Towards a New Form of Politics in an Age of Globalization.

A Set of Working Instruments for Social Movements
Prepared on behalf of the International Forum on Globalization

by Tony Clarke in collaboration with other members of the IFG working committee on TNCs.
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INVITATION

The men who run the global corporations are the first in history with the organization, technology, money, and ideology to make a credible try at managing the world as an integrated economic unit.


Dear social activists:

You know, from your own experience, what it is like to participate in movements where people are engaged in an ongoing struggle for economic, social, and environmental rights. Whether your experience has been with --- a labour union, women's group, or environmental association --- a civil rights group, farmers organization, or poor peoples network --- a grassroots organization of workers, peasants, or people of colour --- a students movement, a religious group, seniors organization, or a public interest association --- a citizens network, community organization, or a broad-based coalition of labour unions and social organizations --- you have been part of a larger movement for democratic social change in your country or region of the world. For the most part, the prime targets for social change have been governments, their policies and their agencies. In one way or another, our social movements have been organized to mobilize constituencies in support of demands for government intervention and regulation of the market in the public interest and, from time to time, the termination of specific abuses by individual corporations.

Yet, what happens when we realize that the real power to rule is being exercised not by governments and their agencies but by transnational corporations. Over the past decade and a
half, the number of transnational corporations has skyrocketed from 7,000 to more than 35,000. Today, 50 of the top 100 economies in the world are TNCs, 70 per cent of global trade is controlled by just 500 corporations, and a mere one per cent of the TNCs on this planet own half the total stock of foreign direct investment. At the same time, the new free trade regimes (e.g. GATT, NAFTA) have created a global environment in which transnational corporations and banks can move---capital, technology, goods, services---freely throughout the world, relatively unfettered by the regulations of nation states or democratically elected governments. Through these processes, transnational corporations have effectively secured a system of rule and domination in the new world order.

As social activists, we need to recognize that the world today is no longer effectively ruled by nation states, let alone democratically elected governments. Instead, there has been a massive shift in power---out of the hands of nation states and governments and into the hands of transnational corporations---during the final quarter of the twentieth century. In the new world order, it is the TNCs that effectively govern the lives of people and rule the earth itself. At the same time, sweeping changes are taking place in the role and mandate of elected governments. In so-called democratic societies today, governments no longer have the mandate, let alone the powers and tools, to intervene in the operations of the market and regulate them in the public interest. Instead, the prime role of governments is to reorganize their national economic, social, cultural, and political system for efficient transnational competition and profitable investment.

In effect, we are living in a new age of globalization which is characterized by forms of corporate tyranny. For, this new world order has been designed to protect the rights and freedoms of transnational capital, not the basic human and democratic rights of people. It is no longer a prime role and responsibility of governments to defend or protect the economic, social, and environmental rights of its citizens. The real power of governance is wielded behind the scenes by an elaborate system of transnational corporations, wherein the financial sector, in particular, plays a dominant role in dictating the priorities of national governments. In turn, the operations of governments and their agencies (including key sectors of the media industry) largely serve to cover up these new forms of corporate rule. Today, these realities are further augmented in many countries by corporate financed right wing political strategies which are designed, not only to carry out a massive downsizing and dismantling of public services, but a fundamental re-invention of the basic roles and responsibilities of governments along with a corresponding re-definition of the rights, freedoms, and responsibilities of citizens in a democratic society.

Over the past two decades, citizen groups have waged public campaigns against the operations of TNCs on numerous fronts---ranging from world wide boycotts against Nestles on infant formula and bank loans to South Africa plus the battles against Union Carbide over the Bhopal disaster in India, the repression of Coca Cola workers in Guatemala, the promotion of bio-tech milk products by drug companies like Monsanto, and the clear-cut logging and deforestation by Mitsubishi and MacMillan Bloedel---to name but a few. Through these and many other corporate campaigns, workers, environmentalists, consumer, church and human rights groups have cultivated important strategic capacities and skills for challenging TNCs. At the same
time, a variety of legal and social action centres on corporate issues have been developed with valuable profiles and data on specific TNCs. Today, these resources need to be re-focused and retooled for the task of building a broad-based global movement aimed at the new realities of corporate rule.

Indeed, the time has come for social movements to develop a new form of politics in response to the realities of corporate domination in an age of globalization. This does not mean that all corporations should suddenly be targeted as enemies. After all, one can cite examples of individual CEOs and corporations who do strive to be socially responsible, even to the point of actively resisting some of the trends described here. But this does not detract from the fact that we are living in a era where peoples' lives are increasingly dominated by corporate power. The challenge for social movements today is to put more strategic priority on the task of exposing and dismantling corporate rule. Wherever workers and communities are involved in struggles to gain a significant measure of control over their economic, social, or ecological future, serious questions of governance need to be raised about the role played by corporations. The task at hand, however, is not simply to make individual corporations more "socially responsible" (eg. by adopting green labelling practices) or more "publicly accountable" (eg. public disclosure of information on investments and operations). Nor are the conventional strategies and tactics, employed for many years by various organizations for "corporate social responsibility", adequate for tackling today's corporate domination and rule. In short, we can no longer apply a more or less piece meal approach to what has become a deeply systemic problem.

As we approach the 21st century, it is imperative that social movements in both the North and the South develop a new politics around the task of dismantling the systems of corporate rule that now dominate both humanity and the earth. By a new politics, we are talking about the need to equip peoples' movements with the capacities to think and act in a more systemic way in order to break the stranglehold of global corporations over the lives of nations, peoples, and communities and other species. To move in this direction, the International Forum on Globalization is launching a project to encourage social movements to put strategic priority on the task of Dismantling Corporate Rule. The prime objective of this project is to enable social movement activists to develop their own analysis and strategies for tackling systems of corporate rule in their own countries and regions.

For these reasons, we have prepared a set of working instruments and tools for social movements to use in developing their own analysis and strategies. What follows here are five step process --- (1) defining corporate rule; (2) dissecting corporate rule; (3) denouncing corporate rule; (4) disrupting corporate rule; and (5) dismantling corporate rule --- each of which ends with a short discussion starter. We are calling these instruments the 5 - D's. By following this process and using these instruments, we hope that social movement activists will begin to make the task of dismantling systems of corporate rule a strategic priority in their respective countries and regions. The last section of this document consists of a set of working instruments (Appendix A) for further research and analysis on each of the 5 - Ds along with a strategic planning chart (Appendix B) which can be used for summarizing the data and insights that have emerged.
It is our hope that social movement activists in both the North and the South will make use of this 5 - D process over the coming year or so. As a follow up, we intend to convene an international strategic planning conference for movement activists who have been able to make use of these working instruments with their constituencies in developing analyses and strategies for tackling systems of corporate rule in their own countries or regions. The purpose of this event, which is expected to take place in the Spring of 1997, would be to provide a common forum for activists who are working on issues of corporate rule to share their experiences, deepen their analyses and strategies, and develop capacities and networks for coordinating global campaigns in the future. In effect, the conference would be designed to build upon the work that has been done with the 5 - D process.

We, therefore, invite you to join with us in building what could well become a world wide movement for dismantling corporate rule and seizing democratic control over our economic, social, and environmental future in the 21st century. For, we hope this will be an historic, path breaking process for social movements to develop a new form of politics in an age of globalization.

NOTE: While there is an internal logic to the 5 - D process that follows, it is certainly not cast in stone. In working with these instruments, some may find it easier to interchange them or to collapse the 5 into 4 or even 3.
1. Defining Corporate Rule

Our first task is to analyze the political realities of corporate rule in our own particular country or region. This means identifying the basic structural relationship that exists between big business and government(s) in our countries. Over the past two decades or so, numerous institutions of corporate rule have been established on a global scale. These institutions, in turn, have set the parameters for radical shifts in the economic and social policy making of nation states. Now that capitalism has triumphed throughout the world, these institutions of corporate governance are exercising an increasingly powerful role over nations and their peoples. In analyzing the role played by corporations in determining the formation of public policy in our own country or region, it is important to keep in mind some of the major components of corporate rule that have become entrenched on a global basis.

Global Management: It is no secret that the world's leading business and governmental elites have been gathering on a regular basis over the past three decades or more --- through forums like the Council on Foreign Relations, the Bilderberg, and especially the Trilateral Commission --- to develop a consensus on a corporate agenda for globalization. Founded in 1973 by David Rockefeller and Zbigniew Brzezinski, the Trilateral Commission was initially composed of 325 leaders in business, government, and civil society in the northern industrial regions of Western Europe, North America, and Japan. The Commission comprises the heads of four of the five largest transnational corporations, five of the world's six international banks, plus the major media corporations in all three regions. Through a behind closed door process of consensus building and deal making, business and governmental elites are able to work out common approaches to economic integration and the harmonization of various tax and regulatory measures. In effect, an unelected and unaccountable global elite has managed to take control over the instruments of governance in these three dominant regions of the world.

