

Challenging Corporate Domination: The Public Ownership Approach

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In the wake of the most crippling economic downturn since the Great Depression, it is becoming increasingly evident that the United States is facing a myriad of serious problems that can no longer be solved by a stalemated political system.¹ These challenges will inevitably require the conceptualization of a vision for comprehensive systemic change, and a major component of this is the question of what to do about the large private corporations that presently, to varying degrees, imperil our economy, threaten our democracy, and impede progress on environmental issues.

The ability of large corporations—especially in the financial arena—to endanger the entire economic system is no longer in any doubt. According to the U.S. Treasury Department and Congressional Budget Office (CBO), the financial crisis and Great Recession has cost the nation at least \$2.6 trillion in lost gross domestic product (GDP), \$19.2 trillion in lost household net worth, and 8.8 million jobs.² The \$19.2 trillion number is worth contemplating for a moment. As there are around 115 million households in the United States, the total loss of wealth from the Great Recession is approximately \$167,000 *per household*.³

Policy actions taken during the Great Recession by both the Bush and the Obama administrations—as well as similar actions taken throughout our history and by nations abroad—demonstrate that the sheer size of some of these corporations vis-à-vis the economy requires a government backstop. This reality ensures that profits are often private, but all the risks public.

Our deep dependence on privately owned corporations that are “too big to fail” is widely acknowledged. Yet the implications are far more profound than we typically consider. Beyond its impact on balance sheets and employment, the Great Recession also confirmed a fundamental shift in our political economy. Fully gone is the New Deal state—which, at least in theory, played a moderating role between labor and capital. Instead, we now find ourselves confronted by the corporate state, in which the state’s primary duty becomes to buttress corporate profitability.

In short, our nation has witnessed a radical privatization of economic decision-making authority. A democratic response adequate to meeting this challenge is required. In particular, such a response requires a tactic that has been considered anathema in U.S. politics for the past several decades. Specifically, in at least in some cases, restoring the public democratic authority necessary to meet our nation’s economic and ecological challenges will *require* the willingness to take at least some key corporations directly into long-term public ownership.

Prime candidates for public ownership are the “too big to fail” financial corporations that presently dominate our economy and political system. These did not appear overnight. Between 1984 and 2003, more than 7,000 banks disappeared as the result of mergers and the asset share of the largest banks grew from 42 to 73 percent.⁴ As the size of financial corporations have increased, so too have the frequency and severity of crises. In *Manias, Panics, and Crashes: A History of Financial Crises*, the late MIT professor of economics Charles Kindleberger and University of Chicago professor of international economics and finance Robert Aliber found that the “years since the early 1970s are unprecedented in terms of the volatility in the prices of commodities, currencies, real estate, and stocks” and despite “the lack of perfect comparability across periods, the conclusion is unmistakable that financial failure has been more extensive and pervasive in the last thirty years.”⁵

Moreover, the growing power of these corporations has repeatedly stymied any political attempts to reduce systemic risk. In fact, today these financial giants are larger than before the Great Recession. In 2006, the top six banks had assets amounting to around 55 percent of GDP.⁶ As of June 2012, this had increased to approximately 60.1 percent.⁷ In 2011, the financial services company, Standard & Poor’s, warned that risks in the financial sector were now greater than before the crash in 2008. “[T]he potential *initial* cost to taxpayers of the next crisis cleanup” could, they forecasted,

“approach 34 percent of the nation’s annual economic output.”⁸ In the words of Simon Johnson, former chief economist at the International Monetary Fund (IMF), banking corporations are moving from “too-big-to-fail,” to “too-global-to-fail.”⁹

