

The Corporation: a reformist plea for state regulation

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The Corporation, *co-created by Mark Achbar, Jennifer Abbott and Joel Bakan*

The Corporation, the two-and-a-half hour documentary by producer/director Mark Achbar, director/editor Jennifer Abbott and writer Joel Bakan, has attracted considerable attention. After screenings at various film festivals, including Toronto and Sundance, and an airing on Canadian television, the film opened in the US in June.

The Corporation makes its appeal, in particular, to those young people involved in the anti-globalization and other social protest movements. However, anyone seeking a serious critique of contemporary social and economic life had better look elsewhere. This is an intellectually and politically confused work, which is, in a fundamental sense, both backward and reactionary.

The volume entitled *The Corporation: the Pathological Pursuit of Profit and Power*, written by Canadian law professor Joel Bakan, provides the film's core material. Both the film and the book argue that the modern corporation has evolved into an omnipotent and diseased entity.

The filmmakers take as their starting-point a nineteenth-century US Supreme Court decision granting the corporation status as a "person," and proceed to consider what type of "person" the modern corporation would be. They conclude it would be judged "psychopathic." The "pathology" gimmick is then employed throughout the film.

The Corporation consists primarily of interviews, with a series of commentators, critics, businessmen, social activists and the like, all of whom have something to say about the nature or history of the corporation as a social phenomenon.

Right-wing defenders of production for profit and the market, such as economist Milton Friedman, face off against radical critics like Noam Chomsky and Naomi Klein, who decry modern corporate depredations.

In the section, "The Pathology of Commerce: Case Histories," for example, video clips and other types of documentation expose the super-exploitation occurring in the Asian sweatshops belonging to companies like Nike, Liz Claiborne and Kathy Lee Gifford's Wal-Mart clothing and accessory line.

Images of chemically mutated wildlife and of birth defects among children—attributed to chemical toxicity—are shocking and horrifying. Dr. Samuel Epstein, a professor of environmental medicine at the University of Illinois, soberly declares "we are in the midst of a major cancer epidemic for which industry is largely responsible."

The segment, "Soldier of Fortune 500," reveals how behavioral psychologists advise toy companies how best to manipulate children to nag their parents into a purchase. Another portion of the film is devoted to the massive struggle undertaken by the population in Bolivia's third largest city, Cochabamba, against a World Bank directive insisting that the Bolivian government hand over all water rights to Bechtel Corporation.

In short, *The Corporation* makes a variety of criticisms of corporate conduct, detailing some of the crimes carried out around the world by

transnational corporations.

In responding critically to the film, it must be said in the first place that the material presented, while occasionally horrific, is hardly earthshaking. Any careful perusal of the daily newspapers and acquaintance with better than run-of-the-mill television documentaries will yield the same essential results. Aside from the Milton Friedmans and their ilk, who appear in the film largely as straw men, very few thinking people will deny that huge conglomerates wield enormous political clout and do great damage to people and the environment. This is more or less telling us what we already know.

The viewer has good reason to grow a little suspicious at a certain point about the abundance of empirical data, which is diffuse and sprawling. Yes, he or she ought to ask, but what is the truth behind this mound of material?

The filmmakers' approach, deliberate or otherwise, is politically and ideologically evasive. They find it possible to organize hours of material about "the corporation" without once speaking directly about the economic system that has produced this phenomenon: capitalism.

There is an element of cowardice and opportunism in this evasion. The makers of the films are not stupid. They know perfectly well they are speaking about the system as a whole, but for definite political reasons they prefer not to refer to capitalism, much less its alternative, socialism.

The attitude of the filmmakers toward history and society is ahistorical and subjective in the extreme. The application of the *Diagnostic and Statistical Manual of Mental Disorders* to the corporate "personality" anthropomorphizes, but does nothing to clarify the essential features of the entity.

When the film asks: what kind of person is the corporation? Chomsky replies: "A person without a moral conscience."

