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Case Study

Chilling with Greenpeace, From the Inside Out

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Chilling With Greenpeace, From the Inside Out

Climate change is a hot issue. To combat global warming and other environmental problems, Greenpeace's strategy is both to protest against environmental offenders and to help them craft solutions to their ecological gaffes – often at the same time. Using this inside-out approach, Greenpeace catapulted Greenfreeze, an obscure ozone- and climate-safe refrigerant, into widespread use and launched the first Green Olympic Games in Sydney, Australia, in 2000.

by CATHY L. HARTMAN & EDWIN R. STAFFORD

Greenpeace activists protest Coca-Cola's use of climate-changing chemicals at the 2000 Olympics in Sydney, Australia. To make the first Green Games a reality, Greenpeace both cooperated with and confronted the Olympics' corporate sponsors.

PHOTOGRAPH COURTESY OF GREENPEACE/HAMPSON

AS PREPARATIONS FOR THE 2000 Olympic Games in Sydney, Australia, gained momentum, Greenpeace Australia seemed uncharacteristically cooperative. The environmental nongovernmental organization (NGO), famous for its dramatic protests against governments and corporations, was working with the Sydney Olympic Organizing Committee, a government agency, and its corporate sponsors to create the first Green Games. The partners met their ambitious goals one by one: transform the main Olympic site from a toxic landfill into a park and wetlands; build with nontoxic, eco-friendly materials; install a low-emission mass transit system; power Athletes' Village with solar energy; and plant 2 million trees around Sydney to leave a green legacy for all Australians.

But when the Olympic organizers and sponsors faltered in their commitment to using Greenfreeze, an ozone- and climate-safe refrigerant, for air conditioning and food and beverage cooling, Greenpeace took off its gloves. "Given that Australia suffers from the highest skin cancer rates in the world from sitting directly under the ozone hole, it was hard to believe this would be Sydney's biggest mistake," remarked Julie Carpenter, a Greenpeace campaigner.[1] To spur the Olympic Committee and Olympic sponsors into action, Greenpeace launched now-famous protests against Coca-Cola, including a print campaign that featured images of distressed polar bears on melting icebergs with the slogan "Enjoy Climate Change" emblazoned in Coca-Cola's trademark font.

Contrasting with Greenpeace's image as business-allergic, its activists not only raged against Coca-Cola, they also helped the corporation craft fixes to its environmental goofs. This paradoxical blending of traditional activism with opportunistic cooperation – what we call an inside-out strategy – forms the core of Greenpeace's Solutions campaign. For the past 15 years, the Solutions campaign has promoted technologies that mitigate environmental problems. Inside boardrooms and showrooms, Greenpeace partners with corporations and governments to create or adopt these technologies. Meanwhile, outside headquarters and marketplaces, Greenpeace keeps up a steady stream of protests and boycotts to make sure that its partners follow through on their promises. By simultaneously cooperating with and confronting corporations and governments, Greenpeace no longer just collars offenders, it also co-authors solutions. In so doing, the organization presents alternatives to the environmental movement's usual gloom-and-doom approach, which creates "moral fatigue and perpetuates a sense of helplessness," says Jacob Holling, a Greenpeace International activist based in British Columbia.

What is Greenpeace's inside-out strategy?

What are the risks to NGOs, corporations, and governments that are linked in these sometimes stormy partnerships?

How can other NGOs adopt an inside-out approach?

The Other Cold War

The inside-out approach that Greenpeace applied in Sydney had its beginning decades earlier and half a world away. In the 1980s, the Greenpeace affiliate in newly reunited Germany was waging a campaign against Freon and other ozone-eating chlorofluorocarbons (CFCs). The chemical industry was playing up a doomsday scenario that put Greenpeace on the defensive, recalls Wilhelm Mauss, a Greenpeace Germany campaigner. Industry officials claimed that banning CFCs would endanger children's lives in developing countries, because these countries would no longer have refrigerators in which to store milk, food, and medicines. If Greenpeace could not suggest a practical alternative to CFCs, it would lose the public's support for its anti-CFC campaign.

