

Conference 2017

ethical
consumer

Challenging Corporate Power

...in a changing political landscape

What I'm going to talk about today

Part A: What we mean by corporate power

Part B: How are consumers/citizens challenging it?

Part C: How is this affected by Trump and the rise of the far right – the changing political landscape?

Part A: What we mean by corporate power

| | |
|----------------|---------|
| 21 Argentina | 545,866 |
| 22 Sweden | 511,000 |
| Walmart | 485,000 |
| 23 Poland | 469,509 |
| 24 Belgium | 466,366 |
| 41 Colombia | 282,463 |
| Toyota | 249,000 |
| 42 Chile | 247,028 |
| VW | 240,000 |
| 43 Finland | 236,785 |
| Shell | 234,000 |
| 44 Bangladesh | 221,415 |
| Apple | 217,000 |
| 45 Portugal | 204,565 |
| 47 Greece | 194,559 |
| 50 Romania | 186,691 |
| 51 New Zealand | 185,017 |
| Samsung | 174,000 |
| 52 Iraq | 171,489 |
| 53 Algeria | 156,080 |
| Amazon | 136,000 |
| 56 Hungary | 124,343 |

1. Size is everything!

“80% of global trade takes place in ‘value chains’ linked to transnational corporations”

UNCTAD 2013

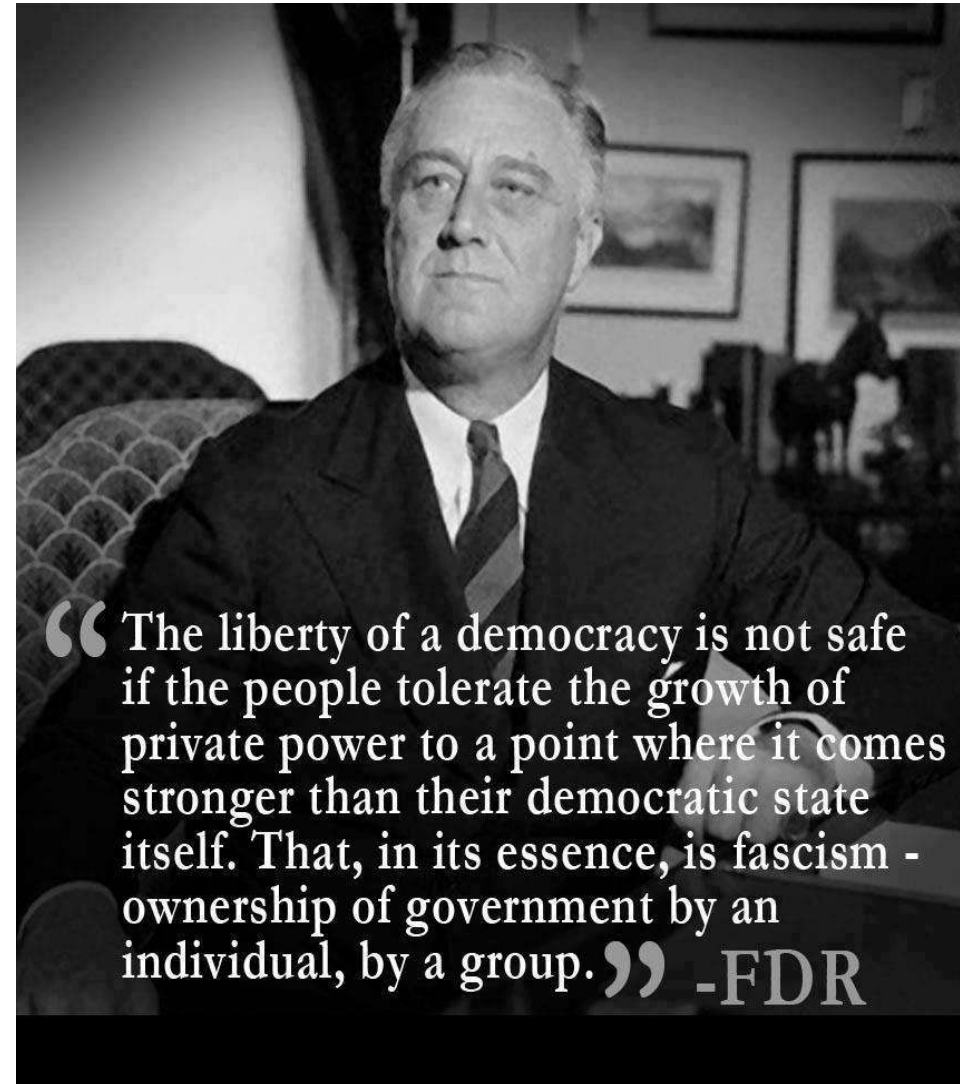
Part A: What we mean by corporate power

2. Annual ECRA US President Quote

Franklin D Roosevelt

Message to Congress on Curbing
Monopolies, 29 April 1938

When did we last see a mainstream
politician in the West discussing
corporate power as a problem?