Many large corporations also have the incentive and means to “monopolize” the market in their sector(s). By limiting new competitors, setting prices, extracting subsidies, and influencing output and investment, they facilitate even greater concentration and accumulation of power. In 1971, the Marxian economist Paul Sweezy wrote that “[w]ith the growth of the giant corporation, capitalism left its competitive stage and entered its monopoly stage.”¹⁰ Recently, writing in the same tradition, John Bellamy Foster and Robert McChesney have argued that “what we have been witnessing in the last quarter century is the evolution of monopoly capital into a more generalized and globalized system of monopoly-finance capital that lies at the core of the current economic

system in the advanced capitalist economies—a key source of economic instability.”¹¹ For example: the top six mega banks now have around 74 percent of the industry’s total assets;¹² Microsoft controls 89.7 percent of the market for computer operating systems;¹³ Intel controls 80.3 percent of the market for microchip production;¹⁴ Five cell phone manufacturers control around 78 percent of the U.S. market;¹⁵ Two companies—IBM and

HP—control nearly 59 percent of all computer production.¹⁶ These and multiple other industries have seen marked concentration in recent years and decades.

The most evident result of the concentration of corporate power has been the cooptation of the American political system—the basis of our present-day corporate state. This development has not gone unnoticed by the American public. For example, a May 2011 survey found that 80 percent of Americans believed that members of Congress were interested in serving special interests more than their constituents and 75 percent believed that large corporations had too much influence in American life.¹⁷ Even in conservative circles, criticism of so-called “crony capitalism” is common. For instance, on Labor Day, 2011, former vice-presidential candidate Sarah Palin assailed the intersection of corporations and politics. “[M]any big corporations,” she argued, “skirt federal taxes because they have the friends in D.C.

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who write the rules for the rest of us.” “Some businesses,” she continued, “spend more time trying to figure out how to hide their profits than they do in generating more profits”¹⁸

In recent decades, corporate lobbying and campaign spending has exploded. Political scientists Jacob Hacker of Yale and Paul Pierson at Berkeley have noted that as of 2004, “[t]he cost of direct lobbying—personal contact with lawmakers—ha[d] nearly doubled since 1997, to almost \$2 billion per year [and] [i]ndirect lobbying (such as telemarketing and issue advertising) raise[d] the total to roughly triple that amount.”¹⁹ By 2012, direct lobbying had reached \$3.28 billion, up from \$1.44 billion in 1998—more than double.²⁰ Total spending by presidential candidates has jumped from \$264 million in 1976 (in inflation adjusted 2011 dollars) to \$1.38 billion in 2008.²¹ Meanwhile, “outside expenditures” have climbed from a modest \$11.1 million in 1990 to over \$1 billion in the 2012 election.²²

The correlation between political expenditures and positive economic outcomes for corporations is well documented. A 2009 study found that for every additional \$1 spent on lobbying, corporations were able to secure between \$6 and \$20 in new tax benefits. Similarly, a 2010 study found that every dollar spent on lobbying was associated with \$24–\$44 in extra income for the corporation. According to former Under Secretary of Commerce for Economic Affairs Robert Shapiro and economist Douglas Dowson, “[e]xtensive analysis and evidence, then, support the view that corporate participation in the political process yields generally positive returns for firms and their shareholders.”²³

The effect of this type of behind the scenes lobbying activity on the political process is profound. For example, more than two years after Dodd-Frank financial reform legislation was approved, only 131 of the nearly 400 regulations had been written and 145 deadlines (61 percent) had been missed.²⁴ In just the three months following passage of the law, 123 corporations, associations, and other groups mentioned the law when lobbying the Securities and Exchange Commission (SEC), a 45 percent increase over the second quarter of 2010 and a 339 percent increase over the third quarter of 2009. During the same time period, 93 groups similarly lobbied the Commodity Futures Trading Commission, a 22 percent increase over the second quarter and a 933 percent increase over the third quarter of 2009.²⁵

That certain corporations can and do use their power to influence regulators and to undermine and weaken regulations they oppose is well known. The concept of “regulatory capture” was, in fact, put forward forcibly by George Stigler and conservative economists around the University

of Chicago. Stigler wrote in 1971 that regulations were commonly “acquired by the industry and ... designed and operated primarily for its benefit.”²⁶

