

DECONCENTRATING CORPORATE POWER

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Our economy is increasingly defined by deep and rising inequality that exists across race, income, power, and wealth.

Over the last few decades, corporations have lobbied to weaken laws and policies governing antitrust, environmental protections, worker rights and protections, and more—all to further consolidate their own power. The effect of this consolidation has been particularly acute for Black and brown communities who, as a result, face deep and persistent economic insecurity and inequality. Rising corporate consolidation has helped channel power further away from these communities and into the hands of a wealthy few. Addressing this imbalance requires more than policy changes. Power must shift away from corporations and back to the people—particularly Black and brown communities.

The concept of economic democracy has many different interpretations, from scenarios in which communities decide how to manage their collective needs like affordable housing and energy, to creating

accessible channels that allow more people to participate in governing processes at all levels of government. According to the Center for Economic Democracy, an economic democracy brings more people to the decision-making table to “collectively decide how to use land, labor, and capital to serve the public good.” This brief outlines the consequences of corporate actors consolidating their power to act against the public good, and how Black and brown communities can collectively envision and advance a just, inclusive economy.

Concentrated corporate power threatens our democracy

Corporate concentration has grown to levels not seen since before the Great Depression. At the current rate of consolidation, only one U.S. company will exist in 2070. In over 75 percent of U.S. industries—from healthcare to financial services to agriculture—a smaller number

of large companies now control more of the business than 20 years ago. Four beef packing firms control over 80 percent of their market. Domestic air travel is now dominated by four airlines, and many people have only one choice of reliable broadband provider. Whether it’s beef or broadband, when competition goes down, prices go up, economic disparities worsen, and people of color bear the brunt.

The impact has been disastrous. Corporate concentration destabilizes our communities and democracy, and slows overall economic growth. It exacerbates racial inequities and entrenches economic and social disparities between people of color and their white counterparts. As has been made abundantly clear throughout the COVID-19 pandemic, corporate concentration also contributes to price hikes and puts negative pressure on wages.

Corporate monopolies harm consumers and small businesses by curbing competition through practices such as self-preferencing and predatory pricing. They union-bust and undermine working people’s

power. They lobby lawmakers to embed racist and extractive policies into our economic and political system, all to further consolidate their own power and wealth.

Corporate monopolies have lobbied federal, state, and local governments for sweet deals to locate to their areas, often to the devastation of local and regional economies. Corporate behemoths have extracted millions in corporate giveaways, while promising jobs and economic revitalization in return. Instead, the result is often increased rents and displaced BIPOC and low-income communities, abysmal working conditions, and environmental racism. For example, Amazon opens the majority of its warehouse operations in Black and brown neighborhoods, causing residents to face more air pollution as a result of the trucks and vans the warehouses attract.

Big tech companies in particular—Amazon, Apple, Google, Meta, and Microsoft—present novel threats that exacerbate the crisis of corporate concentration and economic inequality. Many of these companies—among the very largest in the world—have a track record of wielding their newfound power in deeply dangerous ways, including harvesting our data, engaging in surveillance and algorithmic bias, and adopting fiercely anti-competitive practices.

Existing antitrust laws are not enough to combat outsized monopoly power. This is in part due to court decisions that have whittled away the impact of

antitrust laws. Recent instances of deliberate violations of existing antitrust law spotlight the urgent need to strengthen competition policy. Such policies would help reverse the extractive practices giant corporations use to strip power from workers, consumers, small businesses, and communities to deliberately

weave inequities into the fabric of our democracy and economy. A reinvigorated competition and antitrust agenda that shifts power to Black and brown communities who have been most harmed by rising corporate concentration is an essential step toward ensuring that these communities can thrive.

Timeline: Key federal antitrust laws and their legacies

- 1890** Regulating competition dates back to 1890 with the Sherman Antitrust Act, which authorized the federal government to institute proceedings against trusts in order to dissolve them, in an attempt to restore competition. This was the first federal act that criminalized monopoly and outlawed monopolistic business practices.
- 1911** A lawsuit brought against Standard Oil under the Sherman Antitrust Act of 1890 resulted in the oil giant breaking up into 34 separate entities.
- 1914** Congress passed two additional antitrust laws, one of which was the Clayton Act, an attempt to address predatory pricing, exclusive dealings, and mergers designed to destroy competitors. It essentially supplemented and strengthened the Sherman Act, which had failed to effectively regulate the massive corporations. The other was the Federal Trade Commission Act which established the Federal Trade Commission (FTC), tasked with regulating monopolies, eliminating unfair competition, and preventing the use of unfair or deceptive business practices.
- 1940s-1970s** The "Golden Era" of antitrust enforcement. Anti-monopoly policy was a cornerstone of U.S. politics and was frequently mentioned in the media and in campaign and presidential speeches.
- 1980s-2010s** Corporate capture of antitrust philosophy. The traditional anti-monopoly philosophy shifted priorities to make economic systems more "efficient," instead of focusing on the problem of concentrated power on our democratic and economic institutions.