“The liberty of a democracy is not safe if the people tolerate the growth of private power to a point where it comes stronger than their democratic state itself. That, in its essence, is fascism - ownership of government by an individual, by a group.” -FDR

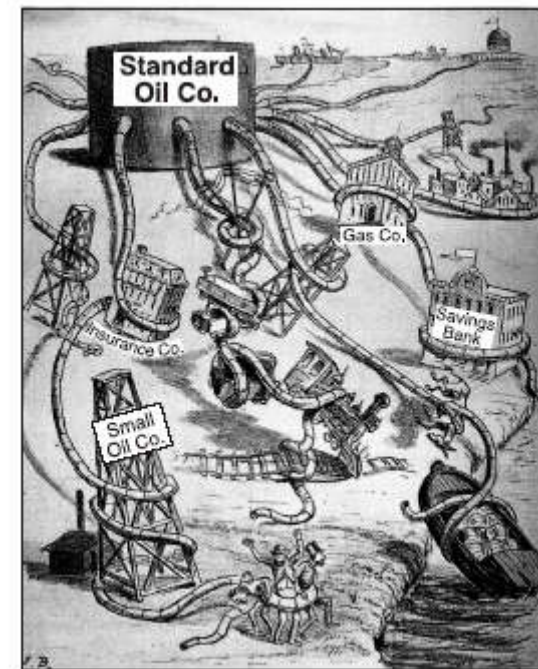
Part A: What we mean by corporate power

3. Breaking up big companies did occur in the past...

- Antitrust laws in the USA (e.g. Standard Oil broken up into 36 separate companies in 1911)

- Ending of the East India Company's exclusive trading rights in England 1833

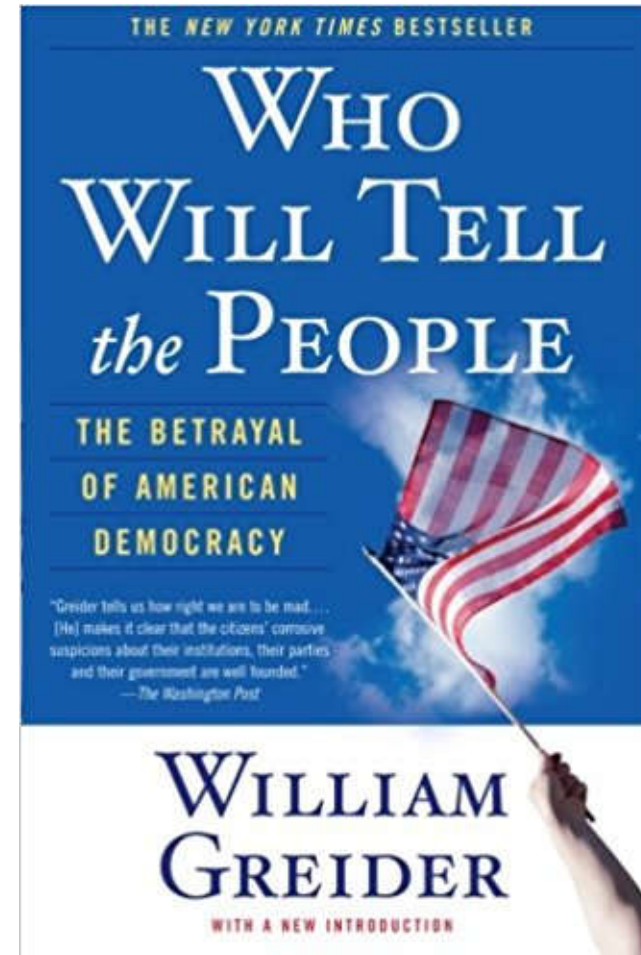
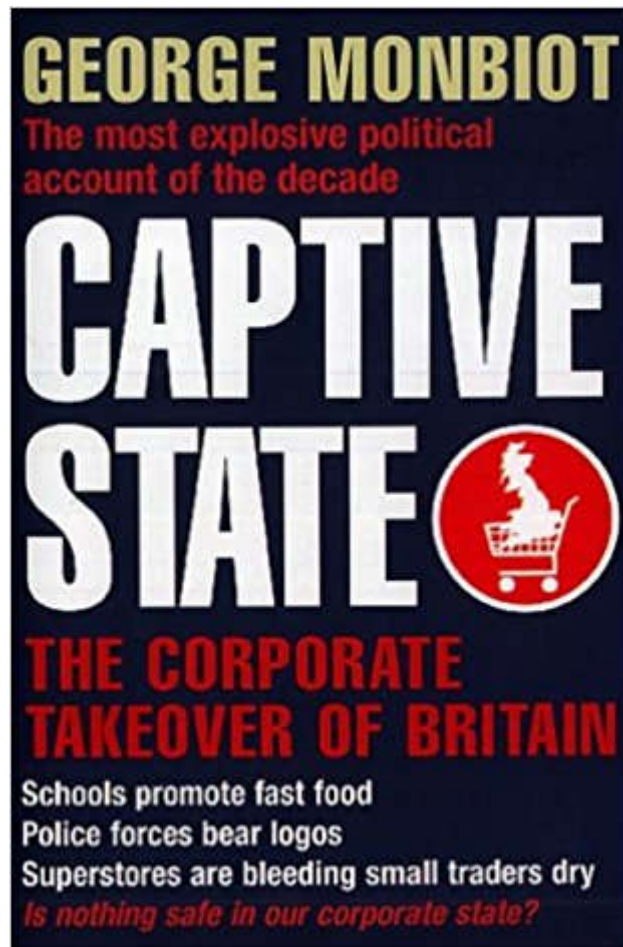
But globalisation has seen the language of meaningful monopoly regulation evaporate almost everywhere.