Stateless Corporations: Regardless of their home base, the Japanese, American, and European giants have increasingly become stateless corporations, juggling multiple
national identities and loyalties to achieve their global competitive interests. No matter where they are operating in the world, these transnational conglomerates can use their overseas subsidiaries, joint ventures, licensing agreements, and strategic alliances to assume foreign identities whenever it suits their purposes. In so doing, they develop chameleon like abilities to change their identities to resemble insiders in whatever country they are operating. As one CEO put it: "When we go to Brussels, we're member states of the EEC and when we go to Washington we're an American company too." Whenever they need to, they will wrap themselves in the national flag of their home governments to get support for tax breaks, research subsidies, or governmental representation in negotiations affecting their marketing plans. Through this process, stateless corporations are effectively transforming nation states to suit their interests in transnational investment and competitiveness.

**Corporate-Governments:** At the same time, business councils composed of the CEOs of the largest corporations, have formed corporate state alliances specifically designed to determine public policy directions in most of the industrialized countries. In the U.S., for example, the Business Round Table's 200 members include the heads of 42 of the 50 largest Fortune 500 corporations, 7 of the 8 largest U.S. commercial banks, 7 of the 10 largest insurance corporations, 5 of the 7 largest retail chains, 7 of the 8 largest transportation companies, and 9 of the 11 largest utility corporations. The Business Round Table in Europe operates along similar lines while in countries like Canada, the Business Council on National Issues has virtually set itself up as a shadow cabinet of the federal government with CEOs heading up task forces on major public policy issues. Once policy consensus is reached amongst the principal TNCs, massive lobbying and advertising campaigns are mounted around key policy issues (eg. NAFTA, GATT etc.) and aggressively promoted by networks of trade associations. Armed with a network of policy research institutes and public relations firms, the mainline business coalitions are able to mobilize facts, policy positions, expert analysis, and opinion polls as well as organize citizen front groups for their campaigns to change national governments and their policies. By campaigning for debt elimination, privatization, and deregulation, business coalitions have effectively dismantled many of the powers and tools of national governments.

**Political Rights:** Throughout this century, the corporation itself has taken on a legal identity with political rights that are now firmly entrenched in both national and international law. A vast body of corporate law and legal doctrine is presently in place (both within various countries and at the international level), which serves to both recognize and protect the property rights and operations of corporations. Moreover, corporations not only have a legal status but they assume the role and right of personhood under this new system of corporate law. Armed with this legal fiction of personhood, corporations have acquired a wide range of political rights under international laws as well as corporate law within countries. These developments, in turn have been reinforced by the close links that exist in universities between business and law schools which serve as the engines for the production and expansion of corporate law. As a result, the legal
apparatus that is available now to protect the rights and freedoms of corporations as "persons" outstrips that which is supposed to defend and protect the rights and freedoms of citizens as persons in a democratic society. To make matters worse, foreign security operations are training local police in some countries to protect the "life and property of foreign investors." While experience may differ from country to country, the contradictions between corporate and citizen rights under the law has become a critical problem for democracy.

**Constitutional Protection:** In addition, these corporate rights have received constitutional recognition through the judicial system in a number of countries. But, more recently, it has been the new free trade deals (eg. GATT, NAFTA) that have consolidated constitutional protection for the rights and freedoms of transnational corporations on an inter-regional or global scale. As Carla Hills, chief U.S. negotiator for both NAFTA and the GATT, put it: "We want corporations to be able to make investment overseas without being required to take a local partner, to export a given percentage of their output, to use local parts, or to meet a dozen other restrictions." As a result, the national treatment clauses in NAFTA and GATT guarantee that foreign investors have the same rights and freedoms as domestic firms. The investment codes in the new free trade regimes ensure that various regulations of nation states are removed, including foreign investment requirements, export quotas, local procurement, job content, and technology specifications. Through this kind of constitutional protection, the rights of TNCs take precedence over the rights of citizens in their respective nation states. In addition, the legislative authority of the GATT and the NAFTA supersedes the legislation of participating nation states when matters of conflict arise. In effect, these free trade regimes are the "constitutions" of the new world order.

**Corporate Culture:** The creation of a globalized consumer culture is another key element of the new corporate tyranny. The transnationals want to be able to sell their products with the same basic advertising design in Bangkok and Santiago as in Paris, Tokyo, New York, or London. The prime example is the way Coca Cola has become a global symbol transcending all national and cultural boundaries. Through television images and satellite communications, a homogenous set of perspectives, tastes, and desires can be transmitted to all corners of the globe. It is now estimated that transnationals spend well over half as much money in advertising to create corporate friendly consumers as the nations of the world combined spend on public education. In turn, all this corporate advertising tends to forge a connection in peoples' mindsets between private interests (ie. of the TNCs) and the public interest. As a result, a global "mono culture," prompted by increasing corporate control of the world's media, is emerging which not only disregards local tastes and cultural differences, but threatens to serve as a form of social control over the attitudes, expectations, and behaviour of people all over the world. And, of course, the capacity of transnational corporate elites to establish a global mono culture has been accelerated by advances in computer technologies.
**Imperial Mechanisms:** The two main Bretton Woods institutions, the World Bank and the International Monetary Fund, have become the principal tools by which the new global managers maintain corporate control over nations and peoples, especially in the South. Both the Bank and the Fund are directly linked to the transnational financial sector in terms of the borrowing and the lending ends of their operations. Through a revolving door syndrome, loan agreements are routinely negotiated in secret between banking and government officials who, for the most part, are not accountable to the people on whose behalf they are obligating the national treasury to foreign lenders. The Bank and the Fund must be regarded, as one observer puts it, "as governance institutions, exercising power through [their] financial leverage to legislate entire legal regimens and even to alter the constitutional structure of borrowing nations." Their own consultants often have the power to "rewrite a country's trade policy, fiscal policies, civil service requirements, labour laws, health care arrangements, environmental regulations, energy policy, resettlement requirements, procurement rules and budgetary policy." Here, the main tool box of the Fund and the Bank has been "structural adjustment programs."

**Structural Adjustment:** In the 1980s, the World Bank and the IMF used debt renegotiations as a club to force the developing nations into making widespread structural adjustments (SAPs) in their economies. Each SAP package called for sweeping changes in economic and social policies designed to channel the country's resources and productivity into debt repayments and enhanced transnational competition, as determined by the Bank and the Fund. The SAP measures included large scale deregulation, privatization, currency devaluation, social spending cuts, lower corporate taxes, expanding exports of natural resources and agricultural products, and removal of foreign investment restrictions. In order to obtain the foreign exchange to pay down their debt loads, developing countries were compelled to become export oriented economies, selling off their natural resources and agricultural commodities on global markets while rapidly increasing their dependency on the imports of goods and services. In effect, the SAPs have become instruments for the recolonization of many developing countries in the South in the interests of transnational corporations and banks. But, the South has not been alone. Many northern industrialized countries have also been compelled to make a series of structural adjustments in their economies in recent years under this system.

**Transnational Government:** The new World Trade Organization established by the Uruguay Round of the GATT is designed, in effect, to serve as a global governing body for transnational corporate interests. The WTO will have legislative as well as judicial powers. It has a mandate to eliminate all barriers to international investment and trade. Under the WTO, a group of unelected trade representatives will act like a global parliament with the power to override economic and social policy decisions of nation states and democratic legislatures around the world. At the same time, the world's major TNCs will have a powerful role to play in the new WTO through direct linkages with the trade representatives of participating countries. In the case of the U.S., for example,
members of the Advisory Committee for Trade Policy and Negotiations include such
corporate giants as IBM, AT&T, Bethlehem Steel, Time Warner, Corning, Bank of
America, American Express, Scott Paper, Dow Chemical, Boeing, Eastman Kodak, Mobil,
Oil, Amoco, Pfizer, Hewlett Packard, Weyerhauser, and General Motors --- all of whom
are members of the Business Round Table.

Taken together, these are some of the main political mechanisms by which transnational
corporations and banks are able to rule the world today through an elaborate system of corporate
government regimes. In turn, these structures of corporate rule are buttressed by other forms of
corporate politics that involve expensive political advertising, government lobbying operations,
research think-tanks, citizen front groups, along with a heavy dose of political campaign funding.
The nature and structure of this corporate rule, however, varies from country to country and
region to region. As activists in social movements, each of us has some insights as to what kind
of corporate rule have taken hold in our own particular situation, who the main actors are, and
how this system functions and operates. The task before us, therefore, is to identify examples of
corporate rule that exist at the community, regional, or national levels of our own country. The
following is a discussion starter (for a more detailed analysis, please make use of the work chart,
pp. 32-33 ).

