# Rebuilding Public Power:

Stopping Corporate Overreach



#### **MATERIALS DESIGNED BY**

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### **Facilitators Guide**

**About this Curriculum:** This curriculum was developed as part of the Blueprint for Belonging project, a collaborative initiative of over 50 organizations united in achieving transformative change in California through the development of strategic narrative that underpins all our collective work across communities, movements, issues and policies.

The curriculum is intentionally designed to be broad. However, the curriculum also includes cases that will allow the participants to delve deeper into specific examples of corporate overreach in housing, in technology, and in the natural environment

- **Goal 1:** Participants will be able to describe examples of how corporations have gained power and the role they play in democracy, the environment, the economy and racial justice.
- **Goal 2:** Participants will be able to assess the balance between corporate, public, and private rights in different cases of corporate overreach.
- **Goal 3:** Participants will be inspired to apply a corporate power analysis into their organizing agenda.

#### **Audience**

This training is intended for **organizers** and **membership bases** of power-building organizations.

#### **Format**

This training is designed to be used as an online or in-person training.

#### Time

#### 90 minutes total:

- **50 minutes** for overview/slides
- **35 minutes** for small group discussion of the cases
- 5 minutes for evaluation and conclusion

#### **Workshop Materials**

- Facilitator Guide
- Powerpoint Slides
  - We the People, Not We the Corporations Video
  - Circle of Human Concern Video
- Handout #1: Case Studies
- Handout #2: Historical Overview of Corporate Personhood & Power
- Handout #3: Glossary

#### **Facilitator Preparation**

- Review facilitator guide and videos
- Review handouts & select a case study to use in your training
- If using Zoom, create the polls for the Agree/Disagree and True/False games in advance



### Slide **Talking Points** Welcome everyone to today's training titled, "Rebuilding Public Power: Stopping Corporate Overreach" We've structured this training to be 90 minutes long. It will include a presentation and then opportunity to engage in real cases. In addition to these slides we've sent out ahead of time a few supplementary documents to help provide background reading and ongoing learning. The documents include 1) a glossary of key terms because we recognize the amount of legal and academic jargon involved, and 2) a short summary of the history of corporations and how we got here. If anyone has any questions about those materials we can discuss them at the end. [The facilitator(s) should introduce themselves] Now that you know who we are, we'd like to know who you are. In the chat box please share your name, where you are calling us from and guess who said the quote. If you don't have a guess - feel free to share reflections on the guote. Answer: -- MLK, Jr (emphasizes public power can be used differently) Our workshop is organized into three different modules. **[read module descriptions]**. Each of these modules includes presentation content and small group discussions. We want to make the training as dynamic as possible.





At the end of the training, our objectives are as follows. **[Read objectives]**.



#### [Read ground rules]



This training is not only happening today, but we've developed a few handouts to supplement your learning.

- 1. We've developed a glossary of terms, which you all got ahead of time. This is to help you understand some of the legal jargon.
- 2. We also drafted a brief history of how corporations began to amass power.
- 3. We have drafted three case studies. We will go through one during this training but if anyone is interested in furthering their knowledge, they can review the others.



Before we go into the section we want to take a moment to hear from you all. Using this zoom interactive poll can you answer how you feel about each of the statements? We will only share aggregate results.

#### **Create Zoom Poll:**

- 1.I know the influence that corporations have had on politics in my community. Agree/Disagree
- 2.I can think of a time when a new corporate tax positively impacted my community. Agree/Disagree
- 3. There are certain parts of life where corporations shouldn't be able to profit. Agree/Disagree
- 4. It is possible to reign in corporate power. Agree/Disagree



Cue results. Thank you all for sharing your thoughts. [Read out loud each statement and share the percentage].

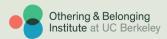
In this first section we will be answering the question:

1. How is corporate power organized in our society and prevent people from living a good life?

We want to start out by sharing a few examples to give an overview of how corporations are embedded in many aspects of society. In the room we have organizers that are coming together around issues of democracy, environment, economy and racial justice. We hope that you all can see the common thread in how excessive corporate power and overreach is inhibiting us people from living a good life and particularly impacting each of these areas. In the examples that follow, we want to emphasize the structures that empower and enable overreach by corporations; and this has real implications for our society. Additionally, the corporate sector is regulated differently in different countries and even different municipalities, which may mean that even the same corporation may have different practices in different places. Often they use the good that they are doing in one country, to hide their bad practices in a different country. The structure of corporations are top-down, corporations are accountable only to the profits of shareholders. Because of this they often put profits over the lives of real people.

We want to live in a world in which corporations don't have more say than people in democratic processes. A life in which we put the health of the planet and real people over profits. In order to start moving towards change we must first educate ourselves into how corporations are impacting our day to day lives.





First, corporations have the power and have manipulated our democratic processes to get their way. By manipulating our democratic process corporations are able to rewrite the rules in their favor.

For example, Uber, Lyft, and DoorDash spent over \$200 million – the most expensive ballot measure in California history – to convince Californians to vote to remove protections for gig workers. They did this with exorbitant spending on lobbying, but also by telling users that their prices for rides and deliveries would go up if the corporations had to pay gig workers, a majority POC workforce, as employees with benefits.

