



Regulating the social and political power of corporations

Committee: SPC1

Student Officer: Advik Singh



Forum: Special Committee 1

Issue: Regulating the social and political power of corporations

Name: Advik Singh

Position: Deputy President

Introduction

The primary goal of most, if not, all corporations is profit and the accumulation of capital. Corporations can gain profit and capital in a variety of ways, however, be it through competitive pressure or sheer greed, a corporation can reach a tipping point at which it resorts to unethical methods of gaining profit or capital.

These methods can be harmful to the economy, society, and the environment as they can include governmental manipulation, a disregard for privacy, or a disregard for the environment. Examples of these methods are Facebook's breach of digital privacy, the exploitation of Bangladesh by corporations such as "Zara", or the initiation and continuation of both the Congo wars.

If left untreated or unsupervised, these corporations can gain mass political and/or social influence, giving them the incentive and capability to act beyond governmental control for profit.

Definition of Key Terms

Corporation

A large singular company, or multiple companies that combine to make a single organization or entity run by a board of directors and company shareholders. These groups of people ultimately decide all of the corporation's decisions and actions.

Lobbying

is an attempt to influence a governing body to halt or move around legislation via payments, speeches, letters, or petitions. Allowed originally to give society a say in government decisions and act almost as a feedback tool for the government, it is sometimes used by very powerful corporations as a legal form of bribery by paying out lobbyists to act on the corporation's behalf.

Sweatshops

A sweatshop is a factory, usually for the clothing industry, with poor working conditions/ hazardous working conditions, low wages that are set much below the livable wage of the nation-state that the sweatshop is in, and long hours up to 16+ hours a day. They are usually set in LEDCs to avoid consequences for not abiding by human and worker rights and also to make the nation's people dependent on the factory as, deliberately by the corporation or by coincidence, there are no better jobs around. These are usually used to make a massive output of a product for extremely cheap so that corporations can exploit and make large sums of profit out of the product.

Fast Fashion

The trend of producing and consuming clothes fast and cheap so that consumers can consume a lot more, the clothes themselves usually come out of very poor quality making clothing out of fast fashion easily discardable. It promotes rapid consumption and production and consequently harms the environment with the hazardous chemicals used for clothing dyes, greenhouse gas emissions from the rapid and frequent textile production, and the unrecycled disregarded clothing. Fast fashion also pairs perfectly with sweatshops, as sweatshops create a large output for cheap, making it extremely unethical.

Corporate Social Responsibility (CSR)

Is The positive roles or responsibilities that affect society, or the environment, a corporation has to abide by and consider these when making decisions. This is to make sure that any negative impact on society or the environment from business decisions is kept to a minimum.

“Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders.”

-UNIDO



General Overview

Influence on the conflict in the Democratic Republic of Congo (DRC)

DRC is often considered one of the most mineral-rich places on the planet and many of the world's technology is reliant on mines located in DRC as their primary export cobalt is used in almost all batteries. DRC's top exports include cobalt, refined and unrefined copper, unwrought alloys, and crude oil, these exports accumulate 92.2% of the nation's export revenue. However, the wide variety and abundance of these minerals have made the mines an extremely sought-after territory for neighbouring nations, the government, and most importantly, tech and mining corporations.

At the conclusion of the Second Congo War, many rebel groups had formed within the nation-state with different loyalties. These rebel groups and the nation-state's military has since undergone conflict over territory for reasons more than simply control over the mines such as political and ethnic disparities. However, the control over mines in DRC became a primary objective for rebel groups as they realized their financial capabilities. This was as minerals located in DRC, mines could be traded or sold to corporations in exchange for arms to continue the conflict.

The DRC economy is heavily dependent on the export revenue provided by these mines, however, if corporations such as Afrimex continue supporting rebel groups by trading arms or money with them, DRC's conflict will not only continue but increasingly become more disastrous for the economy, people, and government.

Data Collection and digital privacy

Corporations such as Meta store a mass amount of data about its users such as the user's email address, where the user lives, phone numbers, and the user's hobbies or interests. In 2015 Cambridge Analytica gave out external surveys on Facebook that connected the participant's personal information, collected from Facebook, and their survey answers, then the survey also branched out and connected the data points to the survey participant's friends list. This was to create an algorithm comprised of detailed profiles comprised of 87 million unknowing Facebook users, that targeted and encouraged republican voters to vote and to sway people in the middle who were deemed easy to convince by the algorithm. The final goal of the incident was to promote the 2016 trump campaign and lead American voters away from the Democratic party.



