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Introduction

On December 16, 1773, three coordinated groups of New Englanders sneaked on board three of the East India Company's ships in Boston Harbor, located several hundred chests of tea (worth over a million U.S. dollars in today's currency), and flung the tea overboard. This action followed a boycott of the East India Company's tea and a pamphleteering campaign designed to raise awareness and consciousness of New Englanders about the Tea Act of 1773, which (among other things) raised taxes paid by colonists on tea. While most remember these as some of the key events kicking off the American Revolution and, as such, directed at the British crown, it is important to recognize that these events were also some of the first anticorporate events in American history.

What were the New Englanders so incensed about? At the heart of this early protest campaign was anger at a multinational company, which had all but achieved a monopoly, and the British government, which supported the East India Company. Because the East India Company had amassed a large surplus of tea in England and was competing with American tea smugglers in the colonies, the Company was at risk of losing a great deal of money. The King and many Members of Parliament held shares of the Company and thus passed the Tea Act of 1773, which increased taxes paid by colonists on tea, while simultaneously lowering taxes levied on the Company so it could offer its tea at a far lower price than smaller companies, thereby driving smaller companies out of business. The monopoly by the Company coupled with increased taxation (without representation) led the colonists to criticize both the Company and the government that had passed the Tea Act. Thus, they were incensed at the actions of a company that was able to influence the government to pass legislation that was arguably not in the best interest of the people.[1]

This set of events is remarkably similar to anticorporate events in more recent times. At the most basic level, the tea-dumping activists in 1773 were frustrated with the East India Company's ability to exert influence over the government and they were angry, more generally, at the unchecked growth of corporate power – power that was coupled with political influence. While the growth of corporate power and corporate influence in politics are not the only grievances that modern anticorporate protesters articulate, they are without doubt central ones. Much like many modern day anticorporate protesters, such as José Bové who led others in the destruction of a McDonald's restaurant in Millau, France and led farmers in Brazil to uproot genetically modified crops belonging to Monsanto, these protesters used tactics of direct action designed to halt the operations of the East India Company. More generally, the Boston tea activists' actions, while directed against a specific company, reflected a deep dissatisfaction with multiple targets, existing at different levels. The event (like many modern day anticorporate events) was about corporate malfeasance to be sure, but it was also about the government's inability or unwillingness to intervene and regulate a corporation that was, in their view, running amuck.

The Boston Tea Party was certainly a dramatic and early example of anticorporate sentiment and action. And if it were an isolated event, we might be tempted to dismiss it as unlike the recent wave of anticorporate activity in the United States. However, a broader historical view shows that there has always been distrust and fear of corporations in the United States – factors that have often led to collective action around the activities of corporations.[2] From the temperance movement, which targeted alcohol

[1] For lengthier discussions of the Boston Tea Party as an anticorporate protest event, see Hartmann (2002: 45–63) and Danaher and Mark (2003: 23–26).

[2] Lipset and Schneider (1987) discuss the general trend in declining confidence in corporations (as well as the other major societal institutions) over the course of the twentieth century, as does Vogel (1996) who connects the distrust in business and government to the growth of the public interest movement in the United States. More recent data from the General Social Survey in the United States show there has been a sharp decline in respondents' confidence and trust in corporations since the 1970s; about 31% of respondents reported that they had a great deal of confidence in corporations in 1973, but only 17–18% did so from 2002–2006. And, more recently, a November 2007 Harris poll found that less than 15% of respondents reported trusting corporations.

manufacturers, to the bloody labor strikes of the late 1800s and early 1900s; from the Bank of the United States controversy to the Populist Rebellion (that was explicitly anticorporate); from the "trust-busting" of the Progressive Era to the growth of the Labor Movement in the 1930s and 1940s, corporations have repeatedly come under activist-generated fire. And, when we think of the post-1960 period of activism in the United States, we soon recognize that corporations have been the targets of activism associated with the Civil Rights Movement (Vogel 1978; Chafe 1981; Luders 2006), the New Left Movement (Sale 1973),[3] antinuclear protests (Walsh 1986; Epstein 1991), the anti-Vietnam war movement (Vogel 1978), the nuclear freeze movement (Meyer 1992), the antitobacco movement (Wolfson 2001; Danaher and Mark 2003), the antiapartheid movement (Soule 1997; Massie 1997; Seidman 2007), the labor movement (Manheim 2001; Kay 2005; Martin 2008), and presumably many other social movements.

