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bp: Beyond Petroleum?

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Draft version of Sharon Beder, 'bp: Beyond Petroleum?' in *Battling Big Business: Countering greenwash, infiltration and other forms of corporate bullying*, edited by Eveline Lubbers, Green Books, Devon, UK, 2002, pp. 26-32

In 2000 the transnational oil giant BP Amoco rebranded itself as "bp: beyond petroleum." The rebranding was part of an effort to portray BP as an energy company, not just an oil company: one that incorporated solar energy in its portfolio and was willing to move away from oil. BP replaced its logo with a vibrant green-white-and-yellow sunburst named after Helios, the ancient Greek sun god. The logo was meant to connote "commitment to the environment and solar power" and promote the new bp "as the supermajor of choice for the environmentally-aware motorist."[1] The lower-case letters were chosen "because focus groups say bp is friendlier than the old imperialistic BP," which stood for British Petroleum.[2]

Along with its new name, bp launched a new line of petrol station in the US, UK and Australia called bp connect, intended to "reposition BP Amoco, an old-economy gas station giant, into a progressive, environmentally friendly retailer." [3] Petrol is just one of many items for sale at the high-tech stations, which are equipped with solar panels. [4]

This was not the first time BP had revamped its logo and appearance to improve its environmental image. In 1989, as British Petroleum, it underwent a similar makeover. At a cost of about £100 million it shortened its name to BP, redesigned its logo and refurbished its petrol stations to promote a greener, more socially responsible image. David Walton, head of public relations, said BP's image was "a major commercial and political asset. Like any asset, it has to be managed and looked after." [5]

This earlier attempt at reputation management met with ridicule in some quarters. Jolyon Jenkins wrote in the [*ITAL] New Statesman and Society that BP, a company responsible for clearing large areas of rainforest in Brazil, responded to a rise in environmental consciousness in the late 1980s with "a £20 million 'reimaging campaign' in which it daubed all its property in green paint and advertised its annual report under the slogan 'Now We're Greener Than Ever.'" [6] In 1990 BP had to apologize for an ad campaign that claimed that its new unleaded petrol caused no pollution. [7]

It seems the new bp still likes green paint: its petrol stations are to be painted in green, white and yellow to symbolize environmental responsibility and the sun. But BP only really had its green claims taken seriously in 1997, when it left the Global Climate Coalition (GCC), a group of 50 corporations and trade associations that had been claiming global warming was unproven and action to prevent it unwarranted. In several speeches that year, CEO John Browne argued it was time to act to prevent greenhouse warming rather than continue to debate whether it would occur. [8]

With this new stance on climate change, BP earned a reputation as an environmental progressive in an industry that largely refused to accept the

likelihood of global warming. Browne received praise from environmental groups including Greenpeace.

The question, though, is whether BP's move was an indicator of environmental leadership or a cynical attempt to manage its reputation. When BP left the GCC, it was receiving adverse publicity because of its activities in Colombia. The dramatic break with other oil companies on the issue of global warming provided a useful diversion as well as a much-needed refurbishment for a reputation under attack on human rights grounds. In 1997, amid favorable publicity about its stance on global warming, BP's share price and profit rose.

BP's dangerous bedfellows

In 1996 BP was accused of human rights violations in Colombia, leading to damaging media publicity in the UK. Its Casanare oil field has oil reserves valued at approximately $40 billion. [9] The Colombian government has a poor human rights record, and both the police and army are held responsible for serious abuses of human rights including extrajudicial killings, forced disappearances, torture and beatings. These official security forces are much feared by the people, as are the right-wing paramilitary forces, which appear to operate as death squads with government impunity, attacking local protesters, communities they suspect of being sympathetic to guerrillas, and people they deem socially undesirable, such as prostitutes and street children. Antigovernment guerrillas have also made enemies among the local population. Combined violence by government forces, the paramilitary and the guerrillas resulted in between 2,000 and 3,000 deaths in 1998 and 300,000 civilians being displaced from their homes. [10]

BP's oil operations in Colombia have been a target for guerrillas who believe the oil industry should be nationalized. BP has installed several layers of preventative protection for its staff and installations. Firstly, it depends on the Colombian army, which created a special brigade of 3,000 soldiers for the purpose. [11] In 1996, BP agreed to pay the Defense Ministry between $54 and 60 million over three years to augment the battalion with 150 officers and 500 soldiers. [12]

