

framework to understand the possibilities and challenges of global union cooperation.

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Greg Urban. *Corporations and Citizenship*. Philadelphia, PA: University of Pennsylvania Press, 2014. vi+ 384 pp. ISBN 978-0-8122-4602-5, \$59.95 (cloth).

Corporations and Citizenship is a collection of seventeen essays, which focus on the questions: what are the ethical obligations of corporations and can they behave in an ethical way? To treat corporations as citizens is to accept the legal fiction that they are persons, at least according to American law. There are essentially two positions on the obligations of corporations discussed in this book. One is that their primary ethical commitment is to their shareholders, their owners, and their first duty is to earn a profit. This view, affirmed by the US Supreme Court, was advanced by Milton Friedman and his followers in the neoclassical school of economics. Neoclassicism postulates that the market creates an “invisible hand” that guarantees that if people, including corporations, pursue their own selfish interests, they will end up inadvertently serving the larger community. The alternative stance presented within some essays in this book is that corporations hold obligations, not only to shareholders but also to “stakeholders,” a wide array of people and institutions affected by corporate policies: owners, employees, consumers, the community, the government, the environment, and global humanity. None of the authors of the essays, even the ones influenced by Marxism, suggest that private corporations can never act ethically and their very existence is an assault on the well-being of the community and humanity.

While none of the authors suggest corporations should be abolished, they range from believing that corporations typically behave ethically, although they may need supervision and control, to being very skeptical that corporations will normally serve the greater social interest. Lynn Sharp Paine hardly considers corporations an unmixed blessing, but she ultimately credits them with uplifting 97% of countries around the world and potentially expanding the global middle class population to 1.2 billion. Jeffrey Smith essentially accepts the

“invisible hand” and proposes that while corporations must protect their investors through making a profit, in the process, they will usually innovate and provide the public with efficient goods and services. Jeffrey Sturchio and Louis Galambos see a range with some corporations only concerned with their profit but others truly dedicated to the public interest and their employees’ well-being. On the other hand, some authors leave the impression that if corporations are citizens, they have hardly been doing their civic duty. Joel Bakan deplores how corporations exploit children: immunizing them to violence through video games, undermining their health by addicting them to sugar, and encouraging doctors to prescribe psychotherapeutic drugs to children, which may benefit the pharmaceutical corporation’s spread sheet more than the child’s mental development. Although Amy Sepinwall does not believe corporate run for-profit universities should be outlawed, she charges they take ill-prepared students and drive them into debt for an inferior education, through which few will achieve a degree, become informed citizens, or qualify for a satisfying, well-paying career. Karen Ho observes that in the last several decades, the growing power of finance capital has undermined infrastructure, increased the gap between rich and poor, and intensified people’s anxiety about the future.

Corporations are private institutions, ultimately accountable to themselves, but they control public resources, vital for a vibrant community: energy, raw materials, employment, access to information, medical care, housing, transportation, and recently even education and prisons. They make decisions about public welfare, without necessarily receiving any input from the affected constituencies. Even if some corporations, by no means all, acknowledge some responsibility to outside stakeholders, their primary commitment is to their own profit. They make decisions about public welfare based on what serves their private interests. Rather than creating an “invisible hand” that guarantees the entire community benefits, corporations produce a “tragedy of the commons” through which everyone pursues their own self-interests and end up neglecting their shared needs. They may offer well-paying jobs in a booming economy, but only as long as they can make the greatest possible profit. If there is more profit to be made in Mexico, the factory in Detroit will be closed down and the former workers living there can be left to fend for themselves. In effect, corporations constitute a private unofficial state, one that sacrifices stakeholders for the sake of shareholders and lacks even the pretense of accountability, claimed by the elected government.

We frequently hear an idea reinforced by several authors within this book: that the corporate elite often gives to the community and creates charities and foundations that look out for the greater good

with little concern for their own personal profit and that they are often more generous to their employees than they need to be. How are we to judge corporations? Profit appears to be an objective measurable criterion, but the common good is subjective and value laden. When the corporate elite commits to the common good, it is to serving that goal as they define it, which may hardly be the way the 99% would understand it. For over a century, Andrew Carnegie has been remembered for the millions he gave to public education. The school system he helped create taught docility and obedience, precisely the skills and attitudes Carnegie would want from his steel mill workers. More recently, the William Gates Foundation has committed hundreds of millions, if not billions, of dollars to create a common core curriculum that will move education away from the humanities toward uniform standards and vocationally oriented training that will produce employees adapted to Microsoft's high-tech economy. The Rockefeller Foundation has been acclaimed for saving the third world from starvation through the "green revolution," but critics charge its real impact was to centralize control of agriculture onto corporate owned lands, develop monocrop economies, drive peasants from their homes into improvised urban slums, and replace indigenous farming techniques with ones dependent upon first-world corporate produced, environmentally destructive pesticides and chemical fertilizers. First-world corporations routinely brag about how they enhance third-world development and uplift its people from poverty, but they pay substantially lower wages than the first-world factories that they closed and they circumvent first-world environmental, health, and safety standards. A particularly notorious example was a gas explosion at the Union Carbide pesticide plant in Bhopal, India. It is believed to have caused over 10,000 deaths and 500,000 injuries. In the name of improving health in poor countries, medical corporations export drugs, techniques, and technologies that they cannot sell in developed nations because they do not qualify for licensing.

The primary goal of corporations is to enhance the wealth and power of the corporate elite. This is true of their charitable activity and their direct pursuit of profit. Few essays in this book make that point clearly enough. A mixed collection of essays like *Corporations and Citizenship* warrants a mixed recommendation.

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