Following this, In 2016 Donald Trump was voted as the President of the United States. Cambridge Analytica claims that the incident had majorly helped in putting Trump in the position however the party disputes the idea. After the incident, Facebook changed its service terms to make data less accessible and detailed. Facebook claims that Cambridge Analytica had not directly broken into the mainframe or hacked into anything as they simply used the information that was already available in a large and improper way that breaks Facebook's terms of service.

As of now, Advertisers can pay corporations such as Meta to deliver personalized or targeted ads to Facebook users as per the user's permission. This creates more privacy for Facebook users as no personal data of the user is easily accessed, and the extent of detail of the target audience for ads is very minimal such as age or country of origin. However, this continues to give Meta the social power and incentive to sway public opinion on topics such as what product to consume or, more dangerously, what campaign to vote for depending on which companies pay the corporation more.

Environmental damage

In the early 2000s, corporations had undertook the trend of fast fashion as it proved to be extremely profitable as the cost of production was very low and production rate was very high. This method of production is however considered unethical a major breach of many involved corporations' CSRs. This is as fast fashion involves producing a high volume of output for very low costs giving corporations incentive to use LEDC's that can become dependent on very low wages.

Bangladesh is one of many LEDC's to be a victim of fast fashion. Bangladesh houses many sweatshops for the fashion industry and has made garment export's 80% of their export revenue making the economy and government dependent on fast fashion corporations such as "H&M" and "Primark". These corporations have similar CSR's claiming environmental sustainability and worker rights however the sweatshops in Bangladesh often pay about 50% less than the living wage with 14–16-hour shifts and hazardous working environments.

Furthermore, Textile production annually emits about 1.2 billion tons of greenhouse gas and to quicken the production rate sweatshops will also often use toxic dyes and chemicals. Not only would these chemicals then be hazardous for the labor workers, but also for the local water supplies, causing further harm to Bangladeshi people. The textile industry is also estimated to produce 20% of the global water waste.

Overall, giant fast fashion corporations such as H&M and Primark manage to control Bangladesh's environment, economy and government because of Bangladesh's limited job, and export opportunities. This makes Bangladesh extremely dependent on these corporations, giving the corporations in question a mass wealth of power over the nation.

Timeline of Key Events

This is where you note all important, key, events concerning this issue in the specific as displayed below. You may write a small paragraph elaborating on these events, however, this is not required as they should already have been mentioned in the General Overview.

Date	Event
24 th of April 2013	The Rana Plaza Accident – an incident that was the result of corporate neglect when a 8-storybuilding collapsed completely despite consistent warnings from the workers. the incident killed over a thousand and injured around 2500
2013	Fire Safety Accord – a campaign set after the Rana plaza accident that guaranteed workers' rights and livable wages. Over 200 brands signed including Zara, H&M, and Primark
December 2015	Cambridge Analytica Trump Campaign scandal
2016	Donald Trump elected President of the United States

Major Parties Involved

Amazon

Amazon is one of the biggest multinational giant tech corporations. However, they are known for their many controversies often regarding their avoidance or minimal participation in government regulations often including taxes. These tax avoidance are thanks to their emphasis on lobbyist payouts as in 2021 alone the corporation has spent about 19 million dollars increasing their lobbying cost by 760% since 2012. As a consequence of these payouts, amazon has avoided around 5.2 billion dollars of federal income taxes as of 2021 as they had managed to get away with paying only 2.1 billion dollars that year. This showed the sheer grasp Amazon has on the government to help

them avoid tax legislations/regulations and overall gain more profit. Amazon also notably has very poor working conditions for their employees comparable to sweatshops. This is because the workers are expected to work for more than 60 hours a week with 10 hours, no breaks, shifts including mandatory overtime. The work environment also expects around 700 items an hour to be prepared. There are also reports of the corporation not being able to properly pay their employees with the monthly payments often missing a large sum of money. The failure to tackle these worker's rights issues could also be a direct result of the lobby payouts Amazon goes to great lengths to exploit.

Facebook

Facebook has one of the largest reaches on the public on earth. This is because Facebook has approximately 2.9 billion monthly users as of 2022 giving it a lot of power in terms of manipulating and influencing public opinion. This can be through how the main page of Facebook is set and what articles are displayed more frequently. This manipulation of the public through the use of algorithms and what is displayed where has put Facebook at the center of a lot of controversies such as spreading fake news and misinformation or rapidly spreading the trump campaign. It should be noted that Facebook denies accusations of allowing misinformation and actively talks about trying to combat it however from august 2020 to January 2021 fake news had 6 times more interactions by users than factual news. Facebook also has a problem of artificially inflated political propoganda via the use of bots that they have put minimal effort to combat.

