[41] Employers were generally content with this, because it meant they could get on with doing business whilst only having to make minimal concessions to unions, and non-revolutionary unions were relatively content, because it gave them some institutional security, some leverage with employers and it meant they could continue operating 'outside' the capitalist decision-making process, which meant their role was purely reactive, but allowed them to maintain 'integrity'.[42]

There are two main ways to have democratic input into corporate action, both of which are essentially negative: legislation and collective bargaining. New unionism saw a 'turn to organising' on things like legislation, as opposed to oppositional bargaining. As a consequence, most unions have separated these functions within the union structures, which has led to problems in being able to secure bargaining outcomes as a result of investing in organising activity. [43]

The 'end' of this 'new unionism', meaning less of an emphasis on partnership, came about with the election in 2002-2003 of the so called 'awkward squad' of anti-Blairite trade union leaders. These included Bob Crow of the RMT, Mark Serwotka of the PCS, Jeremy Dear of the NUJ and Mick Rix of Aslef.

However, since 2006, there has been what some have called a 'fascinating pragmatism',[44] with unions that continue to work in the partnership model 'doing well' (according to advocates of new unionism that is), due to 'the informal consultative processes and levels of trust that are engendered'.[45] These less formal methods of partnership have led to what some see as success stories of union organising. For example, the meaning of 'partnership' in practice is amply illustrated by the complicity of the shop workers union USDAW with Tesco managerial practices. In a position of weakness since losing confrontations with Tesco management over the implementation of Sunday trading, USDAW surrendered any pretence of autonomy to the extent that they are unable to negotiate on anything, including pay, for their over 100,000 members who work at Tesco[46] and their local representatives could only talk to management on so called 'staff committees' which have one union rep on them. In 2004 the Confederation of British Industry (CBI) released a report claiming that 15% of all sick days were bogus.[47] This, despite the fact that the workforce in the UK works the longest hours in Europe with often precarious contracts and low pay, especially in retail.[48] In reaction to this report, Tesco proposed cutting sick pay entitlements to certain staff.[49] USDAW's response, in 'partnership' with Tesco, was to endorse a 'trial' period in ten stores where normal contracts were suspended and replaced with new twelve month contracts, including a clause scrapping pay for the first three days of sickness. This has now become standard policy for workers who joined Tesco since 2004. Tesco fully praises the USDAW 'voluntary' partnership.[50]

One of the arguments in favour of new unionism was the slight increase in union membership between 1997 and 2003. However, the USDAW case highlights that there may be an initially higher uptake of members, but where work is precarious and turnover in the workplace high, many members leave after becoming disillusioned with the union due to their lack of collective bargaining, which further weakens the union.[51]

Another way in which unionism has changed is in terms of working with other social movements, and moving towards different methods, which leads to 'social movement unionism' and 'community unionism'. Social movement unionism is a strategy directed at recognising, organising and mobilising all

types of workers and unions, not just trade unions, for engagements in different arenas of struggle. It has been developed in order to respond to new work arrangements where employee-employer relationships do not exist or are not clear. Social movement unionism is not just focused on wage-earners, but all workers. It attempts to integrate workers, trade unions and the labour movement into broader coalitions for social and economic justice, and it attempts to operate on an international level.[52]

Community unionism is the array of ways in which unions work with community organisations over issues of common importance, where unions seek to 'reach out' to the community.[53] Some examples are the campus living wage campaigns involving unions and activists from other groups and the coalition made between Reclaim the Streets and the Liverpool Dockers during their 1990s strike.[54] There are three interpretations of community unionism, depending on how 'community' is defined: community as organisation, as identity or interest and place.[55]

These types of unionism involve developing formal and informal links between groups and implicitly accept a more radical view of the role unions can play in social change, with activity focused far beyond immediate improvements to workers' terms and conditions.[56] These methods are not yet widespread in the UK, but when unions have worked with other organisations, such as the European Social Forum, they have been able to do some useful work. The traditional organisational structures of unions, combined with more grassroots movements, are crucial to resisting privatisation, but creating effective alliances remains a massive challenge.[57] Community unionism is an essential complement to existing workplace union organisation. Community unionism can include activities such as co-ordinating a consumer campaign against a particular firm or lobbying for a living wage.[58] There are two different models of community unionism developing in the UK, with some traditional unions becoming community unions as a route out of the union crisis, such as the Iron and Steel Trades Confederation (ISTC), which now focuses on organising across industrial communities rather than in specific workplaces only. The second model involves multi-union trades councils employing organisers and engaging in community unionism that way, by supporting local unions and liaising with local organisations, such as the Battersea and Wandsworth Trades Union Council (BWTUC).[59] This geographical approach has reached many people who would otherwise not have been involved in union activity.

On another promising note, there are still many union activists and unions, such as the CWU, RMT and IWW, that focus on worker self-organisation and coercive power and are not interested in 'partnerships'. For example, the RMT under Bob Crow is the embodiment of old style collective bargaining gaining victories, such as the staggering 44.7% two-year pay rise for 900 North Sea divers won in December 2006 after 10 days of strike action.[60] The rail industry, despite privatisation, has seen wages steadily increase for most staff.[61] The result of a firm approach to the sort of 'external' collective bargaining that the new unionism declares bankrupt has been, for the RMT at least, the spur to a phenomenal growth in membership: from 57000 in 2002 to over 80,000 in 2008.[62] The RMT is not without its critics, however, with the IWW opposing its grades system, whereby some rail workers do better out of the union than others. The IWW aims for all workers to be equally represented by one big union, with all 'grades', or all workers in all workplaces, sharing a common organisational identity.[63] The union, together with other organisations, recently won wages which were due to a temp worker in Bristol via the agency Office Angels which refused to recognise the work he had done.[64]

Conclusion: how to move forward regarding union engagement with corporations?

Union activity that remains restricted to national and workplace level organising will not be enough to change the balance of power relations between corporations and workers, as huge business transactions on an international scale will continue to catch unions unprepared.[65] trade unionism that follows a business model, subordinating internal democracy and external militancy, to the achievement of goals, or 'business unionism' [66] must be resisted. There is a dialectical connection between the restructuring of industries and the behaviour of labour organisations, which requires the establishment of international bargaining processes on wages, conditions of work and so on. Social movement unionism seems to be the most promising method for achieving this and it requires community unionism to take place at a local level.

For community unionism to flourish, it is essential that multi-union local trade union bodies are set up or revitalised.[67] The development of community unionism will be slow and multifaceted and is difficult to research. In general, and unsurprisingly, there is little research into what makes unions effective in the eyes of employees.[68] Critical reflection on capitalist restructuring and official labour politics is the first step, and it would be useful to evaluate strategies since 1997

References

- [1] James Achur, 'Trade Union Membership 2010', Department for Business, Innovation and Skills, April 2011 (<http://stats.bis.gov.uk/UKSA/tu/TUM2010.pdf>)
- [2] <http://www.civilservant.org.uk/numbers.pdf>
- [3] <http://www.counterfire.org/index.php/articles/163-resisting-austerity/12393-trade-union-membership-and-the-working-class-today/>
- [4] Forth, J. and Bryson, A., 'Trade union membership and influence 1999-2009', Presentation to Department for Business Innovation and Skills, June 2010
- [5] Chris Wrigley, 'Labour and Trade Unions in Great Britain 1880 – 1939', *ReFresh no.13*, Autumn 1991 (<http://www.ehs.org.uk/ehs/refresh/assets/Wrigley13a.pdf>)
- [6] Peter Hall-Jones and Dr Conor Cradden, 'The UK New Unionism Project' on www.newunionism.net
- [7] Dr Jane Holgate and Dr Melanie Simms, 'Organising under New Labour: Evaluating Union Renewal Initiatives since 1997', forthcoming book chapter, paper from the BUIRA (British Universities Industrial Relations Association) 2010 60th Anniversary conference at Manchester Metropolitan University. (http://www2.warwick.ac.uk/fac/soc/wbs/research/irru/publications/recentconf/ms_buira2010.pdf)
- [8] See [4]
- [9] Charles Heckscher, 'Participatory Unionism', *Labor Studies Journal*, Vol. 25 Issue 4, Winter 2001
- [10] Christian Zeller, 'Rescaling power relations between trade unions and corporate management in a globalising pharmaceutical industry: the case of the acquisition of Boehringer Mannheim by Hoffman - La Roche', *Environment and Planning A* 2000, Volume 32, 1999 (<http://www.sbg.ac.at/gew/Zeller/Art8.pdf>)
- [11] Keith Middlemas, *Politics in Industrial Society: The Experience of the British System since 1911*, 1979
- [12] See [5]
- [13] Godwin Erapi, 'Privatisation, trade union strength and bargaining power in Nigeria's finance and petroleum sectors', *Industrial Relations Journal*, Volume 42, Issue 1, January 2011 (<http://onlinelibrary.wiley.com/doi/10.1111/j.1468-2338.2010.00597.x/abstract>)
- [14] Andreas Bieler, 'Co-option or resistance? Trade unions and neoliberal restructuring in Europe', *Capital & Class*, vol. 31 no. 3 111-124, Autumn 2007
- [15] Brown, W. and Nash, D., 'Collective bargaining under New Labour', *Industrial Relations Journal*, 39:2, 2008
- [16] See [7]
- [17] Jane Wills, 'Community unionism and trade union renewal in the UK: moving beyond the fragments at last?', *Transactions of the Institute of British Geographers*, Volume 26, Issue 4, December 2001
- [18] See [7]
- [19] See [17]
- [20] Anna Pollert, 'Spheres of collectivism: Group action and perspectives on trade unions among the low-paid unorganized with problems at work', *Capital & Class*, vol. 34 no. 1 115-125, February 2010
- [21] Fighting Back with Social Movement Unionism: A Handbook for APL Activists, by the Alliance of Progressive Labour in the Philippines. (<http://www.apl.org.ph/APLPrimer/PrimerIndex.htm>)
- [22] See [17]
- [23] See [13]
- [24] See [7]
- [25] French, JPRJ and Raven, B. 'The bases of social power' in Cartwright, D. and Zander, A. (eds.) *Group dynamics New York*: Harper and Row, 1960
- [26] See [7]
- [27] See [5]
- [28] <http://www.bola.biz/unions/walton.html> [abcde]
- [29] See [3]
- [30] See [20]
- [31] See [20]
- [32] See [7]
- [33] Brown, W. and Nash, D. 'Collective bargaining under New Labour', *Industrial Relations*

to see what methods have been effective at extending membership and influence into new areas of the workforce,[69] especially outside more traditional workplaces. It is also essential to examine processes of informal workplace collectivity and the reasons why many workers who say they want to be in a union, or involved in organised workplace activity, do not actually get involved with an established union or take other action at work.[70] In addition, unions can learn from the collective actions of non-unionised workers that do take place and it is promising that detailed research has shown that collective labour does develop collective identity, even without institutions of collective organisation[71].

The introduction of the Employment Relations Act in 2000, has meant an improved legal environment for unions, but it undermines the need to make connections beyond the workplace.[72] The UK is behind other countries, such as the US and Australia, when it comes to developing strategies of community unionism. It is essential that community unionism doesn't just become a new chapter of 'partnership' and so called legitimacy in the history of union activity.

- Journal*, 39:2, 2008 and Moore, S. and Bewley, H. 'The content of new voluntary trade union recognition agreements 1998-2002: Report of preliminary findings' *Employment Relations Research Series No 26*. Department of Trade and Industry: London, 2004
- [34] See [7]
- [35] See [13]
- [36] Andy Mathers and Martin Upchurch, Social Movement Theory and Trade Union Organising (www.mdx.ac.uk/Assets/SMTOrganisingAM.doc) and Mathers, Taylor and Upchurch, *The crisis of social democratic trade unionism in Western Europe: the search for the alternatives*, 2009, Ashgate Publishing Ltd.
- [37] C. Crouch, *Trade Unions: the Logic of Collective Action*. Glasgow: Fontana, 1982
- [38] See [6]
- [39] Peter Boxall and Peter Haynes, 'Strategy and Trade Union Effectiveness in a Neo-liberal Environment', *British Journal of Industrial Relations*, Volume 35, Issue 4, December 1997
- [40] Dr Conor Cradden, 'The New Unionism: A social dialogue initiated for the New Unionism Network', on www.newunionism.net
- [41] Ibid.
- [42] Ibid.
- [43] See [7]
- [44] See [6]
- [45] See [6]
- [46] <http://www.retail-week.com/usdaw-clocks-up-membership-of-100000-at-tesco/1730410.article>
- [47] <http://www.cbi.org.uk/ndbs/press.nsf/0363c1f07c6ca12a8025671c00381cc7/adf84b84fc57c8e80256e77003b1790?OpenDocument>
- [48] <http://www.tuc.org.uk/workplace/index.cfm?mins=315&minors=302&majorsubjectid=2>
- [49] Sarah Ryle, 'Tesco axes sick pay to reduce 'days off' cheats', *The Guardian*, 16th May 2004 (http://observer.guardian.co.uk/uk_news/story/0,6903,1217900,00.html)
- [50] <http://www.tesco.com/talkingtesco/listening/?page=article3>
- [51] http://usdaw.aptsolutions.net/getactive/network_journal/04/MembershipLevels.html
- [52] See [21]
- [53] <http://www.communityunionism.org/nucleus>
- [54] Anna Pollert, Varieties of collectivism among Britain's low-paid unorganised workers with problems at work, 2009 (www2.uwe.ac.uk/faculties/BBS/BUS/Research/CESR/CESRWP13.pdf)
- [55] Amanda Tattersall, Power in Coalition: Strategies for strong unions and social change, Allen & Unwin, September 2010
- [56] See [14]
- [57] See [17]
- [58] Ibid.
- [59] Ibid.
- [60] http://www.theunderwatercentre.co.uk/news/newsitem_1746.asp
- [61] http://www.mysalary.co.uk/average-salary/Train_Conductor_11394
- [62] <http://www.rmt.org.uk/Templates/Internal.asp?NodeID=105008&int1stParentNodeID=89732>
- [63] <http://www.org.uk/about/introduction>
- [64] <http://bristol.indymedia.org/article/704499>
- [65] See [10]
- [66] See [9]
- [67] See [17]
- [68] See [6]
- [69] See [7]
- [70] See [54]
- [71] Ibid.
- [72] See [17]



Remote control: corporations and their public image

The public face that corporations reveal to the public is carefully controlled. This includes almost all their activities, from how much of a particular product a company sells to the amount of public dissent a company may experience. This careful crafting of corporations' public image, determines how effective engaging with corporations on social and environmental justice issues can be.