In order to succeed they used two main tactics: 1) money in politics and 2) narrative. Ever since the 2010 Citizens United decision freed corporations to spend as much money as they'd like on political campaigns – regular everyday people cannot compete with the resources that corporations have. And since they have unlimited funds for advertising they can control the narrative in a way that benefits them. They pit delivery app users against delivery app drivers.



Second, we want to discuss corporation's impact on the environment. Excessive corporate power allows corporations to override local decisions even when community members have democratically identified a practice unhealthy for the environment and for their community members.

For example: In Denton, Texas, corporations drilled for natural gas and polluted water and soil in the area. Residents voted to ban natural gas extraction in their city because of these impacts. But despite this majority vote to enact a local law that limited pollution within city limits, corporations sued and used the state law to overpower the voice of the people of Denton.



The tactic they used is pre-emption (explained in our glossary of terms as a growing corporate strategy) - which is the idea that higher authority of law will displace the law of lower authority when the two authorities come into conflict.

Next, corporations have a lot of power in determining how people are employed.

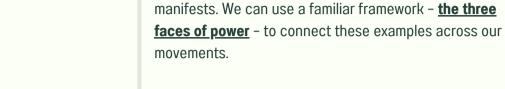


Even something as simple as hiring full-time vs. part time has a lot of impact on a community or on a family. Corporations highly rely on part-time employees to fill their labor force because it is cheaper than having full-time employees. Corporations save money because part-time workers typically do not receive health care (83%) or retirement benefits (71%) and part-time employees are not guaranteed a certain amount of hours, meaning that companies can change staff levels to meet demand. When people do not want to take jobs that do not pay living wages, corporations put out the narrative such as "people just don't want to work." When in reality the labor models that corporations use do not support increasing numbers of workers. Corporations need to pay living wages, give benefits, and offer more full-time positions to employees who need them.



Lastly, excessive corporate power allows corporations to impede the advancement of racial justice movements.

For example, corporations have power in passing policies that block actions of Black, indigenous and people of color. Many anti-protest bills came out of lobbying from fossil fuel companies that wanted to prohibit protests by land and water defenders. In this map, you see that 34 states -- highlighted in pink -- introduced anti-protest bills. In addition to lobbying for these protest bills, corporations contribute to police foundations that privately fund the police, which have the power to block organizing actions.





 Organizing money + people: Corporations spend their money strategically, such as spending millions on lobbying or contributing to police foundations.

In these examples, we see many ways that corporate power

- Shaping political conditions: Corporations coalesce around laws that hit several movements at once, such as anti-protest laws or pre-emption laws that override community power.
- Shaping worldview and ideology: Corporations shape our narratives, such as framing fights for improved working conditions as "people don't want to work" or putting out ads saying that providing benefits for gig workers will increase delivery or rideshare prices.

As we continue through the training, keep these types of power in mind.



Now that you know how corporations are deeply embedded in our society today - we want to take a few moments to outline how we got here in the first place. How did corporations gain so much power?

We want to take some time to highlight this because it is important to note that it has not always been this way. There is a way for the public to regulate corporations.



Before we go into the next section, let's take a quick quiz. **[Cue the poll on Zoom]** Thanks for participating!

We'll dig into these concepts more, but here are the answers to the quiz:

**False.** Though the 2010 Citizens' United case did use a corporate personhood argument to get expanded rights for campaign contributions, the concept was introduced in 1886.

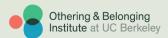
**True.** Corporations are "chartered" (or given rights to exist) by states. Most corporate charters are conditioned on good behavior, so states can take corporations to court to revoke their charter for causing public harm. It's not a common practice, but shows a potential alternative relationship between the public and a corporation.

First of all, it is important to know that corporations have not always had as much power as they have today. Slowly they've re-written the rules in their favor.

A corporation is a form of business that was created in England and then adopted and expanded in the US in the late 1700s. At first:

- 1. Corporations could only exist for a limited time
- Corporations could only get permission to exist for the purpose of a public good such as building roads or bridges
- 3. Corporations could be terminated if they caused public harm or exceed their authority
- 4. Owners and managers were held responsible for criminal acts they committed on the job.
- 5. Corporations could not make political contributions, only people.
- 6. Corporations were considered artificial bodies, meaning that they did not have the rights that humans do.





All of these requirements were later removed, and new rights were given to corporations. Now:

- 1. Corporations can exist forever.
- Corporations don't have to exist for the purpose of the public good.
- 3. It is extremely difficult to terminate a charter of a current corporation.
- 4. Corporation owners are protected from being punished for crimes that the business commits. This is called the 'corporate veil' and means that almost always a punishment for corporate crime will only affect the business, not the people who run the business.
- 5. Corporations have also been given the right to influence elections, spend unlimited money on political influence, and not have to report their political activities.
- 6. Corporations are now considered people, and therefore are protected with the rights of people.

Between the 1800s and today, corporations have slowly amassed power and the most power came when they gained personhood. Corporate personhood is "the claim that corporations were intended to fully enjoy the legal status and protections created for human beings."

