



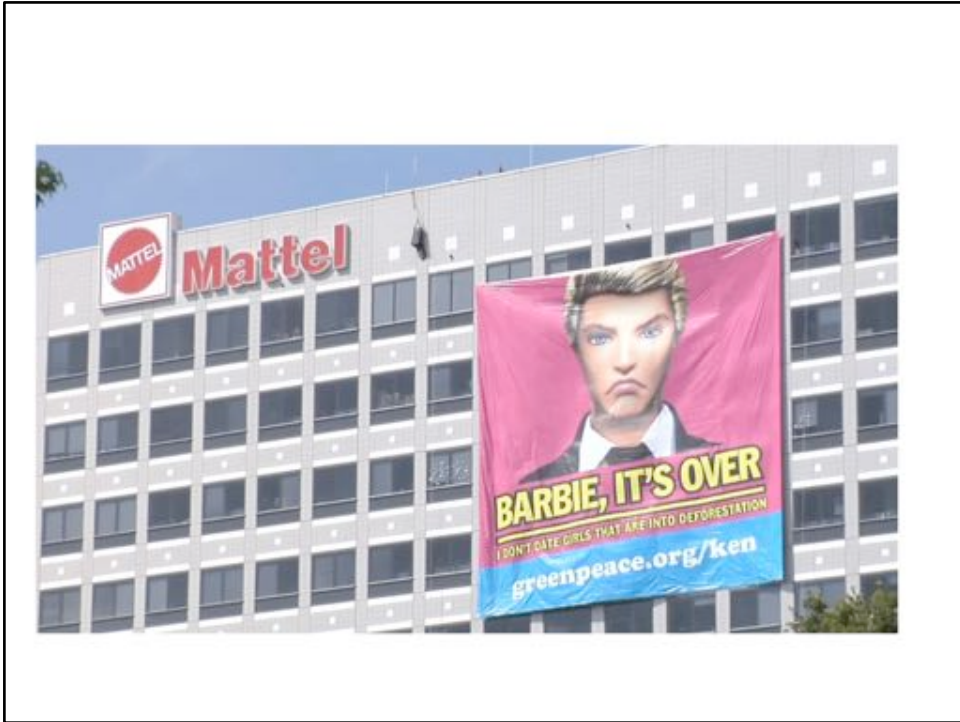
Intro about the campaigns work of the Waterloo Foundation and the JMG Foundation

Aims of this session

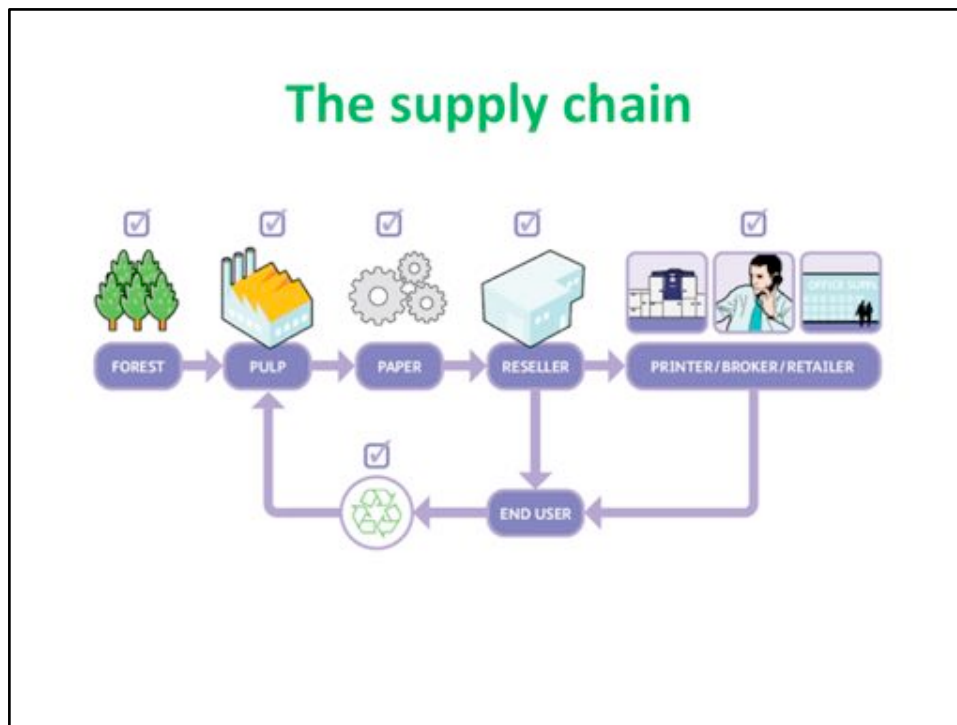
- What is a markets campaign and why can they be effective?
- What does success look like?
- What is the role of funders regards markets campaigns?