When grassroots campaigners or NGOs enter into negotiations with large corporations, the corporate employees they meet or discuss issues with are often not the decision makers themselves but corporate social responsibility (CSR) staff, whose job is to present a particular image of a company caring about and striving to deal with public concerns. The messages put across by these employees are carefully crafted and tweaked by their public relations (PR) specialists.

The job of corporate CSR and PR departments is to manage their companies' reputation and ensure that they maintain their 'social license to operate', i.e. that the public do not become so dissatisfied with these companies that they may start to organise effective resistance against them. This article takes a brief look at the methods employed by corporations to shape their public image.

PR — When it comes to managing their public face, corporations' first recourse is to public relations, which has become a multi-billion dollar industry that dominates mainstream media and politics. Corporate public relations may be overt, aimed at persuading the public to buy, for instance, this hamburger or that pair of trainers. However, PR messages are often hidden, insidious and covert, blending seamlessly into the media. Commercial PR is presented to us as news and commentary, as journalism, as science and scholarship, as expert advice and public opinion, readers' letters, opinion polls and consumer surveys. The public images of corporations, governments and high-profile individuals are repaired, protected and enhanced; products are sold and political messages advanced, without the true nature of the communication being clear to its audience. According to PR insider Julia Hobsbawm, somewhere between 50 and 80 per cent of the stories in the news media are sourced from or are directly influenced by public relations practitioners.[1]

For more on the public relations industry, see Corporate Watch's report *All the Rest is Advertising: The Public Relations Industry and the Decline of Trust*, available at <http://corporatewatch.org/download.php?id=108>.

CSR — Corporate social responsibility is defined as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis." [2] In other words, CSR is the practice of managing the social, environmental and economic impacts of corporate activities. CSR tactics may include the following:

Corporate philanthropy — Donating to charities is a simple and reputation-enhancing way for companies to improve their public image, and is

often used to control and channel dissent.

Corporations may use charitable giving simply as a way to look good, for example McDonalds support for children's charities. However, corporate giving often serves as the velvet glove of state repression against social justice movements. Through thinly disguised programmes and schemes, it utilises grassroots movements' need for money to channel their energy into projects that pose no serious threat to the status quo.[3] For more info on corporate philanthropy see <http://corporate-rule.co.uk/drupal/philanthropy>.

Cause-related marketing — This is the practice of associating a company's logo with a charity or campaign in order to associate the company's brand with the positive effects of the charitable programme. For example, Tesco's 'Computers for Schools' promotion.

Sponsorship — Corporations also attempt to promote and improve their image by sponsoring highly visible public events. For example, BP's sponsorship of the National Portrait Award or Veolia's sponsorship of the Wildlife Photographer of the Year award.

Codes of Conduct and Social and

Environmental Reporting — Corporations often publicly state their 'values' through voluntary codes of conduct and reports documenting in-house monitoring of corporate social and environmental performance. The real aim of such reporting is to avoid serious, independent monitoring and regulation.

Community investment — Corporations often develop community projects to offset the negative effects of their business. These investment initiatives may range from sponsoring the local school fete and running volunteer schemes to PFI schemes to build social housing and other public facilities in the area.

Stakeholder engagement — Corporations often engage in 'dialogues' with those who they consider 'stakeholders', i.e. consumers, people affected by the projects and so on. These engagements may include:

- Public consultations — These are aimed at persuading the public that a new project would be beneficial to them, for example chopping down woodland to build a supermarket. These consultations are usually run by public authorities hand in hand with the corporation(s) involved with the project.

- Consumer engagement — this is used to ease the introduction of a new consumer product or technology, especially when it is controversial, such as GM food or nanotechnology.[4]

- **NGO dialogue** — 'Dialogue' has become the key way in which NGOs interact with companies. NGOs have been flattered into thinking that a word in the right ear will alter destructive corporate practices. However, NGO dialogue is an issue management strategy by corporations. Through such dialogue, companies are able to fight pressure groups and manipulate the debate, gain intelligence and assess the possible threat posed by public dissent, and delay action through false dialogue.[5]

For more on the CSR industry, see Corporate Watch's report, *What's Wrong with Corporate Social Responsibility*, available at <http://www.corporatewatch.org.uk/download.php?id=55>.

Thus, the question remains: Can corporate engagement with the public or grassroots campaigns and NGOs ever get us anywhere? The answer depends on many factors, including who initiates and controls the engagement process, how it is conducted and with whom, and what the expected outcome is. However, it is important to remember that corporations – which are, by definition, driven solely by the motive to maximise profits – will only engage with the public if they are sure this process will protect or enhance their business.

References

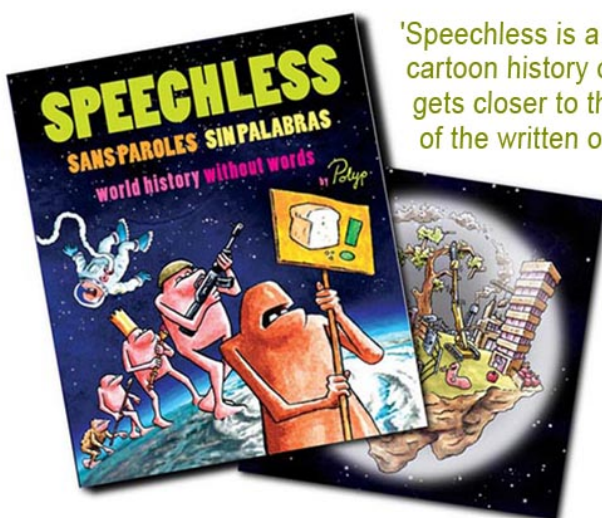
- [1] Centre for Economics and Business Research, 'PR Today: 48,000 Professionals; £6.5 Billion Turnover', November 2005. p.14.
- [2] European Commission Green Paper 'Promoting a European Framework for Corporate Social Responsibility'. 18 July 2000.
- [3] For more on corporate philanthropy, see <http://corporate-rule.co.uk/drupal/philanthropy>.
- [4] For more on this, see Beth Lawrence's article on 'upstream engagement' in this issue.
- [5] For more on this, see Peter Jacobs's article on corporate engagement with NGOs in this issue.



'ETHICAL POLICY'

Speechless The Book

A unique wordless visual history of the World from radical political cartoonist Polyp.



'Speechless is a witty, passionate, cartoon history of the world which gets closer to the truth than most of the written ones.'

Rob Newman

Speechless is a never-previously-attempted work of cartoon magic, condensing the whole of world history into a graphic and completely wordless narrative.

This is a celebration of human resistance, ingenuity and bravery in the face of war, greed, and environmental pillage. And the full-colour cartoon novel contains a hidden internal book – a further distillation of world history into a penetrating parable.

It is jointly published by Friends of the Earth International and New Internationalist Magazine.

NGO-corporate partnership: Does it challenge business?

This article is an insider's account of a multinational corporation and its 'partnership' with an international non-governmental organisation (NGO). The organisations involved are anonymised. Naming them would be counter-productive to the argument, as our intention is to examine the processes involved in NGO-corporate partnership. It is useful to name the organisations involved in specific case studies where the aim is to target these specific organisations. The focus of this article is on general principles. In addition, the author had agreed with the corporation in question not to reveal its identity.

by **Peter Jacobs**

If you think about how an NGO actually relates to a corporation in a 'partnership', the question immediately arises: how would an NGO matter to a corporation if it could not be present at all times?

First, I will introduce the corporation and the NGO, then I will outline the history and the rationale of their engagement. I will then focus on a variety of instances of how the NGO was present in the everyday workings of the Corporate Social Responsibility (CSR) unit of the corporation. I shall conclude by questioning the usefulness of NGO engagement with corporations.

The players

The corporation in question is a multinational company in the financial services market, employing over 10,000 people and 'serving' tens of thousands of customers in more than 50 countries. In a recent year, its profits were over 7,000 million USD.

The NGO, also multinational, focuses on environmental conservation. Relative to other NGOs, it is as important and powerful as the corporation. It draws resources from a supporting base of several million people in many countries – almost comparable to the number of countries that the corporation operates in.

The game

How did the corporation's and NGO's engagement with each other originally start? Here is the story I was told in a café on a sunny Thursday morning by one of its initiators, a public relations (PR) specialist working for the corporation.

During a 'stakeholder dialogue', the corporation invited a variety of not-for-profit organisations to learn about its internal processes and suggest changes. One of these was our conservation NGO. The corporation had been interested in developing a partnership through which it could establish institutional access to expert knowledge on how to deal with climate change issues. This NGO was preferred over both academic partners, which were perceived as 'not quite so flexible', and consultants, who were part of their economic territory anyway. In contrast, a partnership with the NGO promised access to a part of society that the multinational was less involved with, i.e. green clientèle. At the same time, the conservation organisation was quite a moderate voice compared to other environmental NGOs.

To make this partnership profitable, the corporation was specifically interested in the NGO's understanding of green markets. The NGO would be able to recognise whether the multinational's environmental conduct was scaring consumers off. At the same time, the PR specialist thought of the relationship as providing a source of perspective for his employer: to see the corporation through the eyes of the NGO. In this sense, the partnership established an early warning system on reputational risks with respect to the green image of the corporation.

The engagement process took, and takes, form through meetings, phone calls, workshops, letters of intent, memorandums, commonly commissioned

“

if you are interested in actual material changes then you need to consider how your engagement affects corporate processes in your physical absence...

”

studies, shiny brochures and the transfer of millions of dollars into the NGO's accounts (the NGO received a contracted amount of 'donations' from the corporation). Additionally, the corporation was to 'green itself' and lobby for the 'greening' of public policies that governed several industrial sectors. These political aims were in line with the NGO's own aims. Thus, through the partnership, the NGO would enlist the power of the corporation to some degree to fight for its political agenda, at least in theory. I cannot report on the effectiveness of this grand idea of political lobbying. I can, however, outline how this specific partnership manifested itself in everyday corporate greening activity. Here are three examples:

On the wall: In several of the corporation's offices, a calendar produced by the NGO was put up on the wall. It was a widespread practice within the company to have calendars on the walls; a useful instrument to manage time. Time is a key coordinating dimension for many corporate practices. Even though most date coordination is nowadays done through Microsoft Outlook or a

Blackberry phone, it can still be convenient to have a large calendar on the wall to see a whole year at a glance. The NGO's calendar, however, showed single months only. About 90% of the calendar's space was used to show a beautiful natural picture, for example a gorilla. The NGO's logo accompanied the little date row. What can be made of this? While calendars may be a useful object in corporate offices, the NGO one was not quite so apt as a time coordinating device. Rather, it more of an indication, to both visitors and workers, that there was some sort of partnership between the corporation and the NGO.

Explaining the corporation's Environmental Management System: An Environmental Management System (EMS) is a concept used to refer to an organisational scheme that is

Making decisions about an environmental accounting algorithm: A third way in which the NGO was present within the corporation can be found in the instance of a meeting in which environmental

accountants discussed, and had to decide, how to shape an algorithm that was used to reflect the corporation's environmental impact. The environmental impact of any operation, like producing a leaflet, flying

from London to Manchester or building a bridge may be represented quantitatively. However, these quantities are not objective; they are generated in specific social and political contexts. For instance, the order and type of steps used to produce algorithms have to be defined by humans, which means qualitative and inherently political decisions are always involved.

The NGO portrays itself as actively changing business yet it has to censor itself from publicly challenging its 'corporate partner'...



supposed to help the company to continuously green itself. Our corporation had such a scheme. The head of the EMS explained to me that the NGO had asked the company to organise its greening practices in such a way that an external auditor would be able to verify its EMS. What does this imply? The NGO is rendered as a legitimising resource by invoking its claims. For some corporate actors who had similar relationships with NGOs, the partnership allowed the companies to argue, as in this case, that their greening practices were of a high standard (how effective such standards are is another story). The NGO partnership can also be used rhetorically by some workers to argue for spending more money on greening exercises, like an EMS, and, through that, fighting other employees who do not want to spend resources on 'greening'.

In our example, several alternative algorithms were available. The corporate actors decided to involve further actors to legitimise the choice of one option that served the interests of the company. Besides the financial accountants and a global auditing firm, they also considered involving the NGO. However, this was immediately ruled out. What does this tell us? Involving the NGO can provide legitimacy, and this may be politically useful. However, it can also be a risk. After all, the corporation had to ensure that the NGO did not learn more than necessary about a number of management choices, which were better left in the dark.

Conclusions

These instances clearly show that an NGO may be present within a corporation in a variety of ways. An overall evaluation

of whether it is useful to support such partnerships depends on your political ideas and how they relate to these kinds of engagements. If you believe in changing society through ideas, then you might be satisfied with spreading symbols into the offices and work places of a corporation. However, if you are more interested in actual material changes of corporate practices, then you need to consider how your engagement affects corporate processes in your physical absence: how will corporate actors use the engagement as a resource for their own benefit? In the absence of immediate control over how the engagement influences corporate practices, employees may exercise their power over how to inform and include the partner NGO.

My observations on how the NGO was present within the everyday operations of the corporation suggest that engaging with the company did not fundamentally challenge its operations. First, the NGO provided the resource for rendering the offices' atmosphere greener. Second, the NGO was used internally as a resource to legitimise those strategies, which some of the managers were following anyway. Third, the NGO was excluded from influencing the substantive decisions, e.g. those about accounting and finances. At the same time, the 'partnership' repositioned the NGO closer to the corporation: As the official partner, the NGO was not to publicly criticise the corporation and has, thus, lost its critical potential.

How are we to link these observations and conclusions to the politics of engaging with corporations in general? One obvious thing is that the partnership is about money in three ways. Firstly, corporations pay their NGO partners to be allowed to use their labels. This promises higher profits for the corporations, which allows them to continue their profit-driven enterprises, i.e. competing with other corporations where those with the most 'efficient' means of exploiting people and the environment dominate the market and generate more profits.