In 1989, scientists at the Dortmund Institute of Hygiene in western Germany created that alternative. Wanting an ecologically responsible refrigerator for their laboratory, they resurrected a butane-propane mix that was used for refrigeration in the 1930s. The mix not only was ozone-safe, but also had negligible effects on climate change – unlike the hydrofluorocarbons (HFCs) and hydrochlorofluorocarbons (HCFCs) that the chemical industry was pushing as CFC replacements.

A journalist informed Wolfgang Lohbeck, head of the atmosphere campaign at Greenpeace Germany, about the innovation. Lohbeck enlisted the Dortmund scientists as his informal advisers and began championing the technology, dubbed "Greenfreeze," among German refrigerator manufacturers. Yet Lohbeck quickly learned that the appliance makers could not change their coolants because they did not make their own compressors, and the only compressors available would not work with Greenfreeze.

Luckily, the Greenfreeze advocates happened upon Foron, a former East German appliance manufacturer that made its own compressors. Foron was not weathering the reunification of Germany well. With the introduction of western competition, the company was teetering on the brink of bankruptcy.

When Greenpeace found Foron, the Treuhand (the agency that privatized East Germany's state-owned enterprises) was threatening to dissolve the company unless new investors could prop up its finances. Foron saw partnering with Greenpeace as a way to stay alive.

In July 1992, Lohbeck made an executive decision to broker a partnership with Foron and the Dortmund Institute. He offered the manufacturer a $17,000 contract to produce 10 prototype refrigerators that Greenpeace Germany would use for demonstrations. This was Greenpeace's first business partnership since its inception in 1971.

A week later Greenpeace registered another first: It confronted a government to save a business. The Treuhand announced that Foron would be liquidated in spite of Greenpeace's investment. To save the company and the Greenfreeze project, Greenpeace activists and Foron employees called a press conference to display the refrigerator prototypes, which were produced virtually overnight. The Treuhand sent a fax ordering a halt to the press conference. But in a media face-off, Greenpeace shared the fax with the press. Ultimately, the Treuhand backed down, offering temporary financial support to the company.

"It became the story of the little East German David versus the big West German industry Goliath," says Mauss.

With news of the Greenfreeze deal, other German refrigerator makers and chemical companies started a scare campaign, proclaiming that Foron's Greenfreeze appliances were electricity guzzlers and potential bombs. (In fact, Greenfreeze's inflammability had been reduced by new appliance designs.) Greenpeace procured government and scientific endorsements of Greenfreeze, and its grassroots promotional efforts garnered more than 70,000 preproduction orders. Foron's Greenfreeze refrigerator made its market debut in March 1993 and ultimately won the German Environmental Protection Agency's prestigious "Blue Angel" eco-label. By 1994, most German refrigerator manufacturers had switched to Greenfreeze.[2]

No Peace for Greenpeace

Lohbeck took heat not only from appliance manufacturers and the Treuhand, but also from within Greenpeace itself. Lohbeck had acted unilaterally, and Greenpeace International campaigners initially saw the move as a corporate sellout. "It was completely controversial," notes Jeff Adams, a Greenpeace International campaigner. "Greenpeace Germany did its own campaign without consulting Greenpeace International, and people were skeptical."

Yet "the best way to end an argument is to have success," says Adams. By the mid-1990s, Greenpeace International took Greenpeace Germany's lead and promoted Greenfreeze throughout Europe and the developing world. Lohbeck's inside-out approach became the backbone of the Greenpeace Solutions campaign.

The Solutions campaign was not without its critics, who charged that the NGO was "losing its radical edge" and "abandoning boats for suits."[3] Corin Millais, a Solutions campaigner for Greenpeace UK, published several articles to assure the public that Greenpeace had not abandoned its core values. Instead, he argued, Greenpeace's new strategy was an extension of its confrontational approach: By sometimes cooperating with corporations and governments, Greenpeace could confront them more effectively and hold them accountable for their actions.