Presentation based on a survey of leading markets campaigners



The face of markets campaigning that we know and love.

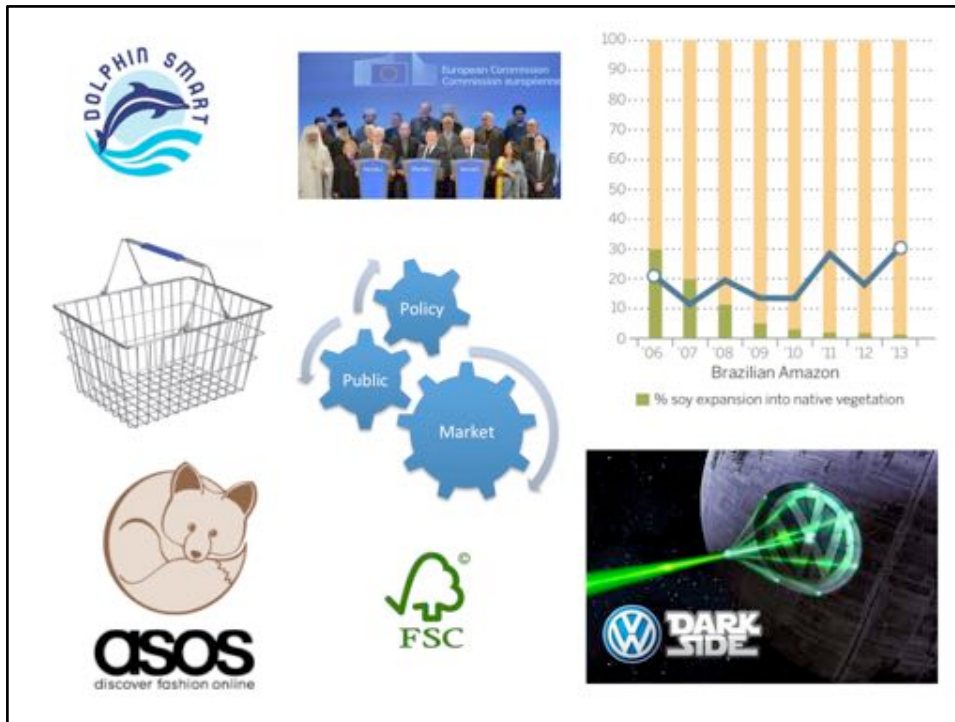


Markets campaigns are not about beating up a single consumer goods brand – they are about having individual or corporate purchasers change what products they buy or methods by which they are produced. In this way a campaign on retailers and consumer brands transmits back down the supply chain a requirement to improve environmental performance.

To continue the Greenpeace example, Mattel was a target of convenience, chosen because its leverage over the primary campaign target, Asia Pulp & Paper, a company that had been pulping rainforests with impunity for decades. The campaign worked – APP lost dozens of corporate customers including Mattel, Disney, etc and in 2013 it buckled with the announcement of a sweeping conservation policy.

In this case, the international market was the best way to get at APP, which was never going to be controlled by the weak policy and governance in its native Indonesia – it is worth thinking about how markets and policy campaigns interact.

Quote from NGO: “Yank anywhere along the supply chain that’s vulnerable – the market target doesn’t have to be directly connected to your ultimate target of change. However it’s best if the market target has significant leverage within the supply chain”.



Our respondents felt strongly that markets reform is not an alternative to policy reform, but rather that by shifting the market you actually make policy reform more likely.

As one put it, it is easier to get law and regulation in place once the marketplace has accepted they have to change. Another said that campaigns can realign politics such that companies who vociferously opposed regulation in the past can be neutralised or even turned into advocates of that regulation.

Indeed markets and policy goals are often pursued side-by-side by NGOs working in coalition. For instance, the Greenpeace campaign on VW was set up to counter the car industry's lobbying against EU fuel economy laws.

Within the market itself, the results of campaigns may manifest as eco-friendly labels that empower consumer choice, for instance dolphin friendly tuna or fur free fashion retailers. In some cases these enhanced production standards have pretty much become the norm such as FSC.

The graph shows how deforestation in Brazil fell after 2006, when the soy industry signed a moratorium after a markets campaign on McDonalds and other big customers.

Why the market?