Secondly, the NGO is able to present itself to its 'customers',

i.e. to the masses who provide donations, as being a recognised actor playing on a level playing field with powerful businesses, which promises effectiveness: NGOs engaging in partnerships want to be perceived as being able to influence corporations' practices and politics. If people actually follow the route laid out by those participating in such partnerships, they will provide financial support to these NGOs because the latter can be understood as working on real-world issues, i.e. those phenomena that are construed by advertisement and mainstream media as 'our' problems that 'we all' face. The partnership is even more successful if people start to consume the products and services of the corporation.

Thirdly, if certain businesses are declared by politicians, bankers and other actors as 'green' or 'socially responsible', then they may increase profits. A 'green' corporation is more likely to attract ethical investments; a 'socially responsible' corporation is more likely to win bids in this environmentally conscious age. Through such partnerships, corporations gain a green or ethical image, whether or not this is reflected by their actual business. This is known as greenwash.

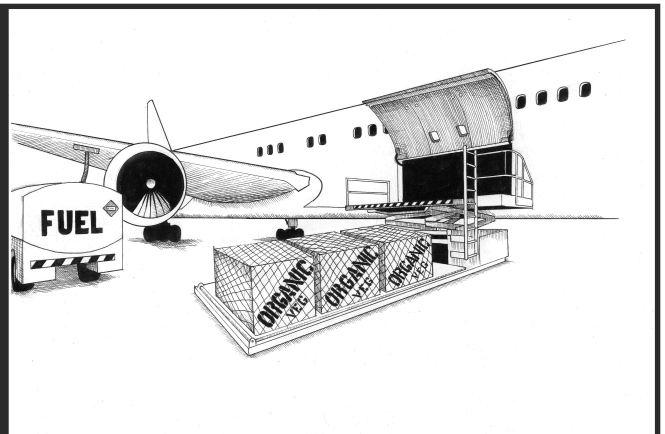
An NGO seeking to influence the inner workings of a corporation has to invest a lot of time and energy to learn and be part of corporate reality. By doing this, however, the NGO is effectively turning into another service provider for the corporation. At the same time, there is little evidence that this 'investment' in the corporation has any direct influence on the corporation's destructive practices. The results of the engagement process are largely symbolic: the corporation receives a 'green' or 'socially responsible' licence; the NGO portrays or thinks of itself as actively changing business, yet it has to censor itself from publicly challenging its corporate 'partner'. It could be argued that this, in turn, may weaken or hinder more radical interventions by others. Activists should, therefore, challenge such partnerships and show those buying in to them the real effects of these engagements and what kind of ecological, social and political changes they preclude.

New Corporate Watch briefing: **Corporate Organics**

"Food system sustainability needs to be seen as much more than a set of ecological standards easily met by discerning consumers: it is a fundamentally political project with obligatory cultural, social and ideological dimensions."

There has been a massive surge in the popularity of organic food in the last two decades. With this, the organic industry has been transformed from marginal and niche to mainstream, with organic products standing side by side with conventional versions on most supermarket shelves. The meaning of 'organic' has itself changed correspondingly. For many consumers, organic has become simply a more expensive option, a price premium justified for the sake of a 'purer' vegetable or piece of meat, untouched by chemical pesticides, preservatives or antibiotics. But this is far from the founding principles of organic farming. The organic belief system encompasses a range of issues designed to create an alternative way of producing and consuming food that benefits not only the environment and human health, but encourages a deeper understanding of the social and ethical aspects of food production. Had organic beliefs hit the mainstream in their purest form, the foundation for an ethical food revolution may have been set – the fact that they were instead watered down was a result of the corporate co-option of the organic movement.

View the briefing online at www.corporatewatch.org





Green is the Colour of Money

Robert Palgrave of BioFuelWatch explores how a green entrepreneur proved that it's who you know and what you say, not what you do, that counts when green money is at stake.

Blue NG is the creation of Andrew Mercer, an ex-software industry entrepreneur. Around 2007, Mercer persuaded National Grid to form Blue NG as a joint venture with his own company, 2OC. Blue NG's 'mission' was to build renewable electricity power stations across the UK, located on gasworks sites owned by National Grid. 2OC is also a renewable energy company that claims to be able to make use of the energy lost when natural gas piped from North Sea is reduced in pressure before it is supplied to homes and businesses.

Blue NG combined the 2OC 'geo-pressure' idea with burning biofuels in diesel engines to make what they claimed would be the world's most efficient renewable electricity system. Press stories hyped up the potential. Blue NG told *The Times* that it could build up to 1000 of these power stations around the UK, and the emissions saved would be the equivalent of making the entire NHS zero-carbon.

Another Andrew Mercer creation, a club for 'entrepreneurs with conscience' called Footdown, entertained very senior figures from Greenpeace, Friends of the Earth, The Climate Group and Jonathon Porritt at a soiree in Bath in April 2007, fronted by Midge Ure of BandAid fame. Details

of the discussions they had are not public but it is almost certain that the Blue NG renewable electricity scheme was a key topic for the evening.

In 2008, Blue NG lobbied government and the large environmental NGOs to support its so-called renewable energy concept and was successful in persuading officials and politicians that it should be eligible for generous subsidies under the Renewable Obligation scheme.

Then came the planning applications; first in Beckton in the London Borough of Newham. Councillors there, and members at the higher authority – London Thames Gateway Development Corporation – granted planning permission in the face of minor levels of objections about biofuel usage from dedicated agrofuel campaigners. Blue NG produced approving letters from John Sauven at Greenpeace, and from Jonathon Porritt, saying that geo-pressure was an innovative response to climate change and the use of biofuels to generate electricity in efficient engines was also welcomed. Another letter from Friends of the Earth was equivocal on the use of biofuels but was quoted selectively by Blue NG throughout the planning application. It was published on the Blue NG website along with the other endorsements from 'names' in the environmental movement. Councillors were more impressed by these high-level endorsements from 'names' than by reasoned and evidence-based objection from campaigners

who had researched the issue properly.

Blue NG's second planning application in Southall was opposed more effectively and was eventually refused, after an appeal, because of the air pollution it would produce. Following a lot of pressure from agrofuels campaigners, Greenpeace declined to support this second application but did not oppose it either. Friends of the Earth told Blue NG to stop using the earlier endorsement.

The key issue for agrofuels campaigners is the use of biofuels on an industrial scale.

Blue NG had initially said it would use a range of different biofuels in its power stations, including palm oil, which, at the time, was just beginning to be recognised outside the environmental movement as a cause of deforestation and habitat destruction in south-east Asia and South America.

“

When it comes to making green money it seems the old methods are still favoured; wine and dine, make non binding promises and trump informed criticism with endorsements from 'names'

”

After agrofuels campaigners challenged the sense of a climate change solution that would burn palm oil and cause deforestation, Blue NG announced that it would be working to a 'sustainable fuel sourcing policy' to be developed with help from Greenpeace. The fuel sourcing policy evolved and ended up with the implausible promise that all fuel would be UK-grown rapeseed oil obtained from farms within 50 miles of each power station, and that contracts had already been signed with farmers. Blue NG even claimed that it was willing to accept 'green handcuffs' as conditions attached to planning permission that would allow local councils to shut them down if they used the wrong fuel - a power that councils do not have.

The second Entrepreneurs with Conscience meeting at The Royal Society in March 2009, titled 'Green is the Colour of Money', saw Blue NG again entertain Greenpeace and Jonathon Porritt, joined this time by Vince Cable MP, who was canvassed, on leaving the event, by agrofuels campaigners and told them he had no idea Blue NG was involved in burning biofuels. The account of the meeting suggests he was present throughout and even gave an impromptu speech. It's hard to believe that biofuels were not mentioned.

Nearly three years on from submitting its planning application for Beckton, Blue NG has not produced a single unit of 'renewable energy'. It has not even started building work at Beckton and has had to

dissolve the joint venture with National Grid because of EU rules on separation of functions in the electricity market. At least Blue NG has not burned a drop of biofuel, nor has 2OC prospered. In the six years since then, it has also failed to build a single 'geo-pressure' system, although last year it managed to convince a US business school that it was worthy of inclusion in a list of green businesses to admire.

When it comes to making green money, it seems the old methods are still favoured: wine and dine a few top people with influence to secure public subsidies and planning permission; make non-binding promises about how you will operate; and trump well-intentioned, informed criticism from 'campaigners with conscience' with endorsements from green brand names.





Corporate engagement at Hopenhagen

By Hannah Schling

Corporations have multiple strategies for dealing with criticism from grassroots campaigns. In the age of PR, one of them is epitomised by 'Hopenhagen':

"Hopenhagen is a movement, a moment and a chance at a new beginning...It is the hope that we can create a global community that will lead our leaders into making the right decisions. The promise that by solving our environmental crisis, we can solve our economic crisis at the same time. Hopenhagen is change – and that change will be powered by all of us." [1]

On the surface, the 'Hopenhagen' project aimed to gain signatures for the UN's 'climate change petition'. Peel back a layer, and we reveal that behind this appropriated language of 'movements' and 'justice' sit cleverly self-promoted PR companies, and environmentally damaging corporations. Created by a string of large PR companies at the behest of Ban Ki-moon, Secretary General of the United Nations, the Hopenhagen project reveals the close relationships built by big business with the UN COP process – which has in the past 16 years served it well. Hopenhagen served as a corporate tactic to avoid regulatory limits to business, sideline the legitimate and effective challenge that real social movements pose to them, and attempt to avoid disillusionment with, and the surfacing of valid critiques of, the UN process.

It is an example of what can happen when corporations take it upon themselves to 'engage' with us.

Walking the streets of Copenhagen during December 2009, it was impossible to avoid the Hopenhagen project: from adverts plastered across billboards, to the 'Hopenhagen square' complete with giant TV screen and an inflatable globe. Corporations were now participants in street mobilisations, under the strap-line "Turning Copenhagen into Hopengahen". Alongside this advertising take-over was the Hopenhagen take-over of the virtual world. Its website boasted a petition signed by 6,172,820 people across the world, and offered 'citizens' the chance to 'spread hope' by getting a Facebook 'Hopenhagen passport' in which to collect virtual stamps, or by buying a Hopenhagen t-shirt. With these acts, 'citizens of Hopenhagen' would supposedly be able to 'lead the leaders' into ensuring a "future of prosperity, health and progress" at Copenhagen.[2]

But towards what objectives was this resource-intensive 'campaign' deployed? In the true spirit of

corporate 'engagement' with the public, Hopenhagen was the project of PR and advertising companies – those most skilled in the arts of discourse-management, agenda setting, and desire manipulation. Hopenhagen was launched by the International Advertising Agency, and led by Ogilvy, one of the world's largest PR and advertising companies, and their subsidiaries Ogilvy Earth, Ogilvy PR and Mannov (part of Ogilvy PR). Other PR, marketing and advertising companies involved included: Ketchum, Colle+McVoy, GroupM, and Havas.[3] Website work was handled by Zazengo, a software company which focuses on helping Fortune 100 companies 'engage' their employees



Anti-Hopenhagen banner drop at COP15

and consumers on sustainability issues. With their time and expertise 'donated' for free, Hopenhagen was not about direct profit making for the individual PR companies involved. Their motivations were more complex.

Ogilvy are pioneers in the world of greenwash. Famous within the world of PR, and infamous amongst campaigners, for their \$200 million re-branding of BP as 'Beyond Petroleum' in 2000,[4] Ogilvy have managed, despite the Deepwater Horizon oil spill, to place themselves as 'experts' on 'avoiding greenwash', asserting that "brands need our greenwash compass more than ever".[5] Their report *From Greenwash to Great*, published April 2010 (just before the Deepwater Horizon well first exploded), gives "best practice" advice to "steer brands through the challenging terrain of sustainability marketing" towards "enhanced reputation, inspired customers and invigorated employees".[6]

To avoid being labelled as 'greenwashers', and therefore the discrediting much of their core

business, Ogilvy align the creation of effective action on climate change with the concept of 'sustainability marketing'. They do so partly by developing the concept of the concerned 'citizen-consumer'. This embeds the idea that change is inevitably driven by businesses, who can only act 'voluntarily' when enough of their customers desire such action, ie avoiding regulation. Therefore, the never ending task of 'engagement' with consumers is required. Which is obviously good for Ogilvy's business.

The Hopenhagen project attempted to show that the concern of 'citizen-consumers' was having a positive affect on one of Ogilvy's top brands: Coca-Cola.

The history of resistance to Coca-Cola is long and varied. Its crimes range from the intimidation and murder of trade unionists in Colombia,[7] to the exacerbation of drought and theft of water from local people in India. Scandal broke at the Coca-Cola bottling plant at Plachimada, in Kerala South India, in 2003 – after protests by local communities who argued that their wells had been run dry and groundwater poisoned by Coca-Cola's activities. Coca-Cola, who need 2.70 litres of water to create one litre of Coke, were draining up to one million litres of water a day from the underground aquifer in Plachimada which kept the wells full.[8] They were also supplying a toxic sludge

by-product from their manufacturing process to farmers as a fertilizer. The sludge was found to contain high levels of cadmium and lead: which, when absorbed by plants and then consumed by people cause cancer and nervous system disorders.[9] Social movement resistance was successful in forcing closure of the Plachimada Coca-Cola factory, gaining a recommendation from the Kerala High Power Committee that Coca-Cola be held liable for US\$ 48 million in damages.[10]

A global boycott movement grew up in solidarity with those at the sharp end of Coca-Cola's activities. However other Coca-Cola factories continue to operate in India, such as at Mehndiganj near Varanasi, where social movements are also working to resist them.[11] Coca-Cola continues to consume 300bn litres of water a year.

