

How To Make America Great Again: Corporate Citizenship

What would it truly mean to “Make America Great Again”? For the past four years, now soon to be former President Trump has drilled this campaign slogan into our minds. But within the final year of his presidency, we’ve all witnessed, as a nation, just how far we are from fulfilling such a vision. Covid-19, the pandemic of 2020, has shattered the illusion of hierarchy that exists among civil society. This single disease brought the world to its knees and showed that everyone is susceptible, including our president.

Yet, even with this realization that we are all equal, in this country alone, for “the last 30 years the top 1% has garnered over \$21 Trillion dollars. While the bottom 50% has grown \$900 billion dollars poorer” (Hanauer, 2019). Thus, the question remains: how do we achieve the vision to “Make America Great Again,” and where do we start? Corporate Social Responsibility (CSR) is an existing framework that could be the catalyst for this much-needed change. However, its current structure won’t get us to our progressive destination

Currently, Corporate Social Responsibility (CSR) is “a self-regulating business model that helps a company be socially accountable to itself, its stakeholders, and the public” (Fernando, 2020). While the definition implies a spirit of collaboration, the self-regulatory aspect of this business model lacks processes if a company falls short of actually helping a community. For example, what should stakeholders do “after finding out AT&T, which after winning a perfect score on the Human Rights Campaign’s Corporate Equality Index in 2017, then donated more than \$2.5 million to anti-gay politicians that same year” (Zheng, 2020). One might wonder just how much social good this model provides civil society when there's such a misalignment

between public image and action. This is the case for government intervention to regulate the practice.

However, what responsibilities are corporations obligated to fulfill to their individual communities, if any? Especially when our present-day free market economy is derived from the economic philosophy of laissez-faire, which states that less government involvement equates to better business and ultimately a better society (Staff, 2020). According to Milton Friedman, the second most influential economist of the 20th century and proponent of free market capitalism, corporations have one responsibility, and that's to 'maximize and prioritize profit' for their shareholders (Staff, 2020). The philosophy of laissez-faire (free-market) capitalism is exactly why from "1970 to 2018, the share of aggregate income going to middle-class households fell from 62% to 43%. Over the same period, the share held by upper-income households increased from 29% to 48%" (Juliana Menasce Horowitz, 2020). Providing corporations with more unregulated power exacerbates wealth inequality significantly when coupled with free-market economics.

Additionally, corporations are now the aristocrats that Alexis de Tocqueville speaks of in "Democracy in America." "As a civil society, we have fallen victim to their design because they have the ability to create resources, specifically \$21 Trillion USD, whereas the other two sectors just utilize them" (de Tocqueville, 2000), (Porter, 2013). And this is why Facebook is currently facing an antitrust lawsuit for "its dominance in the digital marketplace and engaging in anticompetitive behavior" (Fung, 2020). This alleged abuse of power is exactly why the Sherman Antitrust Act of 1890 was passed - so that the powers of corporations could be limited and

prevent them from forming monopolies like the railroads of the Gilded Age. Without regulation, a corporation grows rampant.

Nevertheless, I propose that we restructure Corporate Social Responsibility (CSR) into a regulated model and rebrand it as Corporate Citizenship. If corporations are considered legal entities that are entitled to some of the legal rights and privileges that you and I have, that makes them citizens. And with this notion, a corporation should be obliged to engage with their community to foster growth and well-being. Instead of companies seeing communities as something to take advantage of, they could look to form social bonds with their under-resourced and/or impoverished local communities and nurture them.

Corporate Citizenship would be a restructured model of CSR that includes checks and balances, metrics, a review board, and also intertwines the virtue of love. bell hooks mentions in “Love as the Practice of Freedom”: “Without an ethic of love shaping the direction of our political vision and our radical aspirations, we are often seduced, in one way or the other, into continued allegiance to systems of domination - imperialism, sexism, racism, classic” (Selinger & Gleason, 2017).