- Follow the money...
- Corporations have a huge environmental footprint
- Corporate lobbyists are powerful influencers of governments and policy

£27bn is spent in the UK retail sector every month – 16% of economic output.
International trade in agricultural commodities worth \$1.4tr a yr

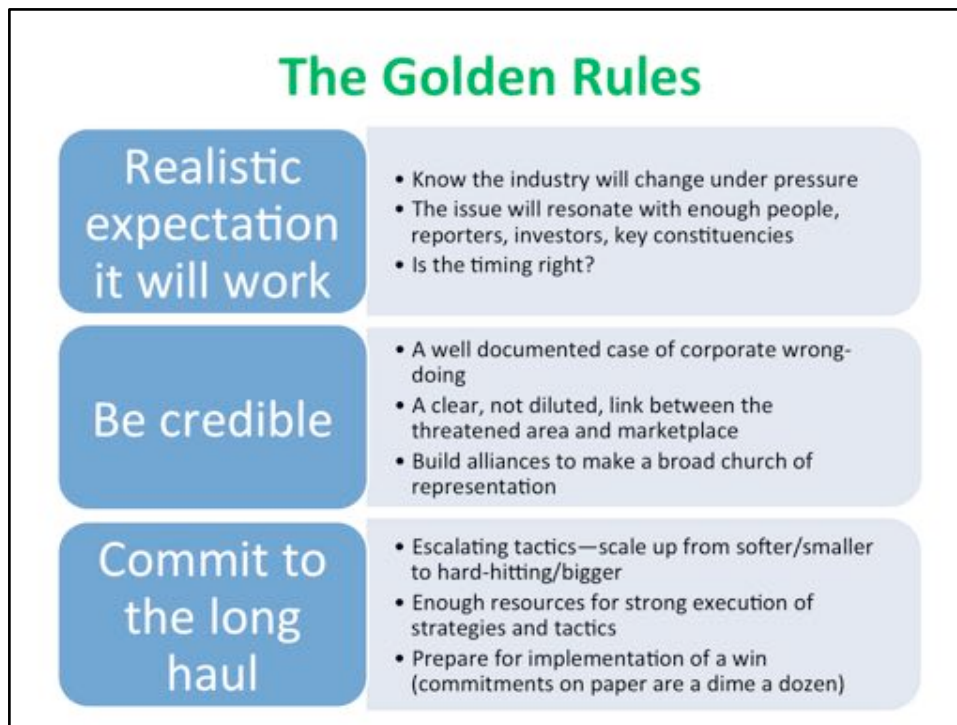


All of the golden rules are backed up by Research, Research, Research!

Powerful targets e.g. Unilever – buying power to influence others, RSPO member, cancel contracts with ultimate target.

Susceptible targets e.g. Nestle – highly visible brands like kitkat

Present alternatives – moratoriums good, but need to show current and future need can be met through existing agricultural land through increasing yield (e.g. cattle in Brazil, despite moratorium production has increased)



Realistic expectations – Timing , don't push for what looks like job losses when a company is laying off staff.

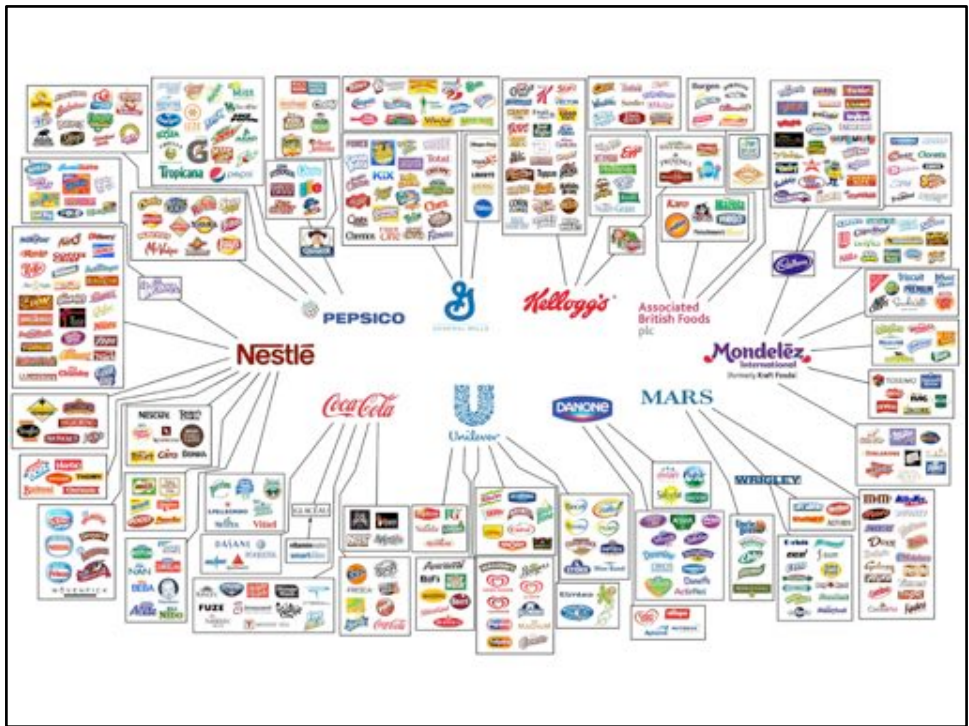
Be credible – problems of bank finance and paper industry

Long Haul – the worst thing is to start something and not have the resources to finish, this will weaken the campaign and make it harder if you want to continue.