When corporations gained "personhood," they were able to use the Constitution and Bill of Rights to their advantage to:

Argue against regulations, like worker protections or higher taxes for corporations compared to small businesses

Argue for access to human rights, like freedom of speech

There were many steps that slowly allowed them to gain personhood. In the accompanying Handout #2 Historical Overview, you can read more about this process and four major cases that slowly transformed corporations from artificial bodies to personhood.







We don't want to end this section making you all feel like there is nothing that can be done. In fact, one leading motivator for doing this training is to bring to light the power that we can have as a collective if we stand up against corporate power. But we have to understand how it works first.

Next - let us show you this video that sums up some of the history we've covered and moves into our collective power to make change.



Post-video discussion in a large group if under 15 participants or in small groups of 3-5 if over 15 participants.



The next module will answer the question:

How can we shape the narrative on corporate power?



We want to share this video that further illustrates how corporations gaining more power will negatively impact people, especially those who are already marginalized such as POC, folks with disabilities or our unhoused communities. When corporations have a lot of power, they push people out of what we call the "Circle of Human Concern".

#### [Play Video]

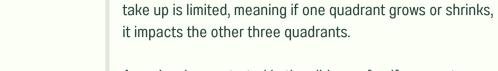
This animated video outlined the differences between public and private space, and their alternatives are discussed as they relate to the circle of human concern. The video explains how the spaces are divided, who has access to those spaces, and what we can do to change the dynamics so that all people are at the center of the circle of human concern. It further outlines the dangers of giving corporations too much power by pushing people outside of the circle of human concern.



We now want to explore the concept of the four quadrants presented in the The Circle of Human Concern video. The video says that people are othered through a process whereby they are excluded from the public and private spheres of life.



- The Public Quadrant is a space of collective action, government activity, open space (parks, libraries, roads), the open exchange of ideas, and public services (education, fire, public safety, etc.)
- The Private Quadrant is our homes, places of worship, spaces of retreat and places where we can exercise personal liberties.
- Corporate Quadrant, is the space that corporations have. However, corporations have amassed wealth and power and have smuggled their way into the private and public spaces.
- The Marginalized (Non-public, non-private) Quadrant
  is a space where the most marginalized people and
  communities do not enjoy the benefits of public or
  private space. As corporations gain more power and
  take up more of the private and public space they push
  folks into the marginalized space.



As we've demonstrated in the slides so far, if corporate power expands, so does extreme marginalization. We are advocating for the control of the corporate sphere because corporate power does not exist alone in a vacuum, instead it impacts everyday people.

However, the amount of space that each of these quadrants

This framework can be utilized in multiple cases. In the next slide we will present a case and apply the framework to understand how corporate power is pushing more folks into the marginalized space. And how we need community and government to take action to address corporate overreach and reduce and eventually eliminate the marginalized space.



Break out into small groups for 25 minutes - first, 10 minutes of independent reading and then 15 minutes of small group discussion. Then, we'll come back together for a 10 minute debrief.



Come back to the full group. Let's debrief for 10 minutes on the following questions:

- 1. How did the corporate overreach take advantage of existing ways of othering or marginalization, like racism, ageism, anti-indigeneity or anti-Blackness?
- 2. How did the examples of community and government response take power back from the corporate sphere? What tactics and strategies stood out to you?
- 3. How might this framing of corporate power be useful to campaign messaging and strategy?





Close out with reflection on these key takeaways, or seek reflections from the group.

Thank folks for their time and send a link to an evaluation form if you are using one.

### **Handout #1: Case Studies**

To apply the concepts of the corporate power curriculum, participants will read and discuss case studies in areas where corporations are impacting our quality of life.

#### **Materials**

- This handout
- Your notes and thoughts on the four quadrants in <u>The Circle of Human Concern video</u> covered before this activity
- If in-person: a white board or paper to track answers on the four quadrants activity
- If virtual: a shared notes document to track answers on the four quadrants activity

#### Instructions

#### Step 1: Pick a Case Study

There are three different case studies to chose from for this 35 minute activity. Each case provides background information on the topic and details a specific case where a corporation has expanded their power and where the government or community has responded.

Case #1: Using Public Funds to Protect Renters and Homeowners

Case #2: Ending Corporate Data Surveillance of Migrants

Case #3: Building Community Power to Protect Biodiverse Land

#### Step 2: Read the Case Study Independently (10 minutes)

Give participants about 10 minutes to each read the case study independently.

#### Step 3: Apply the Four Quadrants Framework Collectively (15 minutes)

After reading the case, you will return to your small group to answer the following questions using the four quadrants framework as a guide:

- 1. How did this corporate overreach impact public life and private life? How did it marginalize people, i.e. cut people out of civic or human rights?
- 2. How did the community and government response rebuild public power?

For virtual trainings, your group can organize responses in a shared notes document with the blank four quadrants template. For in-person trainings, use a white board or paper. We provide an appendix with example responses to provide guidance, but be flexible with interpretation.

#### Step 4: Debrief in Full Group (10 minutes)

The full group will come back together to debrief.