Of course, corporations do not merely dominate politics through regulatory capture and lobbying. As Yale political scientist Charles Lindblom noted in his classic work *Politics and Markets*, corporate capital, structurally, has a privileged position. As Lindblom explained, “[a]ny government official who understands the requirements of his position and the responsibilities that market-oriented systems throw on businessmen will therefore grant them a privileged position. He does not have to be bribed, duped, or pressured to do so He simply understands, as is plain to see, that public affairs in market-oriented systems are in the hands of two groups of leaders, government and business, who must collaborate, and that to make the system work government leadership must often defer to business leadership.”²⁷

Moreover, corporate political domination is not limited to the federal government. Corporations also actively undermine the political process in states and localities across the country. In many regards this is even more damaging, as state and local governments—which compete to encourage corporations to locate facilities in their jurisdictions—are often even more susceptible to corporate influence. The results of these activities at the state and local level are profound. In recent years, they have included privatizations of city and state services, attacks on worker rights, and massive giveaways in the form of economic “incentives” and tax breaks. Research by Good Jobs First has shown that these state and local economic development subsidies total around \$70 billion a year,²⁸ an expense that Cornell University professor of economic geography Susan Christopherson has called nearly “a complete waste of taxpayer money.”²⁹

Most people appreciate that ecological issues—including those of climate change and resource limitations—are only likely to rise in importance throughout the century. Here, fundamentally, large corporations pose a serious impediment. Even superficially, it is evident that large private corporations will and do oppose environmental initiatives that may threaten their bottom line. For example, the ‘Big Three’ U.S. automakers fought tooth-and-nail for decades against more stringent environmental regulations. Frank O’Donnell, President of Clean Air Watch, has asserted that “GM has long been one of the most anti-environment companies in America’s history, dating back to its efforts to limit car emission standards.”³⁰

Similarly, in the early 1990s corporations including Exxon, BP, Shell USA, Texaco, and groups such as the American Petroleum Institute and the National Association of Manufacturers came together as part of the

now defunct Global Climate Coalition. Financed by fees from its member corporations and trade groups, the organization embarked upon a lobbying and public relations campaign intended to discredit climate science—even as its own scientists and experts were warning that global warming and the potential impact of human emissions of greenhouse gases could not be disputed.³¹ Along with their large coal and electricity counterparts, these same corporations and others played a major role in defeating the climate-change focused American Clean Energy and Security Act in the Senate (after it had already passed the House) in 2010.

On a more basic level, addressing climate change and resource limitations will at some point require a fundamental re-evaluation of how we meet our economic needs. Currently, corporations are trying to postpone the reaching of resource limits with technological “fixes” such as fracking, tar sands exploitation, and deep water drilling. However, these methods are often equally or more environmentally costly—especially with regards to climate change—than traditional approaches and require more energy and capital to implement.³² Moreover, re-defining our economy to prioritize the reduction (rather than growth) of resource use is directly contradictory to the entire basis of our current profit-focused corporate model.

The traditional American progressive approach to these issues has been to try to restrain corporate abuses through regulation, antitrust trust, and/or by supporting the countervailing power of organized labor. All of these strategies have failed. While banking and the long death of Glass-Steagall is perhaps the most famous power grab, corporations have also successfully lobbied for “deregulation” in transportation, telecommunications, and other sectors. Moreover, even when new regulations are proposed—as with the Dodd-Frank financial reform legislation—affected corporations quickly move behind the scenes to weaken the suggested rules and bend them to their own benefit.

Similarly, since the 1970s there has been a fundamental reinterpretation of antitrust law by the courts and a large decline in successful anti-trust prosecutions by the Justice Department. In fact, the last major corporation to be physically broken up as a result of an anti-trust case was AT&T in 1982. Conservative judge and legal scholar Richard Posner, himself a driving force behind these changes, claims that “[a]ntitrust has to a great extent

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been normalized, domesticated. Its political, its ideological, character has receded in tandem with growing agreement on its premises.³³ Critics, however, have a different interpretation. American University law professor Herman Schwartz maintains that “[t]he antitrust statutes still exist . . . but their contents have been radically hollowed out and the intent of those who enacted them has been explicitly dismissed.”³⁴