Escalating tactics – this keeps peoples interest and makes you seem more reasonable



- # Direct engagement
- # Divide and conquer (in place of rankings/league tables)
- # Investigate and expose (in place of name and shame – all tactics do that)
- # Culture jams/brand attack
- # Customer and investor relations (to include shareholder advocacy)
- # Public actions
- # Direct consumer pressure



Watch <https://www.youtube.com/watch?v=VPlxNhEc2IA>

video spoofing Doritos Super Bowl campaign. 320k signature petition to Doritos parent company PepsiCo

1.5m views.

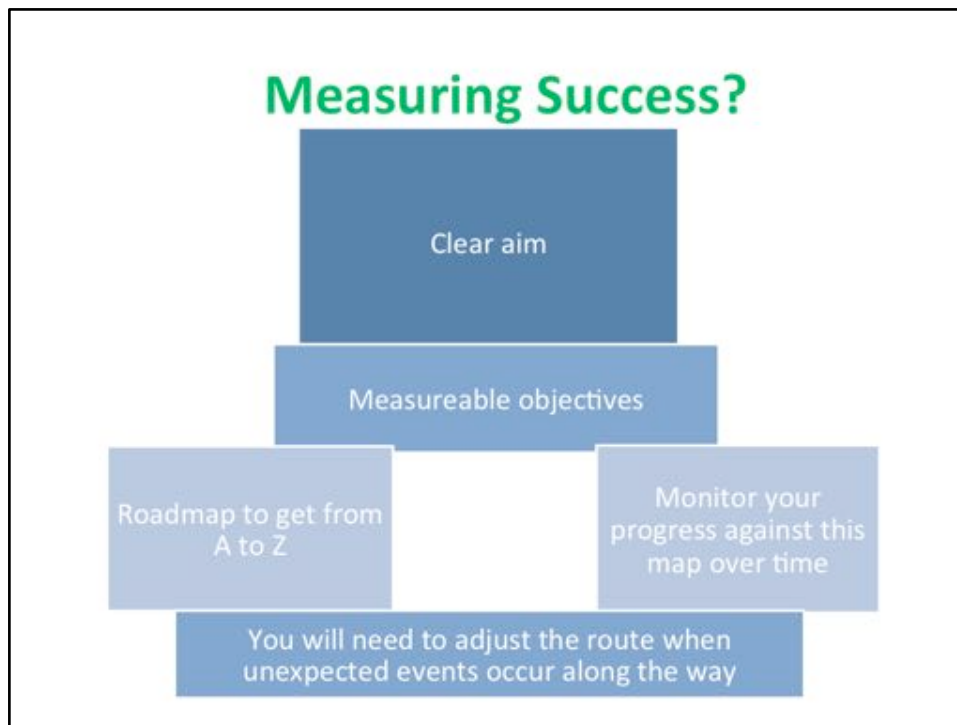
PepsiCo lags other major palm oil buyers in terms of developing enviro and social safeguards.



Markets campaigns are often a collaborative effort between civil society groups. This slide describes (in v simplistic terms) a cast list of roles (there may be others).

Bad cops are those confronting big consumer brands. Good cops often come in to negotiate solutions once a brand has been sensitised in this way. Community groups in the areas affected feed in evidence of wrongdoing and human interest stories. E activists do e activism. Research outfits investigate supply chains and impacts to evidence bad behaviour.

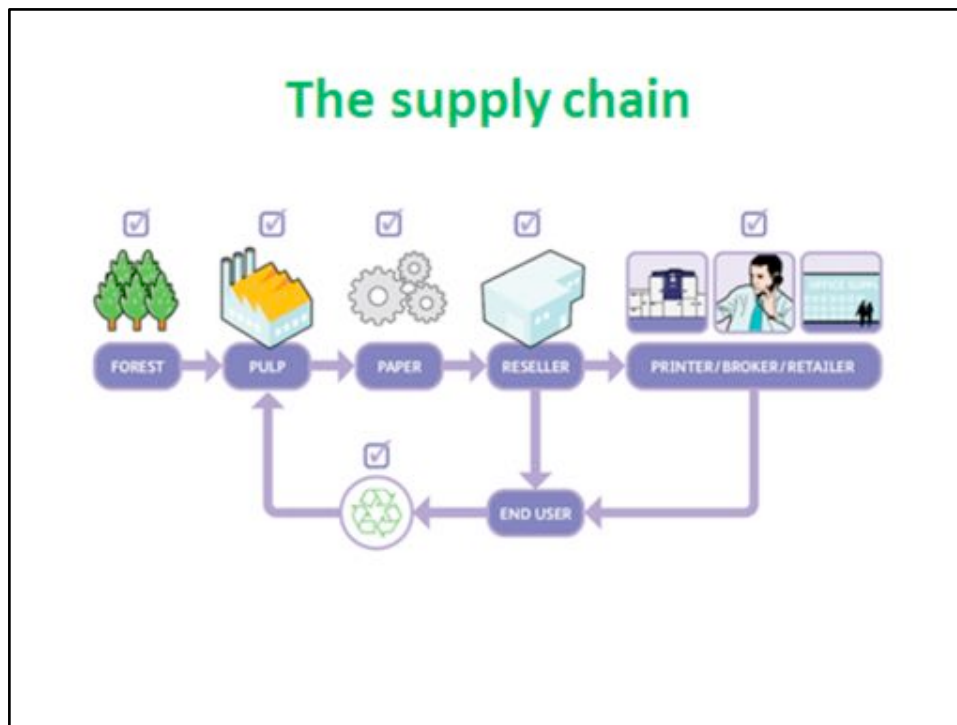
It isn't desirable or possible for a single organisation to fulfil all roles simultaneously. Lots of entry points for funders.