Millais further explained that Greenpeace needed a new tactic, given corporations' underestimated ability to weave loopholes into international treaties. The glaring example of the day was how powerful corporate interests hobbled the United Nations' Montreal Protocol. The protocol, ratified in 1987, was touted as a model for global environmental diplomacy. Yet it only phased out CFCs – for which corporations' patents were expiring anyway – and allowed them to be replaced with environment-damaging HFCs and HCFCs.

Because industry can suppress or ignore appropriate solutions to environmental problems, Greenpeace concluded that political measures alone would often fail. As it proved with Greenfreeze, the organization could leapfrog beyond international treaties by blending confrontation and cooperation.

Onward to the Olympics

The buzz over the Greenfreeze campaign vibrated south to Australia, where the city of Sydney was angling to host the 2000 Olympic Games. Sydney's Olympic bid committee was holding an open contest for designs of the Athletes' Village. Emboldened by Greenpeace Germany's success, Greenpeace Australia submitted an anonymous proposal that incorporated cutting-edge environmental technologies and best practices, including renewable energy, resource conservation, reliable public transportation, and ecologically responsible building materials.

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Inside-Out in Action

Greenpeace's tactics for making Greenfreeze a household product and the Green Games an Olympic reality

Networking – Forging ties with scientists and consultants to tap their expertise about Greenfreeze and other eco-friendly refrigeration technologies

Opportunistic Cooperation – Partnering with Sydney's Olympic bid committee to create the Green Games concept

Direct Action – Pressuring Olympic sponsors to abide by Sydney's environmental guidelines

Lobbying – Appealing to the United Nations' Multilateral Fund to finance developing-country transitions from CFCs to Greenfreeze

Public Education – Publishing reports, Web sites, and databases about the impact of refrigeration on ozone depletion and climate change

The Olympic bid committee received more than 100 design submissions, mostly from major developers and architectural firms. Greenpeace's anonymous proposal made it into the top five, and so the organization was allowed to collaborate on the final design. The Olympic committee invited Greenpeace to help draft what ultimately became a document titled "Environmental Guidelines for the Olympic Games." In September 1993, Greenpeace Australia joined the Sydney Olympic bid committee to promote the Sydney Green Games to the International Olympic Committee. Sydney clinched the Games for its city, and the stage for the Sydney Green Games was set.

As Greenpeace geared up for the 2000 Sydney Olympics, the 1996 Atlanta Summer Olympics came and went, and with it several farcical environmental bloopers.[4] For example, Atlanta's organizers intended to recycle thousands of tons of waste generated by fans and athletes. The state-of-the-art recycling facility, however, stood idle during the games because organizers had not secured the proper licenses. Atlanta organizers had also procured hundreds of alternative-fuel buses, but failed to hire or train drivers who could navigate Atlanta's sprawling freeway system. As a result, many fans were stranded in the "Hotlanta" heat, missing events they had eagerly anticipated for years.

Determined not to repeat Atlanta's environmental missteps, Greenpeace Australia publicly monitored the Olympic Coordination Authority (OCA). Every 100 days, the NGO issued an Olympic Report Card that praised environmental accomplishments, noted shortcomings, and offered solutions. For instance, Greenpeace found that the OCA was using PVC pipes in the construction of the Olympic Stadium, although the guidelines forbade the use of these pipes. After the OCA refused to act on Greenpeace's discovery, the NGO sent 25 activists to dig up the pipes and deliver them to the door of OCA headquarters. OCA's director general conceded that using the PVC pipes was a mistake. To aid future construction, Greenpeace published a comprehensive database of PVC alternatives.