Whilst at the height of the Plachimada campaign Coca-Cola India's vice-president, Sunil Gupta, claimed that a minority of "extremist protesters" were targeting the company.[12] By the time of the Hopenhagen campaign, the company's PR response to such resistance and criticism had changed remarkably. Now the company were facing the issues head on, sponsoring 'awareness raising' by WWF[13] and speaking as 'experts' on 'water sustainability' at industry and NGO side events. For example, Coca-Cola's CEO Muhtar Kent was a key dignitary (and one of the few Fortune 500 CEOs at COP15), speaking alongside Oxfam at the World Business Council on Sustainable Development's major side event,[14] or the Yale University, World Environment Centre and TERI conference on water, at which Coca-Cola's Vice President of Environment and Water resources, Mr Jeff Seabright highlighted "the urgent need for corporate action in addressing water challenges..."[15] The Hopenhagen campaign ensured that Coca-Cola adverts were plastered around the city of Copenhagen, and the company used the conference as an opportunity to launch their new 'plant-based' recyclable bottles.[16]

COP15 was both a crucial lobbying opportunity for Coca-Cola, and, thanks to the Hopenhagen campaign, a glorious advertising platform for their brand and their particular framing of the global problem of water shortage. In 2007, at the same time as 'partnering' with WWF[17] on their water campaign, Coca-Cola announced its aims to go 'water neutral': which appears to entail a mix of water efficiency and offsetting. Whilst its performance at Hopenhagen would not give this impression, Coca-Cola has been failing in the first method. With improved efficiency in water use (by 2009 they were using 2.36 litres for 1 litre of Coca-Cola)[18] countered by the fact that it is producing more each year. Coca-Cola's water consumption has been rising since 2005. The second, appears to be paid for already with the £15m Coca-Cola donated to WWF's rivers campaign – a campaign which focuses on conserving seven of the world's major rivers, but does nothing much for India's rural farmers facing draught as a result of Coca-Cola's activities.[19]

Coca-Cola is able to present itself as a responsible company, tackling a global problem which matters to its customers. The problem is presented as one much larger than the company, with attention shifted away from both the specific sites of conflict where the company operates, and the fact that the company's core business is fundamentally unsustainable in a

water constrained world. In working with Coca-Cola as a 'conservation partner', WWF facilitates Coca-Cola's use of the issue of water scarcity as brand enhancement.

For PR companies such as Ogilvy, who see great business opportunities in a 'green-aware', consumer-citizen market, Hopenhagen was part of a long-term strategy aimed at both cultivating such a

environmentally conscious market for the brands it works on, whilst limiting its radicalism by maintaining its consumer focus. Hopenhagen also won the PR company a tonne of industry awards.

The case of 'Hopenhagen' illustrates how the triad of Corporation – PR Company – and NGO operates to create and then 'engage' with the 'citizen-consumer' in the wake of effective global critiques and boycott movements.

References

- [1] <http://www.hopenhagen.org/mission>
- [2] <http://www.hopenhagen.org/spreadHope>
- [3] <http://www.havas.com/havas-dyn/en/introduction-clients.clients.html>
- [4] http://www.sourcewatch.org/index.php?title=BP#BP.27s_Greenwashing_and_Recent_Rebranding
- [5] http://blogs.ogilvy.com/blogs/web/29811/OgilvyEarth/Blog?Dispblogs_entryId=95006&Dispblogs_struts_action=%2Fext%2Fui%2Fview_blogs&p_p_col_count=1&p_p_col_id=column-1&p_p_id=Dispblogs&p_p_lifecycle=1&p_p_mode=view&p_p_state=normal
- [6] <http://blogs.hbr.org/winston/2010/04/avoiding-greenwash-and-its-dan.html>
- [7] <http://colombiajournal.org/colombia73.htm>
- [8] <http://www.guardian.co.uk/environment/2003/jul/25/water.india>, <http://www.countercurrents.org/zacune040406.htm>
- [9] <http://www.guardian.co.uk/environment/2003/jul/25/water.india>, http://www.polarisinstitute.org/tribute_to_water_warrior
- [10] <http://www.countercurrents.org/ir240211.htm>
- [11] <http://www.countercurrents.org/Coca-Cola220511.pdf>
- [12] <http://www.guardian.co.uk/environment/2003/jul/25/water.india>
- [13] http://wwf.panda.org/what_we_do/where_we_work/arctic/news/pastprojects/cop_15/
- [14] <http://www.iisd.ca/climate/cop15/bd/>
- [15] http://www.teriin.org/index.php?option=com_events&task=details&sid=275
- [16] <http://www.ameliasmagazine.com/wp-content/uploads/2010/01/Copenhagen-COP15-12122009-Dec-09-046.JPG>, <http://www.smartplanet.com/blog/business-brains/coca-cola-offers-example-of-focused-sustainability/3913>
- [17] http://wwf.panda.org/what_we_do/how_we_work/businesses/corporate_support/business_partners/cocacola.cfm

The Socially Responsible Investment Campaign at Cambridge University: a critique

By Elly Robson

In June 2011, I was one of four candidates to be elected as Socially Responsible Investment (SRI) Officers for the Cambridge University Student Union. By October 2011 I had resigned. In the intervening time I had extensively researched SRI at Cambridge University and found both the politics and economics underlying the campaign extremely problematic. SRI constitutes a form of ethical investment banking, involving the positive and negative screening of companies upon a series of ethical criteria, such as environmental policy, labour practices and human rights. It involves categorising multinational corporations as 'good' or 'bad' and using shareholder pressure to reform 'bad' corporations, positing a unity of ethical interests and the maximisation of profit; only in extreme cases is outright divestment considered. SRI represents a burgeoning financial market, with £9.5 billion pounds invested in green and ethical retail funds in the UK in 2009, representing a five-fold increase in ten years.[1]

Cambridge University does not have an SRI policy and it is notoriously difficult to force it to open its books; numerous FoI requests have been rejected.[2] However, it is involved in close, mutually profitable relationships with many large corporations; for example, the University has received large quantities of funding from BP which wishes to assert its research agenda and benefit from the 'social license to operate' that association with educational institutions offers them.[3] The BP Institute in Cambridge, established in 2000 with £25 million from BP, focuses on research into underground reservoirs of oil and Carbon Capture and Storage. The relationship between Cambridge University and unethical corporations represents a deeply symbiotic and ethically ambiguous relationship. This reflects tensions within the aims of institution between the pursuit of education and the pursuit of profit; while 'The University's mission is "to contribute to society through the pursuit of education, learning, and research at the highest international levels of excellence". All the resources of the University are ultimately applied for this charitable purpose'.[4] simultaneously 'The primary fiduciary responsibility of the Council... is to maximize the financial return on those resources'.[5] Within the University, the latter is prioritised in order to facilitate the former; no conflict of interests is perceived between the two.[6]

The SRI Campaign has attempted to intervene in this relationship by framing the benefits of SRI in terms of the profit-driven motives of the University. SRI is simultaneously presented as profitable in its own terms, as ethical capitalism expands, and an important risk management strategy to avoid negative publicity and protect the 'brand' of Cambridge University, particularly in light of the large sums of money the University receives from alumni. Engagement with the student body through grassroots action is primarily utilised as a way of applying pressure upon the University to act in accordance with student opinion, and is strongly framed in terms of market logic, with a survey asking respondents if 'in extreme circumstances the university should place ethical considerations above maximising profit'.[7] The desire to appear reasonable within the terms of an institution that has demonstrated no intent to change its practices has resulted in a campaign stalemate.

In light of the increasing ideological justification of

economic necessity in public discourse following the 2008 financial crisis and the coalition government's cuts agenda, ethics based upon market logic can no longer be sustained; investment in green and ethical retail funds fell by £2 billion in 2008. In January 2011, the SRI Campaign responded to the revelation that the University received funding from a number of governmental military and intelligence organisations[8] with the statement that 'While personally we disagree with the University's acceptance of funding from these defence organisations, in the current climate, particularly with the imminent increase of tuition fees, it would be irresponsible of the University to turn down sources of income'.[9] The logic of maximisation of profit within the University, forced to extremes by deep education cuts and tuition fee increases, has implicitly become a supreme value for the SRI Campaign, while ethical arguments have been relegated to the realm of personal opinions. This is symptomatic of the approach of the SRI Campaign from its inception. I left the SRI Campaign because it refuses to and is incapable of critiquing the market-driven ideology of unethical corporations and University investment, which are inherently linked to the root causes of the financial crisis and government cuts; it is therefore incapable of taking effective action against the University or the corporations that it funds.

References

- [1] Experts in Responsible Investment Solutions: <http://www.eiris.org/news/statistics.html>.
- [2] 18 out of 29 Cambridge colleges for which information is available invest in BP, Shell or RBS.
- [3] Platform have considered this in the context of the cultural institutions of London in their 2010 report License to Spill: <http://www.platformlondon.org/carbonweb/showitem.asp?article=381&parent=39>.
- [4] 'Statement of Investment Responsibility: Notice' in *The Cambridge University Reporter*, 20 July 2009.
- [5] Ibid
- [6] Cambridge University is a charity. Under Charities' Law it is obligated to maximise returns, but the Charities' Commission has found ethical investment to be in line with this imperative because the image of a charity in the eyes of its members is seen as fundamental to the accomplishment of its aims.
- [7] *Socially Responsible Investment (SRI) proposal for the University of Cambridge*, February 2009.
- [8] The US Army donated £212,000, Government Communications Headquarters (GCHQ) donated £119,000 and the American Defence Advanced Research Projects Agency (DARPA) donated £67,000.
- [9] 'Black-ops, armies and spies: Cambridge University funding in the spotlight again' in *The Cambridge Student*, 27th January 2011.



Palestine solidarity: hitting corporations where it hurts

By **Michael Deas**, European Coordinator of the Palestinian Boycott Divestment and Sanctions National Committee

Israeli apartheid is big business. Israeli and international arms companies profit not only from supplying the huge Israeli military machine but also by successfully marketing their products, having been used against Palestinians, as 'battle-tested'. Meanwhile, massive state and private funding for the Israeli settler movement ensures that there is always money to be made from building and providing infrastructure and services to illegal, Jewish-only settlements in occupied Palestinian territory. International companies continue to expand into the Israeli market, despite its persistent violations of international law and subjugation of the indigenous Palestinian population.

One of the ways in which the Palestinian-led boycott, divestment and sanctions (BDS) movement has been targeting such companies and pressuring Israel and the international community to ensure the implementation of Palestinian rights, is with international divestment campaigns. Such campaigns typically target the Israeli companies and complicit international corporations that provide Israel with much-needed tax revenue and implicit political support by pressuring public bodies and private companies to sell their stake in them.

as Belgian parliamentarians and civil society groups in France, Luxembourg and Turkey, all key markets for Dexia. Following a two-year-long and highly visible campaign, Dexia announced in April 2011 that it had instructed a merchant bank to find a buyer for its Israeli subsidiary.

The efforts to persuade the Norwegian state pension fund to sell its shares in three Israeli companies took an entirely different form. Stop the Wall, the grassroots Palestinian anti-apartheid wall campaign, and Norwegian and Israeli organisations



BDS activists demonstrate at Dexia's AGM, May 2011, Brussels

For instance, the Belgian-French financial group Dexia has been successfully targeted by a huge popular campaign that focused on the loans the group has provided to at least 51 illegal Israeli settlements to the tune of nearly 40m euros. Belgian activists picketed Dexia offices and branches, organised dozens of public meetings and ensured that more than 10,000 protest cards were sent to the corporation's headquarters. Several creative actions were also held at Dexia AGMs. Having established a clear link between Dexia and the occupation, the campaign was able to mobilise the support of over 42 local councils – all Dexia shareholders – as well

provided detailed research and held closed-door meetings with the Ethics Committee of the Norwegian Ministry of Finance about the role played by arms company Elbit Systems and settlement construction firms Africa Israel Investments and Danya Cebus. When the Norwegian government took the step to exclude Elbit Systems from its investment portfolio over the role the company has played in the construction of Israel's illegal Apartheid Wall in 2009, it set the standard for state attitudes towards corporate complicity with Israel's violations of international law. The subsequent exclusion of the two settlement construction companies provided

additional momentum to popular campaigns in the UK targeting Africa Israel.

The campaign against the French multinational, Veolia, is perhaps the most visible and effective BDS initiative to involve divestment. Veolia is helping build and operate the Jerusalem Light Rail, which will link illegal settlements in occupied Palestinian territory with Israel when it opens later this year. The tramway is explicitly designed to cement Israel's grip on the illegal settlements and tie them more firmly to the state of Israel. Veolia also provides transport and waste services to settlers in occupied territory. Careful and expert lobbying that made Veolia's complicity clear led to pension funds in the Netherlands, Sweden and Denmark excluding Veolia from their investment portfolios. This, in turn, greatly strengthened the popular campaigns that have successfully pressured scores of local councils in the England, Wales, Scotland, Ireland, Australia and Sweden not to award Veolia service provision contracts.

The exclusions from pension funds and the more than 10bn euros that Veolia has lost due to lost local council contracts eventually forced Veolia to announce its intention to sell its stake in the Jerusalem Light Rail. Unable to find a similarly experienced buyer – and presumably because no other corporation wants to be targeted by a highly successful BDS campaign – Veolia has been forced to ask the Israeli government to allow it to sell its stake to a relatively small Israeli company, in contravention of the terms of the project contract, which stipulated that Veolia could only be replaced by a company of a similar size. Nevertheless, the campaign against Veolia will continue until it has completely ended its

role in the Jerusalem Light Rail and all other projects in the Occupied West Bank, and until Veolia is forced to admit responsibility for its actions and is held accountable accordingly.

Activists are sometimes understandably sceptical about the utility of 'appealing' to the conscience of states or huge financial institutions. But by matching closed-door lobbying with popular campaigns and direct action, and making a tactical decision to focus on those companies that are most deeply complicit with Israel's violations of international law, the BDS movement has been able to avoid the problems usually associated with divestment campaigns and to achieve concrete and significant victories. The BDS movement is showing corporations that there is a high price to pay for complicity with Israeli apartheid. Increasingly, it simply doesn't make good business sense to support Israel's oppression of Palestinian rights.

Most significantly, each campaign victory chips away at Israel's carefully crafted image as a country like any other and exposes it as state that practises occupation, colonisation and apartheid. It also forces Israeli society to engage with issues relating to Palestinians being denied their basic rights. Divestment initiatives are likely to continue to be an important part of the Palestine solidarity movement until the demands of the Palestinian call for BDS are met: until Israel ends its occupation and dismantles its apartheid wall, until the Palestinian citizens of Israel enjoy full equal rights, and until the six million Palestinian refugees are able to return to their homes.