Discussion points

Short term nature of foundation funding doesn't always allow for all aspect of the campaign to be supported – you and your grantees need to be clear what are the steps along the way to ensure your grantees are making headway.

Taking the eye off the ball – Ensure any promised changes (e.g. commitments by companies) are implemented, this should be included as part of the original aims.



What might that look like:

You want to protect the forest from logging.

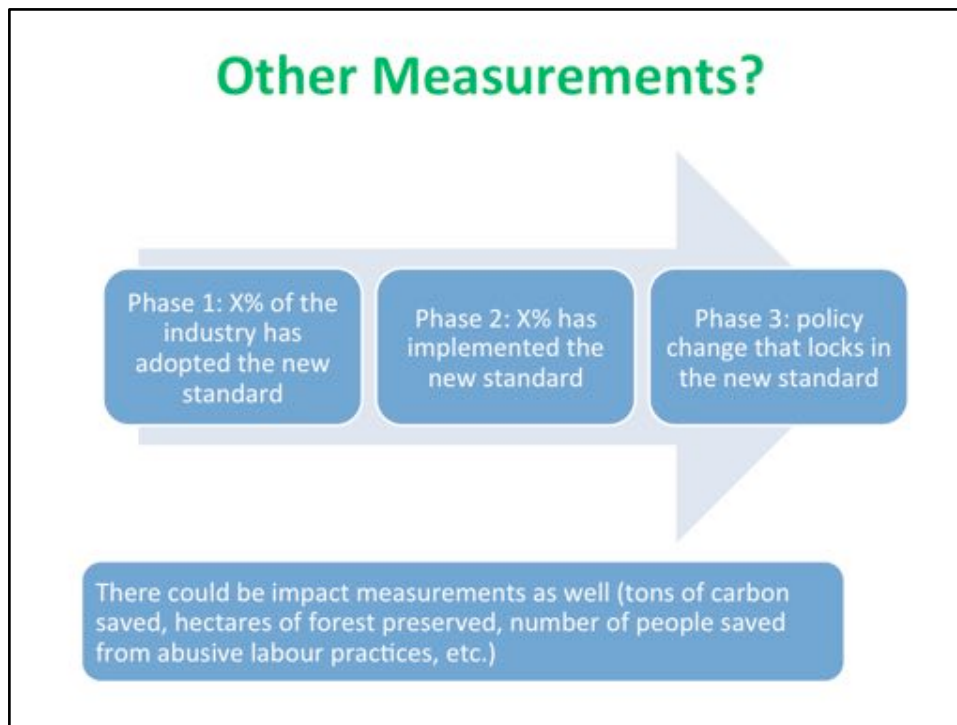
Producer company x – doesn't care and can't be influenced directly to change.

The market campaign targets consumer companies – this results in them creating a forest policy and cancelling contracts with company x.

Enough companies cancel contracts that company x agrees to change their policy.

Implementation of policy results in protection of forest.

This could result in all companies pushing for policy change so that all companies now have to adhere by the same high standards.



Worth noting that not all wins in markets campaigns are black and white – you often end up in a grey area where a company suspends an activity “temporarily” rather than commits to a permanent policy (eg: Shell won’t go to the Arctic this year, we won’t plant GM crops this year etc). There may not be a clear day of victory in these situations. But you still have the above benefit of having neutralised corporate opposition to political work so your “win” may only be witnessed through later political change.

Note that other approaches don’t necessarily last clear cut or lasting wins either – policy may be poorly implemented or revoked, national parks aren’t forever. Examples of how this could be measured: by monitoring the situation on the ground in producer countries, trade data, spread of certification, and investigations.

When you have significantly changed the market, and when there is momentum for the issue to carry on. The worst thing you can do is stop before it’s finished as the situation will revert to the status quo and be harder to achieve next time someone tries.