The film's argument that corporate decisions are subjectively driven, that they are merely policy decisions, has definite implications. Clearly, in that case, corporations can be forced, given sufficient public pressure, to place the public good at the center of their business plans. The film prominently features businessman Ray Anderson who, at one conference, is berating other CEOs as "fellow plunderers," then sermonizing on how a more judicial use of the environment has yielded record profits for his company.

Even in their approach to the legal history of the corporation, the filmmakers err. The historical reality is far more complex than they care to admit.

The Corporation presents the 1886 Supreme Court decision, granting corporations protection under the Fourteenth Amendment, as the source of today's malfeasance, because corporations were given the same legal status as individuals. Bakan writes: "Gone was the centuries-old 'grant theory,' which had conceived of corporations as instruments of government and as dependent upon government bodies to create them and enable them to function."

However, according to Bernard Schwartz's *A History of the Supreme*

Court, “It must be emphasized that the corporate personality antedated the Fourteenth Amendment. Its protection had, by the time of the postbellum amendments, become a vital concern of the law. The end of the Civil War saw a vast expansion in the role of the corporation in the economy, but even before that conflict, the corporate device was recognized as an indispensable adjunct to the nation’s growth. This realization had already led to decisions favorable to the corporate personality.”

In any event, the conception that the corporation derives its great power in contemporary society from a single legal decision is a kind of juridical cretinism. Every advance in the development of the capitalist class, as Marx and Engels explained 157 years ago in the *Communist Manifesto*, “was accompanied by a corresponding political advance of that class.” On the basis of their great economic power and wealth the big capitalists achieved exclusive political dominance long ago.

In their modus operandi, Bakan and the filmmakers follow the example of numerous modern-day liberal critics of capitalist injustices. Such commentators often record in chilling detail the brutal or even deadly consequences of the policies of this or that corporation or government. Then, in the face of the obvious connivance of the state and big business in the wholesale oppression and exploitation of the population, they propose a Band-aid solution.

Bakan’s book proposes a number of toothless “general prescriptions”: improving the regulatory system; strengthening “political democracy”; creating a “robust public sphere” and challenging “international neoliberalism.” He concludes, “We must remember the most subversive truth of all: that corporations are our creations. They have no lives, no powers, and no capacities beyond what we, through our governments, give them.”

The entire framework here is false. Bakan and the film’s creators view the “creation” of the corporation in a thoroughly one-sided fashion. The filmmakers reject the existence and determining influence of objective laws. The corporation is an historically evolved form of modern capitalist production and distribution. It is an expression and product of a complex web of social and class relations, not simply the subjective creation of greedy people and evil governments.

At the most fundamental level, it is the development of the productive forces and the social relations of production that determine the political forms of rule, including the modern capitalist state, and not the other way around. The approach of Bakan and his collaborators is, in the philosophical meaning of the word, idealist—i.e., anti-materialist.

The productive forces, as Leon Trotsky explained in *Culture and Socialism*, are the “basis of bases.” It is upon the productive forces “that classes are formed and reformed. In the productive forces is expressed the materialized economic skill of mankind, his historical ability to ensure his existence.”

The massive corporations of our day arose, in the final analysis, in response to the needs of the productive forces—to those of large-scale industry, in particular. The older forms of small-scale business, which *The Corporation* holds up nostalgically as its ideal, were entirely inadequate for the new social requirements. Immense concentrations of capital were necessary to undertake the construction of railways, electrification, the creation of steel plants, the establishment of mass production auto factories, and the development of other industries. Modern life, with all its contradictions, would not be possible without this process.

By 1916 Lenin could already write: “The enormous growth of industry and the remarkably rapid process of concentration of production in ever-larger enterprises represent one of the most characteristic features of capitalism.” (*Imperialism, the Highest Stage of Capitalism*)

To treat this development simply as the product of greed or a single Supreme Court decision reduces history to an arbitrary and incomprehensible process.

After all, why pick on “the corporation”? One might just as well select

another aspect of modern economic life—technology, for example, like the most Luddite-minded of the ecologist groups—and make the case that all the ills of modern society stem from its development.