Moreover, it is evident that even when corporations are broken up by antitrust actions, they often recombine afterward. For example, as the result of an antitrust settlement with the government, on January 1, 1984 AT&T spun off its local operations creating the seven so-called “baby bells.” These then quickly began to merge and regroup. By 2006, four of the baby bells were reunited with their parent company (AT&T) and two others, Bell Atlantic and NYNEX, merged to form Verizon. Currently, according to observers, we have “a telecom industry that is far more consolidated than any of the breakup’s advocates had anticipated.”³⁵ As with regulatory capture, some of the harshest critics of the effectiveness of antitrust law were highly conservative economists. Milton Friedman once wrote: “When I started in this business, as a believer in competition, I was a great supporter of antitrust laws. . . . But as I watched what actually happened, I saw that, instead of promoting competition, antitrust laws tended to do exactly the opposite, because they tended. . . . to be taken over by the people they were supposed to regulate and control.”³⁶

Lastly, the collapse of organized labor in the United States is obvious. From a modest—compared to many other countries—post-war peak of 34.7 percent of the labor force belonging to a union in 1954, the unionization rate has fallen dramatically to just 11.3 percent in 2012 (6.6 percent in the private sector).³⁷ While many factors are behind this decline going back to the Taft-Hartley Act of 1947, a key one was the political mobilization of corporations starting in the 1970s. When unions were more powerful, they provided a counterweight to corporations that helped provide the political support necessary to maintain effective regulatory and antitrust measures, as well as pass social, environmental, and safety legislation. With their decline, the likelihood of significant progressive initiatives to alter decaying trends seems remote.

If certain large private corporations pose a significant threat to the economy, to democracy, and to the environment; and if traditional strategies of control no longer work, a different approach must be considered—specifically democratized public ownership. A perspective on this issue was offered by

E. F. Schumacher, author of the influential book *Small is Beautiful*, who held that “[w]hen we come to large-scale enterprises, the idea of private ownership becomes an absurdity.”³⁸ Of course, any such program will be immediately attacked as “socialism.” But, in a time of decay and stalemate, ultimately, as John Kenneth Galbraith once noted, “[t]he issue is purely a pragmatic one: Is it working now, or would it work better under public ownership?”³⁹

One charge commonly leveled against public ownership is that it is “inherently” less efficient than private enterprise. In recent decades such a view has generally been accepted as gospel, especially in the United States. However, studies are beginning to cast doubts on this “consensus.” University of Glasgow professor Andrew Cumbers has recently asserted that “contrary to the current received wisdom, the experience and performance of statist public ownership was highly varied.”⁴⁰ For instance, “Korea, Taiwan and Singapore all used state-owned enterprises to fuel spectacular economic growth.”⁴¹ Similarly, in 2000, Tel Aviv University professor Yair Aharoni concluded that “[t]he assumption that ownership per se creates an environment that is conducive to high or low performance is not proven, and empirical research on this point has yielded conflicting results.”⁴² And writing in the *Harvard International Journal*, Francisco Flores-Macias and Aldo Musacchio maintain that “the world has changed” and certain modern public enterprises can be “efficient, even in comparison to their private counterparts.”⁴³

How efficiency is defined and conceptualized is rarely discussed, yet crucial. Because public enterprises often exist to fulfill social, not just market, requirements, traditional measures of efficiency are not adequate. According to Aharoni, “it is not enough to measure performance in strict economic terms. One has to measure the stimulus provided to other socio-economic activities and other externalities Financial measures are misleading for those who see [a public enterprise] as a government instrument that should strive to achieve objectives such as a more egalitarian distribution of income, regional development, technological self-sufficiency, poverty reduction, or development.”⁴⁴