**Discussion Starter**

1. What experience have you had with corporations dominating public
   policy making in your community or country?

2. What are some of the main institutions of corporate rule in your country
   funded think-tanks? Political advertising? Trade associations? Patronage?

3. What resources and tools would be helpful for people to better
   understand the dynamics of corporate rule in your country?
2. Dissecting Corporate Rule

Our second task is to take a closer look at the economic sectors in which the new system of corporate rule operates in our particular countries. Here, it is important to recognize that the new global managers have established a system of transnational corporate regimes that effectively govern the key economic and social sectors of the new world order. Regardless of what public policy issues are of prime concern to your social movement (e.g., employment, food, pollution, health care, education, social equality, public services, consumption, social programs etc.), there is a critical need to understand how the major sectors of your country's economy and society are now governed by these transnational corporate regimes. The following is a brief sketch of the principal transnational regimes operating in the new world order.

1. **Finance System**: The globalization of finance markets has been nothing short of revolutionary. The days when national authorities could stabilize financial markets through banking regulations, reserve requirements, deposit insurance, limits on interest rates, and the separation of commercial and investment banking are all but gone. In country after country, there has been a massive deregulation of finance, mergers between commercial and investment banking, along with industrial corporations (e.g., General Motors, Exxon) by passing banks to issue their own commercial paper. Information technology has transformed global banking to the point where over one trillion dollars is transferred every day around the world. Electronic transfer systems like CHIPS, a New York based inter-banking clearing house, makes more than 150,000 international transactions in a single day. The speed and frequency of these money transactions — from Malaysia to Toronto to New York to Miami to the Cayman Islands to the Bahamas to Switzerland — makes it difficult to trace let alone regulate. Today, the global finance market is dominated by Japanese banks (i.e. eight out of the world's top ten). Moreover, the major players are often individual speculators (e.g. George Soros) who are themselves incorporated. In effect, finance capital has become the dominant transnational regime in the new global economy to the point where the central banks of nation states are no longer able to control their own monetary policy (e.g. create money, est independent interest rates etc.) Yet this deregulated, global finance market has become fragile and unstable to the point where a financial shock in one country (e.g. Mexico) can dramatically upset financial markets in other countries before national authorities have a chance to intervene. If these trends
continue, the fiscal policies of national governments will not only be dictated but also threatened by a volatile, global finance system (or, as in the case of Mexico, forced to bail out the debt incurred by foreign investors).

2. **Resource Regime**: There is nothing new about TNCs developing global strategies to secure control of natural resources required for the production of goods for world markets. Transnational resource giants like Exxon, Mitsubishi, Texas Gulf, Shell, Rio Tinto Zinc, Alcan and a host of energy, mining, forestry, and hydro corporations have expanded their operations to the four corners of the earth. In so doing, they have posed serious threats to the environment by causing massive oil spills, reversing water systems, flooding huge land tracts, depleting vast forest areas, eliminating fish stocks, and destroying habitat and bio-diversity. What is new today is not only the extensive deregulation of environmental protection that is taking place in many countries but the fact that the resource and energy codes built into the free trade regimes (eg. NAFTA) are designed to accelerate the rapid development and export of natural resources. Moreover, the export or die demands of the IMF mean that poor countries with resource based economies have no choice but to open their doors to transnational resource companies with minimal regulation or environmental protection. Rapid exports not only accelerate the depletion of non-renewable resources but greatly intensify the global warming crisis that is looming on the horizon. In addition, the world's last remaining supplies of fresh water are now being targeted by TNCs for diversion and export through massive canal schemes (eg. proposed Grand Canal from northern Canada to the U.S.). Add to this the persistent destruction of rain forests plus the continuous dumping of hazardous wastes into the eco-system by companies like Union Carbide, Dow Chemical, and Dupont.

3. **Production System**: As auto, electronics, textile and clothing corporations have outgrown their home countries, shifting their production and supplier operations off shore to independent contractors, the global factory coupled with a radically new international division of labour have emerged. With the globalization of production networks, transnational manufacturing firms can quickly move their operations around the world, chasing cheap labour, taking advantage of more profitable investment opportunities, and outflanking the demands of unionized workers. In the auto industry, Ford and GM have forged strategic alliances with Mazda and Toyota to produce for each others markets while in the shoe industry, companies like Nike and Schwinn have begun to shift from manufacturing to designing, merchandising, and distributing. This new global factory, in turn, has resulted in a dramatic loss of manufacturing jobs in the industrial North (ie. the U.S., Japan, Europe) as manufacturing companies have moved their production to low wage, tax free countries in the South. Increasingly, workers around the world find themselves lumped together in the same global labour pool to the point where exploitation in Guatemala, Malaysia, or China is felt by workers in London, New York, or Montreal. While the staggering wage gap between workers in the North and the South has begun to narrow, there is the very real danger that workers everywhere will be dragged down to low common wage standards by the forces of global competition and corporate
manipulation. Worse still, the massive deployment of new technologies and automated production by corporations today is rapidly creating conditions for the "workless factory" that will dramatically affect the lives of workers in both the North and the South.

4 Consumption Regime: The corporate dream of building a smoothly functioning global shopping mall is at hand. Not only have Coca Cola and Marlboro become universally recognized brand names through massive corporate advertising, but global retailers like Proctor & Gamble, Philip Morris, RJR Nabisco, Kellogg, General Motors, Sears, Unilever, Pepsico, Nestles, Kentucky Fried Chicken and MacDonalds have been spending billions of advertising and promotion dollars each year with the intent of creating a steadily expanding global market based on mass consumption. The strategy is to "sell the same things in the same way everywhere" with little or no regard for local customs, tastes, cultural or religious differences. Giant retailers like Wal-Mart have led the way with development of a chain of superstores designed to sell the largest range of retail consumer goods --- food, clothing, hardware, furniture, pharmaceuticals, etc. --- in cities and towns throughout North America. Using a variety of tactics ranging from low wage-part time employment, misleading advertising, predatory pricing, competition law violations, and coercive sourcing from suppliers, Wal-Mart has managed to force local merchants out of business and in some case created ghost towns. Now the most aggressive giant retailer in the world, Wal-Mart has plans to expand its operations into parts of Latin America, Europe, and Asia.

5. Food System: The emergence of the global supermarket is not only transforming agricultural production throughout the world but also undercutting the capacity of nations to ensure that the basic food needs of their populations are sufficiently met. Transnational food corporations are demanding an end to the system of agricultural subsidies, regulation, and protection that has maintained a relatively cheap food policy in the industrial North. At the same time, poor countries in the South who were once self sufficient in food but now desperate for foreign exchange to pay down their debts, are forced to turn over valuable agricultural lands to the transnational agribusinesses and the production of cash crops while importing food products to feed their own peoples. "Export or Die," is the message. The introduction of bio-tech production methods --- laboratory produced vanilla, bio-engineered celery, freeze resistant flowers and tomatoes, bovine growth hormones for cows, plus long distance food transportation --- pose further threats not only to the livelihood of traditional farmers in poor countries but also to the quality and safety of food products in general. Meanwhile, the giant food corporations --- General Foods, Kraft, Pillsbury, Philip Morris, Del Monte, Presidents Choice, Proctor and Gamble, Pepsico etc. --- have merged their operations and expanded their marketing strategies on a global basis. National authorities are also finding it increasingly difficult to maintain adequate food inspection at the border, especially for the massive imports of fruits and vegetables that may have been grown in areas where sewage is rampant.
6. **Services Regime:** Transnational corporations are also rapidly moving in to take over control of basic services such as health care and education which has been the public responsibility of governments in most countries. Through a series of vertical and horizontal mergers, a system of large scale health care corporations is emerging. In the U.S., the major drug companies like Eli Lilly are merging with the health insurance industries like PCS for the take over of hospitals, pharmacies, free standing clinics, nursing homes and doctors practices. The world's largest profit oriented hospital companies, Columbia and Health Trust, have merged to form a giant health care corporation with annual sales exceeding that of Eastman Kodak or American Express. In a deregulated global economy, these new health care giants are poised to play a key role in swallowing up pieces of the public health care system in countries like Canada where there is enormous pressure from corporations to privatize. At the same time, transnationals are also invading the education system. In the U.S., organizations like the Business Higher Education Forum and the New American Schools Development Corporation (which funnels corporate finances into profit oriented elementary schools) are composed of giant global corporations like AT&T, Ford, Eastman Kodak, Pfizer, General Electric, Heinz, and many others. Household brand names like Coca Cola, Pepsico, MacDonalds, Burger King, and Proctor and Gamble are also directly involved in developing curriculum for schools along with advertizing promotions to help kids "grow up corporate."