Order our forthcoming book 'Targeting Israeli Apartheid: A BDS Handbook'

Corporate Watch will soon be releasing a new book on corporate complicity in Israel's apartheid policies against Palestinians, providing relevant targets and other useful information for action. You can order an advance copy now by contacting us at contact@corporatewatch.org.

Taking its cue from the 2005 Palestinian call for 'boycott, divestment and sanctions' (BDS), the rationale behind the book is simple: to provide a tool and a compass for BDS campaigners by showing them information on Israeli and international companies complicit in Israeli apartheid, occupation and militarism. The book, provisionally titled Targeting Israeli Apartheid: A BDS Handbook, is divided into three parts. The first looks at each sector of the Israeli economy, its relative importance and its corporate protagonists. Part two provides detailed geographical case studies examining the effect of corporate activities in specific areas. The final section focuses on the UK companies complicit in Palestinian suffering, investments in British funds by these companies and those that provide services to universities and local councils.

email contact@corporatewatch.org to order our BDS Handbook





Engagement with the Deportation Machine?

By **Shiar Youssef**

During a Week of Action Against the Deportation Machine in June 2010, campaigners from the Stop Deportation network drew up a list of 'targets' in the UK that contained, alongside government immigration agencies and private airlines involved in deportations, private companies contracted by these to carry out the forcible deportation of migrants. Among these were WH Tours, a Crawley-based coach company contracted by G4S to transport deportees from detention centres to airports, and Carlson Wagonlit Travel, a travel agents contracted by the UK Border Agency to book seats on scheduled and chartered flights for immigration detainees due for deportation.

Campaigners had found out – through a casual news item in a tourism business publication and by tracing a phone number listed in a Home Office document instructing immigration officers on how to go about deporting people – that Carlson Wagonlit had won the multi-million contract in April 2010.

employees, during their lunch break. Some of these were, apparently, “shocked to discover that their company does not only deal with smiley business clients.” After about two hours, police arrived but protesters had run out of leaflets and were about to leave anyway.

“

Despite his earlier claims that he would have been ‘happy to speak with you and listen to your concerns’ had he been in the office when they visited, Mr Waller now ‘regretted’ that he was ‘not able to discuss the details of any client with a third party,’

”

The global booking agency, which specialises in business travel management, had been used by the UKBA to do this profitable, yet kept well secret, business since 2004. In the financial year 2004-5, the contract was worth almost £23million.

On contacting the company's executive vice president for UK and Ireland, Andrew Waller confirmed that his company does hold such a contract but declined to discuss any further details, claiming they were “prohibited” from doing so. He also promised to relay the activists' comments to his bosses and the UKBA. The confirmation, however, was enough reason for the activists to take their campaign against the company to the next stage.

On 8th June 2010, a group of anti-deportation activists paid the company a visit at its main office in Potters Bar, Hertfordshire, hoping to speak to the managers and employees about their “dirty business.” An online campaign against the company, called by the National Coalition of Anti-Deportation Campaigns, had already started in the morning, so all office doors were locked and protesters were met with rude and abusive attitudes. Nonetheless, the activists presented the company with an award certificate, designed specially for the occasion, bearing the title *Deportation Profiteer of the Year*.

They then went on to leaflet people working in the big office block, including Carlson Wagonlit's

Following the protest, activists from Stop Deportation contacted Carlson Wagonlit again, offering to present their arguments and evidence as to why the company's involvement with forcible deportations “is causing human suffering and breaching deportees human rights.” Despite his earlier claims that he would have been “happy to speak with you and listen to your concerns” had he been in the office when they visited, Mr Waller now “regretted” that he was “not able to discuss the details of any client with a third party,” and so “not able to enter into further correspondence or discussion with you, or accept your invitation for a meeting.”

Unfortunately Stop Deportations ceased to be very active in subsequent months and the campaign against Carlson Wagonlit has not developed any further. WH Tours saw a few more pickets by activists from Brighton and London No Borders but these did not seem to be consistent or militant enough to make a real impact on the company. Campaigns aimed at changing corporate practices require persistence and bloody-mindedness to succeed, lets hope in the future we can organise to effectively challenge the deportation machine.





‘Upstream engagement’ and new corporate technologies

*‘Upstream engagement’ is a type of top-down engagement with ‘the public’, facilitated by academics on behalf of government and the industries involved in the development of new technologies. **Beth Lawrence** explains why this new method is nothing more than a CSR-like exercise.*

Upstream engagement involves deliberative methods such as focus groups, citizen juries and other forums for in-depth discussions concerning new technologies such as nanotechnology, synthetic biology and climate geoengineering. It has evolved following the widespread resistance to genetically modified food (GM) in the UK in the early 1990s, and replaces traditional engagement methods, such as opinion polls, which gather data on more immediate opinions.

Groups, such as Demos, an independent think-tank focusing on power and politics, argue that upstream engagement can provide a much-needed ‘problematisation of science’, admitting that the ‘debate’ over nanotechnologies has ‘learnt’ from the GM debate.[1] However, others argue that this engagement is the scientific equivalent of corporate social responsibility (CSR): as long as public opinion is on the side of science, fundamental change is not needed.[2]

Engagement aims to create what its facilitators call ‘consensus’ around an issue. However, the upstream engagement assumes that agreement between diverse ‘stakeholders’ is desirable and possible. In fact the approach has also been described by some social scientists as “a tacit project of social control” and “ideological legitimisation via public assimilation.”[3]

On the face of it, it may appear that the ethos behind these exercises is an emphasis on a more active, democratic engagement with society over how technologies are developed, since these technologies have a profound impact on our lives. However, the methods used so far have been inadequate, to say the least, and incapable of achieving this ostensibly noble aim. This is partly due to the small numbers of people, often not representative of broader society, who have been ‘engaged’. But the problems run much deeper.

Such attempts to ‘engage’ have also created a situation where people come to have even less of a say over our technological future, because data gathered about people’s concerns over technologies as part of the studies can be used to market technologies back to us in a way that we may find more acceptable. In addition, the illusion of engagement, whereby people perceive there to be democratic processes in place, make people generally more accepting of these new technologies that are being sold to them.

Upstream engagement is not genuine democratic engagement and has been described as a mechanism by which public trust in new corporate technology is built: “a confidence-building mechanism... between opposing stakeholders.”[4] ‘Stakeholders’ typically include different interest groups, say corporations and environmental

groups, for example the Dupont and Environmental Defense Fund Nanorisk Framework exercise.[5] Upstream engagement is conducted on our behalf with particular interest groups, such as big NGOs, which are supposed to represent the interests of the general public. However, many of these NGOs are either co-opted into the process or treated as ‘biased stakeholders’.

In one of Demos’ studies,[6] the think-tank concluded that the ‘informed public’, such as NGOs, were different from the ‘normal public’. This analysis not only ignores developments in critical science and technology studies, which have found that the ‘public’ often do have knowledge about science and technology, but is also designed to dismiss NGOs concerns when they appear to be too radical to engage with.

Engagement conducted by a coalition of academics, the industry and the state, whereby these choose who participates and what happens to the data, excludes certain outcomes before the particular focus group has even started. Social scientist Brian Wynne suggests that institutions have artificially simplified social complexities, within which the risks of technologies are constructed, in order to frame them as quantitative, thereby disallowing criticism of institutions as part of the engagement exercise.[7] For example, how likely is it that one of these facilitated discussions on the possible risks and benefits of nanotechnology will conclude that the financial markets created by nano-enhanced products, now worth billions, if not trillions, should be completely altered by the introduction of compulsory regulations, and that there should be a moratorium on nano-products based on the precautionary principle?

This leads to an important criticism of upstream engagement. The approach is called ‘upstream’ because it is supposed to engage with people at an early stage in the development of the technology. However, in practice, this is by no means the case. Studies are usually carried out at the stage where a new technology, or a scientific development that has significant implications for future technological applications, is about to become public knowledge and launched into the market and public sphere. For example, there was a public engagement exercise conducted on synthetic biology in 2010.[8] The results were released just as Craig Venter and his team announced that they had produced ‘synthetic life’ on behalf of ExxonMobil.[9] Another example is the case of nanotechnology, where the industry was already booming around 2005 when engagement exercises were just starting to be conducted.

In cases where people are engaged early in the development of a technology, other problems arise, because then there will be a serious imbalance of

power. Since little information would have been available to the participants before the exercise, the 'public' will have to trust the 'experts' and what they say about the technology.

Yet, upstream engagement is useful to corporations and the state because it enables them to predict what concerns people may have, and then tailor their marketing of products or whole technologies to suit those concerns. For example, instead of branding a product on its new nano-capabilities, perhaps the advertising could be more subtle and list the ingredients so that it is not immediately obvious that the product contains nanoparticles. Or, to take another example, synthetically produced algae, which can be used to produce agrofuels, may be pushed in such a way that the synthetic biology aspect is outshadowed by concerns over needing to act on climate change.

A public dialogue on climate geoengineering was conducted in 2010.[10] There is a further engagement project being conducted at present by academics on geoengineering techniques. However, as more money goes into research on how acceptable people find different geoengineering methods, less money and effort goes into developing methods to mitigate climate change.[11] The first study did not find any participants criticising geoengineering in general and aimed to "assess public opinion on how future research relating to the subject should be directed, conducted and communicated." [12] This basically means that there was no real option to say that the research should not be conducted at all. In other words, the framing of these studies is inherently value-laden and there is no indication that engagement methods have adapted in response to suggestions being made by critical academics for some time now. This inflexibility highlights upstream engagement's relatively set role in the institutionalisation of participation and the management and monitoring of people's views by those with economic and political power.

Even if some engagement exercises were conducted with the best of intentions and took on board some of the criticisms directed at earlier methods, it is unlikely that the results of these exercises can feed into the development of technologies in any meaningful way due to broader power relations. The ETC Group propose three approaches to technology governance: techno-optimism (technology is good, we just need to be responsible); techno-realism, such as upstream engagement (technology is neutral, we just need more opinions); and techno-scepticism (technology is political, we need a society where everyone has a genuine say).[13] Techno-scepticism is the only approach that takes power relations into account. Upstream engagement does not enable the public to choose which technologies are developed, because intellectual property rules ensure that business knowledge remains inaccessible.[14] In other words, it does not enable any say over who should own and control technologies.

It has been suggested that science is one of the social institutions most resistant to popular participation and control.[15] However, resistance to new technologies, be it direct resistance, such as the pulling up of GM crops, or calling for moratoriums on technologies whilst educating people about the issues, a method favoured by The ETC Group, or targeting particular companies and developing decentralised, green alternatives, seem much more likely to enable a democratic technological future than any form of upstream engagement may ever provide.

References

- [1] J. Wilsdon, B. Wynne and J. Stilgoe, *The Public Value of Science*. Demos, 2005.
- [2] Helen Jackson *Upstream Engagement in Science, Technology and Society: The Case of Nanotechnology*. 2006, online: <http://corporate-rule.co.uk/drupal/node/248>.
- [3] B. Wynne, 'Public Understanding of Science', in Jasanoff et al., *Handbook of Science and Technology Studies*, London: Sage, 1995. pp. 361–388.
- [4] <http://www.law.gwu.edu/Academics/FocusAreas/Environmental/Documents/Spring%202011%20Conference%20Presentations/Marchant.pdf>
- [5] <http://nanoriskframework.com/page.cfm?tagID=1095>
- [6] M. Kearnes, P. Macnaghten and J. Wilsdon, 'Governing at the Nanoscale: Demos'. 2006, online: <http://www.corporate-rule.co.uk/drupal/node/168>.
- [7] B. Wynne, 'Risk and Social Learning: Reification to Engagement' in Krinsky (ed.) *Social Theories of Risk*. London: Praeger, 1992. pp. 275–297.
- [8] <http://www.synbiostandards.co.uk/activity.php?id=3>
- [9] <http://www.corporatewatch.org.uk/?lid=3619>
- [10] <http://www.nerc.ac.uk/about/consult/geoengineering.asp>
- [11] See, for example, <http://www.guardian.co.uk/environment/2011/jun/15/ipcc-geo-engineering-climate>
- [12] <http://www.nerc.ac.uk/about/consult/geoengineering.asp>
- [13] Etc Group, *NanoGeoPolitics: Etc Group Surveys the Political Landscape*. Etc Group, 2005. www.etcgroup.org.
- [14] S. E. Cozzens and E. J. Woodhouse, 'Science, Government and the Politics of Knowledge' in Jasanoff et al. (eds.), *Handbook*, ibid., pp. 533–553.
- [15] B. Martin, 'Anarchist Science Policy', *The Raven*, no. 7, 1994.

Read more about corporate control of technology on Corporate Watch's new Corporate Rule website at <http://corporate-rule.co.uk/drupal/technology>



Trains, trainers, ideas of beauty, swimming pools, drinking water, gas, electricity, time off, food, medicine, old age, blenders, politicians, computers, mobile phones, genetics... From our basic needs to social values, from the natural world to political structures, all are increasingly controlled, or mediated, by profit-driven corporations. Entrenched within modern society as the primary providers of essential goods and services, corporations are the dominant economic form of the present day. Corporate Rule attempts to analyse how corporations rule our lives

Under the current economic system, the main drive for technological innovation, particularly innovations that require a great deal of investment and research, is profit. Human prosperity and welfare are, at best, a by-product and, at worst, a barrier to be overcome. New technologies then become another tool in the hands of large corporations to maintain their dominant position and impose their profit-driven agenda. Corporate Rule's technology section tries to demystify these mechanisms using various case studies and in-depth articles on a range of new technologies, from nuclear and GM food to nanotechnology and geoengineering.

