

When Rainforest Ice Cream Melts: The Messy Reality of 'Socially Responsible Business'

by: Jon Entine

Ethical business practices are best measured by a company's character and commitment to transparency, not on its social vision or rhetoric. The most visible members of the 'socially responsible business' community such as Ben & Jerry's in the United States and UK-based The Body Shop are not necessarily better exemplars of corporate responsibility than much larger companies, even resource or manufacturing firms. Reality is messy; contradictions abound, especially in entrepreneurial, retail firms which are frequently touted as ethical business models.

Entrepreneurial companies mirror the energy and ethics of their leadership. Although this focus may contribute to rapid growth, it can result in myopic and sometimes reckless corporate behavior with potentially unethical consequences, such as the highly publicized Amazon "rainforest harvest" scheme -the marketing of ice cream, candy and cosmetics made with nuts and herbs foraged in the rainforest. Despite the overwhelming positive publicity in the mainstream press, the harvest has come to be regarded as a "fiasco" by many anthropologists and indigenous rights groups, and has officially collapsed.

The harvest is an appropriate symbol of the shortcomings of the "visionary" 'socially responsible' business model. Ethical business is not "performance art" but a focus on old-fashioned stakeholder concerns such as job security, pay scales, benefits, work and environmental conditions, and franchisee and vendor relations, in addition to product quality and customer service.

Greenback capitalism-that is, business on the back of the green movement-perpetuates a myth of "socially responsible" business and breeds cynicism. Corporations that follow an "integrity" model of behavior, based on the quality of their products or services, and a responsiveness to criticism, and are less flamboyant in marketing a progressive image, are generally more appropriate models of business ethics.

What do you do with too much ice cream? That was the dilemma faced a few years ago by Ben & Jerry's. After every run of Rainforest Crunch, Chunky Monkey, or Cherry Garcia, technicians at its Waterbury, Vermont, headquarters washed down their machines with hot water, leaving gallons of ice cream spill. At most companies, the waste would have presented no dilemma at all-just wash it down the drain. Ben & Jerry's, with its socially conscious operating philosophy, had another idea. The ice cream was collected and given away to local pig farmers.

It seemed like a classic win-win situation: Ben & Jerry's solves a minor environmental problem while farmers get an unexpected windfall. At least, that's what everyone thought. Meanwhile, the story was fed to the press along with Ben & Jerry's Peace Pops. It got great play in Vermont and even made the international news wires: yet another example of benevolent eccentricity at one of today's most progressive companies.

But benevolence soon led to unexpected complications. Some piglets that happily slurped Ben & Jerry's Homemade sugar water suffered from human-like arteriosclerosis. And according to local pig farmer Earl Mayo, the slaughtered pigs yield a fattier pork.(1) Neither Ben & Jerry's nor the farmer had explored the implications of feeding pigs premium ice cream. "Swinegate" would be merely an amusing story if not for the window it offers into the quixotic managerial style of Ben & Jerry's and other New Age businesses. It's led to far more significant disasters, such as Ben Cohen's "rainforest harvest" which has caused much disruption in Brazil. The recklessness that marks the harvest is as much a trademark of Ben & Jerry's-and the new wave of businesses that claim to be socially responsible-as their quirky generosity and social campaigns.

If the 1980's were about acquiring stacks of cash in the most barbarian and showy way possible, the '90's have ushered in an entirely new way to make money: "green washing," or trading on the idealism

of consumers. Green consumerism is in danger of becoming little more than baby boom agitprop propagated by and for a generation filled with the illusion of its own destiny -and eager to make money.

The Grateful Dead and 'Rainforest-Mania'

"The success of our Rainforest Crunch ice cream made from Brazil nuts," said Ben Cohen in a June speech in Los Angeles, "shows that harvesting nuts is a profitable alternative for indigenous Amazon natives who have seen their lands ravaged to create grazing areas or for mining." The crowd of 350 idealistic business leaders at a local meeting of Business for Social Responsibility (BSR), a trade group which promotes itself as environmentally and socially progressive, burst into applause.

It was an inspiring moment. The only problem is that Cohen was playing slippery with the facts. A number of recently published critiques, and even Ben & Jerry's 1995 annual report, released just days before, tell the behind-the-gloss details of what some anthropologists have come to call the "rainforest fiasco."