7. **Property System:** While government regulations concerning the operations of TNCs is being dismantled in countries all over the world, the patents and copyrights of the transnationals over information and technology are now internationally protected under the intellectual property codes of the WTO and NAFTA. Moreover, this international patent right protection has been extended to genetic materials, including seeds and natural medicinals. The patenting of life forms allows transnational companies to secure widespread control over genetically engineered organisms, from micro-organisms to plants and animals. Worse still, transnationals are now able to obtain monopoly rights over genetic research concerning an entire species plus any products derived from that research. The W.R. Grace corporation, for example, through its subsidiary Agracetus Inc. has secured a U.S. patent on all genetically engineered or "transgenic" cotton varieties (1992), a European patent on all transgenic soybeans (1994), and has applications pending in other countries to take control of 60 per cent of the world's cotton crop, including India, China, and Brazil. Under these conditions, farmers who traditionally save seed from one harvest to replant for their next crop would find themselves charged in violation of international patent law. Unless they pay a royalty to the TNC that owns the patented seed, farmers around the world are now prohibited from growing their own seed stocks. Furthermore, there are moves to have these global monopoly rights and patent protection laws extended to include the cloning of human embryos.

8. **Entertainment Regime:** Armed with satellite communications, global entertainment corporations are selling their pop music cultural products all over the world. The target audience of this global entertainment industry is the two-fifths of people on the planet who...
are under 20. Bertlesman’s pop music empire presently dominates youth markets throughout Europe, North America, Latin America and is now moving into Asia. Sony, Phillips, and Matsushita have also been expanding into these markets. Sony’s prime focus has been on the children’s market promoting their toy-like radios, kid’s music label, and children’s video library. Until recently, the biggest technological leap in the global entertainment industry came with MTV which, by 1993, was reaching 210 million households in 71 countries throughout the world. Increasingly, the big six global entertainer corporations are focusing their energies on opening up markets in Latin America and Asia where the greatest growth potential exists. But this expansion is also being challenged as a new form of cultural imperialism. For the poor countries of Asia, Africa, and Latin America the big six penetration of transnational sound will choke-off traditional music of the local culture as well as restrict employment opportunities for local artists. At the same time, the global entertainment industry will increasingly generate a homogenized culture that reflects western corporate values and priorities. These problems will certainly be greatly magnified by the recent wave of mega media mergers between Disney and Capital Cities/ABC, Time Warner and Turner Broadcasting, and Westinghouse Electric and CBS.

These are just some of the global regimes (others would include communications and transportation) that have not only been established but are governed by transnational corporations and banks in the new world order. It is these transnational regimes that, to a large extent, lay down the framework and guidelines for nation states to develop public policies and programs in these and relate fields. In most cases, national governments have no choice but to follow the dictates of these transnational regimes. As activists, however, we need to identify those regimes whose operations are most directly related to the concerns of our particular social movement, name the major corporate players in that regime, and describe the role they are playing in determining the direction of public policy making. The following is a discussion starter (for more detailed analysis, please make use of the work chart, pp. 34-35).

**Discussion Starter**

1. Which of these transnational regimes relates directly to your concerns?
   *Finance *Resources * Production * Consumption * Food * Services * Property *
   *Entertainment * Other (identify) ?

2. Who are the main corporate players? How do they operate?

3. What kinds and skills and tools would be most helpful to your group or movement in doing research on these corporate targets?
Our third task is to develop a strategic position for ourselves as social movements to begin challenging the system of corporate rule that exists in our own countries and in the world at large. Here, we need to focus our attention on how the system of corporate rule generates a crisis of democracy in our countries and what role social movements have to play in building peoples' capacities for taking democratic control over the operations of corporations and banks that dominate the lives of people in their communities. The following is a brief outline of some of the themes that might be used by social movements in developing a public platform for denouncing corporate rule and asserting democratic control in this new era of globalization.

*Political Moment:* The new world order, dominated by transnational regimes, has generated a climate of increasing fear and insecurity among the majority of people on the planet. There is a growing sense that people have lost control over their economic, social, and ecological future. This is not only true among the poor majority in the South, following the damage done by massive structural adjustments, but increasingly amongst the majority of working, middle class peoples in the North. For many, the dream of securing a full time job, a relatively stable, crime free community, in a clean environment with a bright future for their children, has been shattered. In this climate, the politics of fear and the politics of insecurity have become rampant in most of our countries. As we move towards the 21st century, not only is widespread job insecurity undermining effective demand and confidence in the new global order and its institutions (some cracks are beginning to surface), but a new set of class divisions and tensions is emerging in our economies and societies, both North and South. Underlying the politics of fear and insecurity is the fundamental question of democracy itself. These conditions, in turn, could create new political space for building social movements to take democratic control over corporations, thereby organizing an effective counterweight to right wing domination.

*Sovereign Rights:* A new form of politics aimed at dismantling corporate rule must be rooted in a reassertion of the sovereign rights of peoples and of the earth itself. Throughout this century alone, peoples all over the world have fought for the recognition
of fundamental democratic and human rights — the right to adequate food, clothing, and shelter; the right to employment, education, and health care; the right to clean environment, social equality, and public services; — and the right to self-determination and the ability to effectively participate in decisions affecting these rights. To these must be added the sovereign rights of the earth itself — its natural systems and diverse species — which must be upheld if the planet is going to survive. While these fundamental human and ecological rights have been enshrined in international covenants — the Universal Declaration of Human Rights, the Covenant on Economic, Social, and Cultural Rights, the Covenant on Civil and Political Rights, and the Earth Charter from the Rio Summit on the Environment and Sustainable Development — they are in severe danger of being hijacked or stolen in this new age of corporate tyranny. They simply do not have the same legal and political status as transnational corporations which are protected by multi-lateral enforcement mechanisms. Today, the rights and freedoms of transnational corporations take precedence over the democratic rights of peoples and nations, let alone the ecological rights of the planet itself. The time has come for citizens, through social movements, to reclaim these basic sovereign rights over transnational corporations.

**New Nationalism:** The emergence of the corporate state, wherein the reigns of democratic governance have been taken over by corporations and banks, has completely disfigured and distorted the responsibilities of national governments. The moral and political obligations of nation states to intervene in the market economy in order to ensure that the fundamental human rights of citizens are met in a democratic society, have largely been discarded. Instead, the primary role of the new corporate state is ensure that the entire national system — economic, fiscal, social, cultural, environmental, political — functions for the purpose of providing a profitable climate for transnational investment and competition in the new global economy. As the politics of insecurity unfold, however, a right wing brand of nationalism is likely to arise with new forms of protectionism against immigration, cheap imports, as well as further protection for major TNC's. In other words, "protectionism for the powerful." In this climate, it is imperative that social movements focus their energies on dismantling the corporate state and resisting the rise of a new right wing nationalism. To counteract these trends, peoples' energies need to be mobilized around a new social vision of the nation state in an age of global interdependence, where governments reclaim the power and tools necessary to ensure that democratic control is exercised over transnational corporations. To be effective, this must be done in ways that empower local communities. In short, the nation state must be retooled to serve the rights of the people, through their local communities, to secure control over their economic, social, and ecological future (i.e. what has been called the "new protectionism").

**Democratic Control:** It is certainly not sufficient, however, to simply rebuild the capacities of national governments to deal with transnational corporations. The crisis of democracy generated by the new systems of corporate rule is much more complex. What social movements need today is to develop a common platform and program for taking democratic control over the operations of both governments and corporations. The
objective here is to redefine 'nation' and 'democracy', not from the standpoint of the centralized state or corporate power, but from the basic aspirations and needs of the people or, in other words, popular sovereignty. Once again, the emphasis here should be on empowering local communities to take democratic control (i.e. the 'politics of localization' as distinct from the 'politics of globalization'). Workers and communities need to find new and more effective ways of gaining (or regaining) control over the operations of corporations and governments that are constantly determining their economic, social, and ecological future. This calls for new forms of worker control and community control as a strategic base for denouncing and dismantling corporate rule. Any platform or program developed by social movements for seizing democratic control must be firmly rooted in the sovereign rights of people(s) and the earth. Above all, a program for securing greater democratic control must be designed to reassert the rights of people(s) and the earth over the rights of corporations.