When private interest is public interest

*The right of any person under the Freedom of Information Act 2000 (FOIA) to request information held by public authorities, known as the 'right to know', came into force on 1st January 2005. The delayed legislation has proved a useful tool for journalists, researchers, campaigners and the general public to hold government and private companies to account. But the Act's many exemptions and the secretive mentality that still dominates government and business alike have greatly restricted this democratic 'privilege'. Here **Shiar Youssef** discusses one aspect of the problem, namely how public authorities often endeavour to protect private interests at the expense of public interests.*

The presumption running throughout the FOIA is that openness and transparency are in themselves in the public interest. In the Introduction to the Act, the Information Commissioner lists the following "public interest factors" to "encourage" the disclosure of information:

- furthering the understanding of and participation in the public debate on issues of the day;
- promoting accountability and transparency by public authorities for decisions taken by them;
- promoting accountability and transparency in the spending of public money;
- allowing individuals and companies to understand decisions made by public authorities affecting their lives and, in some cases, assisting individuals in challenging those decisions; and
- bringing to light information affecting public health and public safety.[1]

In practice, however, the Act contains many exemptions (23 in total) for public authorities to choose from, in case they opt, as they often do, not to disclose information. Requests can also be refused if they are considered 'vexatious', i.e. if an individual keeps requesting the same information, or if they are 'cost-prohibitive', i.e. providing the information requested would cost the public authority more than £450, or £600 for central government.

Exemptions, exemptions

Section 1 of the FOIA sets out the right of any person to be informed whether or not information requested is held by the public authority concerned and, if yes, to have that information communicated to them. Section 2 then sets out the circumstances under which a public authority may refuse a request. These exemptions are divided into two categories: absolute and qualified.[2]

Absolute exemptions are cases where the right to know is wholly dis-applied, for instance when the information requested is related to bodies dealing with security matters (Section 23); is considered personal information covered by the Data Protection Act (Section 40) or by parliamentary privilege (Section 34).

The twisted logic behind many of these exemptions is based on the idea that government knows what's best for us, the public, even when it is lying to protect an unpopular political agenda, as in the case of the fabricated Iraq war dossier, or to advance the interests of arms companies in secretive arms deals, such as that between BAE Systems and Saudi Arabia, that are deemed to be in the 'national interest.' As Heather Brooke says in her 2010 book *The Silent State*, "Britain may be 'the mother of all parliaments' but, in reality, this country trades on a mythical view of itself, because basic information paid for by the public and collected in our name is off-limits to the very people it is meant to benefit." [3]

Qualified exemptions, on the other hand, are cases where the public authority must consider whether the public interest in withholding the information requested outweighs that in releasing it. To do so, it must conduct what is known as a Public Interest Test to consider all factors and prove that disclosure is absolutely not in the public interest. In some cases, public authorities also retain the right to not even confirm or deny the existence of the information requested.

Qualified exemptions are further divided into class exemptions and prejudice-based. The first are designed to give protection to all information falling within a particular category, for instance information subject to legal professional privilege. Prejudice-based exemptions, on the other hand, only come into force if a particular disclosure would prejudice the purpose of the exemption, for instance prejudice to international relations. Both these subcategories, however, are subject to a public interest test, unlike absolute exemptions.

Typically, public authorities use Section 43 (commercial interests) and Section 42 (legal professional privilege) to withhold the details of contracts they hold with private contractors. Information provided in confidence (Section 41) is also used sometimes to withhold commercial information. Though this is an absolute exemption, the law of confidence contains an in-built public interest test. Other widely used qualified exemptions relate to national security (S.24) and defence (S.26), which should be read in conjunction with the absolute exemption contained in Section 23 on security matters; international relations (S.27); investigations (S.30) and law enforcement (S.31); formulation of government policy (S.35) and prejudice to effective conduct of public affairs (S.36). The latter, for instance, was used by the Commons to resist revealing MPs expenses before the scandal hit the news.

What is public interest?

You would have thought that 'public interest' simply meant what serves the interests of the general public. But who the public are and what serves their interests have always been subject to contestation depending upon your perspective. Indeed, the term 'public interest' is not defined in the FOI Act, which means public authorities are left with the task of deciding, on a case-by-case basis, whether public interest is best served by withholding or disclosing information by means of weighing up competing interests. In theory, the competing interests to be considered should only be *public* interests, and not private ones. In practice, however, the lines between the two are often blurred, as discussed below.

The question of where the public interest lies has often been considered by courts (the Information Tribunal

and the High Court) in press cases, particularly where a celebrity or a multinational corporation attempt to prevent the publication of a story that paints them in a negative light. The courts have often distinguished between things that are in the public interest and things that merely interest the public. Judges have not always viewed the public's right to know as important enough to override confidentiality claims, just as public authorities can view their commercial interests as more important than accountability and transparency.

Whose public interest?

As indicated above, one of the most used exemptions to withhold information held by public authorities is 'commercial interests'. Section 43 of the FOIA sets out an exemption from the right to know if:

- the information requested is a trade secret, or
- release of the information is likely to prejudice the commercial interests of any person.

A person could be an individual, a company, the public authority itself or any other legal entity. Thus, even information that does not constitute a trade secret can be withheld under this exemption if the public authority considered that its release would damage *someone's* commercial interests. As explained by the Information Commissioner, a commercial interest "relates to a person's ability to successfully participate in a commercial activity, i.e. the purchase and sale of goods or services. The underlying motive for these transactions is likely to be profit." But in order to apply this exemption, the public authority is required to conduct what is known as a Prejudice Test, and then the Public Interest Test mentioned above.

At the same time, the Act states that the public interest balancing test should not consider any harm that disclosure may cause a private firm, so private interest *should not* be taken into account. Yet more often than not, public authorities have argued, when applying this exemption, that the possible harm caused by the release of information to the private contractor would operate to the disadvantage of the public authority, which would not ultimately be in the public interest. For instance, if a budget set aside for a purchase is disclosed, it is argued that this may encourage suppliers to raise their prices, or prejudice the bargaining position of the public authority, and so on and so forth. To understand this twisted logic better, let's look at a few more detailed examples.

A FOI request by Corporate Watch about asylum accommodation provided by private landlords in 2008 was refused by the UK Border Agency, which argued that releasing the information requested "would be likely to prejudice the commercial interests of both the UKBA and those companies with whom the UKBA enters into contracts," as this "could give rise to a potential risk to the UKBA's ability to negotiate contracts in the future, and therefore inhibit the Agency's ability to achieve value for money." After an appeal, the Information Commissioner overturned the original decision, agreeing with us that "there is a significant public interest in knowing details about the value and length of contracts awarded by government departments, especially those which are for such a large sum of money." Therefore, the public interest in accessing the information requested "outweighs that in withholding it and should have been released to you in response to your original request."

What public authorities seem to often 'forget' is that, in order to use the commercial interests exemption on behalf of a third party, i.e. to claim that a private contractor's commercial interests are *likely* to be prejudiced by the release of information, the public authority needs to consult with that third party before the exemption can be applied. Often, no

such consultation takes place, and this can, in fact, be a basis for appealing such decisions.

In another instance of refusal, a local government replied to a request about one of its contracts with a private-sector provider saying "We are redacting this information under the commercial interest exemption detailed in Section 43(2) of the FOI Act because the release of this information would be prejudicial to the commercial interests of the private provider." After applying for an internal review, the public authority responded saying, "While I accept that it is appropriate to apply Section 43(2) to the information you have requested, I am sorry if the wording of the original response about how the exemption was applied was in any way misleading." Really?! Just the week before, the Information Commissioner had stated, in an Awareness Guidance, that contracts awarded by public authorities "should be disclosed," particularly where a company "enjoys a monopoly over the provision of the goods or services in question," as "it is less likely that releasing the information will have a prejudicial impact on that company." [4]

Transparency versus secrecy

In deciding whether the disclosure of a particular piece of information would be harmful or beneficial to the public, a great deal of judgement is exercised by public authorities' information officers. The dominance of the market ideology and a culture of secrecy in doing business mean that the emphasis is often on protecting short-term commercial interests at the expense of transparency and accountability. Even if we bought into these market values, what about the right of taxpayers to know how their money is spent? As George Monbiot once put it, "If we are not allowed to see what's being done in our name, there's a pretty good chance we are being ripped off." [5]

Another widely used exemption is Section 36 (prejudice to the effective conduct of public affairs). This can be best described as a catch-all exemption that public authorities resort to when they are desperate. During the House of Lords debate on the FOIA, Lord Mackay summed up the exemption's sole purpose as follows: "Obviously the draftsman decided, just in case something escaped and there is one last fish in the sea, let us get it with a grenade; and this is the grenade." [6]

Now if the "default position" is "for openness," as claimed by the Act's draftsmen and reiterated by politicians and public authorities, then why are there all these exemptions? And why do public authorities misuse them to protect private interests? Surely a "new culture of openness" should involve challenging the way in which things have been done in the past and are being done at present. Yet, it seems that the (private) interest in withholding information that may reveal incompetence or corruption on the part of public authorities or their private 'partners', or may simply embarrass them, continues to override the (public) interest in transparency, accountability and good administration. For those who still believe that representative democracy could work, here is another quote from Heather Brooke, who first broke the MPs expenses scandal after a three-year battle in the courts: "If we're not an informed electorate, then we cannot call ourselves a democracy." [7]

References:

- [1] Information Commissioner's Office, 'Freedom of Information Act – Awareness Guide No. 3', v. 2, 1 March 2007.
- [2] The full text of the Act can be found at www.legislation.gov.uk/ukpga/2000/36/contents.
- [3] Heather Brooke, *The Silent State: Secrets, Surveillance and the Myth of British Democracy*. London: William Heinemann, 2010.
- [4] Information Commissioner's Office, 'Freedom of Information Act – Awareness Guide No. 5', v. 3, 6 March 2008.
- [5] George Monbiot, 'Why have we paid £93m for a £15m bridge?', *The Guardian*, 28 December 2004.
- [6] Ben Fenton, 'Commons uses veto on freedom of information', *The Telegraph*, 15 Sep 2006.
- [7] Heather Brooke, *ibid*.



Campaign spotlight: The Campaign for Freedom of Information

The Campaign for Freedom of Information provides a resource for those wishing to use the Freedom of Information act. **Hannah Schling** explores the applications and the limits of FOI as a source of information for anti-corporate campaigners.

Q: How long has The Campaign for Freedom of Information [CFI] been running, and why was it established?

A: The campaign was launched in 1984, formed by a coalition of organisations that were concerned about excessive official secrecy. Des Wilson, who set the campaign up, had been involved with CLEAR (Campaign for Lead Free Petrol), and also with Friends of the Earth. He'd seen the effects of secrecy first hand. In March 1981 the Secretary of State at the Department of Environment announced a decision that they wouldn't remove lead from petrol, instead reducing it to a level of 0.15 grams per litre by 1985. The CLEAR campaign was set up in January 1982 to try and reverse that decision. But unbeknown to anybody, as far back as March 1981 the Chief Medical Officer had written to permanent secretaries in Whitehall warning them that lead in petrol was a health hazard, that it affected hundreds of thousands of children, and he recommended decisive action was taken. So if we'd had a Freedom of Information [FOI] act, the advice of the chief medical officer would have been made public. Further, a Royal Commission on environmental pollution also looked into the lead question, and all the industries submitted evidence to that. The UK Petroleum Industry Association refused to share its evidence. When it was asked to provide the economic background to their claims that lead free petrol would cost an extra 3-5p a gallon, they refused. Then talks between the government and industry proceeded in secret. That's the situation as it was at the time. In 1983, Des Wilson asked other organisations that he thought might be interested to come together for a meeting, to see if they were frustrated by secrecy, and he found there was a lot of support for the issue, and it was agreed to set up the Campaign for Freedom of Information.

From that point onwards, what were the CFI's main aims and objectives? Did they change over time?

Obviously not for a long time, because it was a long campaign to get the FOI Act. Our main objective when we were set up was to get Freedom of Information legislation in the UK. We also sought to appeal the 1989 Official Secrets Act, and replace it with a narrower measure which only applied where disclosure would cause real harm, and with a public interest defence. Since the Act has come into force, our attention has focused more on monitoring how the FOI act and other access to information laws are working in practice, ensuring they are implemented effectively, and trying to strengthen them where possible. I mean, there are ways in which we would like the actual legislation itself to be improved, but we've always been warned that if you try and amend the primary

legislation it is also opening the door to people who have more malign intentions, and they will try and weaken it. And so our main work has involved providing advice to the public on how to exercise their rights, particularly how to challenge refusals or go through the appeals process. Also, encouraging good practice to authorities responding to requests. We do quite a lot of training for requesters and public authorities on the decisions from the Information Commissioner [IC] and the Information Tribunal [IT].

There are multiple exemptions to the FOI Act. How redundant do you think they make the legislation overall?

There are lots of exemptions in the act, and when the legislation was going through parliament we were heavily involved in drafting amendments to try and improve the legislation and some of its worst elements were improved as a result. But, yeah, there are a lot of exemptions still in the act, and some of them are very broad, but I certainly don't think they make it redundant. Some of the exemptions contain a harm test so they only apply if disclosure of the information would cause prejudice to a particular interest, so for example commercial interest, international relations, defence. The burden is on the authority to justify withholding the information.

And then about two thirds of the act's exemptions are subject to a public interest test. And this is really the most powerful part of the legislation because where the public interest test applies, in order to withhold information the public authority has to show that the public interest in withholding it, outweighs the public interest in disclosure. So in those situations, even exempt information has to be disclosed on public interest grounds. So that is the key feature of the act, that is what gives it its power.

As far as I'm aware 'public interest' is not defined in any one statement anywhere in the act? How is it conceived of?

It is not defined at all in the legislation. It is generally considered to be what is in the interests of the public. There is guidance from the Information Commissioner on the public interest test. So, for example, some of the general arguments that he will consider in favour of disclosure: promoting transparency, accountability, public understanding of government decision making. And more specific reasons in favour of disclosure of the particular information may involve spending of public money, or there may be some risk to public health or safety or the environment which are strong public interest reasons in favour of disclosure. What can't be taken into consideration is whether it would be embarrassing

to officials. Public authorities quite often say it would be 'misleading' for the information to be disclosed. Those are irrelevant factors. So there is nothing magic about it, it's what you would expect, really.

From your experience of how the legislation has been practically applied, would you say that when requests are seen as not in the public interest, this actually means that private interests are being protected – specifically corporate interests?