The importance of monitoring and implementation



Once the desired change has been achieved it is advisable to keep a watching eye on implementation, rather than saying the work is done.

it's also important to have a plan for monitoring and implementation in coordination with the affected/frontline communities. This plan should include necessary staffing and funding to continue this important, but often neglected part of the campaign.

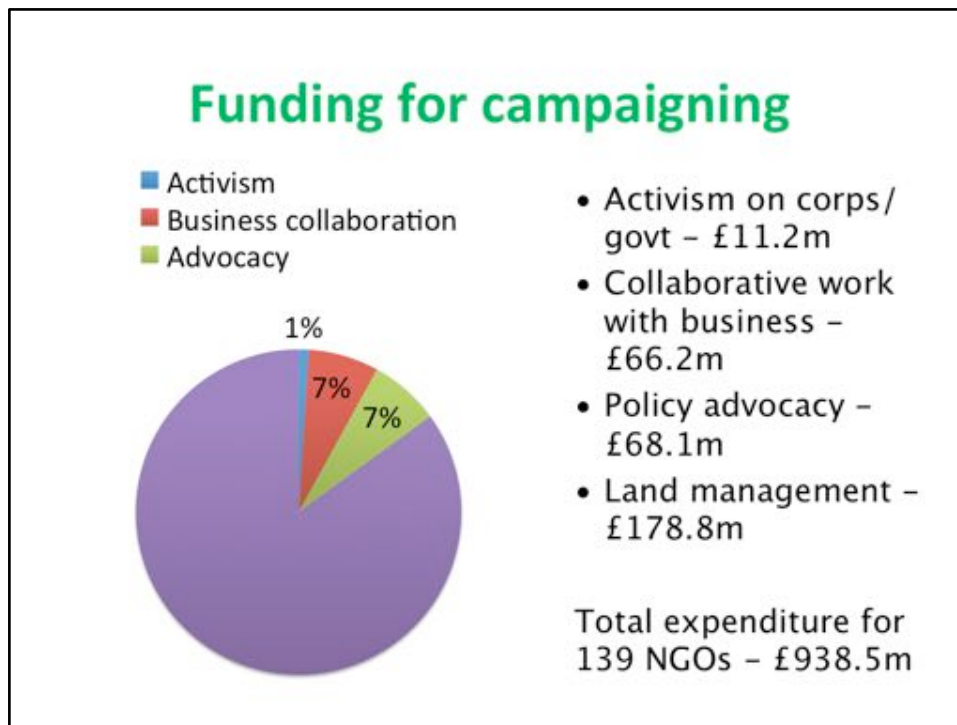
community will be empowered in maintaining the implementation - should not just claim "we won" and move on

an unimplemented policy is a failure

E.g. Tuna league tables – GP took eye off the companies who had promised to change, before they knew it the companies had reneged on their deal

E.G. FSC – two NGO respondents said this wasn't in fact a success, unintended consequences

e.g. fur campaign – back on the market

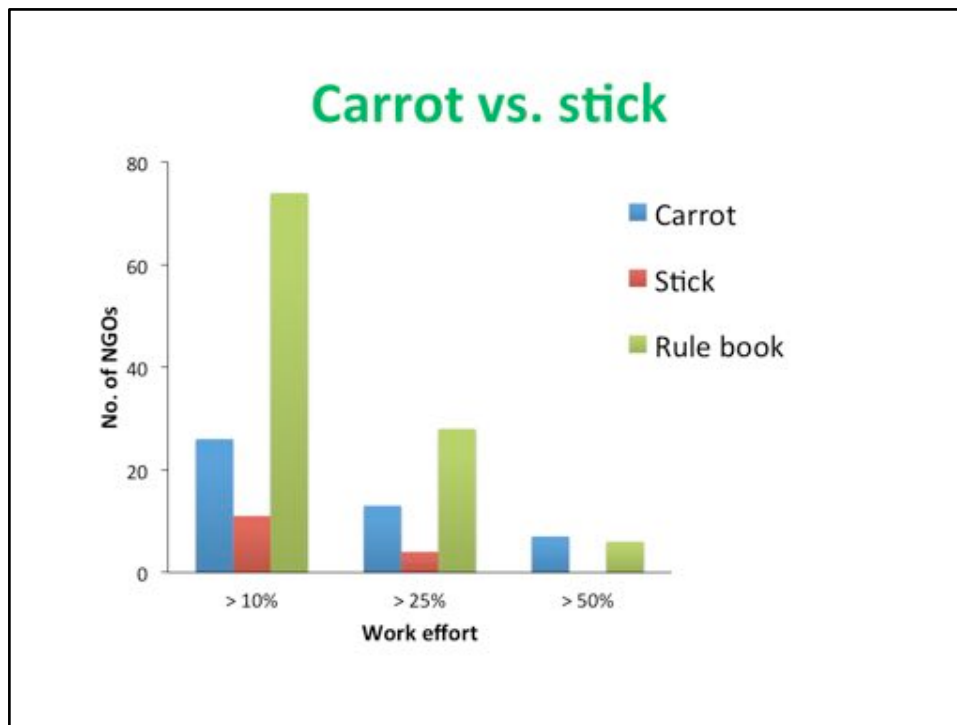


We haven't found any data on the amount of environmental funding going towards markets campaigning vs. other approaches, but as reported in EFN's report "Passionate Collaboration" (survey of 140 UK env groups) very few are working on business in a confrontational way.