Citizens' Agenda: In order to build social movements in both the North and the South who are committed to the task of taking democratic control over corporations in this new age of corporate tyranny, a common platform and agenda needs to be developed. This could take the form of a common manifesto for citizens of the world which would include: (a) a declaration of the fundamental rights of people to determine their own economic, social, and ecological future; (b) the sovereign rights of peoples (and the earth) over that of transnational corporations and banks; (c) the demand that corporations meet certain basic economic, social, and environmental conditions; (d) the insistence that governments develop and enact new regulatory measures for exercising democratic control over corporations; (e) the responsibility of social movements to take whatever forms of action are needed to see that these basic sovereign rights are upheld; and (f) the importance of local communities reclaiming democratic control over the operations of corporations in their region (including, if necessary, denial of access to resources, labour, and markets). The prime purpose of this manifesto would be to provide social movements, in both the North and the South, with a common platform for action in dismantling corporate rule by subjecting foreign investment and the operations of corporations to the test of economic, social, and ecological criteria set by the people.

Corporate Charters: One way for social movements to develop their platform for denouncing corporate rule is to focus their energies on changing the charters of specific transnational corporations or banks. Under the corporate laws of most U.S. states, for example, legislatures are responsible for granting corporations charters and certificates of authority which allow them to operate in their jurisdiction. Through these charters, state legislatures historically have had the authority to set the terms and conditions for the operations of corporations or to deny them the authority to operate in their jurisdiction. They also have the authority to amend and revoke charters in cases where there has been misuse or abuse. The same holds true for out-of-state and foreign - based corporations which must be granted certificates of authority before they are allowed to operate in a given state. Yet, until recently, little attention has been given to corporate charters as a
strategic focus for action by public interest groups or social movements. In the U.S., workshops on "Re-thinking the Corporation" and "Re-thinking Democracy" More research, however, needs to be done, particularly in other countries, to see what kinds of licensing laws and procedures exist granting corporations the right to exist and operate within their jurisdiction. By doing so, social movements can then identify potential areas of corporate vulnerability and strategic points for citizen action, not only for challenging corporate power in relation to public policy making, but also for redefining the nature, role, and rights of corporations.

**Corporate Targets:** In this context, each social movement needs to target and research the operations of those TNCs that best illustrate the realities of corporate rule within their own country or region. The analysis done previously on both the nature of the corporate state in each country and the transnational regimes related to particular sectors of strategic concern should provide a basis for selecting TNC targets for action. Here it is important to make a strategic distinction. Our prime focus is the system of corporate rule that controls the levers of government. This means that social movements need to choose those TNCs which play a dominant role in determining government policies or programs affecting their particular field of public interest. In order to make these corporations targets of action, however, social movements will need to acquire capacities for corporate research (including relevant legal and historical factors). Each selected corporate target needs to be researched in terms of its nature and structure; its place in a particular transnational regime, its role in determining government policies and programs; its participation in national and international corporate alliances; its receipt of tax breaks and government subsidies; its use of political advertising, campaign financing, trade associations and lobbying mechanisms; and the points of leverage that could be utilized for direct action by worker, citizen, consumer, or community groups. It is here that the data on corporate profiles compiled by various research networks around the world (e.g. the Corporate Data Centre, the Multinational Monitor, the Transnational Institute etc.) could be very helpful strategically, provided that we maintain our focus on the prime targets of corporate rule rather than an endless string of corporations.

**Public Exposure:** If social movements are going to denounce corporate rule, then the dynamics of TNC governance behind the scenes must be publicly identified and exposed. The strategic objective here is to publicly demonstrate how the corporate state is governing and ruling the lives of people in our various countries. In struggling for democratic social change, therefore, the prime target must be the new TNC regimes, not simply national governments. It is imperative that the population at large see for themselves how economic, social, and environmental policies are being systematically determined mainly by the new TNC regimes and how the basic sovereign rights of people and the earth are being systematically trampled on by the new system of corporate rule. To move in this direction, social movements will need to develop their capacities for taking the research data they have collected on their corporate targets and demonstrate how the system of corporate rule works in a given country or region. This call for creative use of
popular education tools (ranging from pamphlets and fact sheets to comic books, videos and street theatre) along with community workshops and media strategies. Whatever public exposure strategies are used, however, they should be aimed at mobilizing popular demands for democratic control. This includes the need to instill in people the confidence required to challenge and dismantle corporate power.

Taken together, these are some of the strategic points that social movements need to take into consideration when faced with the task of denouncing the system of corporate rule in their own countries. Obviously, there is no uniform way in which this task can nor should be carried out. The strategies and tactics used will vary from country to country and region to region. Yet, it will be important to build a degree of consensus on some of the major themes discussed above. In any case, it is critical that social movements, building on the analysis done in the previous two sections, begin the process of developing a platform for denouncing the system of corporate rule in their own countries and regions. The following is a discussion starter (for more detailed analysis, please make use of the work chart, pp. 36-37).

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**Discussion Starter**

1. What experience have people in your social movement or community had in publicly challenging the corporate targets you identified in section 2 above?

2. What do you think about the idea of a citizens' agenda rooted in the notions of 'sovereign rights' and 'democratic control' as the basis for people denouncing corporate rule today?

3. What strategies and tactics are needed to unmask and expose the corporate targets that you identified above?
4. Disrupting Corporate Rule

Our fourth task as social movement activists is to develop effective strategies and tactics for action. In so doing, it is important we keep in mind that our ultimate objective here is to dismantle the structures of corporate rule, not merely to reform the operations of transnational corporations to make them more accountable and socially responsible. To move forward in this direction, steps need to be taken to directly challenge and delegitimize structures of corporate rule. This, in turn, calls for strategies and tactics that can be used to disrupt the power and rule exercised by TNCs today. As social movements concerned about democratic social change, it is crucial that the action strategies we design are not only effective but are highly participatory forms of action in which people can engage in the process of challenging and dismantling corporate rule. In effect, this points to the need for a new form of politics as we approach the 21st century. The following are some steps to consider in developing strategic plans of action.

Rethinking Action Strategies: In most social movement circles today, there is widespread agreement that what we are doing is not working. We need to rethink our conventional strategies and tactics for action. This becomes even more imperative when we talk about dismantling corporate rule. Here, we are not simply dealing with a set of policy changes. Instead, we are talking about changing the system itself. In many ways, the challenge we face is not unlike that of dismantling the system of apartheid. Conventional modes of action --- lobbying governments, consumer boycotts, shareholder campaigns, and litigation measures --- need to be re-evaluated and re-worked for the central task of dismantling corporate rule. A more systemic approach is required, not only in our analysis but in our actions, calling for a multi-level set of strategies and tactics. Moreover, as we have seen, the basic rights and powers for exercising corporate rule today are constitutionally enshrined and legally protected. So, too, was the case with the apartheid system. In the final analysis, we too may well find that more aggressive forms of action will be necessary. If we are serious about dismantling corporate rule, therefore, we need to take a closer
look at strategies and tactics for non violent resistance.

Recalling Resistance Heritage: At one time or another, many of our social movements --- labour, women, farmers, environmentalist, civil rights --- have based their struggles on non violent resistance. Indeed, the great movements for democratic social change in this century --- from Gandhi’s campaign for the political independence of India, to the Civil Rights Movement in the U.S. and the Anti Apartheid Movement in South Africa --- were built around direct action and civil disobedience. By mounting non- violent resistance campaigns on a mass scale, these movements were gradually able to acquire the moral and political authority needed to publicly delegitimize the systems of injustice and oppression that they sought to dismantle. Although the systems of oppression we face today may differ from those confronted by our social movements in the past, we can still learn some important lessons from their struggles for resistance. Indeed, this heritage has often been the foundation stones for mass protest movements of workers, environmentalists, women, peasants, indigenous peoples, and peace activists throughout the world.

Practicing Non-violence: Whatever campaign strategies are undertaken by social movements to disrupt corporate rule in their communities, it is essential that they be based on principles of non-violence. To be sure, the structures of corporate rule are themselves extremely violent in terms of the assaults they wage on the lives of people and the earth itself. We are also well aware of how some corporations have used violent tactics to crush the protests of workers, peasants, and environmentalists. But the violence of corporate rule must be confronted by non-violent action. The temptation to take up arms or form militia units to confront and disrupt the power and rule of corporations must be resisted. Practicing non-violence, however, does not mean being passive. Drawing upon peoples’ creative energies, non-violence forms of disruption have proven to be an effective means of resistance in struggles for social change. Through collective forms of non-violent action, people can come together in solidarity to insist that corporate power be harnessed to demands for justice and the rule of law. In so doing, the realities of corporate rule can be unmasked and delegitimized. What we need are multi-level action campaigns which are designed to make creative use of various strategies and tactics for non-violent resistance.