The subject of this book, as illustrated by the example of the Boston Tea Party, is activism directed at nongovernmental, for-profit corporations. Corporations, such as the East India Company, Ford Motors, Honeywell, McDonald's, Dow Chemical, and Nike, are frequently the targets of social movement actors and, if some observers are correct, the frequency with which corporations are targeted has increased in recent years. While in this book I focus on anticorporate activism, I will again and again note that much of this activism is not simply directed at corporations. As we will see throughout this book, there are often multiple targets of what we classify as anticorporate activism, just as was the case in the Boston Tea Party, which targeted both a corporation and a state. This multiplicity of targets, existing at different levels in several institutional domains, is a central theme of this book. And, in fact, this is the theme that leads me to situate the topic of this book as being of equal interest to sociologists, political scientists, and organizations scholars, all of whom have begun to pay more attention to anticorporate activism. The ultimate goal, then, is to draw on these disparate literatures and traditions in an attempt to offer a framework for understanding anticorporate activism. But, first, it is important to describe this form of activism in more detail and explore some of the reasons for its genesis.

[3] The 1962 Port Huron Statement explicitly called for "challenging the unchallenged politics of American corporations" (Danaher and Mark 2003: 58).

The Growth of Corporate Power and Social Movement Activity

A central claim made by scholars of anticorporate activism is that its frequency has increased markedly in recent years (e.g., see contributions in Doh and Teegan 2003) as a result of the fact that over the course of the twentieth century, corporations became larger and more powerful and that their reach over individuals increased dramatically (e.g., Vogel 1996; Nace 2003; Anderson and Cavanagh 2005; Jones, Comfort, and Hillier 2006). But what factors have led to the growth of corporate power? First and foremost is aggregation and economic concentration, which has led to the incredible growth of corporations. Simply put, through mergers and acquisitions, corporations have become much larger; that is, the largest corporations now control a higher share of the overall assets than they once did. For example, in the three years between 1998 and 2000, there were over $4 trillion in mergers; a dollar figure that is greater than that of the previous thirty years combined (Henry 2002). And it is clear that companies in the Fortune 500 dominate the U.S. economy: in the mid-1990s, over 25% of the assets of *all* corporations were controlled by these 500 companies (Grossman and Morehouse 1996).

This concentration of assets means that relatively few large corporations control many aspects of individuals' lives. Most of our food is produced and/or processed by a few large corporations (e.g., Kraft, Nestlé, Archer Daniels Midland) and most of the gas for our cars and oil for our heating comes from a few petroleum companies. Thus, the concentration of economic power among a few corporations means that a few corporations influence the products that are available to citizens, from what we eat, to what we wear, to what we drive.

But on top of this concentration in economic power, which is irksome enough to some anticorporate activists, most scholars of anticorporate social movements in the United States point to the way in which corporations increasingly influence the political process in America (Domhoff 1976; Kerbo and Della Fave 1979; Vogel 1996). Corporations achieve this through political campaign contributions, to be sure. But the government has reciprocated by appointing probusiness people to key regulatory and other governmental positions and by instituting policies that anticorporate activists charge amount to "corporate welfare," which might be defined as any state program or policy that benefits corporate interests over the interests of taxpaying citizens (Danaher and Mark 2003; Johnston 2007).

How bad is this? A few examples should suffice to make this point. Between 1989 and 2001, Enron contributed nearly $6 million to Republican candidates and the Republican Party (Danaher and Mark 2003). In return, Kenneth Lay and other Enron executives were able to meet with members of the government charged with writing energy policy – policies which, as we know, called for the break up of control over electricity transmission networks, a goal of Enron for many years (Danaher and Mark 2003).