Additionally, contrary to the dominant perspective, comparing the efficiency of public and private enterprises is problematic. There are not usually directly comparable firms operating within the same sector of the same country at the same time. In one of the few studies to investigate roughly comparable firms—in this case public and private railways in Canada—Douglas Caves and Laurits Christensen found that competition improves

efficiency and “[o]ur principal conclusion is that public ownership is not inherently less efficient than private ownership.”⁴⁵ Another exception, often considered the best for comparison, is the utility sector in the United States where public enterprises operate alongside private investor owned companies. However, in the words of Aharoni, “[o]verall, the studies of electricity utilities in the United States do not provide support for the assumed superiority of private ownership.”⁴⁶ Harvard University professor John Donahue is even more emphatic. He found that “the evidence broadly contradicts the common presumption that private utilities will operate more efficiently than their public counterparts.”⁴⁷ In fact, a recent American Public Power Association (APPA) study found a median net revenue transfer to municipalities of 5.2 percent of revenues for public utilities. By contrast, the median tax payment of investor-owned utilities was 25 percent less or 3.9 percent of gross revenues.⁴⁸

A related charge is that public ownership is naturally overly bureaucratic and subject to political interference and cronyism, which in turn can negatively impact efficiency (either in a traditional accounting sense or in terms of maximization of social goals) and drain public resources. In reality, however, few modern public enterprises in the developed world are structured in ways that validate these charges. Public ownership comes in many different forms (wholly owned, majority owned, minority owned, listed, non-listed, etc.) and organization varies from country to country, industry to industry, and between different levels of government based on differing legal and legislative framework. As a general rule, most public enterprises have independent boards responsible for day-to-day management and decision-making. They are accountable to representative bodies and the legal system, externally audited, physically separated from regulatory entities, and relatively transparent in their decision-making. Often they are financially self-sufficient and take no public funds to finance operations (with profits, or portions thereof, either re-invested in the enterprise or dispersed to the public). For example, the 80 year old Tennessee Valley Authority (TVA)—one of the nation’s largest power companies with around \$11.2 billion in revenues, more than 12,000 employees, and a 99.9 percent reliability rating—is a wholly-owned agency of the federal government.⁴⁹ However, it has an independent board (appointed by the President and confirmed by the Senate—seven of whom have to be local residents), is fully self-funded (including by issuing AAA rated bonds to private investors), is overseen by committees in the House and Senate,

is externally audited, files annual and quarterly reports, invites public and staff comment on certain decisions, and is subject to Freedom of Information Act requirements.

While the TVA is not immune to criticism—especially with regards to its environmental performance—its financial impact in the region it operates is significant. In 2012 the TVA returned a record \$579 million to state and local governments in Tennessee, Alabama, Mississippi, Kentucky, Georgia, North Carolina, Virginia, and Illinois (5 percent of gross power proceeds in lieu of taxes), and is estimated to have paid a total of \$10.3 billion in such payments since 1941.⁵⁰

Public ownership in the United States is more common than most people believe. In addition to the Tennessee Valley Authority and the 2,000 publicly-owned utilities that—along with cooperatives—provide around 25 percent of the nation’s electricity, public enterprises exist throughout the local, state, and federal levels of governance.⁵¹ On the federal level, two of the most cost-effective healthcare enterprises in the United States—Medicare and the Veterans Administration—are public entities. So, too, the largest pension manager in the country is a public entity: the Social Security Administration. Around one-third of all the land in America is publicly owned and managed, and the federal government operates around 140 banks and quasi-banks that provide loans and loan guarantees for a wide range of economic activities.⁵²

On the state and regional level, public ownership of highly successful commercial enterprises such as ports and airports are common. For example, the Port Authority of New York and New Jersey, which has approximately \$3.8 billion in gross operating revenues and \$11.7 billion in net assets, has planned, developed, and operated numerous businesses that are critical to the region. These include: Kennedy, LaGuardia, Newark, Stewart, and Teterboro airports; seven ports and terminals; tunnels and bridges—including the George Washington Bridge, the Lincoln Tunnel, and the Holland Tunnel; the PATH Rail Transit System; waterfront developments; ferry transportation; bus terminals; the World Trade Center; and various other efforts, including a number of industrial parks.⁵³ Another example is the publicly owned and highly successful Bank of North Dakota. Since 2010, twenty states have introduced

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legislation considering the creation of public banks similar to the Bank of North Dakota.⁵⁴