Part A: What we mean by corporate power

ethical
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4. We're not the only ones who are worried



5. Analysing the way it captures democracies

| Indifference to democratic governance | | |
|---|--|---|
| Observable behaviours | Examples | |
| Lobbying to create economically favourable rules in all areas | Pushing for international treaties like TTIP with corporate courts able to overturn 'local' moral rules. | ● |
| Bribery and corruption | Corporate complicity in funds stolen by dictators such as Suharto in Indonesia and Mobutu in Zaire. | |
| Media control | Controlling the areas of debate to support the business agenda (e.g Murdoch and News International). | ● |
| Revolving doors (appointments) | Rewarding friendly politicians with lucrative directorships. | |

Part A: What we mean by corporate power

6. Catch 22 – we need regulation but the regulator is captured

“Of all the market failures... those that tend to favour massive concentrations of wealth are the most worrying, as in the end they can be used to undermine the market itself and the reality of democracy.”

Colin Crouch, *The Strange Non-Death of Neoliberalism* (2011)



Part A: What we mean by corporate power

7. This means there is a special role for citizens/consumers

“Though the power of consumers is, as I have suggested, limited ... while governments are ever more reluctant to regulate, citizens seem to be able to force corporations to shoulder a few of their responsibilities”

George Monbiot (2000)



“Popular pressure is doing something that governments can't or won't: holding corporations accountable in a way that we cannot hold our elected representatives.”

Noreena Hertz (2001)



Part B: Consumers and corporate power

USING THE TABLES

Ethiscore: the higher the score, the better the company across the criticism categories.

- = worst rating,
- = middle rating,
- empty = best rating (no criticisms).

USING THE TABLES

Positive ratings (+ve):

- **Company Ethos:**
 - ★ = full mark,
 - ☆ = half mark.
- **Product Sustainability:**
 - Maximum of five positive marks.