H&M

H&M is one of many corporations that contribute to the trend of fast fashion. Because of this, H&M has been accused of and caught using many sweatshops across the world to output on a massive scale for a small price. This however involves disregarding the human rights of factory workers and the use of unsustainable fabric and cloth. Furthermore, these sweatshops are usually located in LEDCs such as Bangladesh giving H&M control over not only the nation's economy as they become the primary source of income for most of the LEDC's population but also their government as the nation's government can't do much about sweatshops without risking the economy. Recently, ever since the Rana Plaza incident, H&M has declared that they will actively ensure their supplier produces the product ethically however thus far H&M has only declared environmental solutions such as sustainable fabric by 2030 and none for human rights. It should be noted that the 2030 goal of sustainability in greenhouse gas emissions and recycled fabrics is still almost a decade away and that H&M has claimed to increase worker wages, however, the increase has no proof of being close to being livable.



DRC

The conflict in DRC was mostly not the fault of the mines and corporations, however, The continuation of conflict could be contributed to corporations such as Afrimex as they encourage rebel groups to claim the mines so that the corporations can trade minerals such as Cobalt for arms for rebel groups, which would further continue the conflict as well as make it more deadly.

Bangladesh

Bangladesh is one of many LEDCs being exploited for sweatshops with poor working conditions and un-survivable wages. However, the fashion industry holds a clutch on the nation as 80% of its export revenue comes from garments making the nation economically dependent on sweatshops. This inadvertently makes Bangladesh's government bound to sweatshop policies. The 2013 Rana Plaza incident did help the government and the Bangladeshi people make the situation more public and therefore put pressure on Fashion corporations to change their suppliers and or improve working conditions. This then turned into the Fire Safety accord which could be considered the most effective campaign of recent times, this is as the campaign has ensured worker rights such as the right to report safety issues without consequences to the worker, the right to refuse work if deemed unsafe, and the right to join unions. The campaign has also made an independent body that ensures workplace safety, and it made factories that refuse to comply with inspections to be ineligible for accord signatories. However, despite the campaign, the fashion industry and corporations still hold major economic, consequently governmental, power.

Possible Solutions

Possible solutions for regulating power in corporations could include making the public more aware of the risks of fake news and propaganda through an educational program, video, or warning. Fines and other consequences can also be imposed if a corporation is caught consistently spreading fake news.

The Fire Safety Accord could also be taken as inspiration for other LEDCs suffering from and through the implementation, a new workforce can be implemented to create more jobs and have corporations have less control over the economy. An independent body can also be put in place to ensure that CSR promises made by companies are upheld and consequences be made if they are not.



Bibliography

75. "Democratic Republic of the Congo - Market Overview." *International Trade Administration | Trade.gov*,

<https://www.trade.gov/country-commercial-guides/democratic-republic-congo-market-overview#:~:text=The%20DRC's%20top%20five%20exports,country's%20total%20exports%20by%20value>

ABCNews. "Facebook CEO Mark Zuckerberg Testimony on Data Privacy before Senate Committee | ABC News."

YouTube, YouTube, 10 Apr. 2018, https://www.youtube.com/watch?v=GQN4On0K7-w&ab_channel=ABCNews

"Amazon Avoids More than \$5 Billion in Corporate Income Taxes, Reports 6 Percent Tax Rate on \$35 Billion of

US Income." *ITEP*, <https://itep.org/amazon-avoids-more-than-5-billion-in-corporate-income-taxes-reports-6-percent-tax-rate-on-35-billion-of-us->

[income/#:~:text=Just%20as%20notable%2C%20the%20company's,of%20more%20than%20%247.3%20billion](https://itep.org/amazon-avoids-more-than-5-billion-in-corporate-income-taxes-reports-6-percent-tax-rate-on-35-billion-of-us-income/#:~:text=Just%20as%20notable%2C%20the%20company's,of%20more%20than%20%247.3%20billion)

"Amazon Pestel Analysis - Research-Methodology." *Research*, 23 Mar. 2022, <https://research->

[methodology.net/amazon-pestel-analysis-2/](https://research-methodology.net/amazon-pestel-analysis-2/)

Chen, Brian X. "The Battle for Digital Privacy Is Reshaping the Internet." *The New York Times*, The New York

Times, 16 Sept. 2021, <https://www.nytimes.com/2021/09/16/technology/digital-privacy.html>