The Path Forward: Structural changes our government can adopt to promote a more just and democratic economy

A just, inclusive, multiracial democracy and economy—where Black and brown people are free from oppressive systems that obstruct their ability to fully participate and thrive—calls for all of us, especially an accountable government, to fight against concentrated corporate power. The [Economic Democracy Project](#) at Demos envisions liberation for Black and brown people. This requires us to address inequities in economic, political, and institutional power.

At a time when a corporate ruling class exploits racial and class divisions to dodge accountability and accumulate power, preserving our democracy entails creating opportunities for the public to lead and shape economic outcomes. That means developing and strengthening co-governance strategies, or designing policies and practices that ensure that elected officials are actively working with communities most harmed by structural racism and our economic system. It requires us to be more expansive in our thinking about what constitutes a “public good,” and reassess the essential social scaffolding that allows our society and democracy to function—from goods like water, energy, and public transportation to vital infrastructure such as broadband, domestic care work,

banking, access to employment, and access to voting, among others.

The goal of this work is to limit the outsized power and influence of corporations and the wealthy few as a deliberate strategy to build power for Black and brown people. We can do this through:

1 Using all available legal and policy levers to rein in corporate power, including policy that advances [structural separation](#) of these monopolies and ensuring that corporations pay their fair share. This requires modernizing antitrust legislation and restoring federal agencies' regulatory and enforcement power, and establishing a more equitable tax code that includes a wealth tax, minimum taxes on overseas profits, and an increased corporate tax rate.

2 Increasing worker power and democratic decision making, in and outside the workplace. Corporations have successfully weakened the entities that are often most poised to counteract corporate power grabs: labor unions. Federal legislation like the [PRO Act](#) would help restore worker rights and would complement workers' efforts to build power by making it easier for workers to unionize and wield greater decision-making power in their workplaces.

3 Getting corporate money out of politics. This includes [instituting limits](#) on for-profit corporations' ability to spend immense sums to influence elections, among [other policy proposals](#) that curb the ability for the super-wealthy to maintain disproportionate influence on the political process.

4 Expanding public goods. Rather than spending money on [corporate giveaways](#), policymakers should be investing in the essential infrastructure most critical to Black and brown communities, such as caregiving, broadband, banking, and housing, all of which will make our communities more resilient and decrease the leverage that corporations have over our collective well-being.

At Demos, we recognize that taking on corporate power alone isn't sufficient to build power for Black and brown communities.

To build economic democracy, we also need to expand the meaning and reach of public goods and ensure that services are equitably and publicly administered. We must strengthen co-governance strategies so that people and public agencies can collectively make decisions about the economy.



Mobilizing to deconcentrate corporate power: Lessons from Grassroots Organizers

Black- and brown-led grassroots movements are developing the playbook for how to beat back corporate concentration. Activists across the country are building power to counteract monopolists and to restore power and autonomy to the workers and communities targeted for exploitation:

The Athena Coalition: Holding modern forms of corporate power accountable.

The Athena Coalition—a broad coalition of local and national organizations representing working people, small businesses, people of color, immigrants, and neighbors, along with activists, advocates, policy experts, and academics—has been organizing to push back on Amazon’s abusive business practices. They’ve led actions alongside other grassroots organizers to protest unsafe working conditions and policies that have resulted in disproportionate amounts of workplace injuries and even deaths. Alongside Fight for the Future, they have fought against unsafe and inhumane working conditions, efforts which laid the groundwork for the first ever Congressional hearing on safety at Amazon warehouses.

People’s Action: Getting money out of politics.

People’s Action has been leading efforts to expose the ways in which corporations and the ultrarich are undermining our democracy through lobbying, campaigns, and political advertising, and making the affirmative case for investments needed for everyone to thrive. Such efforts from groups like People’s Action have ultimately helped secure historic investments in climate change mitigation, as well as provisions that would force rich corporations to pay more of their fair share in taxes and allow Medicare to fight price gouging by drug companies.

Public Bank NYC: Counteracting the exploitative and extractive practices of Wall Street by building momentum for institutions that prioritize the collective good.

The Public Bank NYC Coalition (PBNYC)—in an effort to counteract the harm of Wall Street banks that prioritize shareholder returns, fuel climate chaos and displacement, and inflict gentrification on communities—has made progress toward establishing a public bank in New York. This bank could partner with community development credit unions and loan funds and mission-driven, community-led financial institutions that provide safe and affordable financial services. Already the coalition has helped to popularize the notion of using public dollars for the public good—in New York, Albany, and beyond.

Conclusion

Demos envisions economic democracy as a framework to understand how to dismantle corporate concentration, racial capitalism, and white supremacy by shifting power to Black and brown communities. A critical piece of this puzzle is combating outsized monopoly power. In order to create a truly just multiracial democracy and economy, we must push for structural change at all levels of government while also supporting and expanding grassroots organizations’ efforts to fight against concentrated corporate power in their communities.