

Rachel's Environment & Health News

#569 - Trends In Corporate Accountability -- WW III, Pt. 3

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Most people want the same things:

- ** better education for their children;
- ** good health, especially for their children;
- ** a better environment (broadly defined to include housing, recreation, and transportation, in addition to clean air, water, and food);
- ** safer communities;
- ** more economic security;
- ** stronger families and family support;
- ** less government regulation and smaller government;
- ** fewer taxes;
- ** more local control.

Yet the American economic and political systems are not delivering most of these things to most people:

** Many school systems are deteriorating, public library budgets are being cut, and TV is "dumbing down" both adults and children: by the time they are 18, American children have been in school 11,000 hours but have spent 15,000 to 18,000 hours in front of a TV set;

** By many measures, children's health is declining --cancers are increasing, and so are diabetes, asthma, infectious diseases, excessive weight, and attention deficits, to name only the most obvious problems.

** Overall, as we have documented again and again, the environment is tending to get worse in many respects despite the relentless barrage of corporate "greenwash" claiming the contrary in the media;

** Many communities aren't safe and many more are not perceived as safe (thanks to the media's obsession with murder and mayhem in the local news);

** Most people are less well-off AND less secure today than they were 20 years ago (see REHW #567);

** Families are having a hard time because so many family members are working and the children are therefore somewhat neglected; spare time is shrinking; people are demoralized and stressed out by their lives outside the home so to numb themselves they allow TV to dominate their living rooms; elder care is a growing dilemma for most families; debt is growing; for many, retirement is a fading hope;

** Government IS getting smaller but not always in ways that help most people --for example, the Internal Revenue Service IS getting smaller but this just means more wealthy tax evaders are going unpunished; environment, health and social service agencies are facing budget cuts while public subsidies to corporate polluters are holding steady or rising;

** Taxes have been mounting for the middle class and the working poor while corporations and the rich are paying less of their fair share;

** And, finally, Congress SAYS it is giving more control to people at the local level while the REAL direction is to "globalize" decision-making, which means transferring control from local citizens to transnational corporations that answer to no one.

As a result of these trends, cynicism, depression and ennui are

rampant among Americans; racism is increasing (even the President has noticed it is a problem) as more people compete for crumbs from a shrinking slice of the pie; most people don't vote (because candidates don't offer real alternatives --any that do are clobbered by the money bullies); so the system is stuck in a vicious circle in which power and wealth are relentlessly siphoned off into the pockets of a smaller and smaller fraction of the people. Forty percent of the people are doing well enough to continue to support the 1% who are becoming filthy rich --and the other 60%, who are hurting, nurse their wounds alone, disengaged, numbed by drugs or beer or television, or simply too tired to fight back.

Notice the key actors in the scenario just described: the media, government officials (elected), corporate decision-makers and the people. How are they related?

Ninety percent of the media are owned by fewer than 20 corporations that therefore dominate public discussion and debate; these corporations determine what people will talk about and the limits of the public discussion. The elected government is controlled by corporations through campaign contributions (which are required because expensive media exposure is the key to election); the people are made insecure, discouraged and disengaged largely because of corporate policies and practices (downsizing, wage cuts, forced give-backs, overseas flight, union busting --or simply the fear that any of these tactics will be used). Corporations control government; government greases the skids for increasing corporate control. People are disrespected and cut out of the decision-making loop. Democracy is hollowed out --the democratic forms remain, but the substance is missing. We can all vote, but voting seems to change nothing, at least not at the national level.

It is a vicious circle, self-perpetuating. BUT MAYBE THE CORPORATIONS WILL GO TOO FAR. Despite their obvious successes in the past decade, corporate elites seem bent on consolidating their power even further by insulating themselves COMPLETELY from popular control. Consider these trends:

1. SLAPP suits are increasing and have taken a new twist in recent months. SLAPPs are lawsuits intended to frighten people, to make them clam up. The new trend in SLAPPS is for companies to claim tortious interference with their profits and to demand compensation for alleged losses. Here is a typical scenario: a corporation is planning to pollute a community and deplete its resources (by building an incinerator, for example). A local group opposes the corporate proposal, defending the community, trying to maintain it as a nice place to live and work. If the defenders succeed, the corporation sues them, claiming that it has lost money because of the group's interference. The corporation demands huge compensation for its alleged losses. The defenders tend to get very quiet and focus on the struggle to maintain their lives in the face of a corporate army of lawyers trying to destroy them --and the next group of defenders thinks twice before speaking out. Our First Amendment rights begin to shrivel.

