Greenpeace Seeks Greener Pastures

"Stop Esso" Campaign a Dud; Other Greens Cite "When Greed is Good"

Illustration: Courtesy of www.michaeldimotta.com

Pocketing the protest campaign profits

BY CHRIS HORNER

Recent reportage in one of Europe's greenest publications, "The Ecologist", cites internal admissions by the pressure group Greenpeace that it needs a face-saving exit strategy from its high-profile "Stop Esso" campaign. It reveals Greenpeace accepts it has failed, and now seeks more vulnerable target companies. Most damning, The Ecologist concludes, after speaking with several Greenpeace workers off-the-record, that "PR value" dominates the noisy group's target selection.

One revealing piece from The Ecologist's September 2004 issue addresses inner workings of "green" pressure campaigns, and the group most closely associated with them, Greenpeace. Another item, its "Our man on Wall Street..." column, rationalizes the failure of Greenpeace's "Stop Esso" boycott campaign through a formula indicating Esso (or its parent ExxonMobil) should never have been a target.

Serial boycotting

Notwithstanding that latter column's title, the magazine describes author Max Keiser as not currently a man on Wall Street but "a former Wall Street Banker," now running an outfit called "KarmabanQue". That outfit instead self-describes as being "anti-corporate" and "Wall Street's Worst Nightmare". Its website is devoted to serial boycotting, particularly complaining about "US roots" and trumpeting "anti-Americanism" as a driving force.

KarmabanQue advocates hedging one's investments through short selling its "top ten" companies according to a "Boycott Vulnerability Ratio" or BVR. With a flourish to make the most ardent capitalist blush, it proclaims that "The lower these stocks go the more money you make", with the added bonus that such investments can make it "harder... for these companies to operate."

While also employing phrases like "Take companies hostage with KarmabanQue," the author remains, by design or otherwise, burdened by the presumption of writing for a serious investing audience (although The Ecologist doubtless maintains numerous capitalist warriors among its readership, closeted and otherwise). He rakishly bandies about trader lingo while deigning to define basic terms such as short selling.

Confused prose notwithstanding, Keiser's piece details his assessment that activist investors should "short" stocks other than ExxonMobil instead, while also redirecting their boycott ire. He bases this claim on ExxonMobil's share price being more rationally tied to annual revenue than that of other "bad companies". Keiser ruefully informs his readers that Exxon should never have been selected as a boycott target in the first place, given its low BVR -- compared to other target companies out-of-favor with the agitating class for one reason or another.

Confusing

This is a little confusing given that Keiser ranks ExxonMobil in its "top ten" companies to hedge against for fun and profit on the basis of its various KarambanQue ratings, giving the entire article a strong flavor of rationalizing the "Stop Esso" campaign's failure.

More bad news for that effort is found in The Ecologist's reporting, "Greenpeace's Exxon failure", on an internal Greenpeace memo acknowledging its Exxon campaign is a washout standing the group flailing for ideas to exit the campaign without losing face. That article highlights Greenpeace's obsession with public relations *uber alles*, and its frustration with wasting so much energy – and image capital – on the moribund Esso flop.

This particular piece cites Greenpeace aides confirming that Keiser's results mirror Greenpeace's own internal assessments. It also reports on e-mails received from Greenpeace on a prior article, hammering Greenpeace for its concern being not on the merit of the arguments, but on the PR aspects of what would happen if certain pessimistic emails obtained by The Ecologist got broader distribution to the media.

"Carbon credits"

Finally, The Ecologist adds to the apparent activist schizophrenia over the merits of capitalism with the piece "Carbon Credits: When greed is good". This item editorializes in favor of the soon-to-launch European Climate Exchange as a way not only to herd industry into a Kyoto-style "cap-and-trade" scheme, but at a profit for the greens should they buy up credits now.

Unfortunately for The Ecologist, unlike its other two pieces warning that investors should exercise caution on all stock purchases, this "Recommendation: buy carbon credits" does not (in the electronic copy this author obtained) carry any such admonition. Yet the recommendation clearly relies at very large part on some global greenhouse gas suppression regime coming into effect, without which artificial scarcity, or rationing, the credits will be hard pressed to escalate in value.

This is a questionable gamble given that just this month Russia again put off its decision whether to ratify the one option the EU has permitted to remain on the table, the Kyoto Protocol.

EU Energy Commissioner Loyola de Palacio reaffirmed this past week what does seem to be a Russian pattern indicating more of an intention to game the system for whatever benefits may be obtained so long as the EU continues to play along rather than to come on board.

As such, carbon or other "global warming" credits would remain, like the "Stop Esso" campaign, a bad bet.