# Case #1: Using Public Funds to Protect Renters and Homeowners

#### **Background**

Our housing crisis is a widely known and deeply felt experience for families across the country. Rent is getting more and more unaffordable; wages aren't making up the difference. Corporations see profit in this housing crisis. While the roots of our housing crisis are deep, since the 2008 recession, companies specializing in finance have expanded their control over multi-family and single-family rental properties nationwide. In 2021, investors bought one in seven homes sold in top metropolitan areas nationwide, particularly in majority Black, Southern states. Corporations also block our public power to protect vulnerable tenants and produce affordable housing. Despite popular support and local wins for rent controls and minimum wage increases, corporations have successfully lobbied to block or overturn such protections nationwide.



Let's consider the case of corporate control of housing in the East Bay and how communities and governments are responding:

#### **The Corporate Overreach**

In February 2021, an East Bay grandmother <u>Jocelyn Foreman found out that the single-family home she</u> <u>was renting in Pinole, California was up for auction</u>, just a few weeks before it was to go for sale. Wedgewood Inc., a real estate and house flipping company that gained infamy in the <u>Moms4Housing campaign</u>, put up the winning auction bid at \$600,000. Wedgewood is an example of many corporations that see the housing crisis as an opportunity. During the last financial crisis a decade ago, private equity firms swooped into auctions of foreclosed homes in the East Bay. With real estate in distress again during the COVID-19 pandemic, corporations like Wedgewood and Blackstone are at it again, this time going after a wide variety of struggling properties.

#### **The Community and Government Response**

With the support of the community, her own organization, and a Bay Area community land trust, Ms. Foreman was able to put down a \$100,000 down payment to buy the property, instead of the homeflipping company Wedgewood, Inc. This success motivated Governor Gavin Newsom to include \$500 million for a new five-year Foreclosure Intervention Housing Preservation Program in his \$12 billion housing and homelessness assistance bill. The dollars will go out as low-interest loans for eligible organizations, including community land trusts, to buy and rehabilitate residential properties. Similarly, a new California state law, SB 1079, signed into law in September 2020 thanks to the organizing efforts of Moms4Housing, provides tenants the first opportunity to buy properties when auctioned. This public policy is an example of how governments can support collective models of ownership and protect land from corporations who invest in times of distress.

# Case #2: Ending Corporate Data Surveillance of Migrants

#### **Background**

In this day and age, the data on where we've been, who we know, or what we buy makes profit for data collecting companies, from social media platforms to phone service providers. It can also be profitable to *sell* this data to companies who create detailed data profiles of individuals or communities. This is called data brokerage, a **multibillion-dollar industry** that spends millions **lobbying against privacy legislation**. Corporate data surveillance affects us all, but it has its worst effects on communities already the most vulnerable – from migrants to public housing residents – and where there is profit to be made by selling data to law enforcement. The Department of Homeland Security (DHS) and Immigration and Customs Enforcement (ICE) **invests in such technologies and data sharing agreements** that expand the border to every city.

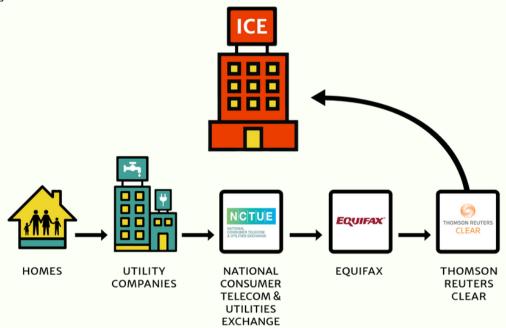


Image Source: Georgetown Law Center on Privacy and Technology's American Dragnet Project

Let's consider the case of a household's phone plan or electricity bill data being bought by immigration enforcement and how communities and governments are responding:

#### **The Corporate Overreach**

Immigrant rights organizations have <a href="mailto:exposed an ecosystem of actors">exposed an ecosystem of actors</a> who sell our data to law enforcement, such as local police and ICE. For example, the National Consumer Telecom & Utilities Exchange (NCTUE) – an association of telecom and utilities companies – sells more than 170 million people's names, home addresses, Social Security numbers and other details required to access essential parts of modern life. The simple act of signing up for a new internet service or setting up your water or gas service in a new apartment becomes a data point in a profile about where you've lived, where you've moved from, and who you've lived with. Government authorities have used these private databases to pursue or investigate people without a warrant, in violation of Fourth Amendment rights. The data from the telecom and utilities companies is sold to investigation software services that offer subscriptions directly to police departments, law firms, and government agencies like ICE. From 2017 to 2022, ICE paid over \$20 million to access these investigation software services, without a court order.

#### **The Community and Government Response**

Immigrant rights activists' research and organizing shows that this web of surveillance stemming from a simple activity puts immigrants, their families, and their loved ones at risk. In 2021, this activism **pushed the consortium of telecom and utility companies to stop allowing their data to be included** in these special subscription tools created for police departments and government agencies. In the border town of Chula Vista, California, a committee on surveillance issues got the local police department to **stop providing license plate reader data** about residents to federal immigration authorities. These campaigns for company policy change and local policy change are huge wins on such an evolving issue. Given that data brokers work on a national or even transnational scale, federal policy is an essential next step to securing privacy rights. **Legislation introduced in 2021** would require that law enforcement agencies secure a court order before buying data on people in the United States and about Americans abroad from data brokers.