2. The Securities and Exchange Commission --a federal agency --is trying to insulate corporations from shareholders who might bring shareholder resolutions to change corporate behavior. In the recent past, such resolutions have changed corporate behavior in regard to apartheid, child labor and prison labor. Even though the vast majority of shareholder resolutions fail to gain a majority vote, they create a platform from which to expose and criticize corporate policies and practices. Now --this month --the SEC has proposed to modify SEC Rule 14 (a)(8), to make it much more difficult (in many instances impossible) for shareholders to bring resolutions for a vote. If the SEC succeeds, it will further insulate corporate managers from influence by shareholders.

3. As we saw last week, the Clinton administration (with strong bipartisan support) is trying to lock the U.S. into a new "free trade" agreement --the Multilateral Agreement on Investment (MAI). The

MAI would:

--Allow corporations to sue municipal, state and federal governments in an international tribunal, whose decision would be binding, with no possibility of appeal;

--Compensate investors in full when their assets are appropriated through "unreasonable" regulation;

--Limit or eliminate performance requirements (laws that require corporations to meet certain environmental standards if they want tax incentives or low-interest development loans, for example) --thus reducing (or eliminating) the possibility that communities might impose their values on corporate behavior;

--Remove all restrictions on international movement of capital, and disallow local laws favoring locally-controlled capital (such as a community-controlled redevelopment bank).

4. We saw earlier (REHW #552) that 19 states have now passed "audit privilege" laws. As the NEW YORK TIMES describes the trend, "Urged on by a coalition of big industries, one state after another is adopting legislation to protect companies from disclosure or punishment when they discover environmental offenses at their own plants." In essence, state laws are giving corporations immunity from punishment if they self-report violations of environmental laws. Furthermore, any documents related to the self-reporting become official secrets, cannot be divulged to the public, and cannot become evidence in any legal proceedings.

If a murderer confesses, he or she still faces prosecution. But these new "audit privilege" laws insulate corporate outlaws and polluters from accountability to governments and citizens. Under these laws, confession exonerates a corporation, and any documents related to the confession become secret and privileged, hidden from citizens who might seek redress for harms they suffered from the pollution. Further insulation from accountability.

5. Corporations are rolling back the system of environmental regulations at the federal and state levels. A tidal wave of regulatory reform is sweeping through every legislative body in the nation. These roll-backs have many different names: Project XL and the Common Sense Initiative (both Clinton proposals); ISO 14000; the Environmental Leadership Program; brownfields; air pollutant and water pollutant trading schemes; expansion of risk-assessment-based standard-setting procedures; new federal-state "partnership" agreements; and proposed new definitions of what constitutes solid and hazardous wastes.

All of these alternative proposals have a few common elements. They allow corporations to negotiate their own performance and pollution standards with governments. Because these negotiated standards are unique in each case, citizens have to understand each agreement on a case-by-case basis --and so do the government regulators. At a time when regulatory budgets are declining, the resources needed to negotiate with the polluters (and enforce agreements) are growing. Citizens can barely understand the present system of uniform standards. The new system is much more complicated, so citizens are effectively be cut out of the oversight process. In many instances, citizen lawsuits are specifically prohibited by these new arrangements. Thus the corporations are further insulated from citizens.

Today, corporate and government policies are working relentlessly to put more and more people out of work, substituting energy and materials for human labor (and in the process depleting natural resources and polluting the planet). For a long time such policies seemed to make sense. But today these policies are enriching the top 5%, creating the good life for the wealthiest 40% (at least in the short term) and destroying the future for the remaining 60%. THE

ENVIRONMENT, DEMOCRACY, CIVIL SOCIETY, AND THE ECONOMY ARE THE SAME PROBLEM even though we (mistakenly) consider each separately.

As Paul Hawken said recently, "We can't --whether through monetary means, government programs, or charity --create a sense of value and dignity in people's lives when we're simultaneously developing a society that doesn't need them." [1] As the U.S. Conference of Catholic Bishops said in 1986, "Full employment is the foundation of a just society." Environmental justice will only be achieved when we have a semblance of economic justice.

Hawken says the solution is to "fire the unproductive kilowatts, barrels of oil, tons of material, and pulp from old-growth forests --and hire more people to do so." He says drastically reducing resource use will dramatically diminish our impact on the environment and create a multitude of new jobs. But will the big corporations allow the needed changes to occur? And what will happen if they don't? In the meantime, there's lots WE could be doing.

--Peter Montague (National Writers Union, UAW Local 1981/AFL-CIO)

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[1] Paul Hawken, "Natural Capitalism," MOTHER JONES (March/April, 1997), pgs. 40-53.

Descriptor terms: corporations; economic redevelopment; children; taxation; education; television; crime; racism; slapp suits; securities and exchange commission; sec; mai; multilateral agreement on investment; regulation; regulatory reform; audit privilege laws;