Nationalization of private corporations during times of national need also has precedents in American history. In 1917, private railroads—unable to handle increased demand for the movement of war materiel and facing an antitrust investigation and general strike—were de-facto nationalized by the Wilson administration and operated by the government until 1920.⁵⁵ During World War II, dozens of companies were nationalized, including “railroads, coal mines, and, briefly, the Montgomery Ward department store chain.”⁵⁶ In 1984 President Reagan seized 80 percent of the shares in the failing Continental Illinois National Bank and Trust—deemed too big to fail.⁵⁷ And of course, during the most recent financial crisis George W. Bush nationalized Freddie Mac, Fannie Mae, and AIG, while Barack Obama took over Citigroup, General Motors, and GMAC.

Throughout both the developed and developing world, public ownership is commonplace, often in areas of strategic national importance. Publicly owned companies produce roughly 75 percent of all oil worldwide.⁵⁸ Public enterprise operates advanced high-speed rail in France, Spain, Belgium, Germany, Italy, the Netherlands, China, and South Korea.⁵⁹ Public ownership of significant or controlling shares of airlines is also common: France holds 15.9 percent of Air France-KLM; Sweden, Denmark, and Norway hold a 50 percent stake in SAS; Israel, 34.6 percent of El Al; Singapore, 55.9 percent of Singapore Airlines—regularly ranked as one of the world’s best airlines.⁶⁰ The European Aeronautics Defence and Space Company (EADS)—producer of Airbus and other major planes and helicopters—is partly owned by the French and Spanish governments.⁶¹ More than 200 public and semi-public banks, along with another eighty plus funding agencies, account for a fifth of all bank assets in the European Union.⁶² Japan Post Bank is the world’s largest public bank and one of that nation’s largest employers.⁶³ Brazil, now an economic powerhouse, has more than a hundred state-owned or controlled enterprises, including major banks, utilities and a large oil company (Petrobras).⁶⁴ Faster and more widely available internet access is provided in many countries where public corporations exist side by side with private companies. Public telecommunications companies are common around the world, including in Austria, Belgium, Japan, Sweden, France, Germany, Italy, Switzerland, Turkey, and Norway.⁶⁵

Despite its prevalence, public enterprise is no panacea, and is not without its limitations. Many studies find that public enterprise works best

when it is relatively independent of the political system and free from the day-to-day influence of politicians. Soviet experience provides evidence of the problems of centralization and routine political interference. One can also find examples in the United States—the current travails of the U.S. Post Office, for example, largely stem from congressional interference that has forced it to pre-fund seventy-five years of future worker's health benefits in just a decade—a burden faced by no private employer.⁶⁶ In recent years the aforementioned Port Authority of New York and New Jersey has become increasingly undermined by party based patronage (to say nothing of catering to private interests)—specifically with regards to the Republican administration of New Jersey Governor Chris Christie.⁶⁷

On the other hand, public enterprises that act like private corporations operating in the competitive market sometimes fall victim to the same practices that are ultimately detrimental to the economy, democracy, and the environment. For instance, in April 2003 the Turkish state owned enterprise BOTAŞ began constructing a trans-national pipeline in conjunction with the private British corporation, BP. BOTAŞ was heavily criticized by groups such as Amnesty International for the way it expedited the expropriation of land for the project in order to avoid delays that would have harmed its private partners, as well as for management practices that increased environmental and safety risks.⁶⁸ The environmental record of many state-owned enterprises, especially in the energy sector, is often as bad as their private counterparts and is cause for concern and attention.

However, the continued prevalence of public ownership in the developed world and even in the United States after more than 30 years of worldwide “free market” fervor is testament to both the resilience and beneficial aspects of the model. It can be a conduit for the more equitable distribution of proceeds gained from local resources—rather than allowing these to be funneled to an elite minority. It can allow for the prioritization of goals that are of paramount importance to local populations (such as jobs, economic development, environmental sustainability, infrastructure, education, and affordable goods and services)—rather than hoping, often in vain, that the private market will at some point adequately fill these needs. It can ensure local control of economic decisions—rather than have those decisions made by absentee owners with little or no connection to the community. It can allow for a transparent decision-making process with public input—rather than having decisions be made in secret behind closed doors. And, crucially, it can contribute to the strengthening of democratic values.