# Case #3: Building Community Power to Protect Biodiverse Land

#### **Background**

In pursuit of profit, corporations can abuse their power to override local decisions even when community members have democratically identified a practice unhealthy for the environment and for their community members. A key tactic is the abuse of **preemption laws to override local decisions** to ban harmful practices, like fracking or putting toxic waste near communities of color and indigenous communities. To take a global view, **international law allows corporations to sue governments** if they enact regulations that are "harmful" to a corporation's interests, but limits the standing rights of civil society, such as citizens and community groups, to sue the corporation in international courts for harming their incomes, livelihoods, or shared lands and waters.

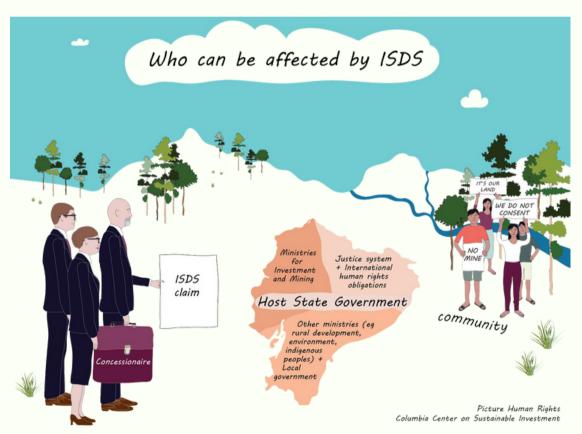


Image Source: Picture Human Rights

Let's consider the case of an oil company's polluting actions in Ecuador and how communities and governments are responding:

#### The Corporate Overreach

Crude oil was discovered in Ecuador in 1967. During this global oil boom, the oil-rich land of the abundant Amazon and home to <u>indigenous communities like the Cofàn</u> was claimed to <u>create the town of Lago Agrio</u>. Lago Agrio became the base for Texaco's oil extraction activities from the 1960s to the 1990s. In this time, deforestation exploded, the water turned toxic, fish and other game were infected, and rates of cancer and other infections ballooned. As with many frontline communities today, working for the very industry behind ecological and civic destruction became the only option for survival. In 1993, local residents started a class action lawsuit to force Texaco (acquired by Chevron in 2001) to clean up the area and provide for the care of the 30,000 inhabitants affected by oil contamination. This launched a <u>nearly 30 year process to achieve legal justice</u>, as well as a battle of narratives on corporate power and the responsibility transnational corporations have to the earth. Chevron outsources pollution and bad labor practices to the Global South <u>while advertising social responsibility in the Global North</u>.

#### **The Community and Government Response**

Thanks to the organizing of 30,000 local residents and five Amazonian indigenous groups, the communities impacted by Chevron's polluting activities received international attention and support. In 2011, a local court sentenced the company to a \$9.5 billion fine. However, Chevron appealed to a private international court, which dismissed the Ecuadorian courts' decision. Under current rules of the international legal system, neither the state of Ecuador nor impacted Amazonian communities can challenge the private decision. In the long-term, advocates call for broader changes that would <u>legally bind states and companies to human rights</u>, rather than relying on a lengthy battle towards one-time legal settlements. Alongside this lengthy legal battle is the battle of narratives. Campaigns such as <u>La Mano Sucia de Chevron</u> ("The Dirty Hand of Chevron") aimed to uncover Chevron's role in the destruction of the Amazon and build support for global investment to help oil-rich countries protect natural resources. Campaign and movement leaders emphasize <u>the importance of building power of marginalized communities</u> to win these policy and legal battles, as well as to shape public narratives.



### **Reflection Activity**

In your small group, discuss the following questions to unpack this case of corporate overreach and the government and community's response. See example responses in **appendix** for guidance.

1. How did this corporate overreach impact public life and private life? How did it marginalize people, i.e. cut people out of civic or human rights?

The Corporate Overreach				
Private How are private rights impacted?	Public How is public power impacted?			
Non-Public/Non-Private - Marginalized How is marginalization impacted? What underlying social dynamics are at play?	Corporate How is corporate power impacted?			

2. How did the community and government response rebuild public power?

The Government and Community Response				
Private How are private rights impacted?	Public How is public power impacted?			
Non-Public/Non-Private - Marginalized How is marginalization impacted? What underlying social dynamics are at play?	Corporate How is corporate power impacted?			

### **Appendix**

Case #1 Guidance: Using Public Funds to Protect Renters and Homeowners

#### **Guidance: The Corporate Overreach**

### Private [Private sphere is shrinking]

- Jocelyn losing her private home has ripple effects across a household and community
- Corporations buying homes in bulk reduces opportunity for working class to buy a home
- Corporate landlords are 68% more likely to evict, which pushes people out of the security of a private home

# Public [Public sphere is shrinking]

- Corporations block public power (such as lobbying against rent controls)
- Investor firms that move into housing underpay their equitable share of local property taxes, which funds our schools and other public services

# Non-Public/Non-Private - Marginalized [Marginalized sphere is growing]

- Wedgewood targeting foreclosed homes targets the most vulnerable of tenants, like Black and senior tenants
- Increasing rent directly leads to homelessness and displacement and health risks associated with homelessness
- Homelessness feeds social exclusion / lack of community support