In cases where it comes down to where the Information Commissioner or the Tribunal are considering a balance of public interest, in order to withhold the information the public interest in withholding it has to be greater than the public interest in favour of disclosing it. If the two are equal, the information has to be disclosed. If there is very little public interest in favour of withholding, and very little in favour of disclosing it, again it has to be disclosed. So the presumption is in favour of disclosure. So if it is found that the balance favours withholding the information, I think it means that there is either very little public interest in favour of disclosing the information, or there are strong reasons for protecting the exemption.

The most relevant exemption to corporate interests are where disclosure would prejudice the commercial interests of the person, that exemption has got a prejudice test. The way that is interpreted means that the prejudice to the commercial interest has to be 'real', 'actual', or of 'substance' and there has to be a real or significant likelihood of it occurring. It can't just be remote. And so, it is quite a high threshold to be met. And then, if that threshold is met in order for it to be withheld, the public interest in favour of withholding it has to be stronger than the public interest in disclosing it. So, there is a high threshold to be met, and the burden is on the authority to show that it has been met, and then it is independently ruled on by the Commissioner and the Tribunal. So, if the exemption is upheld, then we have to assume that there are good grounds for that, that significant prejudice would entail and that it outweighs the public interest in favour of disclosure.

Do you have examples of it going either way?

There are two exemptions which are most relevant to corporate interests. There is the exemption for where disclosure would prejudice commercial interests, and then there is section 41, exemption for information that has been obtained from another person and whose disclosure would constitute an actual breach of confidence.

Quite early on after the act came into force, I think it was in 2006, the IC issued a really significant decision in this area – it was a request by the Belfast Telegraph for the financial agreement between Derry City Council and Ryanair, relating to Ryanair flying out of Derry City Airport, which the council owned. There were concerns about whether this agreement breached EU competition rules, and whether the airline had big incentives given to it to keep it flying out of the airport. And so, the council refused to disclose this information citing both the exemptions of commercial interests and information supplied in confidence. I think the information Commissioner dismissed the commercial interests exemption saying that the harm threshold wasn't reached, but the most significant part of the ruling was on the information supplied in confidence because the Commissioner ruled that in the process of negotiating an agreement – or a contract in this case – information wasn't supplied by one person to another, and so it couldn't be withheld under the exemption for information supplied by one person to another in confidence. That decision was upheld by the Tribunal, which said that the implications of its conclusion were that "the whole of any

contract with a public authority, may be available to the public, no matter how confidential the content or how clearly expressed the confidentiality provisions". And in this case the agreement was stamped 'confidential'. And so that was a really significant victory early on. And it has opened up the whole area of contracts.

And since then, has there been a greater disclosure of contracts, with people being able to cite this?

Yes. That decision has been cited in lots of decisions since. It is very difficult now for public authorities to withhold contracts, once they have been signed.

Looking at these two exemptions, commercial interest in particular, how did they come about? Was it within the initial stages?

Yeah, it was always in the draft bill, and the legislation that was introduced to parliament. All FOI laws have protection in these kinds of areas, so there is nothing unusual about it.

I think what's quite interesting, is the provision in the FOI act for it to be extended. So at the moment it only applies to public authorities, but under section 5 of the act, it can be extended to private bodies with public functions, or bodies providing services under a contract with a public authority, services which are a function of the authority. The Ministry of Justice recently announced that there would be an extension of the act to some additional bodies, mainly regulatory and representative bodies. But they wouldn't extend it to Network Rail or Northern Rock, which the Conservatives had made commitments, either in their manifesto or pre-election, to bring under FOI, and they also wouldn't extend it to contractors.

The same process has been going on in Scotland. Scotland has its own FOI Act. The Scottish government has been consulting on whether to use the same power to extend their legislation, and had been proposing to bring in the private prisons, Glasgow Housing Association, and some trusts set up by local authorities to run leisure and cultural activities. But it just announced, on the 30th January, that they weren't going to go ahead with it. A news headline from then read: 'Ministers backtrack on FOI under pressure from business'.

Do we know what the nature of that pressure from business was?

The CBI Scotland lobbied strongly against the extension. Their statement read that: "it warmly welcomed the government's change of heart". And so that's an area of contention at the moment.

I read somewhere that at the beginning stages of the FOI acts introduction, the relatively newly privatised utilities companies would be covered by the FOI act. Is that right, and do you know why they were excluded?

This has been going for a long time this issue. There was a consultation on extending the act under the Labour government following Gordon Brown's speech on liberty in 2007. Their consultation document was quite encouraging because it referred to private prisons and the utilities, but then eventually after 18 months all they came up with was four additional bodies: academy schools, ACPO (which actually nominated itself for coverage), the financial ombudsman service, and UCAS. So they didn't go for the utilities or contractors or even private prisons, which the consultation paper had strongly indicated. It was extremely disappointing.

The Environmental Information Regulations [EIR] have slightly wider scope, because they apply to all the public authorities which are subject to the FOI act, and then some additional bodies including some private ones – such as environmental contractors. But there has been a case going through the

appeals process involving water companies, where the tribunal ruled that they weren't subject to the EIRs.

Do you know on what grounds?

It's in the definition of who is covered by the regulations. It is bodies with functions of public administration, and it was found that water companies didn't have functions of public administration. That's one of the limbs, or they can be covered if they are under the control of a public authority, and so it was ruled that they didn't meet either of those definitions. And that kind of follows an earlier decision, in which the tribunal ruled that Network Rail, for similar reasons, weren't subject to the EIRs which surprised everybody. The tribunal concluded with something along the lines of 'it [the decision] was unsatisfactory, but it had to apply the legal tests'. So all this is going on all the time.

With the current cuts in public spending, there is going to be an increase in the number of private contracts and the number of private companies stepping in to take over the public services and things formerly supplied by public bodies. Do you think there is going to be a corresponding change in the FOI and EIR Acts, or do you think it is going to become increasingly difficult to get information from these bodies?

That is a real concern, and I know that is something we will be looking very closely at, and trying to ensure doesn't happen. Particularly with the plans for NHS reform and for services to be increasingly provided by private contractors. Potentially, you would be able to obtain information from the NHS authorities but not from corresponding contractors who are providing services, which would be a concerning loss of transparency.

You mentioned that academy schools, for example, were within that initial consultation. So are they now covered?

They are now covered, they were brought in by the coalition government when they passed the academies bill. We suggested that, rather than wait for the section 5 order to extend the act, or bring them in at a later date, it should be in the academies bill itself, so that as they are created they are brought under. Lord Lucas drafted an amendment to the academies bill in the Lords, then the government accepted it and later came back with their own one.

I'm quite interested in why there are such big differences between the EIR and FOI, in terms of allowing for more information to be released, and also particularly these clauses about private bodies operating with public functions.

The EIRs implement an EU directive on public access to environmental information. I think very early on, the original intention might have been to implement the regulations within the FOI act, but in certain areas the FOI act wasn't strong enough, and so they had to introduce a parallel set of regulations, and so that's why we have the two regimes operating alongside.

They [the EIR] do provide a stronger right of access in several areas, like we've said they apply to a wider range of bodies, including some private bodies. There are shorter response times [from public authorities] in the EIR. So under the FOI act, authorities have to respond within 20 working days, but they can extend that time if they are considering whether to disclose exempt information on public interest grounds, which quite often they are – the public interest test applies to roughly two thirds of the exemptions. If they are considering the public interest then they can extend that for a 'reasonable period' – which isn't defined in the legislation. The IC has issued guidance, saying bodies should only exceed the normal 20

day time frame in exceptionally complex cases, but in reality that quite often happens. The fact that it is not defined in the legislation, means that it is open to abuse. We would like the time limits to be strengthened in the FOI Act.

There is also in the EIR a statutory time limit for authorities carrying out internal reviews. So if you are unhappy with the response you get to a request from a public authority, before you can complain to the IC, you normally have to go back to the authority itself, to ask it to review its decision. There is no time limit for carrying out an internal review in the FOI Act. Again, there is guidance from the IC, but you quite often see authorities taking several months to carry out an internal review, with the requester stuck in limbo before they can go to the Commissioner. Whereas in the EIR, there is a 40 day time limit for internal reviews.

There are also fewer exemptions in the EIRs (they are referred to as 'exceptions' in the legislation), and they are all subject to a public interest test. Also, access under the EIR trumps existing statutory prohibitions on disclosure [such as existing secrecy legislation] whilst the FOI act doesn't override those. This is because the EIR implement EU legislation. There are still a lot of other secrecy laws. And we would say that they should be subject to the exemptions in the FOI act already, and that information should be dealt with under those instead of having these other laws which prohibit disclosure.

But another major advantage if your request is dealt with under the EIR, is that if it is information relating to emissions, it can't be withheld under the exemptions for industrial, commercial confidentiality, the interests of the person volunteering the information, confidentiality of proceedings protected by law, or the protection of the environment. If it is emissions data, these four exemptions simply do not apply. That is a really powerful aspect of those regulations and there are advantages of going down that route.

Do you have examples of where people have successfully altered a corporations behaviour, or activities, by using any of these avenues?

Cornerhouse, under FOI, obtained a letter written by the Export Credit Guarantee [ECG] department to Bermuda registered Sakhalin Energy Company, the letter confirmed that ECG approved conditional financial support of \$650 million of contracts to two British subcontractors. There was a judicial review, and I think in the end the company withdrew its application for ECG support. So that possibly might be an example.

There's certainly been cases where FOI has changed behaviour of public authorities and their relations to corporations. Very early on, the Campaign Against the Arms Trade, which made quite effective use of the act, used it to reveal the extent of university investments in arms companies, and that eventually led to some of the universities disinvesting, so that was quite a strong example.

And I guess it is also led to quite strong enacted campaigns from students and from others around the universities, putting pressure on them to disinvest. So it's the way this information can generate activity.

Yeah, it means as a campaigner you are much more informed about what is really going on.

Another significant case is where Friends of the Earth requested the minutes of meetings of the then Department of Trade and Industry [now BIS] and the CBI, and the IT ruled that virtually all of the minutes had to be disclosed, not all, but virtually all of them. There is quite a good quote from the tribunal about the public interest test: "there was a strong

public interest in understanding how lobbyists, particularly those given privileged access are attempting to influence the government, and there is a strong public interest in ensuring that there is not, and there is not seen to be, any impropriety.” So there are some really good cases, which have helped open up various areas.

I'd like to ask a question about the impression that the legislation gives about government transparency and access to information. It is often very difficult to navigate and you do come up against lots of exemptions. How much do you think that the impression of government transparency and access to information is misused by public authorities. That they proclaim a lot about the fact that they adhere to the FOI act, and this is how you can submit a request, etc, but actually it hides the fact that it is still very un-transparent.

I don't think that is the case, because if it was you wouldn't hear people complaining about it like Tony Blair in his memoirs. If it was ineffectual and people didn't find it difficult at times, or forced to reveal information that they didn't want to, then they wouldn't, you wouldn't hear them complaining, so I don't think that... I think there are problems about how it works in practice, for example the delays are undoubtedly a problem, sometimes you can experience very lengthy delays

in receiving the information, particularly if you have to go through the appeals process. Authorities can sometimes abuse, use that to their advantage. But yeah, I don't think it just gives an impression of openness, when I think there have been examples of really significant information having been released where an authority has not wanted to release it, so that is really the test of an FOI law.

I guess a test of the people who work to make it as open as possible as well? Which is the main thing, I guess, it is not going to be open in an of itself, but only if people keep pushing it.

It always needs to be defended. As we've already seen, there's already been attacks on it. With the MPs expenses thing, there were attempts to remove parliament from the scope of the act. The previous government tried to also amend the fees provision, which would have really severely restricted peoples use of the act. Ireland did have quite a good FOI act when it was passed, but after five years they tightened the exemptions in several ways and introduced hefty charges for making a request, and also 150 Euros to appeal to the IC, so use of the act immediately dropped off. There's always need to defend freedom of information from attack.



New Corporate Watch blog: *Banking on Crisis*

An ongoing research blog for Corporate Watch's banking & finance project. Aiming to spread information and resources about the systemic problems of financial capitalism and its relation to social and enviromental destruction. Covering issues such as financial crises, austerity, debt, regulation, speculation and risk, labour, resources and energy, and the struggles against capital.

<http://bankingoncrisis.org>

Edelman

Edelman is one of the largest PR firms in the world and the only major multinational to remain independent of conglomerate giants like the WPP, Omnicom and Interpublic groups. The company was founded by Daniel Edelman, who is considered a key figure in establishing the public relation industry, and is now run by his son Richard Edelman.

Overview

No stranger to controversy, Edelman has provided public relations services to the likes of British American Tobacco, Shell, Walmart, AstraZeneca, Microsoft and E.ON, and has often led the industry in developing innovative ways to clean up corporate image and control public opinion. Having pioneered litigation PR, environmental PR, the use of third-party front groups and areas of crisis and issues management, the company has more recently developed practices in corporate social responsibility, greenwash as well as the use of the internet, social media and blogging. One of the most notorious examples in this regard was setting up a fake blog, or 'flog', called Walmarting Across America (see below).

Amongst the most controversial aspects of Edelman's history is its work for various tobacco companies in the 1970s, '80s and '90s. Documents released under the Master Settlement Agreement revealed how the company played a key role in preventing effective legislation against the tobacco industry and manipulating public opinion on tobacco and its effects on health (see below for more details).

Edelman claims to champion 'ethical' standards within the industry and encourage 'honest' and 'open' communications. However, an examination of the company's practices shows this to be just more spin and deceit from the world of PR.