| BRAND | Ethiscore (out of 20) | Environment | | | | | Animals | | | People | | | | Politics | | | +ve | | COMPANY GROUP | |
|-----------------------------|-----------------------|-------------------------|----------------|--------------------|----------------------|----------|----------------|-----------------|---------------|--------------|-----------------|-------------------------|-------------------------|------------------------|----------------------------|--------------|--------------------|---------------------|---------------|-----------------------------|
| | | Environmental Reporting | Climate Change | Pollution & Toxics | Habitats & Resources | Palm Oil | Animal Testing | Factory Farming | Animal Rights | Human Rights | Workers' Rights | Supply Chain Management | Irresponsible Marketing | Arms & Military Supply | Controversial Technologies | Boycott Call | Political Activity | Anti-Social Finance | | Company Ethos |
| Ledvance / Osram / Sylvania | 10 | ○ | | ○ | ● | | | | ● | | ● | | | | | | | | | IDG Capital / MLS / Yiwu |
| Megaman | 10 | ○ | | ○ | ● | | | | ● | | ● | | | | | | | | | Neonlite (HK) Ltd |
| MiniSun | 9.5 | ● | | ○ | ● | | | | ● | | ● | | | | | | | | | LSE Retail Group Ltd |
| Integral LED | 8.5 | ● | | ○ | ● | | | | ● | | ● | | | | | | ● | | | Linden Investments Ltd |
| TCP | 8.5 | ● | | ○ | ● | | | | ● | | ● | | | | | | ● | | | TCP International Holdings |
| Philips | 7.5 | ○ | ○ | ○ | | | | | ● | | ○ | ● | ○ | | ● | ● | | | | Royal Philips Electronic NV |
| Verbatim | 7.5 | | | ○ | ● | | ● | | ● | | ● | | | ○ | | ○ | ● | | | Mitsubishi Chemical Corp |

1. ECRA: “For over 25 years we have been the hub of the ethical consumer movement, helping consumers to shop ethically, campaigners to challenge corporate power, and businesses to improve their supply chains.”

Part B: Consumers and corporate power

2. The detail of our Political Activity ratings



Top 'Political Activities' stories for Philips light bulbs: 

▼ **Political lobbying**

According to the Open Secrets website www.opensecrets.org viewed by Ethical Consumer in November 2016, Philips made political contributions totalling \$91,826 in 2016. Top recipients were: Clinton, Hillary \$7,463 O'Malley, Martin \$5,575 Price, Tom \$4,000 Tiberi, Patrick J \$4,000 Philips also spent \$1,300,000 on lobbying in 2016. Top issues lobbied on were: Health Issues, Federal Budget & Appropriations and Taxes.

Reference:

Open secrets website: Open Secrets October 2016 (31 October 2016)

▶ **Member of WBCSD lobby group**

▶ **Member of ERT lobby group**

- Bilderberg Group**
- Business Action for Sustainable Development**
- American Chamber of Commerce - AMCHAM-EU**
- Business Round Table**
- Transatlantic Business Dialogue**
- Trilateral Commission**
- European Round Table of Industrialists**
- European Services Forum**
- International Chamber of Commerce**
- US Coalition of Service Industries**
- World Business Council for Sustainable Development**
- World Economic Forum**
- Member of other free trade lobby group**

Part B: Consumers and corporate power

3. Our underlying assumptions – corporations have no right to be in our democratic political space

- 1. Companies should not be funding political parties**
- 2. Companies should not be lobbying against social and environmental protections or for free trade globally**
- 3. Companies should not be corrupting politicians with offers of money or employment**



Part B: Consumers and corporate power

4. Stepping back a bit – two types of ethical consumer campaigning

1. Challenging corporate power in particular markets and supply chains e.g. Fairtrade, Organic, FSC etc



2. Challenging corporate power generally and its effect on our democracies



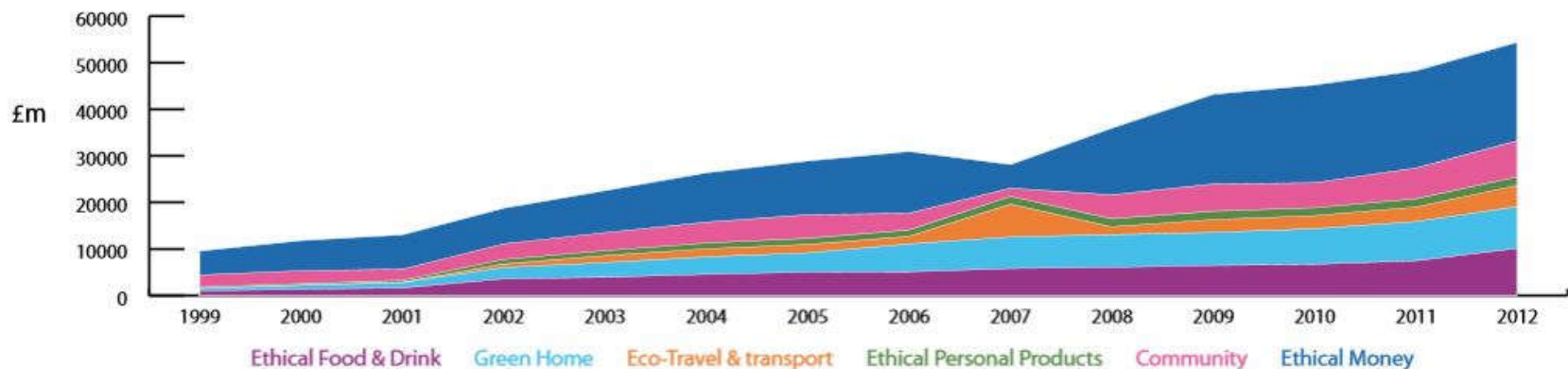
Part B: Consumers and corporate power

We measure type one 'challenges' in our annual Ethical Consumer Markets Report. These campaigns have led to, perhaps, around 7% of all consumer spending being modified in this way.