By 1998, Greenpeace surmised that Sydney organizers and sponsors were not keeping their commitment to employ Greenfreeze and other eco-friendly refrigerants for food and beverage storage and air conditioning.[5] For example, only 100 of Coca-Cola's 1,800 refrigeration units at the site used the refrigerant. This time, though, Greenpeace's prodding was to no avail. "We wrote letters, asked questions, demanded a switch, and finally found ourselves in the middle of a lawsuit with the OCA," explains Carpenter.

Not wanting to use donations to argue legal technicalities, Greenpeace decided to confront Olympic sponsors directly. As the official soft drink of the Sydney Olympics and a primary user of refrigeration, Coca-Cola became the target. What started as a cooperative partnership to prepare the world's first Green Olympics was steadily deteriorating into a standoff over refrigerators.

Keeping Cool Heats Up

In January 2000, Greenpeace Australia's chief executive, Ian Higgins, wrote to Coca-Cola's top executive, Douglas Daft, and asked that Coca-Cola comply with the Olympics' environmental guidelines. Higgins' letter overviewed the scientific evidence about ozone depletion and global warming and asked for statistics on Coca-Cola's use of CFCs, HFCs, and HCFCs. He also offered to "collaborate with Coca-Cola to achieve genuine environmental outcomes."

Two weeks later, Coke executives responded that the company had begun phasing out CFCs in 1994, and that its use of HFCs was in full accordance with the Montreal Protocol. They also noted that Coke was testing Greenfreeze refrigerants in Denmark.

Displeased with Coca-Cola's response, Greenpeace released a report titled "Green Olympics, Dirty Sponsors," which exposed Coca-Cola and McDonald's use of climate-warming HFC refrigerants at the Sydney Games. The NGO then launched a Web site that detailed Coca-Cola's use of HFCs, explained how the compounds eat the ozone layer and heat up the atmosphere, and presented the satirical "Enjoy Climate Change" and "HFCoke" slogans.

In response, Coca-Cola defended its use of HFCs at the Olympic Games. Its press release stated, "The people who drafted the [Olympic environmental guidelines] seven or eight years ago could not have known then that some of the

Polar bears, a staple of Coca-Cola's advertising, featured prominently in Greenpeace's campaign against the soft drink giant. Activists placed this poster on Coke's vending machines during the Sydney Olympics.

technology they assumed would be available, in fact, could not be obtained commercially in 2000."[6]

Shortly thereafter, Greenpeace upped the ante by staging a protest outside of Coca-Cola's Australian headquarters, setting up a giant vending machine that dispensed activists dressed as oversized Coke cans. Other activists dressed as polar bears held up signs saying "Save me now! Coca-Cola, stop using HFCs." Greenpeace took the spectacle on tour to other Australian cities to mobilize support.

Succumbing to public pressure, Coca-Cola issued a statement on June 28, 2000, saying that although it would continue to use HFCs in Sydney, it would stop purchasing new HFC-using equipment where cost-efficient alternatives were available by the 2004 Summer Olympics.[7] Coke also promised to expand its research on alternative refrigerants, to require its suppliers to stop using HFCs by 2004, and to improve its overall energy efficiency by at least 40 percent by 2010.

On its Web site, Greenpeace congratulated Coca-Cola for its environmental actions. The organization's director also invited Daft aboard Greenpeace's flagship, *Rainbow Warrior*, to celebrate the Sydney Olympic Games. Daft politely declined the invitation.

In its report "How Green the Games?" Greenpeace bestowed only a bronze medal to the Sydney Games for its environmental efforts. But "most of us were very pleased with the outcome," Carpenter says.

In June 2004, Greenpeace joined Coca-Cola, Unilever, and McDonald's at a conference in Brussels to review their progress in reducing HFCs. All of Coca-Cola's major vending machine suppliers were phasing out the climate-changing refrigerant. Likewise, Unilever had already converted 14,000 ice cream freezers to non-HFC refrigerants. McDonald's had the most difficult task – converting air conditioning, walk-in freezers, and drink coolers in some 30,000 restaurants – but already had an HFC-free McDonald's up and running in Denmark. Greenpeace reported that there were nearly 150 million Greenfreeze refrigerators in the world, produced by the largest appliance manufacturers in Western Europe, China, Japan, and India.[8] Greenpeace's inside-out campaign had helped make an environmental solution a mainstream technology throughout most of the world.