To the historical materialist, technology, specific forms of economic organization like the corporation—as well as politics, culture and every other feature of life—represent elements of “one and the same process of social development.” (Trotsky in *Literature and Revolution*). All of them “remain … functions of social man and obey the laws of his social organization.”

Corporate executives do, of course, make conscious decisions. But those decisions are conditioned by definite economic and social imperatives, which are, in turn, rooted in the objective contradictions of the capitalist system. In the final analysis, the aggregate of the decisions taken by the most powerful corporations—and the governments that necessarily serve the interests of the economically dominant social class—are determined by objective historical conditions and processes.

The analysis offered by *The Corporation* makes a mockery of the notion of a law-governed social process. It is as though Karl Marx never subjected the origins, historical development and internal contradictions of the capitalist system to scientific analysis. The precondition for this immense achievement was a protracted struggle for a historical materialist conception of society against the very same subjective and idealist approach advanced, in a particularly crude manner, by the makers of this film.

The crimes they document are the inevitable expression of the inherent anarchy of capitalist production. It is impossible for a system based on the operation of the blind laws of the market and the historically outmoded nation-state form to rationally and humanely develop the productive forces. The same tendencies that result in rivers being polluted, children made ill, and Thai workers horrifically exploited also produce the bitter rivalry between nationally based blocs of capital, militarism, war and fascism. These tendencies are inherent in the capitalist system.

Moreover, what modern corporations do, including ruthlessly scouring the globe for cheap labor, markets and natural resources, is determined by the same set of contradictions that produce the material and social force capable of providing a *solution* to the present crisis facing humanity: the international working class. Driven into struggles that objectively demand a revolutionary and international orientation, the working class must become conscious of its revolutionary tasks. Any other solution, based on pressuring governments to rein in corporations, or somehow returning to a bygone era of small-scale enterprise, is hopeless and retrograde.

The growth and concentration of production, which at a certain stage required the emergence of the modern corporation, has also produced the modern working class, and thus the prerequisites for the socialist transformation of the world economy. The vast socialization of production under capitalism means “that private economic relations and private property relations constitute a shell which is no longer suitable for its contents” (Lenin in *Imperialism*) and must “inevitably be removed” by the working class coming to power and replacing private ownership of the means of production with public ownership and genuinely democratic control by the working masses.

Capitalism lays the groundwork, in other words, through the socialization of production on a world scale, for a higher social order, socialism, under which production will be organized, controlled and planned by the producers of wealth, not a handful of billionaires.

The Corporation’s utopian longing for an era of small business and free competition is fundamentally reactionary, as are the politics that flow from it. Despite its denunciations of corporate malfeasance, Achbar, Abbott and Bakan’s work is curiously devoid of urgency. There is no crisis of the system. The “collapse of corporate capitalism is not imminent,” writes Bakan blandly, and leaves the analysis at that.

The role of the working class as the revolutionary “midwife” of a new

and more humane society does not even arise for these people. The poor and oppressed in the film are meant to be pitied, perhaps assisted, by their enlightened middle-class friends, but never to be considered as the active and conscious makers of history.

The Corporation emerges from an international petty-bourgeois left-liberal milieu. Bakan, for example, made a prominent appearance at the 2001 “Future of Social Democracy in Canada” conference in Montreal, convened by former New Democratic Party (the Canadian social democrats) leader Ed Broadbent.

For all their denunciations of corporate wrongdoing, the talking heads in the film, such as Chomsky, filmmaker Michael Moore and others, have rallied behind the campaign of John Kerry, the multimillionaire representative of the Democratic Party and ardent defender of big business and imperialist war.

This is not an accident. It flows from the entire outlook of impotent protest that permeates the film, which is very much the outlook of a definite milieu of middle-class “lefts” who long ago abandoned, if they ever possessed, any confidence in the revolutionary potential of the working class or any belief in the viability of a revolutionary perspective.



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