Data from EFN "Passionate Collaboration" – survey of CEOs of 140 UK environment groups. Asked to allocate effort expended by their organisation into 13(?) categories – pie chart shows the three of most interest to us here:

- * Activism directed at either government or corporations
- * Collaborative work with businesses to change their behaviour (e.g. providing accreditation, certification, labelling or monitoring)
- * Advocacy (e.g. engaging with decision-makers to influence public policy)

The NGOs surveyed had a total expenditure of £938.5m per year, of which only 1.2% of 11.2m is used to support activism on corp/govt. This is considerably smaller than the sums spent on collaborative work with business or on policy advocacy, which as we've seen can be given a fair wind by markets campaigning work.



This graph looks at the allocation of work effort between the three approaches – carrot (collaboration with business), stick (activism on corps/govt), and rule book (policy advocacy).

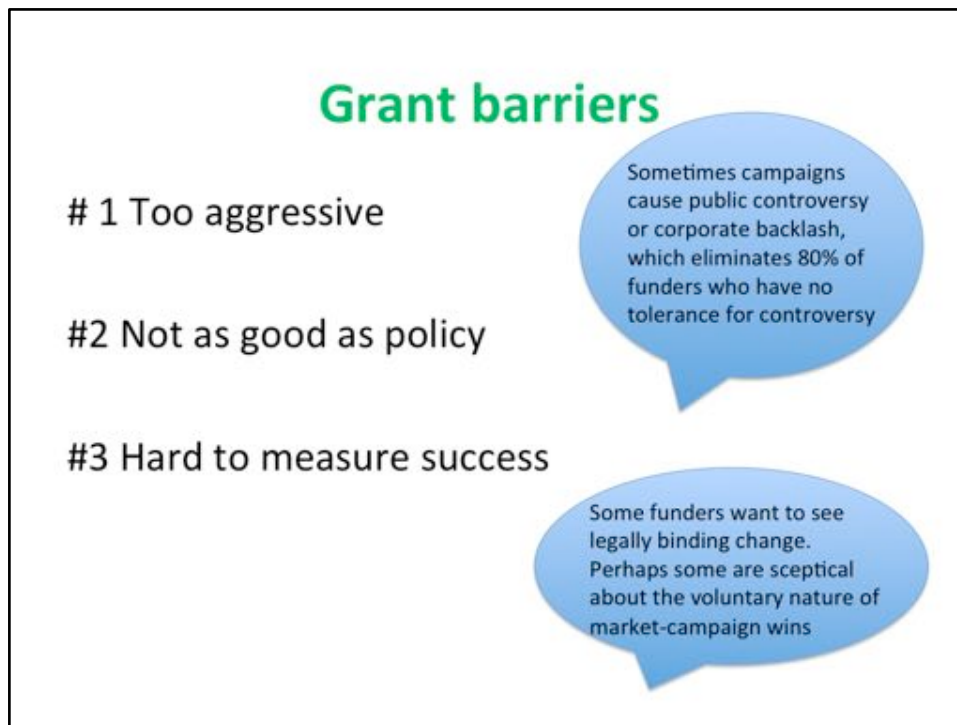
74 of the NGOs are directing 10% or more of their work effort towards changing the policy rule book, with 28 – directing 25% or more, 6 – directing 50% or more

Carrot 26 – 10%, 13 – 25%, 7 – 50%

Stick – 11 – 10%, 4 – 25%, 0 – 50%.

Interestingly, most NGOs seem to view the activism associated with Markets Campaigns (MC) as legitimate - nearly 70% of respondents agreed with the statement that non-violent direct action has an essential role to play in addressing environmental challenges, and Greenpeace was judged far and away the most effective UK enviro group by other NGOs surveyed.

So there is this weird situation, whereby MC is respected as an approach but is very much the poor relation of other approaches it has bearing upon. If MC is so effective, why aren't more NGOs doing it?



One obvious constraint on markets campaigning capacity is the availability of funding. The NGOs in our survey do not perceive philanthropic support for markets campaigning to be readily available, and identify three main barriers to attracting trust and foundation supporters.