BP also depends on the police force, which patrols the perimeter of its facilities; the company pays £3 million a year for the service. [13] In 1992 BP hired the British firm Defense Systems Limited (DSL), which set up a subsidiary Defense Systems Colombia (DSC) for its BP operations. [14] According to World in Action's research, based on the testimony of former DSL officers and the police themselves, DSC has given Colombian police "lethal military training" since 1996. [15]

But critics say this physical security has come at too high a price in human rights abuses. BP has been accused of forming its own army and of being associated with state repression. The military forces that protect its assets in Colombia are said to have connections with the right-wing paramilitary. And BP has been accused of hiring security people with past histories of human rights abuses and even murder. [16]

The heavy security had troubling implications for local people protesting about the environmental impact of BP's operations. The company admitted to early environmental damage, as a result of what Browne calls "honest mistakes" made

before local regulations had been clarified rather than "willful and reckless mistakes." [17] BP's operations in Colombia have caused problems including deforestation, pollution of crucial water sources, landslides, earthquakes and ground contamination. World in Action pointed out, "The company which had gone into Colombia trumpeting the highest green standards was fined $215,000 ó the biggest-ever environmental fine in Colombian history." [18]

"(M)embers of the local community involved in legitimate protest against the impact of the oil companies, including BP, have frequently been labeled subversive and subsequently been victims of human rights violations by security forces and their paramilitary allies," according to Amnesty International. [19] Daniel Bland, a researcher with Human Rights Watch, said local people have testified that if there is "any kind of organized protest against BP in any way, the leaders of those protests are singled out for persecution for harassment and for death threats." Such threats are taken very seriously, as six members of one group, the El Morro Association, have been murdered since it began its campaign against damage done by BP to their road and their water supply. [20]

In March 1997 BP was cleared of human rights abuses by a Colombian government inquiry. However, according to [*ITAL] Blowout Magazine, the Special Commission conducting the inquiry found the army brigade protecting BP's assets guilty of "civilian massacre, extrajudicial execution, rape, kidnap and torture." [21] Human Rights Watch also claims there have been "reports of killings, beatings and arrests committed by those forces responsible for protecting the companies' (Occidental Petroleum, Royal Dutch/Shell, and the national oil company, ECOPETROL's) installations." [22] BP denies any responsibility for military repression of anti-BP protesters and says it has no control over the soldiers it hires to defend its Colombian sites. But Human Rights Watch argues that BP cannot avoid responsibility for human rights violations committed by government forces in defense of its own interests. [23]

Moreover, Richard Howitt, a British member of the European parliament, obtained internal Colombian government documents that stated BP had given the Colombian military photographs, videos and other information about peasant protesters concerned about environmental damage. The information had allegedly led to intimidation, beatings, disappearances and deaths. [24] A former DSC adviser also told World in Action "about a controversial proposal by DSC to set up a spy network in Casanare to target anti-BP protesters." [25]

BP CEO John Browne responded, "We don't pass materials to the military...We have, as part of the licensing process, in order to produce evidence that we have had meetings on the environment, passed videotapes to the environmental department with the full knowledge and agreement of the community involved. That's the extent of it." [26] Human Rights Watch noted that when the contract between the Colombian military and BP came up for renewal in June 1999, the flow of funds was altered so that rather than paying the army directly, BP paid the state-owned ECOPETROL, which in turn paid the Defense Ministry. It continued making direct payments to the police. [27]

Old problem, new spin

bp's activities in Colombia are not unusual: it uses armed security guards in several countries. Nor are human rights criticisms new to the company. BP operated in South Africa during the apartheid regime and was considered an enemy by the international anti-apartheid movement because it sold oil and gas to the military and cooperated with local refineries despite an international embargo. Its products were boycotted at the request of the NGO TransAfrica, which argued, "Without crude oil, the South African government would stop working. So BP is keeping the apartheid government alive." [28]

bp now features its human rights position prominently on its website (www.bp.com), and its executives have given many speeches to promote it, some to NGOs. The site says that everywhere the company operates it establishes "clear ethical standards for ourselves and our contractors, ensuring that the whole of the local communities benefit from our presence."