#### Corporate

#### [Corporate sphere is growing]

- Corporations' use their outsized power to buy cheaper properties (foreclosed homes) en masse and fuel future profits
- Further corporate control of housing entrenches housing as a commodity
- Massive lobbying budgets/agenda gives them power to change public will

#### **Guidance: The Community and Government Response**

#### Private [Private sphere is growing]

• Through collective effort, Ms. Foreman is able to stay in her private home

### Public [Public sphere is growing]

- Government uses public funds to protect renters from foreclosure
- Community land trusts benefiting from these public funds expand a collectivist vision for property and land stewardship

# Non-Public/Non-Private - Marginalized [Marginalized sphere is shrinking]

 Tenant opportunity to purchase acts (TOPA) like SBI079 transfer more power to tenants at risk of displacement - though SBI079 is limited to properties at risk of foreclosure, there are proposals for expanding this protection

#### Corporate

#### [Corporate sphere is shrinking]

- Tenants are given first rights to buy a property at risk of foreclosure, rather than allowing corporate landlords to swoop in to flip the property
- Potential for corporate sphere to grow since the legislation doesn't actually block their ability to buy foreclosed properties

#### Case #2 Guidance: Ending Corporate Data Surveillance of Migrants

#### **Guidance: The Corporate Overreach**

## Private [Private sphere is shrinking]

 Families' private activities, like using their phones and internet connections, are under surveillance

### Public [Public sphere is shrinking]

- The government is neglecting its role in protecting privacy and regulating big business
- ICE, a part of government, is using public power to harm rather than protect

# Non-Public/Non-Private - Marginalized [Marginalized sphere is growing]

- Migrants are already vulnerable due to precarious citizenship and residency rights
- In general, everyone's privacy is impacted; corporate overreach targets marginalized communities first, but ripples out to vulnerability for other communities over time

#### Corporate

#### [Corporate sphere is growing]

- Emerging data brokerage companies expand their power and profit when given free range to buy and sell any data
- Legacy corporations, like phone companies and social media companies, expand their power and profit by selling data beyond its original intention

#### **Guidance: The Community and Government Response**

## Private [Private sphere is growing]

- Families' private activities, like using their phones and internet connections, remain private
- ICE still has unprecedented power over migrants' private lives

## Public [Public sphere is growing]

- Collective action, like that of migrant rights activists, helps protect migrants from both public and corporate power overreaches
- If Congress restricts ICE's purchase of private data, the government steps into its role as a protector of privacy and regulator of big business

## Non-Public/Non-Private - Marginalized [Marginalized sphere is shrinking]

- The legislation is written in a way to extend privacy rights to non-citizens, who are often marginalized by legal rights
- Requiring a court order or warrant to access data may open families to investigation from ICE

#### Corporate

#### [Corporate sphere is shrinking]

 Adding friction to corporate data exchange limits their power over migrants



#### Case #3 Guidance: Building Community Power to Protect Biodiverse Land

#### **Guidance: The Corporate Overreach**

### Private [Private sphere is shrinking]

 Amazonian communities' suffer from health issues and loss of livelihood due to the outsized power that Chevron had on the land

### Public [Public sphere is shrinking]

The government of Ecuador and the government of indigenous communities are limited in their legal options to seek repair

# Non-Public/Non-Private - Marginalized [Marginalized sphere is growing]

- Polluting activities are hyper-concentrated in areas where marginalized communities (in this case, indigenous communities) already live
- Impact of climate change due to deforestation and fossil fuel industry hits marginalized communities first and hardest

#### Corporate

#### [Corporate sphere is growing]

 Corporations have outsized legal power over sovereign states and the community in the international legal landscape

#### **Guidance: The Community and Government Response**

## Private [Private sphere is growing]

• Through collective action, the private rights of Amazonian communities are protected

### Public [Public sphere is growing]

- The Ecuadorian legal system protected the rights of Amazonian communities
- Collective action of activists and lawyers amplified the story of Lago Agrio

# Non-Public/Non-Private - Marginalized [Marginalized sphere is shrinking]

 Amazonian communities built power using the legal system and by telling their story on the international media

#### Corporate

#### [Corporate sphere is shrinking]

 Chevron was held liable to the public good in the Ecuadorian legal system, though the decision was overturned in international courts

# Handout #2: Historical Overview of Corporate Personhood and Power

This is a supplemental document for the curriculum titled, "Rebuilding Public Power: Stopping Corporate Overreach". This is not meant to be an extensive report on corporate power but instead a short summary to give background or answer any questions presented in the training.

#### How were corporations originally designed to work?

In the 1800s, people had to get permission from the government to create a corporation, corporations could only exist for a limited time, and only for the purpose of serving the public interests such as the construction of roads or bridges. Corporations could only engage in activities necessary to fulfill their chartered purpose, and could be terminated if they exceeded their authority or if they caused public harm. Additionally, owners and managers were responsible for criminal acts they committed on the job, could not make any political contributions or purchase stock in other corporations. In short, corporations were considered "artificial bodies" and did not have the rights to the protections of humans.