Inside-Out Strategies

As the world gets smaller through commerce and telecommunications, its environmental and social challenges will get bigger. Given the inertia of industry and the short reach of multinational political agreements, NGOs should consider inside-out strategies to meet these new challenges. They should be aware, however, that combining protest with cooperation can create precarious situations for both partners.

On the one hand, NGOs should know that market opportunities often come with strange bedfellows. "We had met with Foron's technicians ten or twelve times," remembers Mauss, "but we never visited Foron's production line and had no idea what was coming out of the pipes." Only at the height of the campaign did Greenpeace investigate – and it found every sort of environmental problem. Greenpeace eventually helped secure a consultant to clean up the Foron plant, but its endorsement of Foron's products placed Greenpeace in an awkward position.

On the other hand, corporations should brace themselves for a stormy, and perhaps short, relationship with inside-out NGOs. Just because a corporation is working with an NGO doesn't mean that it is insulated from the NGO's criticisms. For example, Greenpeace worked with Unilever on adopting Greenfreeze while simultaneously protesting the corporation's use of genetically modified foods. "If they don't do what they promise," Adams says, "they can trust that we'll protest them."

Inside-out NGOs also aren't in the relationship for the long haul, because they understand that NGOs and corporations have fundamentally different goals: NGOs want to disseminate their practices and products as broadly as possible, while corporations want to hoard innovations in order to gain a competitive edge. As a result, a success for the NGO can spell failure for some companies. This happened with Greenpeace and Foron. The two parted ways in 1993 because Greenpeace needed to shift its efforts to expanding its Greenfreeze campaign, whereas Foron needed to shift its efforts to becoming profitable. The more West German companies adopted Greenfreeze, however, the less competitive Foron became on the open market. In the end, Foron declared bankruptcy.

Given the risks that pairing with

PHOTOGRAPH COURTESY OF GREENPEACE

opportunistic NGOs like Greenpeace presents, why should corporations do it? The first reason is that they often have no choice. Coca-Cola was broadsided by Greenpeace's campaign and had to react to save its image. This is the inside-out approach's "stick."

Its carrot, however, is a tasty one: NGOs' expertise can create market and social value for companies and governments. NGOs help governments and corporations track developments in regulations and spot their own environmental vulnerabilities before they become fatal flaws. NGOs can then help their partners save money on research and development by proposing solutions, as Greenpeace did for appliance manufacturers puzzling over how to comply with international conventions. And because consumers tend to trust NGOs more than businesses or government, having an NGO at one's side can inspire consumer confidence and commitment. And so for all its prickliness, joining forces with an NGO "should be worth its weight in gold," says Carpenter, "as it is free; is ongoing; saves a bomb in consulting, marketing, and polling fees; and helps establish solutions to problems that companies may not be able to do themselves."

The New Activist Wisdom

At the 2000 World Economic Forum in Davos, Switzerland, Greenpeace International's executive director, Thilo Bode, was invited to speak. When attendees complained about the Greenpeace protestors outside the building, Bode replied, "If they were not there, I would not be here."[9] By that time, Greenpeace had fully embraced the inside-out strategy of simultaneously protesting against organizations and cooperating with them to promote practical solutions.