Note though that respondents also saw signs of funders coming around – as one put it, “in the past, funders were reluctant but they are increasingly intrigued by this approach, as market campaigns have proven their effectiveness.”

NGO quotes:

“Funders still typically favour more traditional campaigns focused on policy-makers. Market campaigns can seem indirect, so they require a rock-solid theory of change”

“Success can be less tangible and it is harder to consolidate success since outcomes tend to be voluntary, rather than statutory”.

“While some funders are receptive to supporting market campaigns, others may identify market campaigns solely with boycotts, which may strike them as too confrontational or controversial. However, a boycott is just one of a wide range of tactics that market campaigns use”

Other considerations



What other considerations should funders think of with Markets Campaigns:

- Legality – are the actions that you are funding considered charitable by the charity commission? Is the NGO set up to undertake non-charitable activities within a different legal framework (e.g. some charities have another arm set up to undertake non-charitable activities)
- Support for capacity building for Monitoring and Evaluation – funding of community capacity building can form an important aspect of a markets campaign, but is less confrontational for some funders.
- Companies using Divide and conquer in ‘success’ – if the campaign is successful in securing strong commitments, it is often then harder for a coalition of NGOs to agree what the next steps are – companies can use this to stall on implementation.
- Ongoing watchdogs – e.g. Tuna. As mentioned it is important to keep a watch on implementation
- BRICs – how do market campaigns work in emerging economies, consider the different social and political agendas.
- Confidentiality of information and trust of your grantees – before the launch of a campaign NGOs may not be in a position to fully share with funders their detailed plans, this requires a level of trust.

Market Campaigns – why now?

- Exciting innovative time in markets campaigning
- ‘Stars aligning’ – professionalised campaigning corps, companies upping their CSR game
- Social media putting markets campaign tactics in reach of smaller NGOs

MC is exciting innovative space, aided and abetted by modern IT

E.g. NGOs can produce their own slick ads on the cheap and distribute their communications through some of the same channels as their corporate targets

E.g. Opportunities to flat foot large companies – e.g. Nestle’s embarrassing FB response to GP spoof KitKat ad

E.g. Companies are very good targets for e-campaigning – they have lots of channels of communication and lots of corporate communications to target/satirise (including many eco-claims)

Note there’s a large element of behind scenes work even when public campaigns are in full swing – as NGOs and companies negotiate terms of ceasefire

Recent years have seen markets campaigns increase in sophistication – on the granularity of messaging and targets (e.g. applying techniques from public affairs, market research, political campaigning, on ‘talking the language’ of corporates and investors (e.g. new categories of economic risk like reputational damage), and on setting the agenda for solutions (no longer fobbed off with lowest common denominator voluntary scheme, more likely to monitor implementation)

Also companies have developed more sophisticated CSR narrative, which can be used both to expose and reward them

Discussion topic #1
**Markets campaigning is an effective
and appropriate use of
philanthropic funds**

Agree?
Disagree?
Undecided?

Considering the slide on grant barriers : do you agree with these, would you add any more? What would improve perceptions of markets campaigning among funders?

Discussion topic #2
**NGOs should do more markets
campaigning**

Yes (what is stopping them?)
No (why not?)
Undecided

Pulse respondents identified skills associated with markets campaigning – including strategic communications, use of social media and understanding of company decision-making – among those skill sets in most need of additional investment.

Of the NGOs working on markets campaigning there are more good guys than bad – This is an area of opportunity for funders to make an impact

Are UK NGOs/British culture happier with rule books and being nice than trying to rock the boat? Do any funders have more experience of funding in other countries? Do you think this graph would look the same in the US? Mainland Europe? Etc?

NGOs involved in frontline stick wielding corporate activism need a few operational characteristics:

- Comfortable with controversy, and confident that funders and member supporters are so too
- Detailed understanding of what makes markets and businesses tick – the average NGO is much likely to understand public policy decision processes than corporate decision processes
- Proactive rather than reactive

Discussion topic #3
**Which issues would benefit from
extra markets campaigning capacity?**
Suggestions from NGOs:

- Endangered species
- Water use in commodities
- Climate and energy
- Aviation emissions
- Antibiotics in food
- Forests
- Mining
- Toxics
- Agriculture/food systems

Thoughts on this list? Anything to be added from your own foundation's portfolio?

Continuing the conversation...

BRICs working group
'Little black book' of trustee contacts
Skills and training
Other?

Ways we could follow up via EFN

- Need to get to grips with 'less sensitive' markets
- Are your trustees willing to raise environmental issues with contacts they may have among target companies or investors?
- Funders could think about how to help NGOs acquire skill sets relevant to markets campaigning, including those flagged up by respondents to Pulse (useful skills to have whether or not they're applied to markets campaigning)
- Other? Improving measuring and evaluation, challenging some of the perceived barriers to grantmaking

Is there anything you would add to this list?