



Facultad
Latinoamericana de
Ciencias Sociales.
Sede Argentina.

Área de Ética,
Derechos y Bienes
Públicos Globales.

GLOBAL STUDIES PROGRAMME GLOBAL ECONOMY & SOCIETY

“Global and local dynamics on transnational corporations: Understanding corporate capture”

Course Syllabus 2023

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DATES AND TIME | Wednesdays from 1st to 29th November, 10am – 1pm
Argentina (GMT-3)

CREDIT HOURS (total) | 15 hours

1. INTRODUCTION

During the last decades we have witnessed the power concentration of transnational corporations (TNCs) at a global scale. At the head of a new paradigm of international economic relations, these companies came to control the bulk of the world trade and global economy. In this growth, the overlapping of national regulations and the proliferation of bilateral and mega-regional trade and investment agreements have played an important role. While corporate interests are increasingly protected under the umbrella of hundreds of investment and trade rules human rights are usually jeopardized. The corporate capture has shown effects that range from the erosion of national tax bases and the proliferation of illicit financial flows (IFF) to flagrant violations of social, labor and environmental

rights. Although different mechanisms were developed to mitigate these impacts, they are not enough or have not always received effective compliance. The impunity around corporate practices not only conspires against a sustainable development but also undermines legitimacy of democracies and gives rise to a sort of *post-democracy* fueled by social skepticism and intolerable levels of inequality. The corporate capture acquires even greater relevance when we consider TNCs' capacity of lobbying, retaliation, corruption or use of revolving doors, with the resulting discredit of the politics, asymmetry of power and democratic deficits.

In this framework, besides from offering theoretical and analytical inputs, the objective of this seminar is to provide information and documentation for a comprehensive understanding of the corporate capture phenomenon throughout three main analytic pillars: democracy, human rights and tax justice. The purpose is to recognize the different ways the corporate capture harms development and democratic perspectives –mainly in the countries of the South– and to identify policies and mechanisms to mitigate them. In this sense, as regards of human rights, the initiatives to get an international binding framework to regulate the activities of TNCs are particularly considered. Concerning tax matters, the challenges to reform the international corporate taxation regime are specially analyzed. Besides the role played by intergovernmental organizations and States, the work done by political parties, trade unions, civil society organizations and international networks is also emphasized.

a. Course axes

- A multidimensional corporate capture approach.
- Tax justice and the reform of the international corporate tax regime.
- Human, labor and environmental rights and the challenges for the international human rights law.
- Political capture: lobbying, revolving doors and corruption.

b. Objectives

- Providing students with an analytical framework to understand the corporate capture phenomenon from a comprehensive and multidimensional perspective.
- Identifying economic, social, ecological and political effects of corporate strategies and its impacts on development and democracy.
- Exploring political and regulatory solutions to protect human, labor and environmental rights, and to promote fair taxation and democracy.
- Recognizing the alternatives to dismantle corporate capture and to promote stronger democratic controls over TNCs' activities.

c. Structure

Part I – Introduction

- 1.1. Presentation of the syllabus. Key concepts, key discussions and analytic pillars.
- 1.2. The importance of building a multidimensional corporate capture approach.
- 1.3. Corporate influence at national, regional and global level.

Part II – Business and Human Rights

- 2.1. TNCs and violations of economic, social, cultural, environmental and health rights. The *Lex mercatoria* and the “architecture of impunity”.
- 2.2. Guiding principles on business and human rights. State national action plans (NAPs) and processes underway.
- 2.3. Perspectives for an international legally binding instrument to regulate the activities of TNCs.

Part III – Tax Justice and International Corporate Taxation

- 3.1. Taxation of TNCs. Tax evasion and avoidance. Transfer pricing. The race to the bottom. Illicit financial flows. Tax havens and global scandals.
- 3.2. The reform of the international corporate taxation. The discussion around a global corporate minimum tax.
- 3.3. The role of civil society organizations, independent consortiums and networks.

Part IV - Democracy and Political capture

- 4.1. Corporate state capture and its variations. Lobbyism, corruption, revolving doors, political party funding and technocracy.
- 4.2. The power of mass media and digital giants.
- 4.3. Multistakeholderism and the challenges to multilateralism.

Part V – Alternatives and resistances

- 5.1. Strategies to promote stronger democratic controls over TNCs.
- 5.2. Options for limiting corporate dominance over global governance. The role played by international institutions.
- 5.3. Resistance, regulation and alternatives to dismantle corporate capture. Governments, social movements and grassroots organizations.