Over the past decade, "saving the rainforest" has been one of the defining goals of social activists. Its premise seemed simple, compelling and beyond challenge. "We want to show that a living rainforest makes more money than a dead rainforest," said anthropologist Jason Clay, who was the intellectual force behind starting the project in 1988. The harvest brought together two popular movements: the environmentalist struggle to protect the forest against clear-cutting and the cultural preservation of indigenous peoples. It has had a serendipitous history. In 1988, Ben Cohen attended a New York Grateful Dead concert, a benefit for the nascent "save the rainforest" movement. Also at the concert was Clay, a research director at Cultural Survival in Cambridge, an internationally known indigenous rights organization founded by Harvard anthropologist David Maybury-Lewis. Clay had written his doctoral thesis on capitalizing the rainforest.

At a post-concert party, Cohen casually mentioned that he was trying to develop a new brittle for an ice cream using something more exotic than peanuts. Clay, according to those present, lit up like a video game. He regaled Cohen with his pet project to make the Amazon self-sufficient by marketing renewable non-timber rainforest products such as fruits, nuts and flowers. A few days after the concert, Clay headed for Vermont carrying a 50-pound bag of rainforest nuts. "We mixed up the first batch of Rainforest Crunch in Ben Cohen's kitchen and served it to the board of directors that night," recalled Clay, "and we were off."(2)

The rainforest movement got a big boost in early 1989 when journalists, environmentalists and celebrities from Jane Fonda to Sting to Anita Roddick, the founder of The Body Shop cosmetic company, traveled to the annual Amazon peoples conference, held that year at Altamira in Brazil. It became an international event, making stars of obscure anthropologists and native leaders such as Paiakan, a striking Kayapo spokesman in full native dress who soon turned his facility in courting the media into a personal gold mine. "He's the next Ghandi," gushed Roddick. (1991:187-192)

'Harvest Moonshine'

With popular interest in the Amazon exploding, Clay set up a business organization to source the nuts and fruits under the umbrella of Cultural Survival, calling it CS Enterprises.(3) Cohen founded Community Products Inc. to source Brazil nuts through CSE and supply them to other entrepreneurs who wanted to make rainforest-friendly products. Thus was born "Rainforest Crunch" ice cream, candy and a host of cosmetic products made by a variety of companies.

To Cohen, who by his own account has dropped out of college almost as many times as he has come up with new ice cream flavors, capitalism-on-the-Amazon offered indigenous cultures an alternative to mining and clear cutting. CPI was chartered to give 60% of its profits to charity, a third of that to

Cultural Survival, and pay the harvesters a 5% "environmental premium."(4) The harvest soon became the centerpiece of Ben & Jerry's progressive marketing image.

"Money from these nuts helps to show that rainforests are more profitable when cultivated for traditional harvest than when their trees are cut and burned for short-term gain," read the label for Rainforest Crunch when it was launched in 1989. The ice cream sparked hundreds of glowing articles on how profits and principles go hand in hand. It was an overwhelming, overnight success for Ben & Jerry's, which reaped millions of dollars in profits and free publicity from its new best-selling ice cream.

The view from Amazonia was not nearly so sanguine. From the start, most anthropologists and indigenous rights groups were skeptical. Putting aside that the Amazon is sweepingly, but inaccurately, described as a rainforest, Amazon experts feared opening up this fragile area to the free market, even to supposedly environmentally-friendly capitalists. There was also no evidence to support the central premise of the harvest -that nuts or herbs could ever generate nearly the income natives collect by selling off land rights to miners and foresters.

"Marketing rainforest...perpetuates the process of leaving to the forest dwellers the resources of the least interest to the broader society," wrote Michael Dove in an analysis for the East-West Center in Honolulu (Dove, 1994). Most Amazon villages, long since corrupted by western interests, were not about to forage for nuts to meet the expectations of social activists.

Andrew Gray, director of the International World Group for Indigenous Affairs, based in Denmark, is even more critical. Gray tells a parable about "green capitalists" such as Ben Cohen and Anita Roddick. Green businesses are like elephants, he says, and indigenous people are like ducks and their eggs. "The duck was killed by an encroaching colonist, leaving her eggs unattended. The kind-hearted elephant [rainforest capitalists] decided to do his friend the duck a favor. He sat on the eggs." (Gray, 1990)

Within a year, it was clear to even Cultural Survival that the eggs were indeed cracking. The anticipated source for the nuts-the Xapuri cooperative in the western Amazon-never produced the necessary quality or quantity to meet exploding demand. And the co-op had no native workers but was comprised of white rubber tappers, mostly of Portuguese ancestry.(5) As far back as 1991, a confidential report by the Alliance of Forest Peoples (a coalition of forest dwellers including the Xapuri) attacked Cultural Survival. Its "concrete help has been minimal," read the report, "and their negative repercussions have been enormous. We have not seen any return."(6)