Challenging Corporate Charters: One way for social movements to disrupt corporate rule is by directly challenging the rights of particular transnational corporations and banks to operate in their jurisdiction. In some countries, as we have seen, corporations are granted charters (or certificates of authority in the case of out of state or foreign owned TNCs) by the people and their governments giving them the authority to operate as legal entities. But, in the U.S., at least 49 states provide people with a legal base from which to challenge the charters or the certificates of authority granted to corporations. By doing research on state charters and evaluating the performance of targeted corporations, citizen groups and social movements can put themselves in a position to legally challenge the charters of TNCs or their certificates of authority on grounds that they have been misused or abused. In other words, the corporation’s right to exist is being challenged by the
people. By mounting a series of charter challenges (simultaneously in several states and countries) against several targeted TNCs and thereby seizing their assets, a social movement could legally disrupt the dynamics of corporate rule in strategic sectors of the economy. These charter challenges, however, would have to be aimed directly at the corporate-government linkages that directly influence and determine public policy making. They also need to be organized in such a way as to set the stage for building popular resistance against corporate rule itself.

**Generating Economic Leverage:** When it comes to challenging corporate power, there is no substitute for economic clout. Traditionally, consumer boycotts and labour strikes have been deployed as the prime tools of economic leverage. For the most part, these tactics have been aimed at specific corporate abuses. Today, however, social movements need to refine the use of these tactical tools as economic leverage for dismantling structures of corporate rule. In other words, strikes and boycotts could be used as effective tools in campaigns designed to confront corporations who are the driving forces behind unjust economic, social, and environmental policies. At the same time, there are other forms of economic leverage. In industrialized countries, there are pools of capital, such as worker controlled pension funds, that could be harnessed and used to confront and/or counter the power and rules exercised by specific corporations. Moreover, various strategies for community owned enterprises and economic self reliance can be used by local communities as a base for delinking themselves from dependence of the global economy and the power of transnational corporations.

**Deploying Litigation Tactics:** In many countries, legal action can also be an important strategic tool to be used by social movements in campaigns designed to disrupt corporate rule. In such campaigns, litigation would be required, for example, to obtain court injunctions or restraining orders against the counter operations of targeted TNCs. Clearly, legal expertise would be needed in developing charter challenges to the operations of specific corporations and banks targeted for the role they play in directly influencing and determining public policy. Similarly, some of the relevant legal skills and expertise that has been developed over the years by various social movements and progressive institutions, not only in addressing corporate power but also in defending the rights of people and the environment, could be pooled and redeployed for the fight against corporate rule and for democratic control. Moreover, if movements of popular resistance emerge, utilizing more aggressive forms of non-violent action to disrupt corporate rule, then a battery of legal resources will be essential. In addition, legal expertise will also be required in formulating the kind of policy mechanisms needed to dismantle the structures and practices of corporate rule (see working instrument # 5).

**Mounting Political Pressures:** A key component of any campaign strategy aimed at disrupting corporate rule involves political pressure for government intervention at strategic points in the conflict. There is no doubt that the corporations who are targeted in such a campaign will be demanding that governments intervene on their side to put an end
to the escalating disruptions. But one of our main strategic objectives is to break up this corporate-government alliance. Whatever strategies and tactics are utilized by social movements to disrupt systems of corporate rule they must be accompanied by lobbying activities demanding political support for our struggle and insisting that the state must not be used to repress the fight for democratic control. Proposals for destabilizing corporate politics outlined in part 5 could also be useful here for strategic purposes. The case for political pressure and the demand for government intervention, of course, will vary depending on the nature of the issue, the campaign, and the political situation in each country or region. Moreover, it is also important to keep in mind here that government lobbying activities will be a key factor in advocating alternative policy mechanisms required for dismantling systems of corporate rule (see Working Instrument #5).

**Building Popular Resistance:** Whatever campaign strategies and tactics are deployed by social movements, it is essential that priority be put on building a popular base of resistance. Unless a "culture of resistance" is developed among people at community and regional levels, the capacity to challenge and disrupt structures of corporate domination will be limited. This calls for "deep organizing" in which people cultivate a long term commitment to "community-based resistance" and "community-based alternatives" to corporate rule. Here, it is important to develop peoples' capacities for doing corporate research, finding levers of action and points of corporate vulnerability, training people for a variety of frontline actions, designing alternative policies and programs, plus making creative use of both public media and popular education tools. In the long run, however, building popular resistance may also lead to greater use of non-violent forms of direct action, as witnessed by recent protest movements such as farmers and peasants against Cargill in India, "Justice for Janitors" in the U.S., animal health and food safety activists in Britain, and environmentalists against clear-cut logging in Canada. If the other strategies and tactics identified above prove to be ineffective, then appeals for direct action campaigns will likely intensify.

**Developing Global Solidarity:** In challenging or disrupting corporate power through community based campaigns of popular resistance today, developing international links of solidarity is imperative. After all, one of the cardinal features of TNCs is their capacity to shift their operations from one country to another at a moments notice, thereby outflanking the demands of both workers and consumers, while maintaining their dominance over governments and public policy making. When we consider the corporations we have targeted in terms of how they operate as part of transnational regimes, as we did in part 2, then the critical importance of developing solidarity links with social movements in other countries who are also affected by the operations of the same TNCs is inescapable. Whether the corporations we have targeted operate in finance, resources, manufacturing, services, communications, transportation, entertainment, food or some other transnational regime, steps need to be taken to identify their international connections and the prospects of developing alliances with like minded social movements in those countries. Through these initiatives, the stage can be set for organizing
international campaigns of popular resistance around common TNC targets, which is essential in the long run for effectively tackling corporate rule.

These are some strategic options for social movements to consider in relation to the task of disrupting structures of corporate rule. Whatever else, we need to rethink our action strategies and capacities for the task at hand. Whether or not it is possible to mobilize this kind of popular resistance on a local, national, and global level in the current political moment, remains to be seen. Each social movement will have to make its own judgement call about which strategic options should be utilized. The following is a discussion starter (for a more detailed analysis, please make use of the work chart, pp. 38-39).

**Discussion Starters**

1. What are the possibilities of developing non-violent resistance to corporate rule in your community or movement?

2. What strategies and tactics would be most effective in challenging and disrupting the operations of the corporate targets you have identified?
   * charter actions * economic leverage * political pressures * litigation * direct action?

3. What skills and tools are required? What kind of preparation and training would be helpful?
Our fifth task, as social movements, is to develop alternative policy mechanisms and strategy options for actually dismantling systems of corporate rule and creating democratic structures for governing our communities and economies. It is not enough to publicly denounce, let alone disrupt, the structures of corporate rule in our own countries or regions. We must also advocate alternative measures to be taken in order to: dismantle the mechanisms of rule exercised by transnational corporations; gain (or regain) democratic control over the levers of public policy making; and rebuild the economy at community and national levels (i.e. relocating the economy). To do so, requires identifying a platform of alternative policies to be used by social movements in organizing their campaigns for popular resistance and democratic control. This task should be undertaken in such a way as to provide people with a vision of hope for the future. The following are some examples of alternative policies and strategies that could be taken by social movements.

Revoking Corporate Charters: In the U.S. today, there is a movement developing around the strategic option of initiating direct legal action measures to amend and/or revoke the charters of TNCs or their certificates of authority in cases where they have been misused or abused. Through this process, the rights and privileges of corporations can be withdrawn and their legal rights and obligations redefined. By evaluating the performance of a particular corporation in terms of criteria established by a citizens movement, steps can be taken to have their charter or certificate of authority either amended or revoked. Here, the objective would be to have the charters or certificates of targeted corporations either revoked on grounds of corporate rule practices that violate peoples' basic democratic rights or substantially amended to ensure that these corporations are prevented from playing a decisive role in determining public policy in the future. The criteria for evaluating corporate rule practices could be designed to reflect the policy issues and mechanisms outlined below. While revoking corporate charters is not primarily a legal strategy, court injunctions could still be used to prevent further harm or the sudden relocation of TNCs. Measures could also be taken to seize corporate assets on behalf of
communities as well as expel corporations from jurisdictions by denying access to resources, markets, and labour. While it is not yet clear whether this strategic option is applicable in countries other than the U.S., it may become an effective tool for challenging the nature of corporate rule in a country which is still the home base for many of the world's largest TNCs.