Corporations were responsive and accountable to the government. As late as the 1880s it was common for there to be public proceedings to revoke the "charter", the permission to exist, of a corporation that engaged in behavior that harmed the public interest.<sup>2</sup>

#### How did corporations gain personhood?

Slowly corporations began abusing their charters, amassing wealth and had the resources to use the government and the courts to their advantage. A few court cases began to slowly give corporations more power. In the 1886 Supreme court case, Santa Clara County v. Southern Pacific Railroad Co gave corporations inclusion in the word "person" in the 14th Amendment of the Constitution and claimed equal protection under the law. Three years later in 1889, the case Minneapolis & St. Louis Railroad Co. v. Beckwith ruled a corporation is a "person" for both due process and equal protections. In 1890 the Sherman Anti-Trust Act was passed, it was a federal law that tried to corral excessive corporate power. However, it was watered down by congress and then ultimately narrowly interpreted by the courts which led it being used to define corporations as persons. Once corporations gained "personhood" they were able to use the Constitution and Bill of Rights to their advantage.

View this in depth timeline that outlines the road to corporate personhood.

<sup>2.</sup> john a. powell and Stephen Menendian (2011). "Beyond Public/Private; Understanding Excessive Corporate Prerogative." Pg 90





<sup>1.</sup> Reclaim Democracy! (2000). "Our Hidden History"

#### What does corporate personhood mean for corporations?

Corporate personhood is "the claim that corporations were intended to fully enjoy the legal status and protections created for human beings. Granting corporations the status of legal "persons" effectively rewrites the Constitution to serve corporate interests as though they were human interests." This is a problem because corporations receive the privilege and authority as citizens. Corporations have unlimited resources which allow them to speak louder than people; corporations have power to change policies and re-write the rules to benefit them, even if it is harmful to the common good. This is also a threat to our democracy.

#### What are other ways the corporations began to amass power?

In 1889, New Jersey was the first state to eliminate the public process for making sure a corporation was serving the public good. Other states followed.<sup>4</sup> States also changed the rules so that a corporation could hold stock in another corporation, opening the door to the creation of 'shell companies' that would allow them to own other companies.<sup>5</sup>

The 14th Amendment, which was intended to protect the rights of freed slaves, was used by corporation owners and lawyers to their advantage. Because corporations were considered people, and the 14th Amendment protected people, it was used to defeat laws such as those that required corporations to pay minimum wages, respect workers' labor rights, and other economic regulations. By 1938 more than 50 percent of the Supreme court case that applied the 14th Amendment asked that its benefits be extended to corporations, while less than 1 percent were for protecting freed slaves.<sup>6</sup>

Over time corporations were gradually emancipated from state controls and restrictive charters. With this freedom they began to lobby legislators to impact political and policy outcomes. More recently in 2010, Citizens United v. Federal Elections Comm. removed limits on corporate campaign contributions, which allows corporations to influence elections for their special interests rather than passing policies that would benefit public interests.

Today "corporations can also force local governments and even state governments to compete among one another in bidding wars to receive maximum tax incentives. Unless local politicians bend to their demands, they can threaten to close a factory and move jobs to another state."

Even corporations' free speech rights come directly at the expense of actual people's privacy, such as the ability for pharmaceutical companies to sell patient data. We recommend reading **A brief history of the evolution of corporate power** for a deeper dive into the history of corporate power.

# Further reading: A brief history of the evolution of corporate power



#### 3. Our Hidden History

- 4. john a. powell and Stephen Menendian (2011), "Beyond Public/Private; Understanding Excessive Corporate Prerogative." Pg 100
- 5. Franck, Thomas. (2021). "Treasury wants to crack down on shell companies, corruption with new rule" CNBC.
- 6. john a. powell and Stephen Menendian (2011). "Beyond Public/Private; Understanding Excessive Corporate Prerogative." p 102
- 7. john a. powell and Stephen Menendian (2011). "Beyond Public/Private; Understanding Excessive Corporate Prerogative." p 102
- 8. Office of House Majority Leader Steny H. Hoyer. (2020). <u>Ten Years After Citizens United, House Democrats Call on Senate to Take</u>
  Up House-Passed Government Reform Measures
- 9. john a. powell and Stephen Menendian (2011). "Beyond Public/Private; Understanding Excessive Corporate Prerogative." p 102 10. john a. powell and Stephen Menendian (2011). "Beyond Public/Private; Understanding Excessive Corporate Prerogative." Pg 99





## **Handout #3: Glossary of Terms**

#### Corporation

A corporation is a company or group of people authorized to act as a single entity that is separate and distinct from its owners. The law treats a corporation as a legal "person" that has rights to enter contracts, loan and borrow money, sue and be sued, hire employees and pay taxes.

#### **Shell Corporation**

A shell corporation is an incorporated company that possesses no significant assets and does not perform any business operations.<sup>2</sup> Shell companies are often used to help owners achieve a financial objective like lowering tax bills, hiding assets or shielding the owner's identity in a transaction like a real estate purchase.<sup>3</sup>

### Transnational Corporation

Transnational corporations are incorporated or unincorporated enterprises operating in multiple countries.4

#### **Corporate Power**

Corporations are granted privileges that make them profitable without holding them responsible for creating any benefit for their workers or the economy overall. Corporations are able to gain more power by consolidating and monopolizing the market. As noted in this training, corporations have also gained more power through increased rights such as the ability to spend unlimited amounts of money in campaigns.