Chevalier, Stephanie. "U.S. Lobbying Expenses of Amazon 2021." *Statista*, 27 July 2022,

<https://www.statista.com/statistics/1035836/lobbying-expenses-of-amazon/>

Confessore, Nicholas. "Cambridge Analytica and Facebook: The Scandal and the Fallout so Far." *The New York Times*, The New York Times, 4 Apr. 2018,

<https://www.nytimes.com/2018/04/04/us/politics/cambridge-analytica-scandal-fallout.html>

"Corporate Social Responsibility (CSR) Policy." *H&M*, https://www2.hm.com/en_in/customer-service/corporate-social-responsibility/corporate-social-responsibility-csr-policy.html

"Corporation." *Cambridge Dictionary*, <https://dictionary.cambridge.org/dictionary/english/corporation>.

"Does Facebook Sell My Information?: Facebook Help Center." *Does Facebook Sell My Information? | Facebook Help Center*, <https://www.facebook.com/help/152637448140583>

Dwoskin, Elizabeth. "Misinformation on Facebook Got Six Times More Clicks than Factual News during the 2020 Election, Study Says." *The Washington Post*, WP Company, 10 Sept. 2021,

<https://www.washingtonpost.com/technology/2021/09/03/facebook-misinformation-nyu-study/>

"Environmental Sustainability in the Fashion Industry." *Geneva Environment Network*,

<https://www.genevaenvironmentnetwork.org/resources/updates/sustainable-fashion/>

"Facebook and Twitter Are Being Used to Manipulate Public Opinion – Report." *The Guardian*, Guardian News and Media, 19 June 2017, [https://www.theguardian.com/technology/2017/jun/19/social-media-](https://www.theguardian.com/technology/2017/jun/19/social-media-proganda-manipulating-public-opinion-bots-accounts-facebook-twitter)

[proganda-manipulating-public-opinion-bots-accounts-facebook-twitter](https://www.theguardian.com/technology/2017/jun/19/social-media-proganda-manipulating-public-opinion-bots-accounts-facebook-twitter)

"Facebook-Cambridge Analytica Data Breach Lawsuit Ends in 11th Hour Settlement." *The Guardian*, Guardian News and Media, 27 Aug. 2022, [https://www.theguardian.com/technology/2022/aug/27/facebook-](https://www.theguardian.com/technology/2022/aug/27/facebook-cambridge-analytica-data-breach-lawsuit-ends-in-11th-hour-settlement)

[cambridge-analytica-data-breach-lawsuit-ends-in-11th-hour-settlement](https://www.theguardian.com/technology/2022/aug/27/facebook-cambridge-analytica-data-breach-lawsuit-ends-in-11th-hour-settlement)



Fernando, Jason. "Corporate Social Responsibility (CSR) Explained with Examples." *Investopedia*, Investopedia, 19 Dec. 2022, <https://www.investopedia.com/terms/c/corp-social-responsibility.asp>

"Global Witness Uncovers Foreign Companies' Links to Congo Violence." *Global Witness*, <https://www.globalwitness.org/en/archive/global-witness-uncovers-foreign-companies-links-congo-violence/>

Gruenberg, Mark. "Workers Cite Awful Conditions inside Amazon's Monstrous Staten Island Fulfillment Center." *People's World*, 20 Jan. 2022, <https://www.peoplesworld.org/article/workers-cite-awful-conditions-inside-amazons-monstrous-staten-island-fulfillment-center/>

"Help Your Ads Find the People Who Will Love Your Business." *Facebook*, <https://www.facebook.com/business/ads/ad-targeting>

"How Ethical Is H&M?" *Good On You*, 11 Oct. 2022, <https://goodonyou.eco/how-ethical-is-hm/>

"Hundreds of H&M and Gap Factory Workers Abused Daily: Report." *Global Citizen*, <https://www.globalcitizen.org/en/content/hm-gap-factory-abuse-fast-fashion-workers/>

"'Impressive and a Little Scary': How Amazon and Jeff Bezos Made Washington a Second Home." *NBCNews.com*, NBCUniversal News Group, <https://www.nbcnews.com/politics/politics-news/king-hill-how-amazon-jeff-bezos-made-washington-second-home-n1033296>

"International Accord Archives." *UNI Global Union*, <https://uniglobalunion.org/workers-rights/international-accord/>

Kelly, Jack. "A Hard-Hitting Investigative Report into Amazon Shows That Workers' Needs Were Neglected in Favor of Getting Goods Delivered Quickly." *Forbes*, Forbes Magazine, 9 Nov. 2022,