The vision is of a future where this 'solidarity economy' grows from this 7% to become the dominant method of production.

At the current rate of change this may take more than 50 years.

Ethical spending in the UK, 1999-2012



| Total £ | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 9,600 | 11,900 | 13,500 | 18,400 | 22,100 | 26,600 | 29,700 | 32,300 | 35,499 | 36,001 | 43,223 | 45,228 | 48,294 | 54,400 |

Part B: Consumers and corporate power

Challenging corporate power generally and its effect on our democracies:

- It is this second type of ethical consumer campaigning which is intended to be the main, but not exclusive, focus of today's conference.
- It is not more important than the other type. It is just different.
- But it is more than just another category of corporate malpractice. It is part of an overarching narrative ... and one that has been changing fast over the last twelve months.

Demonstrating impact 1: +SumOfUs ●

1. Australian brand Woolworths and UK chain River Island sign onto the Accord on Fire and Building Safety in Bangladesh

2. Supporting indigenous peoples campaigning against Newmont mining in Peru

3. Opposing Airbnb lettings in the occupied West Bank



Part B: Consumers and corporate power

Demonstrating impact 2: Ethical Consumer



In 1994 EC was among those 'outing' United Biscuits as one of the largest donors to the Conservative Party ... and wondering whether all its customers supported this practice.

In 1995 the company announced a moratorium on its political donations.

Part B: Consumers and corporate power

Demonstrating impact 3: Apple and the US Chamber of Commerce

In 2009 Apple abruptly left the US Chamber of Commerce because of the Chamber's opposition to plans to reduce US greenhouse-gas emissions.

This was following criticism from Greenpeace and others.

Three smaller companies had left the previous week and Nike had resigned from the US Chamber of Commerce's board.



Part C: A changing political landscape

1. Political parties supporting the neoliberal status quo have been (perhaps) unexpectedly losing ground to others such as:

- **Trump, Farage, Orban (Hungary) and Erdogan on the right**
- **Podemos, Syriza, Corbyn and Sanders on the left**

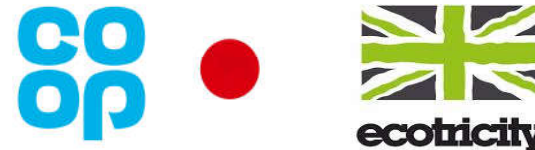


Part C: A changing political landscape

2. As we asked last year - is this the death of neoliberalism?

If so, it presents exciting opportunities - since Ethical Consumer is designed to cause problems for neoliberalism.

Some companies, such as Co-op Supermarkets, are funding Corbyn's exciting new project.



However, Ethical Consumer are still marking them down, because 'all political donations are bad as companies should just not be in this space'. Is this right? Should they get a positive mark?

Part C: A changing political landscape

2. Climate change lobbying takes sides

Of the top 100 of the 2014 [Forbes Global 2000](#)* the following companies were found to be the most active supporters of climate policy globally:

Unilever

GSK

Deutsche Telekom

Cisco Systems

Google

Of the top 100 of the 2014 [Forbes Global 2000](#)* the following companies were found to be least supportive of climate policy globally:

Exxon Mobil

21st Century Fox

Reliance Industries

Phillips 66

Koch Industries

Are the companies on the left exercising corporate power in a way we would like to see? Is 'lobbying for good' a good thing?

Part C: A changing political landscape


3. Lobbying for good?

Is it possible to have a socially responsible lobbying policy?

If so, do we want these companies in our political space too?

At last year's conference we thought we probably did.