### Corporate Personhood

Corporate personhood is "the claim that corporations were intended to fully enjoy the legal status and protections created for human beings. Granting corporations the status of legal "persons" effectively rewrites the Constitution to serve corporate interests as though they were human interests." This is a problem because corporations receive the privilege and authority as citizens. Corporations have unlimited resources which allow them to speak louder than people; corporations have power to change policies and re-write the rules to benefit them, even if it is harmful to the common good. This is also a threat to our democracy.

- 1. Corporations. Cornell Law School
- 2. Cornell Law
- 3. Treasury wants to crack down on shell companies, corruption with new rule
- 4. Baum, F.E., et al. (2016). Assessing the health impact of transnational corporations: its importance and a framework.
- 5. Race and Democracy. Roosevelt Institute.
- 6. Our Hidden History





#### **Structural Racism**

Historical, social, political, institutional, and cultural factors that contribute to, legitimize, and maintain racial inequities. Structural racism is not something that a few people or institutions choose to practice, it is the confluence of racist concepts and theories that control our economic, political, and social systems.<sup>7</sup>

#### **Racial Justice**

Racial justice is the systematic fair treatment of people of all races, resulting in equitable opportunities and outcomes for all. Racial justice—or racial equity—goes beyond "anti-racism." It is not just the absence of discrimination and inequities, but the presence of deliberate systems and supports to achieve and sustain racial equity through proactive and preventative measures. Racial justice is defined by organization Race Forward as the proactive reinforcement of policies, practices, attitudes and actions that produce equitable power, access, opportunities, treatment, impacts and outcomes for all.8

#### **Democracy**

A democracy is a government in which the power is exercised by the people directly or indirectly through a system of representation from elections. However, we include the definition of democracy here because corporations are legally considered people and as they get more money and power they have a larger voice in moving policies that benefit them, rather than the greater good.

#### **Standing Rights**

Standing rights is the right to sue.10

#### **Preemption**

Refers to the idea that a higher authority of law will displace the law of lower authority when the two authorities come into conflict. For example, when state law and federal law conflict, federal law is the one that is recognized." This is important in this context because corporations have used preemption law to outmaneuver local ordinances. View an <a href="interactive map">interactive map</a> that shows how corporations are using state laws to prohibit or limit local regulations such as those that limit pollution, rent control or taxation.



<sup>7.</sup> Race Forward. Race Reporting Guide.

<sup>8.</sup> Race Forward. Race Reporting Guide.

<sup>9. &</sup>lt;u>Democracy. Merriam-Webster.</u>

<sup>10.</sup> Standing. Cornell Law School.

<sup>11.</sup> Preemption. Cornell Law School.

### **Environmental Justice**

Environmental justice is the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income, with respect to the development, implementation, and enforcement of environmental laws, regulations and policies. Environmental justice is achieved when 1) everyone has the same degree of protection from environmental and health hazards, and 2) equal access to the decision making process to have a healthy environment in which to live, learn and work.<sup>12</sup>

#### **Economic Justice**

Economic justice is "a set of moral principles for building economic institutions, the ultimate goal of which is to create an opportunity for each person to create a sufficient material foundation upon which to have a dignified, productive, and creative life beyond economics." An economic justice argument focuses on the need to ensure that everyone has access to the material resources that create opportunities and live a dignified life without constantly worrying about paying the bills.<sup>13</sup>

#### **Public Good**

A public good is a commodity or service that is provided without profit to all members of society usually by the government. Some examples of public goods include clean air, crosswalks, and street lighting. Public goods have two traits: 1) everyone can access it and therefore market producers can't sell it or make a profit for it and 2) the benefits that accrue to one person do not diminish the amount of benefits left for others.<sup>14</sup>

### Circle of Human Concern

The circle of human concern includes those who are considered full members of society and who can rightfully demand concern and expect full regard in return. When we say to "expand" the circle of human concern we mean expansive enough to hold all people within its boundaries, all forms of life and nature. When corporations gained personhood and continue to engage in their own rights, they take up space in the circle of concern, increasingly growing the exclusion of actual people.

<sup>16.</sup> Powell, J.A., Toppin, E. (2021). Health Equity and the Circle of Human Concern.





<sup>12.</sup> Environmental Justice at the EPA.

<sup>13.</sup> On Economic Justice | SPH.

<sup>14.</sup> Kallhoff. Why societies need public goods.

<sup>15.</sup> The Circle of Human Concern. Project Linked Fate.

#### Corporate Criminal Liability

A corporation can be liable for criminal activity. For example, a corporation can be held liable for the criminal acts of its employees as long as the employees are acting within the scope of employment and their conduct benefits the corporation. A corporation cannot be imprisoned or punished but they may have to pay fines, lose their license or be regulated by government agencies.<sup>17</sup>

#### **Captive Markets**

Captive markets are things that we depend on to survive, making long-term returns guaranteed. These include basic infrastructure like water, sewage, telecommunications, and transportation, as well as farmland, health care, and housing. Public infrastructure (education, transportation, utilities) are the most valuable assets in the public sphere, so they are also the most coveted by the private sector.<sup>18</sup>