Consumers ultimately want to be able to have a positive relationship with the companies they interact with. And by providing a regulated model, it would improve relations between all three sectors. Though there might be initial pushback from companies due to government involvement, reinvesting in civil society would only stimulate our economy. Stronger brand loyalty would only increase the bottom line of these corporations. Detractors of a regulated model of CSR need to ask themselves one thing: what do we have to lose if the people around us rise above us? After all, this is how you successfully climb a mountain.

Additionally, this ethic of love is how the three sectors of society can harmoniously join to make a lasting impact on each other. For example, if we look at the three sectors of society like a plant, the seed and soil would be represented by civil society (individuals representing the seed and NGOs being the soil that insulates them). These elements sit within a clay pot represented by the government, protecting civil society from outside forces. Lastly, the private sector would function as the rain and sunshine that nurtures the seedlings and soil to produce a fruit-bearing tree. A tree that provides not only fruit but also shade and a multitude of resources.

Moreover, to form an action plan to establish my Corporate Citizenship model, I sought the expertise of my co-worker Steven Flores, who volunteered for Bernie Sanders' campaign during the 2016 election and has also been a part of various political clubs in San Diego. In order to take my first action step, Steven stated that we must ask ourselves: “What are we as a nation? And who do we want to be?” These questions help establish the historical context in which we must examine our current conditions and the systems we use. As Steven explains, “the founding fathers set our nation based on organic structures, which inherently have checks & balances.” He goes on to explain how policies of the free-market economy and the teachings of Milton Friedman and Reaganomics all contribute to corporations becoming the dominating force of the three sectors. Notably, according to Steven, “Governments have become subservient to corporations, bending to their will in fear of losing financial support or hurting local economies by taking jobs away. This leaves civil society lost in the middle of this chaos with no redeemer, though they have the true power (voting and purchasing power).”

Using the Sherman Anti-Trust Act as precedent, Steven presented the perspective that any change that would be made to establish Corporate Citizenship would still be constitutional, as the

infrastructure exists already. My proposal wouldn't require new laws to be made. It would simply be a microcosm of the current laws and the three branches of government.

As a result, my action plan would consist of three fundamental elements. First, a publicly elected review board to oversee the social performance of the corporations. Secondly, a publicly elected trade union that would negotiate terms and metrics with the corporations. Thirdly, there would be the metrics themselves that are used to grade the companies. Both review boards, the local community, and the corporations involved would have to work together to establish these terms so that they're fair for everyone. It is pertinent that power be retained by the local communities of civil society to keep everything in check. Just like with any public office, if that person is not meeting the demands of the people or what the position requires, it's imperative that a new person be elected to replace that person. The whole idea of regulating the Corporate Social Responsibility model is to prevent it from being used as just a marketing ploy, much like in the AT&T example from earlier.

Additionally, my cousin and I are working on a news app called Calloqui, with the intention of providing "Issue Driven, Actionable News" that would help connect locals with their public officials. This resource wouldn't only be a communication tool but also another medium that could provide transparency to constituents, allowing them to see what business and public officials are doing in their communities. And once a standard for Corporate Citizenship was cemented, this could then be scaled to the app so the model can be applied to other local communities and even globally.

In conclusion, we have to get back to basics if we want America to be great again. Everything that we need has been passed down through history, and it needs to be studied,

modified, and implemented. But as a society, we must ask what's important: to continue living in the delusions of economics that favor no regulation and give an unprecedented amount of wealth to a small percentage of our overall society, or to give civil society back its power so we can have inclusion and cultivate a stronger economy that's not rooted in the fear of someone doing better than us. I conclude with a powerful statement made by American Entrepreneur Nick Hanauer, "Capital doesn't create economic growth, it's people. And self-interest doesn't promote the public good, it's reciprocity. And it isn't competition that produces our prosperity, it's cooperation" (Hanauer, 2019).

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