**Decentralizing Corporate Power:** One of the principal means of maintaining corporate rule is the increasing concentration of power in the hands of a few transnational corporations. Through monopolies, mergers, cartels and related mechanisms, TNCs are able to consolidate their power and control over sectors of the global economy. To date, the only effective way of breaking up these corporate power blocks is by concerted "anti-trust" action, both on the part of nation states and at the international level. What is needed is a common strategy for aggressive legislative action aimed at dismantling corporate monopolies, mergers, and cartels. To be effective, this strategy would have to be developed and implemented through public action campaigns waged by social movements in several key countries. The process could begin by identifying the major corporate power blocks that need to be broken up in each of the main transnational regimes. A common platform for legislative action (eg. rigorous anti-trust law enforcement) could then be drawn up for the purpose of dismantling the corporate monopolies that have been targeted. At the same time, this platform could include legislative measures to control speculation on financial markets (eg. the Tobin tax proposal) and promote "invest here, prosper here" policies. In turn, social movements in each of the key countries or regions could then mount their own public campaigns to demand that this legislative platform be adopted and implemented.

**Overhauling Corporate Welfare:** In many countries today, one of the biggest drains on public revenues are corporations who abuse government hand-outs. These corporate hand-outs range from direct business subsidies to tax write-offs to tax havens for corporations. They include resource depletion allowances, subsidized grazing fees, business entertainment allowances, and a variety of export subsidies. Despite their insistence on free market principles and competitiveness, corporations still aggressively remain highly dependent on government hand-outs. This corporate welfare system needs to be completely overhauled. A set of criteria should be drawn up for identifying those corporate subsidies that need to be eliminated. On this basis, social movements could develop a common platform that would include a list of those corporate subsidies that must be eliminated, a set of exemptions (eg. the stimulation of community-based, job creating enterprises), proposals for progressive tax reform (including a greater balance between corporate and personal income taxes, along with the introduction of a series of ecological taxes), plus new subsidy measures for stimulating sustainable forms of community development. At the same time, social movements in various countries need to develop a coordinated plan of action to control speculation on financial markets through, for example, implementation of the proposed Tobin tax on all capital transfers between nation states.
**Destabilizing Corporate Politics:** The mechanisms by which TNCs exercise control and manipulation over the political life of nation states are mind boggling. They involve multi-billion dollar political advertising campaigns and governmental lobby operations. They include business oriented think-tanks on public policy and the organization of citizen front groups. These mechanisms, in turn, are reinforced by an elaborate system of campaign funding for political parties plus government patronage operations in many countries. At the same time, the CEOs of the major corporations have worked their way into the drivers seat of public policy making in regards to key sectors of the economy. If social movements are going to advance the cause for taking democratic control, then strategies need to be developed for dismantling these and related mechanisms of corporate politics. These strategies, of course, will vary from country to country, depending on the kinds of mechanisms that are in place for TNCs to control and manipulate public policy making. It may be possible, however, to develop a common platform of strategies that can be used by social movements in mounting campaigns aimed at dismantling the major mechanisms of corporate politics in their own countries.

**Re-regulating Corporate Investment:** As a result of the relentless drive towards so called free market politics, coupled with the deregulation measures built into GATT and NAFTA, governments have been largely stripped of the powers and tools they once had (limited though they were) to regulate the investments of TNCs. Yet, re-regulating corporate investment is essential if people are going to take democratic control over the operations transnational corporations and banks. A series of new measures need to be designed for legislative action such as 'site here - sell here' policies, the chartering of corporations, restrictions on plant closures, or rules on life form patents. Governments should be challenged to establish new investment requirements concerning job content, food safety, and environmental standards, as well as more emphasis on worker control, community ownership and related social responsibilities --- as conditions for investment. Similarly, governments need to be pressed to reassert control over fiscal policies by re-directing finance and banking (eg. financial derivatives), the role of central banks in the national economy, and the responsibilities of banks at all levels of the economy. To move in this direction, steps need to be taken to identify the obstacles built into the new free trade agreements and what needs to be done to generate public demands for the repeal of these measures.

**Rebuilding Sustainable Communities:** Measures to re-direct corporate investment must go hand-in-hand with a plan for the rebuilding of sustainable communities at local, regional, and national levels in each country. Concerted steps need to be taken here to stimulate new forms of economic enterprise. For example, programs could be designed to establish local community (eg credit unions) and national development banks to promote social investments, including more community and worker ownership of industries along with real sustainable development enterprises. To generate public revenues for these and related community redevelopment priorities, a variety of new fiscal and monetary policies or measures (eg. lower interest rates, debt moratoriums, cancellation of odious debts etc.)
may be required along with new corporate and wealth tax measures (eg. resource taxes, environment taxes, speculation taxes etc.). At the same time, legislative measures are needed to promote and/or strengthen public health care, education, and environmental stewardship in various countries, thereby preventing the corporate takeover of these basic public services. In each country, of course, social movements will want to set their own priorities for community redevelopment and design their own national plans for action, keeping in mind common principles such as the fundamental rights of people and the earth which have been enshrined in international covenants.

**Renegotiating Trade Deals:** As we have seen, the new free trade regimes (eg. WTO, NAFTA, etc.) are, in effect, the constitutions of the new world order that are primarily designed to protect the rights and freedoms of TNCs. A program to dismantle corporate rule, therefore, would have to include strategies designed to terminate or renegotiate specific components of the new free trade regimes (keeping in mind the fact that the agreements themselves contain specific clauses and procedures for abrogation that can be exercised by one or more of the partners). In terms of the WTO and NAFTA, substantial changes would be required in the investment codes, for example, to remove the obstacles preventing governments from re-regulating corporate investment or implementing national development plans for rebuilding local communities. A variety of social movements who were actively engaged in the GATT and NAFTA campaigns have already shifted their attention to identifying the economic, social, and environmental priorities that need to be renegotiated as well as naming other provisions that need to be included in an alternative trade system. Based on this work, a common platform could be developed around which social movements could organize public campaigns calling for the repeal and/or renegotiation of specific components of the new free trade regimes, if not outright abrogation. Steps could also be taken to organize communities as WTO and NAFTA free zone areas.

**Restructuring Global Institutions:** The major Bretton Woods institutions, which have served to consolidate corporate rule on a global basis, should also be dismantled in such a way that certain required functions of economic governance are taken up by bodies that are clearly accountable to the United Nations. The recent "50 years is Enough!" campaign contained some important strategic objectives that require ongoing action by social movements on an international basis. As long as the World Bank continues to put poor nations of the South into debt bondage, it should be dismantled. The International Monetary Fund needs to be completely replaced with a new agency and mandate designed to regulate powerful private capital and put control over the creation of money back into the hands of public institutions. Under this general mandate, a new agency would be responsible for directly assisting low income countries in writing off their heavy debt burdens, regulating international finance markets, and establishing a mechanism for collecting and administering the proposed Tobin tax on all foreign exchange transactions. The World Trade Organization also needs to be dismantled and replaced by a UN agency with the power and mandate to facilitate the renegotiation of trade agreements, the re-
regulation of transnational corporations, and the coordination of action by governments to enforce these measures.

In short, these are some of the main policy mechanisms and strategic options for dismantling corporate rule. Together, this platform of alternatives is meant to provide a sign of hope for people to fight for democratic control over public policy making at national and global levels. In each country or region, it is important for social movements to review these and choose which strategic options would be most effective in dismantling the system of corporate rule that you are confronting. There may be, of course, other policies and strategies that should also be identified for these purposes. The following is a discussion starter (for more detailed work on alternatives, please make use of the work chart, pp. 40-41)

**Discussion Starters**

1. Which of these alternative policy mechanisms should be used to dismantle corporate rule in your country? Select three or four priorities.

2. Do you know of any groups who have done any work on these alternative policies and strategies in your country or region?

3. What could be done to build popular support for these policy alternatives and our demands for democratic control?
APPENDIX 'A'

The following is a set of work charts related to each of the 5 - D's. They are meant to provide social movement activists with an opportunity to probe further into the issues and themes outlined above. Drawing upon strategic discussions and some initial research, these charts may be useful in developing more detailed analysis and campaign plans.

NOTE: These charts are only meant to serve as a guiding framework. More space will be required to complete the tasks.
1. **Defining Corporate Rule**

What kind of corporate-government regime has been established in your country or region? Describe the characteristics.

Is there a formal alliance of major corporations and banks organized to shape public policy directions? What role is played by trade associations? industrial lobbyists?

What are the main structural relationships between big business and government(s) in your country or region? i.e. influence over media, electoral system, legislative processes, judicial system etc.?

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Who are the dominant TNCs operating in your country or region today? Name the top 10.

Which of these major TNC players are domestic and which ones are foreign owned?

Who are some of the main actors or personalities?

Name some of the major CEO players and political actors with whom they are connected. What links can be made to the lateral commission?
3. What specific roles do TNCs and/or their alliances play in developing — economic, fiscal, social, cultural, environmental, and international policies of governments — (eg. structural adjustment programs) in your country or region?


4. What impact does a continental economic regime (eg. EEC or NAFTA or Asia Pact) have on corporate rule in your country?

