

WHEN CORPORATIONS RULE THE WORLD

by Ed O'Rourke

Something is wrong with the world economy. Two billion people live on \$2 per day or less. The Amazon rainforest and ozone layer are being destroyed. The rich have become richer and the poor have become poorer. The old idea that a rising tide lifts all boats is not true. World wide economic growth has increased five times since 1950. There is something wrong with the production of goods and services that deplete the aquifers, forests, soil and fishing banks beyond recovery rates.

Transnational corporations dominate the political, economical and financial sectors. In Texas, corporate lobbyists write laws affecting their interests. The Texas legislature exempts polluting industries by grand fathering them from air emission requirements, despite documented cases of respiratory cases for residents living near the manufacturing plants or refineries.

Corporate charters, insurance and complexity shield corporations from social responsibility. Corporate officers do not care about environmental damage while playing blackmail with local communities to shred labor unions, safety conditions and a fair share of the local tax burden. By law, shareholders are immune from legal responsibility. With insurance and financial might, the officers are virtually immune from their actions.

Corporate behavior is known for outlandish compensations of officers, sacking of employees while making record profits and moving operations to countries where labor cost are less than \$.50 per hour.

David C. Korten's book, *When Corporations Rule the World* (Kumarian Press/Berrett-Koehler Publishers, Inc, 1995, 2001, 365 pages), offers remedies that would make markets or political institutions responsive to the people:

- Institute a reasonable ratio of compensation between the highest paid employee and the lowest paid employee, possibly 25:1. For larger corporations, this will require restructuring the executive positions or dividing major parts.
- Place a small tax on the sale of stocks, bonds, foreign currencies and derivatives to discourage short-term speculation and enhance market stability.
- Since derivatives are a legal form of high risk gambling, heavily regulate and tax their issue, sale and purchase. Prohibit mutual funds and pensions funds from dealing with them. Let the gamblers take their own risks.
- Vigorously enforce the anti-trust laws. When was the last time that the Justice Department opposed a merger?
- Public policy should encourage employee or community buyout. For example, when a major corporation is planning the closing of a plant, sale or a merger, the local employees and community should have the first option to buy the plant on preferential terms.
- The Clinton administration ended welfare for human beings as we knew it. It is time to end corporate welfare as we know it. The federal government should charge for use of public lands for mining, grazing and timber cutting just as a private owner would do. An examination of the Internal Revenue Code would identify tax breaks that serve the interests of larger companies but not the public. A major revision of the income tax and restriction of offshore tax havens would create a more level playing field.

- Eliminate corporate tax deductions for lobbying, so-called public education or political organizations of any kind. The ultimate goal is the elimination of corporate influence on the political process.
- Start campaign finance reform to reduce corporate influence.

Corporations exist to serve the citizens, not the other way around. If a corporation consistently acts outside the public trust, in toxic dumping, unfair labor practices or other violations, citizens, working through the legislature, should revoke the offending corporation's charter.

David Korten's vision of smaller corporations may appeal to most conservatives and libertarians because big business necessitates big governments to restrain excesses and clean up messes. Think of the savings and loan scandal and the environmental cleanup funds. Smaller corporations will lead to a smaller government.

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