Edelman's clients have included some of the most notorious companies around the world, including Shell, Walmart, Microsoft, Starbucks, Burger King, Pepsico, AstraZeneca, E.ON, Unilever, HP and Kraft.[1]

Marketshare

Edelman is the world's largest independent PR firm, with over 3,200 employees in 51 offices worldwide. In 2010, it had global revenues of \$532m, up from \$448m in 2009.[2]

Although the majority of its business is in the US, 40% is from elsewhere. The company is currently planning to expand further into Middle Eastern and African markets from its office in Abu Dhabi.[3]

History

Edelman was incorporated as Daniel Edelman Public Relations in 1952. Daniel Edelman is considered a key figure in establishing the public relations industry. Initially working as a communications analyst studying German propaganda during the Second World War, he then worked as a publicist for a small record company, where he developed a highly successful gimmick for marketing home hair care products.[4]

When it started, Daniel Edelman Public Relations only had a staff of three working from their office in Chicago. Nonetheless, many modern public relations techniques were pioneered by Edelman. For example, one of the company's early clients, Sara Lee, successfully



established its range of new convenience consumer products after Edelman arranged coverage of Sara Lee products in leading women's magazines and newspapers.[5]

In 1962, the company took on the state of Finland as a client. At the time the Finnish government was concerned about the perception in the United States that it was politically tied to the Soviet Union. Edelman established the Finnfacts Institute, which disseminated favourable information about Finland, resulting in the opening of US markets.[*ibid*]

With continuing success in the US and several high profile clients, the company expanded internationally during the 70s, 80s and 90s and was, by the early 2000s, the fifth-largest public relations firm in Europe. Edelman also gained significant experience in crisis management, including what is regarded as the first example of "litigation PR", while working for CBS.

The news network was being sued for libel over a Vietnam documentary aired in 1982. Edelman's work involved providing material and developing relationships with key members of the press reporting on the case.[6] The company also established environmental PR with 'Dolphin-Safe Tuna' for Starkist in 1991, a company that had been suffering due to public concern over fishing methods.[*ibid*]

During the 1990s, many PR firms were bought up by international conglomerates. Burson-Marsteller and Hill & Knowlton, two of Edelman's main rivals, were bought up by the London-based WPP group, which, along with the Omnicom Group and the Interpublic Group, became the biggest players in the industry. In 1996, Daniel Edelman's son, Richard, became the chief executive of the company. By 2000, Edelman was the only independent company among the world's top ten PR firms.

Like other companies in the industry, Edelman suffered from the dotcom crash and, in 2002, it changed its name to simply Edelman and began to branch out into corporate social responsibility and public affairs (lobbying). Today, it is the world's largest independent PR firm, with an annual turnover of 188 million euros.

Involvement with the tobacco industry

Edelman has engaged in some extremely unethical practices, as revelations about its work for the tobacco industry demonstrate. The company played a key role in preventing effective legislation and manipulating public opinion on tobacco and its effects on health.

In 1998, the Tobacco Master Settlement Agreement[7] forced tobacco companies in the US to make public previously secret documents. Included in these was a document submitted in 1977 by Edelman founder and

chairman Daniel J. Edelman to tobacco company R.J. Reynolds proposing that the industry “conduct a more aggressive public relations position to seek to reverse the current momentum [of] a general public agreement that cigarette smoking is a health hazard and that efforts to control it further are in the public interest.”[8]

Further documents reveal how Edelman assisted transnational tobacco companies “to slow, to stop, to reverse the growing belief that smoking is harmful to the nonsmoker,” encouraging clients to “break out of the tried and true principles of Public Relations - 101 and massage some truly creative ideas.”[9]

As late as the mid-1990s, Edelman was helping Philip Morris fight smoking bans[10] and helping generate positive media coverage for Marlboro's products.[11]

Flogging and astroturfing

Being the first major PR company with its own website, Edelman was also early to embrace the use of blogging and social media that has now become standard practice within the industry. Richard Edelman, the company's president and CEO, writes his own blog, ‘6 a.m.’[12], on developments within the company and the wider PR world. and author of In his book *Deadly Spin*, industry whistleblower Wendell Potter, is critical of Edelman and its hollow position on ethical standards. Utilising his blog, Richard Edelman responds to the criticism:

“Inaccurate representations of the PR industry – such as yours – ‘not so much for public relations as for public deception’ – feed misconceptions of what we do. PR firms and their clients are dedicated to the long-term success of their business which is only achieved by honest and accurate communications, and that is the only approach tolerated at our firm.”[13]

He goes on to say:

“The reality is that today, thanks to robust mainstream and social media, there is immediate damage extracted to the reputation and the license-to-operate of any company, brand or PR firm folly enough to distort the truth.”

As Potter pointed out in his reply, this is pretty rich from a company that actively participated in deceiving the public over the health impacts of tobacco smoke.[14] However, it is typical of Edelman's approach to PR, touting the importance of ethical practices whilst, at the same time, employing the very tactics it claims are so damaging to the industry's reputation.

In reality, of course, social media and blogging provide additional platforms for PR companies to disseminate their messages and shape public opinion. In March 2006, the New York Times and Wall Street Journal revealed how Edelman had been using bloggers to comment favourably about its client Wal-Mart, with BusinessWeek.com later showing how the apparently independent blog Wallmarting Across America was, in fact, an Edelman paid-for fake blog, also known as a ‘flog’.[15] Once uncovered, the story of the fake Walmart blog rapidly spread across the blogging community and mainstream news, causing much embarrassment for Walmart and Edelman and becoming a case study in astroturfing (the now widely employed tactic of carrying out activities designed to give the appearance of a grassroots movement in order to promote a political or corporate agenda). Richard Edelman admitted “failing to be transparent about the identity of the bloggers.” Yet, in the same statement, he also claimed that “Our commitment is to openness and engagement because trust is not negotiable.”[16]

Each January, Edelman publishes a report called the Edelman Annual Trust Barometer[17], which surveys trust ratings in countries around the world. The report tracks public trust of business, governments and the media and highlights the key areas to focus on in order to build confidence. Whilst the report is ostensibly about ways of increasing credibility through open communications and dispelling misconceptions, it mainly serves to inform PR practitioners about ways in which public perceptions of government and corporate activities can be controlled.

Resistance

In addition to pioneering techniques in astroturfing, Edelman has also led the way in greenwash, or the deceptive use of green marketing. In 2008, the company was hired by European energy giant E.ON, which was facing a storm of protest over its plans to build the first new coal power station in the UK for 30 years. Those opposing the proposed new power station in Kingsnorth, Kent were determined to stop it going ahead, fearing that it would be the first in a new generation of coal power stations being built in the UK and across Europe. E.ON and the existing power station in Kingsnorth were the target of several high profile campaigns, including the 2008 Camp for Climate Action.[18]

Edelman was at the forefront of attempts to undermine the Climate Camp, assisting E.ON in the media campaign against the protesters. This led to Edelman itself becoming the focus of protest when a group of climate change activists targeted its European headquarters in Victoria, London. The same offices were again targeted later in 2009, this time with a group of climate activists staging a naked protest.[19] On both occasions, Edelman's CEO Robert Phillips claimed to have asked the protesters to engage in open dialogue,[20] a claim both groups of protesters denied.

Typical of approaches within issue management to ‘engage’ protesters in a discussion on the topic, this gives the impression of being open and reasonable, whilst at the same time portraying the protesters as only interested in sensationalism and refusing to enter into dialogue. Needless to say, a PR company will only ever employ this tactic if it believed it could benefit from the attention. Grassroots activists often have minimal capacity, whereas PR companies are well resourced to engage in dialogues that are employed to absorb anger and resentment and twist facts for their own benefit.

References

- [1] http://www.edelman.com/about_us/leadership/; <http://www.answers.com/topic/edelman>; <http://www.prweek.com/uk/news/790575/EON-turns-Edelman-nuclear-debate-rages>
- [2] <http://satellite.tmcnet.com/news/2011/05/01/5478648.htm>
- [3] <http://www.thenational.ae/featured-content/channel-page/business/media/edelman-plans-big-regional-expansion>
- [4] <http://www.fundinguniverse.com/company-histories/Edelman-Company-History.html>
- [5] <http://www.enotes.com/company-histories/edelman/establishing-an-industry-1950s>
- [6] <http://www.fundinguniverse.com/company-histories/Edelman-Company-History.html>
- [7] <http://oag.ca.gov/tobacco/msa>
- [8] <http://legacy.library.ucsf.edu/tid/dyd99d00>
- [9] <http://legacy.library.ucsf.edu/tid/tkk77c00>
- [10] <http://legacy.library.ucsf.edu/tid/whu72e00>
- [11] <http://legacy.library.ucsf.edu/tid/yzp73c00> - For more information, go see the Centre for Media and Democracy's website (<http://www.prwatch.org/>) and look up Anne Landman's excellent work on the tobacco industry. You can also search through and read the documents released under the Tobacco Master Settlement Agreement at the Legacy Tobacco Documents Library (<http://legacy.library.ucsf.edu/>).
- [12] http://www.edelman.com/speak_up/blog/
- [13] http://www.edelman.com/speak_up/blog/archives/2010/11/deadly_spin.html
- [14] <http://www.prwatch.org/node/9650>
- [15] http://www.businessweek.com/bwdaily/dnflash/content/oct2006/db20061009_579137.htm
- [16] http://www.edelman.com/speak_up/blog/archives/2006/10/a_commitment.html
- [17] <http://www.edelman.com/trust/2011/>
- [18] <http://www.climatecamp.org.uk/actions/kingsnorth-2008>
- [19] <http://news.sky.com/skynews/Home/Business/EON-PR-Firm-Edelman-Dismisses-Naked-Environmental-Protest-As-Cheap-Stunt/Article/200909115372526>
- [20] <http://www.prweek.com/uk/search/article/832313/Front-page-Activists-target-Edelman-climate-change-protest/> and <http://themediablog.typepad.com/the-media-blog/2009/09/behind-the-edelman-protest-response.html>

Adjective trade-marked

In an almost surreal corporatisation of politics, and language, a corporate media group has brought us one step closer to the outright ownership of everything by trademarking the phrase 'radical media'. @Radical Media LLC has litigated against Peace News, New Internationalist, Red Pepper and other radical media groups using the phrase in the title of a joint conference to be held in London in October 2011. Six months into organising the conference, the organising group received a threatening legal letter from the media corporation objecting to the 'unlicensed' use of the term. The organisers decided they could not fight the challenge because, even if they won in court, they would have had to pay around 75% of the court costs, amounting to tens of thousands of pounds. The conference will now be called the Rebellious Media Conference (see www.radicalmediaconference.org).

In eerie echoes of Monsanto's seed patenting strategy and the corporate ownership of rain water in South America, @Radical Media has essentially taken it upon itself to earmark a resource, here language, which people already use, then punish them for 'stealing it'. In a statement, the conference organisers said "it is absurd that people involved in genuinely radical media projects are being prevented from using the adjective that best describes their activities". This paves the way for a bizarre dystopian future in which companies buy the political language that is used in resistance against them, then have dissenters dragged through court for nicking 'their' phrase.

Willie soon be rich?

Greenpeace US recently obtained documents showing that prominent scientist and climate sceptic Willie Soon received \$1m from oil and coal companies over the past decade, including ExxonMobil, the American Petroleum Institute, Koch Industries and Southern (one of the largest coal-burning utility companies).

Soon was one of very few climate change deniers to be published in peer-reviewed literature, meaning he became regarded as one of the leading sceptical voices. The documents, obtained under freedom of information legislation, also show that Soon corresponded with other prominent climate sceptics in 2003 to try to weaken the assessment being carried out by the Intergovernmental Panel on Climate Change.

This investigation will embarrass Exxon, the world's largest oil company, which is known to have funded climate sceptics for many years but, in 2008, declared it would cut funds to lobby groups that divert attention from the need to find new sources of clean energy. In other recent news, Exxon is the oil company whose pipeline burst in the Minnesota River, flooding it with over 43,000 gallons of crude oil.

Uterus accused of crimes against the foetus

Pregnant women in the US are becoming increasingly criminalised in the latest culture wars over abortion. Women who have had a miscarriage are being characterised as being 'responsible' for the miscarriage and are facing murder charges. In Mississippi, there is now a whole new legal standard by which women are accountable for the outcome of

their pregnancies, with the threat of life imprisonment for murder hanging over them.

Across the US, pregnant women are becoming a different class of person with no rights. At least 38 of the 50 states across America have introduced foetal homicide laws, that were originally intended to protect pregnant women from violent attacks. South Carolina was the first state to introduce this law. The campaign group National Advocates for Pregnant Women has estimated that up to 300 women have so far been arrested for their actions during pregnancy.

Anti-abortion groups in Mississippi are attempting to widen the definition of a person under the state's bill of rights to include a foetus from the day of conception. Women's rights campaigners see the creeping criminalisation of pregnant women as a new front in the culture wars over abortion. Apart from being an ideological attack on hard-won abortion and other women's rights, the new laws create a situation in which women's choice over whether to have a baby becomes an even more difficult decision, with women choosing to have abortions because they fear criminalisation if something goes wrong with the pregnancy later on.

Rio+20: sustainable development or green(wash) economy?

Maybe the predictions for the end of the world in 2012 are correct! The London Olympics, the World Cup in Brazil and the Rio + 20 Earth Summit are all taking place, and there's no Glastonbury festival! The apocalyptic summit will be held on 4-6th June next year, 20 years after the first Earth Summit in Rio in 1992.

Ground-breaking preparations for the onslaught of (sorry, transition to!) a 'green economy' are already happening, including serious reform of the international institutions responsible for 'sustainable development'. This involves the out-of-date sustainable development approach being replaced by a 'forward-looking green economy' approach that fully embraces new financial arrangements based on so-called 'ecosystem services', whilst simultaneously liberating funds for iconic and impressive 'green technologies', otherwise known as technofixes, such as geoengineering.

The ecosystem services approach involves evaluating nature as if it is an industrial contractor: it provides natural 'services' that can be securitised in the form of invented credits that can be traded to raise 'conservation' money, including 'inspiring' market mechanisms such as Reducing Emissions through Deforestation and Degredation (REDD+), whilst value can be added to these services by the use of 'green' technologies. Business is clearly in the driving seat.

Back in the UK, politicians are doing their bit for the environment by planning to scrap laws designed to protect wildlife, tackle pollution, protect the countryside and reduce climate change. The 278 regulations, which include Climate Change Act, have been branded 'red tape' by a new government consultation. In addition, the government is still sticking with its policy of cutting support for large-scale solar projects, despite strong evidence suggesting that solar power has the potential to deliver affordable and secure energy in the near future.

Corporate Watch

corporate-critical research since 1996

Corporate Watch

www.corporatewatch.org