

Corporate Watch

Corporate Watch is a not-for-profit research organisation working to expose the environmental and social impacts of transnational corporations.

Currently we are researching the oil industry, UK food and agriculture, corporate involvement in the UN and genetic engineering.

Our **website** includes regular news updates, a database of all our research, our popular DIY Research Guide, articles, links, reviews... We are currently working on a database of information on major UK corporations and industries.

We also publish an 8-page bi-monthly **newsletter** covering corporate and campaigns news in a readable format.

You can help us - we rely on a tiny funding base, of which donations from individuals form a significant part, so you can make a big difference.

Whether it's social justice, the ecological crisis or simply the way the world works that that concerns you, you should be reading Corporate Watch.

www.corporatewatch.org.uk

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What's Wrong With... Corporations?



Corporate Watch

What's wrong with corporations?

Some things you'd probably prefer weren't true about corporations:

Corporations aren't allowed to be nice Company directors are legally obliged to act in the best interests of their shareholders' investments - i.e. to make them as much money as possible. Genuine efforts to sacrifice profits in favour of human rights and environmental protection are off-limits. Even if a company's directors took the long view that environmental sustainability is ultimately essential for economic sustainability, their share price would drop and they would probably be swallowed up by competitors. This is why corporate social and environmental initiatives can't really get beyond the marketing and greenwash stage.

Corporations are people too They may not have human feelings, they may be bloodless and soulless, but in the eyes of the law they are 'persons' with many of the same rights as flesh-and-blood humans. Corporations can claim, for example, the right to freedom of speech, the right to sue, the right to 'enjoyment of possessions' (problematic in planning and environment law). They even have a number of advantages over ordinary people - specifically, corporations can be in two or more places at once (so cannot be jailed) and can divide themselves to dodge liability for their crimes. It is normal, for example, to transfer ownership of a dangerous cargo to a distant subsidiary while the cargo is at sea, so the parent company is not liable if it causes a toxic spill. Also, corporations are ruthless in claiming their rights - after all, they can afford the best lawyers.

Corporations are benefit scroungers In 1997, British Aerospace (BAe) demanded £120m from the UK government to build a new jet. If the money were not forthcoming, BAe would fund the project itself - abroad. In 1998 the government paid up, and in March 2000 handed over a further £530m for another model. This is routine corporate behaviour. If individuals did it, it would be called blackmail. On the other end of the equation, corporations pay less and less tax. It is estimated that Rupert Murdoch's media empire in the UK paid no net corporation tax in the twelve years to 1999. This means they're living off the services paid for by everyone else - they rely on publicly funded roads to move goods and staff, on the police to protect them from crime, on the NHS to treat sick workers and the education system to train new ones. But these essential services are paid for predominantly by individuals and small businesses.

Corporations are persistent offenders In the UK, commercial corporations emerged in the 17th century, as a direct result of merchant groups breaking the laws banning corporations from making a profit. From 1825 a few legal companies were set up - initially restricted to building canals and waterworks. After 1844 companies could be established to engage in any business activity stated in their constitution. Even this wasn't

enough - up until 1965 corporations consistently broke the law by engaging in other activities not in their articles. In 1965 this law was repealed. On a day to day level, this 'battle to free corporations' continues; in tax and labour law, health and safety and environmental protection corporations consistently break the rules then lobby government, often successfully, to say the rule shouldn't have been there in the first place. Imagine if ordinary criminals had such opportunities...

Corporations are as rich as countries In 1999, according to the Institute for Policy Studies, 51 of the world's 100 largest economies were corporations. To put this in perspective, General Motors is now bigger than Denmark and three-and-a-half times the size of New Zealand; the top 200 corporations' combined sales are bigger than the combined economies of all countries minus the biggest 10. Is it any surprise that they are able to dictate terms to many countries? National governments are often of a dubious moral character, but corporations are by their nature (see above) greedy, inhumane and parasitic, as well as lacking even a veneer of democratic control. Moreover, they share a common hatred of people interfering with their profits and 'rights'. This means they lobby to the same ends and can have massive effects - just look at the current US government.

But what does all this mean

Corporations would like us to believe that they are the pinnacle of economic evolution and we should get down on our knees and thank them for condescending to sell us their products. But despite their power, which can sometimes seem overwhelming, corporations are scared to the point of paranoia. Like totalitarian governments, they feel the need to control the theory as well as the practice of our society - the corporate-dominated mainstream media is roped in to reassure us that corporate capitalism is 'like the weather - and you can't change the weather' [from Channel 4 News - after Mayday 2001] - there is no alternative, and the place of the people in a democracy is to choose which corporate puppet clone to vote for once in five years, then go home and consume in peace.

What can we do about it?

Corporations need to be first tamed, then dismantled and replaced by structures people can control. In order to do this we need to understand how they work, to recognise their real motivations and methods, to unpick the captivating rainbow veils spun by advertising and PR and to document the abuses of humanity and nature that occur at each point of the corporations' activities. Corporate Watch does not subscribe to any rigid ideology - we do not claim to be Marxists or anarchists or socialists. Our core belief is simply that society should be run in the best long-term interest of all human beings and other species - not for the short-term gain of transnational corporations.

This leaflet relates to the UK, but the situation is similar in most other industrialised countries. This leaflet is @nti-copyright - please circulate widely.
www.corporatewatch.org.uk