Public ownership, in other words, needs to be taken off the list of forbidden policy options. Aside from preserving and strengthening its historical role of providing local control over socially important services, public ownership could be expanded to areas where large national entities are necessary—possibly for reasons of trade, international competition, or complexity of production—but detrimental to the economy, the environment, and democracy in their private form. Publicly owned enterprises could be internally re-shaped and re-invigorated to reflect important societal values such as democracy, participation, pluralism, accountability, transparency, and sustainability. They could be tasked with long-term goals that will benefit society and the environment in various ways.

One theoretical example of how this process could work builds upon existing precedents to solve an ongoing and future problem. During the recent recession and financial crisis, the U.S. government took over the failing private automaker General Motors, and reconstituted it in a way that involved public ownership (via the U.S. government, the Canadian government, and the Ontario government) and pseudo-worker ownership (via the United Auto Workers' retiree health care VEBA). In the future, instead of quickly selling off the public's stake, such joint public-worker owned companies might be tasked with domestically manufacturing vehicles necessary for the badly needed expansion of high-speed rail and other mass transit networks. Such an orientation would reduce the country's carbon emissions and fossil fuel usage,

while at the same time providing stable, anchored, well-paying jobs in declining former auto producing communities.

As America attempts to recover from the wreckage of the Great Recession and confronts an uncertain future, criticisms of corporate power are once again appearing and getting louder. But for all of the indictments, few commentators have been bold enough to propose anything more than the failed regulatory approaches of the past. Similarly, many proponents of a sustainable and grassroots local-scale economic model have yet to adequately address the question of the ubiquity of large (and growing) corporations in our present economy and everyday lives. In these debates—as well as the many others revolving around other economic, political, and environmental issues—democratized public ownership as an alternative to corporate domination must be part of the ongoing and future discussion.

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NOTES

1. Certain material in this paper is adapted from an article co-authored with Gar Alperovitz, titled “Beyond Corporate Capitalism: Not So Wild a Dream,” which appeared in *The Nation* in May 2012. The author can be reached for comment or questions at: tmhanna@democracycollaborative.org.

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7. As of June 30, 2012 the top 6 bank holding companies had assets of \$9.48 trillion. 2012 estimated GDP is 15.60 trillion. National Information Center, “Top 50 Bank Holding Companies As of March 31, 2012,” *Federal Reserve*, 2012, accessed November 6, 2012, <http://www.ffiec.gov/nicpubweb/nicweb/Top50Form.aspx>; Office of Management and Budget, “Table 10.1—Gross Domestic Product and Deflators Used in the Historical Tables: 1940–2017,” in *Historical Tables: Budget of the United States Government, Fiscal Year 2013* (Washington, DC: Government Printing Office, 2012), accessed July 6, 2012, <http://www.whitehouse.gov/omb/budget/Historicals>.

8. Emphasis added. Shahien Nasiripour, “Financial System Riskier, Next Bailout Will Be Costlier, S&P Says,” *Huffington Post*, April 19, 2011, accessed November 6, 2012, http://www.huffingtonpost.com/2011/04/19/financial-system-riskier-_n_851122.html.

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12. As of June 30, 2012 the top 6 bank holding companies had assets of \$9.48 trillion and total bank assets were \$12.8 trillion. For the top six, see: National Information Center, “Top 50 Bank Holding Companies as of March 31, 2012,” *Federal Reserve*, 2012, accessed November 6, 2012, <http://www.ffiec.gov/nicpubweb/nicweb/Top50Form.aspx>. For total bank assets, see: Board of Governors of the Federal Reserve System, *Assets and Liabilities of Commercial Banks in the United States (Weekly) H.8* (Washington, DC: Federal Reserve Board, 2012), accessed November 6, 2012, <http://www.federalreserve.gov/releases/h8/current/>.

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