On top of Enron, we also know that the big automobile manufacturers in the United States have given great sums of money in campaign contributions over the years. Some argue that such contributions, and the elected officials' fear of losing them, has led to the failure of the United States to ratify the Kyoto Protocol on Global Warming (despite the fact that public opinion polls indicate that citizens believe that the government should do more to halt global warming). More generally, critics charge that this has led to the government's historical reluctance to require better fuel efficiency standards in cars made in the United States. In other words, critics charge that the automobile industry has been able to influence U.S. policy via campaign contributions.

Another piece of this story is what some call the "revolving door" between corporate executives and public, regulatory positions (Danaher and Mark 2003). Essentially, many individuals in governmental positions also have ties to corporations and vice versa. For example, during the Clinton administration, Citibank and Travelers Group Insurance merged, despite the fact that it was then against the law for banks and insurance companies to merge (Danaher and Mark 2003). Citigroup, the resulting company of this merger, used its power to change this law and, within days, Treasury Secretary Robert Rubin resigned his government position and joined Citigroup.

During George W. Bush's presidency there were numerous other examples of appointments of business leaders and probusiness individuals to key governmental positions. For example, Bush appointee John Snow (Secretary of Treasury, 2003–2006) was the CEO of CSX Corporation, a transportation company that allegedly paid no federal income taxes during 1998, 2000, and 2001.[4] Or, James Baker (member of the Iraq Study Group, which was convened by Congress to make policy recommendations on the Iraq War) was a lawyer for the Carlyle Group, a global investment firm doing extensive business in the Middle East (Klein 2004). And, of course,

[4] http://oldamericancentury.org/bushco/cronyism.htm, Web site accessed June 11, 2008.

it is well known that between 1995 and 2000, Vice President Dick Cheney (while not an appointee) led the energy company, Halliburton, whose subsidiary was chosen to be the main government contract working to restore Iraq's oil industry. And, critics note that the $700 billion Wall Street bailout fund of 2008 was being managed by former Goldman Sachs employees (e.g., Treasury Secretary Henry Paulson, Steve Shafran, Kendrick Wilson III, Edward Frost, and Neel Kashkari) and that their decisions "directly impact[ed] the firm's own fortunes" (Cresswell and White 2008:1).

Also aiding in the growth of corporate power has been deregulation, which began in the 1970s and early 1980s in the United States. Deregulation is the governmental removal of rules and restrictions on businesses and is intended to encourage efficiency in the market via less encumbered competition. The idea behind deregulation can be traced to the University of Chicago's Department of Economics, and in particular Milton Friedman, who argued for a more laissez-faire brand of economics. Deregulation began in the United States under President Nixon who initiated the deregulation of transportation. This was continued in the administrations of President Ford and President Carter, the latter of whom eventually deregulated the airline industry. Deregulation continued throughout the Reagan administration, which deregulated the savings and loan industry, and continued through the first Bush administration. Importantly, at the same time, deregulation of the savings and loan and key bank and finance sectors was occurring, key posts in existing regulatory agencies were increasingly filled by probusiness individuals. The second Bush administration continued the trend of deregulation, most recently by issuing an executive order in 2007 dictating that governmental agencies (e.g., the Environmental Protection Agency and Occupational Safety and Health Administration) have a political appointee to oversee the guidance documents of regulated industries and that these documents must prove that there has been market failure before the government will intervene (Pear 2007). By forcing agencies to prove market failure, this executive order instituted an additional hurdle that must be cleared before the agency can issue protections for health and safety.

The increases in corporate power in both the political and economic realms are well documented, to be sure. And there is evidence to suggest that Americans are not unaware of these trends. For example, an October 2007 report issued by the Democracy Corps notes that the most often cited reason for Americans' discontent with the trajectory of their country was that "big business gets whatever it wants in Washington" (Greenberg, Quinlan, and Carville 2007). But it is also important to note that at the same time corporate power was increasing, we also saw a decrease in the power of organized labor, one of the traditional opponents of corporations' unchecked growth. While union membership had been declining since the 1950s in the United States, the Reagan administration was known to be unfriendly to labor unions, as exemplified when Reagan fired striking air traffic controllers in 1981. In the wake of this event, Reagan also stacked the National Labor Relations Board (NLRB) with probusiness individuals, which led to further blows to labor organizing.