The harvest quickly proved a windfall for the land owners who have long monopolized trade in this region. CSE turned to the commercial markets supplied by some of the most notorious, anti-labor agribusinesses in Latin American, including the Mutran family, convicted of killing labor organizers. The very first year Rainforest Crunch was on the market, Ben & Jerry's sourced 100% of the nuts from commercial suppliers. Clay justifies the purchases by saying that the Xapuri approved of buying nuts commercially, particularly from the Mutran family, because it realized it could not meet the unanticipated demand.(7)

While the mainstream press and environmental organizations waxed enthusiastic about the harvest, it spun further out of control. The Brazilian and Bolivian governments used the political cover of the harvest to justify cutting back expensive support for indigenous populations. "A thriving market in forest products," says Julia Barbosa, president of the national Rubber Tappers Council, "is no substitute for a political program that protects the forests and people who live in it."(8) Larger commercial interests elbowed out native suppliers and flooded the market. Nut prices, already soft, plummeted, cutting the income of native tribes who did harvest the nuts. To make up for the shortfall, Indians and non-indigenous communities have been selling off more land rights.(9)

The harvest publicly unraveled in 1993, a victim of its ill-conceit and political infighting. By then, Jason Clay was married to a prominent franchisee of The Body Shop which was sourcing Brazil nuts and other ingredients from CSE. The original focus of Cultural Survival was being clouded by Clay's entrepreneurial projects, most of which were foundering. Concerned by the growing credibility problems and irked by the publicity generated by the harvest, Maybury-Lewis forced Clay to resign.

By the spring of '94, the Xapuri had cut off all supplies to CSE, Ben & Jerry's supplier. Critics who had been cowed by the media frenzy that greeted the harvest, finally had an audience for their story. Stephen Corry, (1993) the director of Survival International, a UK-based indigenous rights group which publicized the contradictions, was the most outspoken, dubbing the Brazil nut projects "harvest moonshine."

According to Cultural Survival director Michelle McKinley, the harvest as originally conceived by Clay has collapsed. Ben Cohen's CPI has not been profitable for four years during which it has distributed no charity. Although it did pay CS \$170,000 in the first few years, the money did not even cover expenses. CPI still owes Cultural Survival over \$30,000. "CPI has been our worst customer," McKinley says. A chastened Cultural Survival, now flirting with dissolution, is refocussing away from eco-entrepreneurs and back to campaigns for indigenous populations. McKinley says she has kept quiet about the mess for fear of alienating potential contributors, especially friends of Jason Clay and Ben Cohen and others in the social responsibility community.

Even Ben & Jerry's own 1995 annual report takes the company to task. "It is a legitimate question," writes Paul Hawken in his social audit, "whether representations made on Ben & Jerry's Rainforest Crunch package give an accurate impression to the customer." Hawken quotes sharp criticism from Amazon rights groups, then concludes: "There have been undesirable consequences which some say were predictable and unavoidable." In the six years since Ben & Jerry's launched Rainforest Crunch, monopoly commercial suppliers have supplied more than 95 percent of the Brazil nuts.(10)

Endnotes

1. Non-referenced quotes or information are based on more than 150 interviews, or events attended by the author; notes, tapes and documents are available for any interested researcher.
2. Story quoted from The Boston Globe, February 5, 1992.
3. Cultural Survival. 1991. Annual Report. 90-1.
4. Cohen, Ben. 1994. The Ongoing Saga.; Memo, September 20, 1994.
5. Clay, Jason. 1994. Letter from Rights & Resources to Ben Cohen on John Entine's Comments on 'The Future of So-Called Social Responsibility'. (September 12).
6. Allanca do Povos da Floresta. 1993. Avaliacao da Amazonia no Mundo. Rainforest Marketing Project MS, Sao Paulo.
7. Clay. Ibid.
8. Christensen, Jon. 1991. Eco-Market No Quick Fix for Rain Forests. Pacific News Service (May 7).
9. Turner, Terrence. 1995. Indigenous Rights, Environmental Protection and the Struggle over Forest Resources in the Amazon: The Case of the Brazilian Kayapo. Cambridge: MIT Speech (January).
10. Hawken, Paul. 1995. Social Performance Report. Waterbury, VT: Ben & Jerry's 1995 Annual Report.

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