<https://www.forbes.com/sites/jackkelly/2021/10/25/a-hard-hitting-investigative-report-into-amazon-shows-that-workers-needs-were-neglected-in-favor-of-getting-goods-delivered-quickly/?sh=79bd9b9951f5>

Lin, Ying. "How Many Users Does Facebook Have? [Nov 2022 UPD]." *Oberlo*, Oberlo,

<https://www.oberlo.com/statistics/how-many-users-does-facebook-have#:~:text=According%20to%20the%20latest%20data,year%20over%20year%20rise>

Miller, Robert. "How British Corporations Are Fuelling War in the Congo: Robert Miller." *Libcom.org*, 2017,

<https://libcom.org/article/how-british-corporations-are-fuelling-war-congo-robert-miller>

"Nine Years since the Rana Plaza Tragedy: Has Fast Fashion Ironed out..." *Transparency.org*,

<https://www.transparency.org/en/blog/rana-plaza-tragedy-fast-fashion-deadly-corruption-problems>

Office, U.S. Government Accountability. "Conflict Minerals: Actions Needed to Assess Progress Addressing Armed Groups' Exploitation of Minerals." *Conflict Minerals: Actions Needed to Assess Progress*

Addressing Armed Groups' Exploitation of Minerals | U.S. GAO, <https://www.gao.gov/products/gao-20-595>

"Our Standards." *Our Standards* | Primark Cares (UK), <https://corporate.primark.com/en/our-approach/our-standards>

Reports, Staff. "How Fast Fashion Causes Environmental Poverty." *BORGEN*, 23 Oct. 2020,

<https://www.borgenmagazine.com/fast-fashion-causes-environmental->



[poverty/#:~:text=China%2C%20Bangladesh%2C%20Vietnam%2C%20Indonesia,here%20to%20produce%20their%20products](#)

Reports, Staff. "How Fast Fashion Causes Environmental Poverty." *BORGEN*, 23 Oct. 2020,

<https://www.borgenmagazine.com/fast-fashion-causes-environmental->

[poverty/#:~:text=China%2C%20Bangladesh%2C%20Vietnam%2C%20Indonesia,here%20to%20produce%20their%20products](#)

"Sweatshops in Bangladesh." *War on Want*, <https://waronwant.org/news-analysis/sweatshops->

[bangladesh#:~:text=In%20Bangladesh%2C%203.5%20million%20workers,the%20country%27s%20total%20export%20revenue](#)

"Sweatshops in Bangladesh." *War on Want*, <https://waronwant.org/news-analysis/sweatshops->

[bangladesh#:~:text=In%20Bangladesh%2C%203.5%20million%20workers,the%20country's%20total%20export%20revenue](#)

Thelwell, Kim. "The Impact of Fast Fashion in Bangladesh." *The Borgen Project*, Kim Thelwell

<https://Borgenproject.org/Wp-Content/Uploads/Logo.jpg>, 13 Oct. 2021,

<https://borgenproject.org/fast-fashion-in-bangladesh/>

Thelwell, Kim. "The Impact of Fast Fashion in Bangladesh." *The Borgen Project*, Kim Thelwell

<https://Borgenproject.org/Wp-Content/Uploads/Logo.jpg>, 13 Oct. 2021,

<https://borgenproject.org/fast-fashion-in-bangladesh/>

TheNewYorkTimes. "How Cambridge Analytica Exploited the Facebook Data of Millions | NYT." *YouTube*,

YouTube, 9 Apr. 2018, <https://www.youtube.com/watch?v=mrnXv->

[g4yKU&ab_channel=TheNewYorkTimes](#)



“What Is Corporate Social Responsibility (CSR).” *BDC.ca*, <https://www.bdc.ca/en/articles-tools/entrepreneur-toolkit/templates-business-guides/glossary/corporate-social-responsibility>

“What Is CSR?” *UNIDO*, <https://www.unido.org/our-focus/advancing-economic-competitiveness/competitive-trade-capacities-and-corporate-responsibility/corporate-social-responsibility-market-integration/what-csr>

“Working to Stop Misinformation and False News.” *Working to Stop Misinformation and False News | Meta for Media*, <https://www.facebook.com/formedia/blog/working-to-stop-misinformation-and-false-news>

Zakrzewski, Cat. “Tech Companies Spent Almost \$70 Million Lobbying Washington in 2021 as Congress Sought to Rein in Their Power.” *The Washington Post*, WP Company, 21 Jan. 2022, <https://www.washingtonpost.com/technology/2022/01/21/tech-lobbying-in-washington/>