In countries where human rights are at issue, BP management claims it is better that it continue its operations. "Without development, and without business," a BP executive told Amnesty International, "fundamental human rights cannot be secured. Far from being in conflict one is dependent upon the other." [29]

Another executive told a 1997 Amnesty International conference in the UK that BP was "a force for good" in Colombia: "Surely we should not deny Casanare the development which is available to others." [30] In 1998 Browne claimed it had spend $25 million in Casanare since 1992 on the development of local businesses, social housing, infrastructure and training. This compared with $6 billion it had invested in its own business operations in Colombia. [31] Meanwhile, "a company's obligation to provide security for its staff is paramount." [32]

But the company's arguments that its activities contribute to better political and civil rights are not borne out by history. There is little evidence that its years of operating in the Nigerian Delta, Southwestern Iran, Kuwait, Iraq, Papua New Guinea, Algeria, Libya, Somalia, Yemen and Aden have led to such progress. [33]

Only the logo is green

Certainly BP's record of environmental protection has been no better than other oil companies'. [34] In 1991 it was cited as most polluting company in the US based on EPA toxic release data. And in 1992 Greenpeace International named it one of Scotland's two largest polluters. [35] Nor has it become a model company since its apparent environmental conversion in 1997. In 1999, it was charged with burning polluted gases at its Ohio refinery and agreed to pay a $1.7 million fine. [36] In July 2000 BP paid a $10 million fine to the EPA and agreed to reduce air pollution coming from its US refineries by tens of thousands of tons.

BP's existing and proposed activities in Alaska have worried indigenous people and environmental groups. "Between January 1997 and March 1998, BP Amoco was responsible for 104 oil spills in America's Arctic," according to US PIRG research. [37] In 1999 BP admitted illegally dumping hazardous waste at its "environmentally friendly" oil field in Alaska and was fined $500,000 for failing to report it. It paid $6.5 million more in civil penalties to settle claims associated with the waste's disposal. [38]

bp has invested heavily in solar power and introduced a program to reduce its own greenhouse gas emissions. But despite its investment in solar energy, the company remains committed to ever-increasing production and usage of oil and gas. Director of Policy David Rice told the Global Public Affairs Institute in London, "We make no secret of our intention to grow our core exploration and production business and to continue our search for new sources of oil and gas." [39]

And while bp has promised to reduce its own emissions, it does not accept the need to reduce those arising from the products it sells. Browne argues the company's contribution is relatively small: "If one adds up the emissions from all of BP's operations and from all the products we sell, it comes to around one percent of the total emissions from human activity." [40] Yet this is a huge amount for one company to be responsible for, and certainly a more important contribution than that of bp's own operations. By 1999 BP's emissions were greater than those of Central America, Canada or Britain, according to Corporate Watch. [41] And Athan Manuel of US PIRG estimates (perhaps generously) that BP's recent acquisitions mean the company is now thought to be responsible for about 3 percent of worldwide greenhouse emissions.[42]

bp continues to explore for oil, often in environmentally sensitive areas such as the Atlantic Frontier, the foothills of the Andes and Alaska. bp's Northstar project involves the first undersea pipeline in the Arctic, and the Army Corps of Engineers calculates that "the total probability of one or more large oil spills...is approximately 11 percent to 24 percent" during its 15-year lifetime. [43]

bp is seeking government permission to explore in the Arctic National Wildlife Refuge (ANWR), one of Alaska's last remaining pristine wilderness areas, [44] through lobbying and donating to politicians and funding the lobby group Arctic Power. [45] President George W. Bush pledged to open the Refuge to oil drilling during his election campaign. Congress will vote on this later in 2001. A new industry front group has been set up to campaign for drilling to be allowed, the Energy Stewardship Alliance, but it is essentially Arctic Power under a new name. It is coordinated by Roger Herrera who also coordinated Arctic Power. Herrera is a former Manager of Operations for BP's Sohio Alaska Petroleum Company, now retired, and in 1997 was a paid lobbyist for BP America. [46]

BP has emphasized its solar investments while being attacked for its Arctic exploration. In March 1999 it launched its "Plug in the Sun" program based on its investment in solar energy and the installation of solar panels on gas stations around the world. Its ads said, "We can fill you up by sunshine" — but it was still gas people were putting in their cars. For this program it was awarded a Greenwash Award by Corporate Watch. [47] In a similar satirical vein, Greenpeace USA gave CEO Browne an award for the "Best Impression of an Environmentalist." [48]

An investment in image

It seems bp is investing more in image than environment. Would a company spend hundreds of millions of dollars in solar investment just to enhance its reputation? Well, bp has already spent that much just on its "beyond petroleum"

rebranding. Research and preparation cost $7 million; bp planned to spend $200 million between 2000 and 2002 rebranding its facilities and changing signs and stationery and another $400 million on advertising its gasoline and pushing the new logo.[49]

In the end, despite bp's rhetoric about social responsibility, triple bottom lines and enlightened self-interest, profits seem to count most. An oil company might invest in solar energy and admit that global warming should be prevented, but it will do all it can to ensure it can go on drilling for fossil fuels and expanding its markets for them.

Notes

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