What role does the IMF and/or the World Bank play in determining your country's economic, social, and environmental policies? (ie. structural adjustment programs?) What role does the WTO play?

What is the connection between the major TNC players identified above and these global institutions or mechanisms?
2. Dissecting Corporate Rule

1. Which of these transnational regimes have an impact on the concerns of your social movement and its constituencies?

* Finance * Resources * Production
* Retail * Food * Services
* Property * Entertainment * Other
(please identify)

Pick one or two and show how these regimes are directly related to, and impact on one another, in relation the concerns of your movement.

2. Who are the main TNCs operating in the particular transnational regimes that you have targeted?

Which of these TNCs are foreign owned and which are domestic?

How do these TNCs function to control policy making and operations within this regime?
3. What are the cross connections between the particular transnational regime(s) targeted by your social movement and the other major global regimes operating in your country?

Since the finance system plays a dominant role in the new global economy, what impact does this have?

For example, if your prime focus is on workers (i.e. production system) or farmers (i.e. food system) then how does this relate to the finance system and the resource regime?

4. What links can be drawn between the operations of these transnational regimes and the functions of the corporate state in your country or region?

What does this tell us about the dynamics of corporate rule in your country or region?

Relate this to your analysis from Part One.
3. Denouncing Corporate Rule

<table>
<thead>
<tr>
<th>1. What are the prime targets of corporate rule that need to be publicly exposed and denounced in your region or country?</th>
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<tbody>
<tr>
<td>What kind of research needs to be done on these TNC targets? What links can be drawn to the overall system of corporate rule in your country or region?</td>
</tr>
<tr>
<td>Do legislatures in your country or region have the authority to grant and revoke charters (or certificates of authority) to corporations or banks?</td>
</tr>
<tr>
<td>2. Are there any signs of increasing social unrest that could serve as a popular base from which to denounce corporate rule in your country or region?</td>
</tr>
<tr>
<td>What level of awareness has been developed in your region about the sovereign rights of people and the earth?</td>
</tr>
<tr>
<td>What can be done to help people see that their sovereign rights are being hijacked by TNCs and the new system of corporate rule?</td>
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</tbody>
</table>
3. What steps have been (or could be) taken in your social movement to develop a citizens' platform or agenda for denouncing corporate rule?

What would be your movement's position on 'sovereign rights' and 'democratic control' in a citizens' agenda?

How could a citizens' platform like this be most effectively used to build public resistance to the systems of corporate rule in your country or region?

4. What kinds of strategies could be developed to publicly expose the realities of corporate rule and the demands for democratic control in your region?

What popular education tools would be most effective? What kinds of media strategies are required?

How can these tools be best used to mobilize public resistance to corporate rule and demands for democratic control?
## 4 Disrupting Corporate Rule

1. What needs to be done in your social movement to re-think strategies required to tackle the new dynamics of corporate rule?

What are some historical examples of popular resistance movements in your country or region? How can this heritage help in mobilizing resistance to corporate rule today?

What kind of multi-level campaign strategy is needed to challenge and delegitimize structures of corporate rule in your country or region? What would be the primary corporate targets? What disruptive tactics would be most effective?

2. What role could corporate charter challenges play in such a campaign? What research would be needed?

How can charter challenges be used effectively as a strategy for disrupting corporate rule?

What could be done to organize an effective consumer boycott against a specific target of corporate rule? Is there a role for strike action?

What other kinds of economic leverage could be used effectively?
3. What role do you see for litigation in a multi-level campaign strategy designed to challenge and disrupt specific targets of corporate rule?

What kinds of legal resources and tools are needed? What steps should be taken to ensure that the campaign is not dominated by legal tactics?

What are the strategic points where political support would be required in the overall campaign? What kinds of government intervention and action should be demanded?

What lobbying drives need to be organized to win support for these demands?

4. What further steps would be necessary to broaden the base of popular resistance to corporate rule?

What role could the use of non-violent forms of direct action play in mobilizing popular resistance? What kinds of preparation and training would be required?

What steps must be taken to build public support for your campaign? What popular education and media strategies are needed?
## 5. Dismantling Corporate Rule

<table>
<thead>
<tr>
<th>Strategic Options</th>
<th>Policy Mechanisms</th>
<th>Major Action Targets</th>
<th>Research Needs/ Tasks</th>
<th>Campaign Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revoking Corporate Charters</td>
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<tr>
<td>Decentralizing Corporate Power</td>
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<td>Overhauling Corporate Welfare</td>
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<td>Destabilizing Corporate Politics</td>
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</table>
Re-regulating Corporate Investment

Re-Building Sustainable Communities

Renegotiating Trade Deals

Restructuring Global Institutions
APPENDIX B

STRATEGIC PLANNING CHARTS

Hopefully, the five working instruments --- the 5 - D's --- have provided a useful tool for social movements to get a handle on the dynamics of corporate rule in your own country or region and what kinds of organizational capacities and campaign strategies need to be developed. For strategic planning purposes, however, it is important to summarize the basic insights and relevant data from the work you have done with the 5 - D's in such a way that it can lead to the organizing of campaign activities. The following is a set of charts that may be useful for this purpose.

NOTE: The charts that follow here are only meant to serve as a guiding framework. Undoubtedly, more space will be needed than is provided here.
# 1. Transnational Regimes

**TASK:** Summarize your findings on the main transnational regimes in your country

--- finance/ resources/ production/ food/ services/ property/ entertainment/ retail/ other --- including:

the one or two that are of direct interest to your movement;

the main TNCs (foreign owned and domestic) operating within these regimes;

the ways in which these TNCs control policy making within these regimes;

additional research that needs to be done;

the interest your constituency has in building a campaign to dismantle these examples of corporate rule.
2. Corporate Rule

**TASK:** Summarize your analysis of the realities of corporate rule that dominate public policy making in your country including:

- the kind of corporate government regime; the formal alliance of major corporations and their research institutes;

- the major TNC's, their CEO's and what links they have with the main political actors;

- the roles they play in shaping economic and social policy;

- the specific connections with the transnational regimes you have targeted above;

- their use of trade associations and industrial lobbyists;

- and relevant links that exist with either the new trade regimes or the IMF and the World Bank.
3. Strategic Position:

**TASK:** Summarize the strategic position that might be taken by your social movement in tackling issues of corporate rule in your country, including:

*the kind of political climate for action on TNCs and the degree of social unrest that exists;*

*the politics of insecurity (eg. jobs, social programs etc.) and the strategic opportunities that may be opening up;*

*the level of awareness concerning the sovereign rights of people and the earth;*

*elements of a citizens' agenda for seizing democratic control;*

*creative steps to strengthen people's awareness of their basic sovereign rights;*

*strategies for publicly exposing and denouncing corporate rule;*

*and measures for developing public support and demands for democratic control.*
4. Policy Options

**TASK:** Summarize the strategic choices (i.e. priority 1,2,3) your movement might make concerning policy options to be taken in dismantling corporate rule in your country or region

— revoking corporate charters; decentralizing corporate power; overhauling corporate welfare; destabilizing corporate politics; re-regulating corporate investment; rebuilding sustainable communities; renegotiating trade deals; restructuring global institutions —

and clarify the reasons for these choices,

how these policy options relate to the TNCs that you have targeted for action;

what further research might be needed;

and what steps need to be taken to generate public support for these policy alternatives.
5. Campaign Activities

**TASK:** Summarize what might be done to organize a campaign aimed at both disrupting and dismantling corporate rule in your country or region, including

— the primary constituencies that need to be reached and mobilized;

activities that might be taken to publicly expose the operations of targeted TNCs as examples of corporate rule;

the kind of multi-level campaign strategy that might be used to mobilize popular resistance;

the strategic use of charter challenges, consumer boycotts, litigation tactics, political pressure, and direct action;

the ways in which your campaign might be expanded and escalated;

the kinds of training required to build peoples' capacities for action;

creative ways of mobilizing public support for your demands for policy alternatives (re. democratic control);

and the kinds of solidarity linkages that need to be developed with social movements in other countries and regions.
Resource List

The following is a partial list of resource materials only.
* Barlow, Maude, Parcel of Rogues: How Free Trade Failed Canada (Toronto: Key Porter, 1990).
* Khor, Martin, ed. Third World Resurgence (popular magazine containing articles analyzing the impacts of the IMF, WTO, and World Bank on the South).
* Mander, Jerry, In the Absence of the Sacred (San Francisco,: Sierra Club Books, 1991).

** Multinational Monitor (published monthly by Essentials Publications, Washington, D.C.)
** Corporate Power and the American Dream: An Economic Workshop for Working People (published by the Rutgers Labor Education Center, 1995)