

Robert Weissman
Editor, Multinational Monitor

CORPORATE CRIME > What The List Tells Us

The list of the top hundred corporate criminals of the 1990's delivers a few messages. One is the breadth of corporate crime and how many different corporations, including many of the leading corporations in the country and in the world, are involved in criminal activities. So there's a pervasiveness to corporate criminality. It also tells us though, how small the fines were for most of the companies involved. Fines on the order of a million dollars may mean something to an individual but to a large multinational corporation, a million dollars is something to be laughed off. It's very little sanction and no deterrent really, whatsoever.

So on the one hand, the list shows the pervasiveness of the problem. On the other hand, it shows that there's really a problem of insufficient sanctions and punishment for corporations. And then finally, there's good reason to believe that the list itself, massively underestimates the extent of corporate crime. That's in part because many things that corporations do that should be crimes aren't defined as crimes, and it's also because the corporate criminal police are vastly underfunded and inadequately equipped to go after the corporate criminals.

STRATEGIES FOR CHANGE > Does Globalization Help The Poor?

Well, the economic data doesn't *prove* that people are worse off under corporate globalization than they would otherwise be. In the narrowest sense, which is to say, we don't know what would have happened had they not pursued the corporate globalization agenda.

We can say well, if we look back to the previous twenty years, when they weren't doing it so much, that's a good indication, it's awfully compelling evidence, but it's true, you could say, well, it's not proof, we don't know for sure. So what can we do? Well, we can look at the underlying policies that have been part of the corporate globalization model and say, well, do they really help the poor? Have they been successful in helping the poor or have they been harmful to the poor?

And if you look at privatization in the developing world and seen how it's just led to the transfer of government and public assets primarily to foreign corporations or a narrow elite and the simultaneously involved massive lay-offs of people, you'd have to say, mostly it hasn't helped the poor. If you look at policies like charging user fees for people to access basic health care and education on the theory that they'd be able to raise a little bit of money to support those services. You'll see that what it's done is deny access to health care and education to millions of people in the developing world.

And you'd have to conclude, well, it didn't help the poor. If you look at the efforts at trade liberalization to open up markets to imports and orient economies towards exports in the developing world, you see a record of tens of millions of people in the agricultural sector displaced. So in Mexico for example, millions have lost their hold on the land because they're unable to compete with the agri-business in the United States and to some extent in Canada. And they've been forced off the land, they've lost their livelihoods. Hard to say that that's been helpful to the poor.

If you just go down the list and look at all the particular policy prescriptions of the IMF - the International Monetary Fund - and the World Bank, the elements that are embodied in the World Trade Organization Agreements, the directives that countries receive from institutions like the Cato Institute or the Heritage Foundation, you'll see, one by one, they overwhelming are harmful to the poor. I think that kind of analysis combined with looking what the record has been for the last twenty years, makes an awfully compelling case that corporate globalization has been disaster for people in the poorest countries, not a benefit.

STRATEGIES FOR CHANGE > Keeping Corporations In Line

The way that society can sort of mark what's permissible would be both to set boundaries on what the companies can do, and to have a variety of enforcement mechanisms to make sure those boundaries aren't transgressed. But also to sort of pin the corporation down so it doesn't have the ability to reach as far as it does now. In the area of setting boundaries, we're talking about creating a set of clearly defined and distinct regulatory limitations and prohibitions on certain kinds of activities.

We want to set high markers for what constitutes violation of criminal law and we want to have strong means to enforce this. That might include things like much higher fines than currently exist, but other kinds of creative sanctions that might involve putting corporations on probation with much stiffer sanctions outside of the realm of fines for companies that are recidivist and that violate the law again.

It might involve adverse publicity requiring corporations to take out advertisements explaining what they did wrong, apologizing for it, and publicizing their wrongdoing. It might involve equity fines, different kinds of creative fines that require companies to pay, not in terms of dollars but in terms of shares, to donate, to create new shares and donate them to the government, watering down the value of the shares of all the existing shareholders, and really penalizing the shareholders who benefit from the company's wrongdoing.

There's a whole set of creative sanctions we want to talk about. We also want to think about ways to limit corporate power itself. We want to prescribe certain kinds of activities. We want to take them out of the political field so to end the possibility and the various opportunities for corporate campaign contributions. We want to put restrictions on companies' ability to threaten to move, and

actually fundamentally tie them down to place in new ways by limiting the mobility that's available to them. We want to take away all kinds of rights that they have under skewed existing law including expansive rights to free speech that are very appropriate and necessary for individuals but not for corporations.

The right to avoid search and seizure. Again, appropriate for individuals but not for corporations, and on down the line like that. At the same time, it makes sense to think about whether there are different ways to organize the economy, other than corporations all together.

Now, I think the near term does not going to involve those institutions displacing corporations but in the medium term, it's possible to imagine a network of cooperatives, having a much greater say in how the economy's run, a build up of the non-profit sector, a build up of a government provision of services, so that the traditional corporate role is more and more restrained. The corporate sector becomes a smaller portion of the economy. These other sectors are built up. We've got an infusion of different kinds of values in society, different forms of doing economic transactions, becoming part of the whole mix. And we're not completely reliant on the corporate form and corporate transactions.

SOCIAL RESPONSIBILITY > Pfizer's AIDS Philanthropy

Pfizer is one of the leading pharmaceutical corporations in the world. They have been obsessed with expanding patent rights for their and every other pharmaceutical. They were centrally involved in drafting the international trade rules on patent protection. Those rules are in the World Trade Organization. They require every country in the world to adopt the same strict patent standards that the United States has. Prior to adoption of those rules, many countries didn't have patents on pharmaceuticals or had shorter term patents on pharmaceuticals or had different kinds of limited protections in the intellectual property area for pharmaceuticals.

The result was that the price of drugs was lower in countries because competition was possible. So countries like Argentina or Turkey or Brazil or India evidenced much lower prices for pharmaceuticals than the United States did. And it wasn't because the brand name companies made a gifted donations or lowered their prices out of concern for poorer countries, but because there was competition there. There were generic companies that were competing with the brand name products.

Pfizer was the lead corporation in a temporary trade association known as the Intellectual Property Committee. The Intellectual Property Committee claimed responsibility for drafting the outline of the U.S. position on what should be included on intellectual property on patent protection in the negotiations over the World Trade Organization. The U.S. position in turn then became the basis for the final draft, so it's fair to say that Pfizer had a leading hand in drafting the world patent rules. The effect of those patent rules has been to deny the

competition that has promoted access in many developing countries. Pfizer holds the rights to a product called Fluconazole, which is an important treatment for people with AIDS.

They've now made it available on a limited basis for free in South Africa to the public sector only and are talking about expanding access in other parts of Africa and elsewhere in the developing world. They are very quick to claim credit for their wonderful, charitable efforts. In fact, they have left the price totally out of reach of people in Africa, leaving people to die and suffer from horribly painful diseases until they were forced, by activists' campaign, by the threat of introduction of generics against Pfizer's will under the banner of compulsory licensing. Before they had all those pressures, they were quite happy to let people suffer. And it's only been the pressure from AIDS activists and the possibility of introduction of generics that has forced them to enter into this charitable donation program for which they now claim so much credit.