2. COURSE REQUIREMENTS

a. Class participation and presentation of recommended texts (40%)

b. Final writing (60%)

- ✓ Type: Essay
- ✓ Submission: individually/by group (2-3 students).
- ✓ Extension: 10/15 pages (5000/7500 words + bibliography).
- ✓ Citation: APA rules (suggested)
- ✓ Issue: analysis of a corporate capture case, including (desirably) a proposal of resistance, regulation or alternative for controlling TNCs.
- ✓ Level: global, regional, national or local.
- ✓ Stakeholders/actors: civil society, grassroots organizations, trade unions, governments/states or international institutions.
- ✓ Deadline: **18/12/23**

3. SCHEDULE AND BIBLIOGRAPHY

Class I (01/11) - Introduction

Fichter, Michael (2014), "Recasting the Die. Towards strengthening democratic control of the power of transnational corporations", Friedrich-Ebert-Stiftung (FES), Germany.

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Guamán, Adoración (2020), "The corporate architecture of impunity. Lex Mercatoria, market authoritarianism and popular resistance", State of Power 2020, TNI, January.

<https://longreads.tni.org/architecture-of-impunity>

Class II (08/11) – Business and Human Rights

Global Campaign to Reclaim Peoples' Sovereignty, Dismantle Corporate Power, and Stop Impunity (2023), "Frontiers of an Effective Binding Treaty", March.

<https://www.cetim.ch/wp-content/uploads/Frontiers-of-an-effective-Binding-Treaty-2023.pdf>

Uribe, Daniel (2018) "Keeping the head up: lessons learned from the international debate on business and human rights", in *Homa Publica – International Journal on Human Rights and Business*, 2(2), 19-40

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Zubizarreta, J. H.; Ramiro, P. (2016), "The legal architecture of impunity: The Lex Mercatoria against international human rights law". In Zubizarreta, J. H.; Ramiro, P., *Against the "Lex Mercatoria". Proposals and alternatives for controlling transnational corporations*, Observatory of Multinationals in Latin America (OMAL), 11-31. (*)

http://omal.info/IMG/pdf/against_lex_mercatoria.pdf

Class III (15/11) – Tax Justice and the International Corporate Taxation

Chowdhary, Abdul M.; Diasso, Sébastien B. (2022), "Taxing Big Tech: Policy Options for Developing Countries", Tax Cooperation Policy Brief N°27, The South Centre, December.

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<https://www.icrict.com/an-emergency-tax-plan-to-confront-the-inflation-crisis>

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https://taxjustice.net/wp-content/uploads/2022/06/TJN_Call-for-Input-Independent-Expert-on-Foreign-Debt_30-May-2022.pdf

Class IV (22/11) - Democracy and Political capture

Durand, Francisco (2016), "Corporate state capture and its variations", in Durand, F., *Extractives Industries and Political Capture: Effects on Institutions, Equality, and the Environment*, OXFAM América, Peru.

https://peru.oxfam.org/sites/peru.oxfam.org/files/file_attachments/EXTRACTIVE%20INDUSTRIES%20AND%20POLITICAL%20CAPTURE.pdf

Haar, Kenneth; Berrón, Gonzalo (2022), "Funding for Profit & Multistakeholderism", Corporate Europe Observatory (CEO) and TNI, November. (*)

https://www.tni.org/files/2023-01/funding_for_profit_and_multistakeholderism_final_for_web.pdf

Saenz Cortes, Hernán (2021), "Crisis and Capture: reclaiming democracy and fighting inequality in Latin America and the Caribbean", OXFAM International, July.
<https://oxfamilibrary.openrepository.com/bitstream/handle/10546/621200/dp-crisis-capture-latin-america-caribbean-010721-en.pdf;jsessionid=C28A85E4258C701F3A18BFDC55FC0569?sequence=4>

Class V (29/11) - Alternatives and resistances

Friends of the Earth Latin America and the Caribbean (ATALC, 2021), "TNCs and peoples' rights in Latin America and the Caribbean: violations of peoples' sovereignty", January. (*)

https://www.foei.org/wp-content/uploads/2021/04/ATALC_transnational-corporations-peoples-rights-latin-america-and-the-caribbean_ENG.pdf

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4. COMPLEMENTARY READINGS

Askanius, T. *et al* (2023), "Digital Power", State of Power 2023, TNI, February.

<https://www.tni.org/en/publication/stateofpower2023>

Cañete Alonso, Rosa (2018), "Captured Democracy: Government for the Few. How elites capture fiscal policy, and its impacts on inequality in Latin America and the Caribbean (1990-2017)", OXFAM/Latin American Council of Social Sciences (CLACSO).

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Ovonji-Odida, Irene; Grondona, Verónica; Muheet Chowdhary, Abdul (2022), "Two Pillar Solution for Taxing the Digitalized Economy: Policy Implications and Guidance for the Global South", Research Paper N° 161, The South Centre, July.

https://www.southcentre.int/wp-content/uploads/2022/07/RP161_Two-Pillar-Solution-for-Taxing-the-Digitalized-Economy_EN.pdf

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5. DOCUMENTS

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