These changes – deregulation and decline in the power of organized labor – occurred at roughly the same time that the increase in mergers among corporations occurred. In effect, this was the perfect storm in the eyes of critics of corporations. The coincidence of the growth of corporations and corporate power and influence in matters of the government, with the decline in labor and increase in deregulation trends, underlies many of the grievances of modern-day anticorporate activists. In the past, activists attempted to indirectly influence corporations through targeting the government and/or regulatory agencies. Or, activists attempted to impact corporations through labor unions. However, since the 1960s, it would appear that activists often target corporations *directly* rather than through government regulation and unions (Vogel 1978). Thus, I argue that it is not that Americans are suddenly incensed with corporations and have begun to target them – they always have done so, at least since the Boston Tea Party. Rather, it is that Americans are targeting them *directly*, sometimes instead of targeting the government or via organized labor, and sometimes in addition to targeting the government and working through organized labor.

Direct versus Indirect Targeting of Corporations

What has led to this tendency to target corporations directly? There are a number of reasons worth highlighting. First, this can be a conscious strategy on the part of leaders of a given social movement who argue that it is more efficient and effective to target corporations directly (Lenox and Eesley 2006). For example, Paul Gilding, former head of Greenpeace noted in 2001 that, "Smart activists are now saying, 'O.K., you want to play markets – let's play.'" He further notes that targeting the government takes a long time and that mobilization by more powerful and resource-rich countermovements can undermine efforts of grassroots movements to target the government (discussed in Baron 2003: 34). Raeburn (2004) alludes to a similar process, noting that the gay and lesbian movement began targeting corporations *because* the government was viewed as less responsive to the claims of the movement.

Another reason that modern social movements target corporations directly is that certain technological changes have facilitated this (Davis and Zald 2005). While Internet and cellular phone technologies have made it much easier for most movements (including those that target the state and organized labor activity) to disseminate information, certain Internet-based tactics seem especially well suited for targeting corporations. An example is the "smart mob," which is a swarm of activists organizing on the Internet in an attempt to damage the reputation of a corporation (Hart and Sharma 2004). While certainly such tactics can be (and are) used to discredit governments, policies, elected officials, and political candidates, they are especially effective when trying to damage the image of corporations. Similarly, boycotts directed at corporations benefit from the wide and cheap dissemination of information on alleged corporate malfeasance via the Internet (Bennett 2003; Schurman 2004). Because of the sophisticated use of visual media (e.g., videos and photos), the Internet is especially useful for instigating "moral shock," which might induce otherwise agnostic people to participate in a boycott of a company (Jasper and Poulson 1995). All of this has led many to conclude that anticorporate activism on the Internet is a clear and present danger to corporations.[5]

A third reason has to do with the increase of globalization, which has led the power and importance of national governments to be eclipsed by the power of transnational entities, such as the WTO, World Bank, and International Monetary Fund (IMF) (Strange 1996; van Tuijl 1999; Schurman 2004; Hart and Sharma 2004). As well, as regulation of corporations moves from the purview of governments to that of various transnational bodies (e.g., the WTO, World Bank, and IMF), targeting the state has begun to make much less sense (van Tuijl 1999; Bennett 2003). While activists *do* target transnational bodies and agreements (e.g., Tarrow 2005; Kay 2005), it is substantially easier to target corporations. The result has been what Beck (2000) calls "sub politics," or politics directed at the

[5] On anticorporate activism and the Internet, see Kahn and Kellner (2003, 2004), Whysall (2000), and Jones et al. (2006). Also see my discussion in Chapter 5 of the Free Burma Coalition's use of the Internet.

political sphere *below* the traditional legislative, electoral, and regulatory spheres; that is, in this case, corporations.[6]

Finally, it is also important to note that one simple reason for targeting corporations rather than the government or state targets is that (at least in the modern era) doing so is associated with a lower likelihood of state repression. In Chapter 3, I will present evidence on this point – that is, protest events that explicitly target the government are more likely to be repressed than those targeting corporations. But for now, it is simply important to point out that while corporations can and do sometimes employ private security forces, the likelihood of violent police response is lower for protesters targeting corporations than those targeting the state.