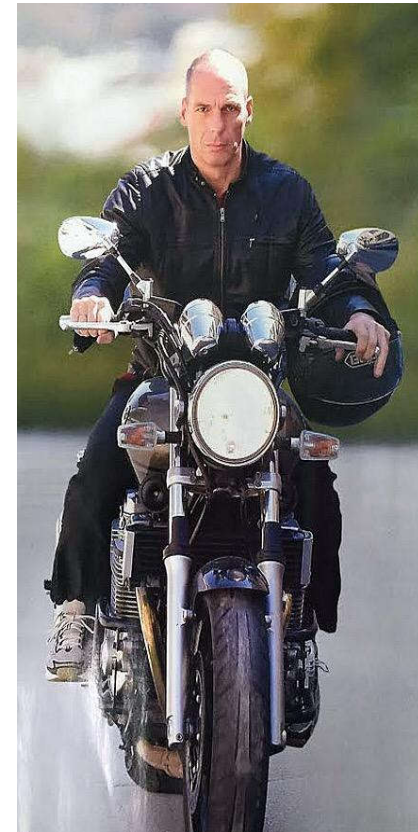
| Ten UK brands backing or working with Trump | Ten UK brands opposing Trump |
|---|--|
| Anadin | Staples |
|  Microsoft |  Levi Strauss |
| Esso | EBay |
| Marlboro | Timberland |
| Vauxhall | North Face |
| Crocs | Dropbox |
| Jack Wolfskin | Mozilla |
| Asda | Netflix |
| Pepsi | Virgin |
| Victoria's Secret | Acer |

Part C: A changing political landscape

4. But the changing landscape also brings with it alarming threats as well as exciting opportunities

“The imperative to oppose racism trumps opposition to neoliberal policies.” – Yanis Varoufakis

Does this mean we need to work with 'good corporates' more?



Part C: A changing political landscape

5. Indifference to democracy among big corporations lobbying for their own short term goals is likely to be one of the main causes of the crisis our democracy now faces.

It has promoted a neoliberal agenda which clearly is not working for significant numbers of people everywhere.

The danger of people losing faith in democracy itself has a chilling political history.

Do we need to work with 'good' corporations which support evidence-based problem solving? Or, as the cause of this crisis, do we stick to our guns and insist they stay out of our political space entirely?

5. Possible Solutions?

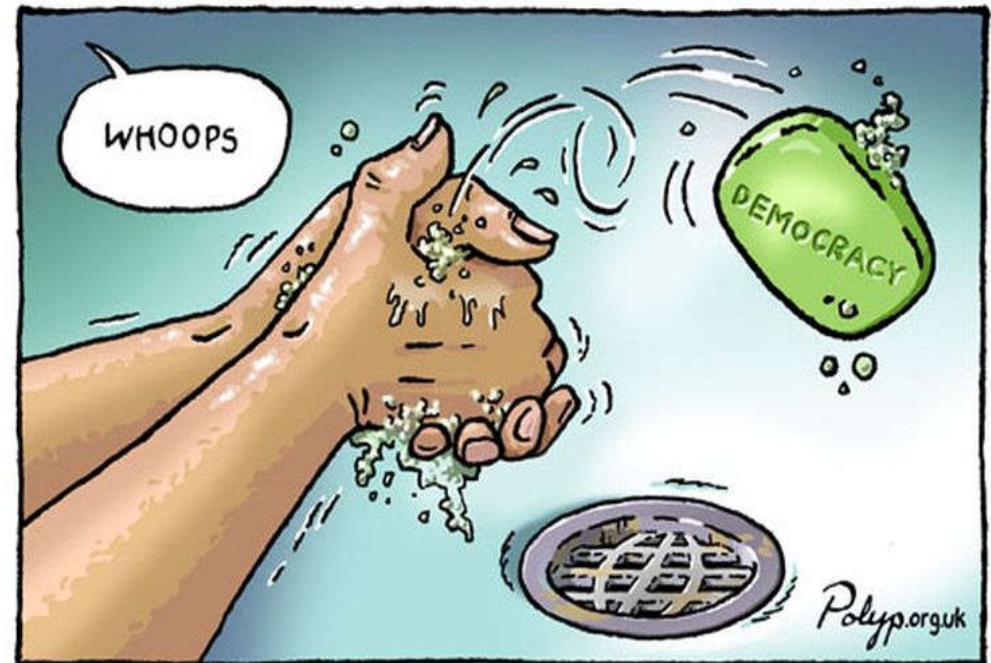
- Press for proper transparency over who is lobbying who and why
- Develop clear guidelines about what socially responsible lobbying policy and practice looks like
- Work with consumers to raise the profile of the idea of corporate power help them to challenge it in their buying and elsewhere
- Something else we haven't thought of...?

What I've talked about today

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Thank You

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More information available at:
www.ethicalconsumer.org