Greenpeace UK, for example, has partnered with the utility Npower to market wind power, branded as "Juice." Subscriptions for Juice have grown from 5,000 to 50,000 customers over the past five years – far more than either partner expected. Greenpeace USA is similarly campaigning on behalf of Cape Wind Associates, a development company seeking to build America's first offshore wind project off the coast of Cape Cod, Mass. This project is facing significant opposition from local residents and members of Congress. In August 2005, a Greenpeace vessel cruised up alongside a schooner carrying outspoken eco-activist and Cape Wind opponent Robert F. Kennedy Jr. with a banner that read "Bobby, you're on the wrong boat – Yes to Cape Wind!"[10]

Other environmental NGOs have followed Greenpeace's lead. The Rainforest Action Network (RAN), for instance, originally protested Home Depot's failure to ensure that its lumber wasn't harvested from endangered forests. In the absence of any international standards, the lumber-retailing giant turned to RAN and other NGOs to help establish its own strict harvest guidelines. Home Depot's work with RAN and other NGOs has led to its lobbying governments and loggers to stop overcutting forests in Asia, Africa, and the Americas. "If you've got Home Depot carrying your water," notes Randy Hayes, RAN's president, "you're going to get a lot farther than as just an environmental group."[11]

Greenpeace's inside-out strategy is still a heresy for critics who would prefer that the NGO stick only to its activist guns. Yet most Greenpeace campaigners view this strategy as staying true to their mission, allowing them to dance with or dance on corporations in the name of a green and peaceful future. □

1 A pseudonym. We interviewed sources as part of a research project in which we guaranteed them anonymity in exchange for their participation (a common practice in qualitative research). Our project centered on in-depth interviews and follow-up exchanges with four principal architects of the Greenpeace Solutions campaign from 1999-2001. The campaigners generously shared international documents, reports, and media regarding the ongoing campaign, including correspondence between Greenpeace executives and key stakeholders.

2 See Ayres, E. & French, H. "The Refrigerator Revolution," *World Watch* (September-October 1996): 15-21; Stafford, E.; Polonsky, M.; and Hartman, C. "Environmental NGO-Business Collaboration and Strategic Bridging: A Case Analysis of the Greenpeace-Foron Alliance," *Business Strategy and the Environment* 9, no. 2 (2000): 122-135; and Stafford, E.; Hartman, C.; and Liang, Y. "Forces Driving Environmental Innovation Diffusion in China: The Case of Greenfreeze," *Business Horizons* 46, no. 2 (March-April 2003): 47-56.

3 Millais, C. "Greenpeace Solutions Campaigns – Closing the Implementation Gap," *ECOS, Journal of the British Association of Nature Conservationists* 17, no. 2 (1996): 50-58.

4 "Olympic Report: Special Atlanta Issue: Sydney – 1,500 Days to Go," Greenpeace Australia (Aug. 7, 1996). http://www.greenpeace.org.au/archives/olympics/100reports.html.

5 The term "Greenfreeze" initially referred to hydrocarbon technologies. Occasionally, the term became a more general reference to include other environmentally preferable refrigerants commonly called the "Gentle Five": water, air, carbon dioxide, ammonia, and hydrocarbons. See "A Greenpeace Briefing on Refrigeration & Air Conditioning," Greenpeace Australia (July 1999).

6 "Frequently Asked Questions," Coca-Cola Company Web site (June 2, 2000).

7 "Coca-Cola Unveils Latest Initiatives to Fight Global Climate Change: A Significant Sydney 2000 Legacy," Coca-Cola Company press release (June 28, 2000).

8 Lohbeck, W. "Greenfreeze: From a Snowball to an Industrial Avalanche," Greenpeace Report (June 2004). http://www.greenpeace.org/international/press/reports/greenfreeze-from-snowball-to.

9 Houlder, V. "Inside Track: Power Through Professionalism, Environment Campaigning," *Financial Times* (Sept. 21, 2000): 16.

10 Little, A. "The Wind and the Willful: RFK Jr. and Other Prominent Enviros Face Off Over Cape Cod Wind Farm," *Grist Magazine* (Jan. 12, 2006). http://www.grist.org/news/muck/2006/01/12/capecod/index.html.

11 Carlton, J. "Once Targeted by Protestors, Home Depot Plays Green Role," *The Wall Street Journal* (Aug. 6, 2004): A1, A6.