The Tactics of Anticorporate Activists

If, in fact, there has been an increase in recent decades of anticorporate activism, it makes sense to ask what tactical forms this activism takes. In general, we might usefully conceptualize the various ways in which activists target corporations as either "insider" or "outsider" strategies, although this certainly is not a completely clean categorization. In the United States, corporate governance is characterized by a shareholder approach and dispersed ownership (Buhner, Rasheed, Rosenstein, and Yoshikawa 1998; Roe 2000; Guillen 2000), which necessarily means that a corporation answers first to its shareholders as it attempts to maximize returns for those individuals (Friedman 1970). Shareholders, then, may be thought of as insiders to the corporation, even if they opt not to participate in proxy votes and annual meetings. This means that other stakeholders (e.g., employees, communities, or social movement organizations) traditionally have a much weaker influence on corporations as they are outsiders (Mitchell, Agle, and Wood 1997; Frooman 1999). By this, then, it is possible to define corporate "insiders" as those who are shareholders and corporate "outsiders" as those who are not (King and Soule 2007).[7]

[6] This idea of sub politics is similar to that of "private politics" (Baron 2003), a subject that I take up in Chapter 2.

[7] A slightly different conceptualization is offered by Eesley and Lenox (2006) who use the terms "internal stakeholders" (employees, customers, stockholders) and "secondary stakeholders" (activists, advocacy groups, religious groups, NGOs).

Insider Tactics

At times, corporate insiders (e.g., shareholders) are able to use their position to attempt to change the corporation. One such strategy is *shareholder activism*, which is when a shareholder or group of shareholders in some corporation uses an equity stake to exert pressure on the corporation. There are several forms that this can take, ranging from publicity and letter-writing campaigns to petitioning. One particularly interesting form of shareholder activism is the *shareholder resolution*. Shareholders, as partial owners of the corporation, are entitled to bring nonbinding resolutions to others for a vote and, as such, the annual shareholder meeting can become a site of political contestation (Vogel 1978). The first usage of this tactic was in 1947, when two brothers, John and Lewis Gilbert, who owned stock in Transamerica, asked managers of this corporation to add a resolution to the proxy statement requiring the company to use outside auditors (Rao 2009). When Transamerica declined to do this, the Securities and Exchange Commission (SEC) intervened and eventually ruled that managers of corporations could not exclude such proxy resolutions from stockholders. This case provided a legal basis for subsequent resolutions to be introduced by shareholders.

Other early and notorious usages of this tactic include the 1966 campaign against Kodak for discriminatory hiring practices (which I will discuss in more detail in Chapter 3) or the campaign by James Peck against Greyhound, which was initiated in 1948 when he bought stock in that bus company so that he could raise the issue of segregation at the annual meeting of the company (Murray 2007). Evelyn Yvonne Davis is another person made famous by her colorful resolutions introduced at shareholder meetings, such as the one that she introduced at General Motors (GM), wearing a bathing suit and waving an American Flag (Murray 2007: 94).[8] These instances were applauded by Ralph Nader and Saul Alinksy, both of whom argued for the effectiveness of insiders to the corporation. Since the 1980s, the use of this tactic has grown so much, that by 2003, there were 299 proposed resolutions dealing with social and environmental issues, a number that would rise to 348 in 2005 (Social Investment Forum 2006).

[8] Ms. Davis did not always submit resolutions associated directly with social movement causes. For example, she submitted a resolution to General Electric to get that company to cease contributing money to charity until it could be proven that the charity actually achieved results (Waldron 1972).