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FROM BIG BUSINESS TO A LIBERATION ECONOMY

A Racial Justice Agenda for Reining in Monopoly Power

BY
Jeremie Greer, Emanuel Nieves, Solana Rice,
Azza Altiraifi, and Adrien Lorenzo Weibgen

LIBERATION IN A GENERATION

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LIBERATION IN A GENERATION

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SECTION 1

Introduction

In the aftermath of George Floyd's brutal murder and the subsequent "racial reckoning," nearly every corporate monopolist rushed to declare their support for Black Lives Matter. Some took to Twitter and Instagram on #BlackoutTuesday,[1] while others pledged billions in charity to address racial inequality.[2] Even Jamie Dimon, chair and CEO of JPMorgan Chase & Co., knelt Colin Kaepernick-style in front of a bank vault to show solidarity with Black people.[3]

Many hoped that this surge in concern would lead to corporate reforms that demonstrated a heightened responsibility to Black people. However, these shallow acts of compassion turned out to be public relations stunts, masking the complicity of corporations in designing and overseeing an economic system of white supremacy that has harmed people of color[ii] for generations. For example, out of the nearly $50 billion donated by America's 50 largest corporations following George Floyd's murder, over 90 percent were investments and loans,[4] meaning that even amid America's reckoning with racial injustice, corporate monopolists were *still* prioritizing making racism profitable.

Big Businesses[iii] care exclusively about one thing: maximizing profits to enhance the wealth of their shareholders. They are willing to do whatever it takes to achieve this goal. Even during the COVID-19 pandemic, when people of color faced untenable levels of economic distress and hardship, corporations managed to ensure that their profits soared. For example, despite federal and state eviction moratoriums, corporate landlords continued to file evictions against their renters, who were more likely to be Black and Brown.[5] Additionally, as inflation spread in 2022 and 2023, corporations found ways to keep increasing their profits, including by raising rents in corporate-owned homes by up to 30 percent.[6] These and other corporate actions have led many to identify corporate profiteering as a key contributor to the inflation crisis.[7, 8]

Contrary to the ideal notion encapsulated by Abraham Lincoln's famous words, "a government of the people, by the people, for the people, shall not perish from the earth,"[9] the realities we face are maintained by ***Big Business Co-governance***. Occurring when government and democratic institutions join with corporations to govern the nation, Big Business Co-governance has resulted in weakened government oversight and control of Big Business, leading to runaway corporate power. To rein in corporate power and hold corporations accountable for their abuses and harms, we must establish a system of ***Democratic Co-governance***, where power is shared with communities and movements to address the interests, needs, and concerns of marginalized groups, particularly people of color.

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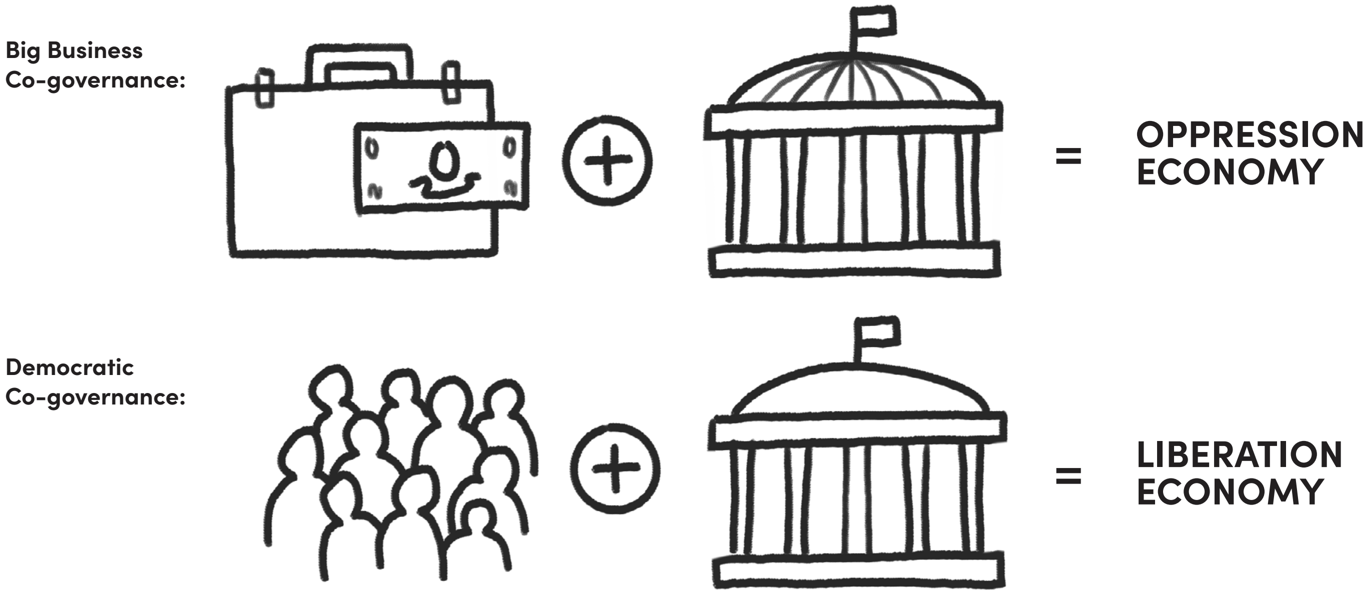
ii In this document, we use "people of color," "communities of color," "workers of color," and other similar phrases to refer to Black, Indigenous, Latine, Arab and Middle Eastern, and Asian and Pacific Islander people. We use these terms not to erase the experience of any group but to demonstrate the shared impact that systemic racism and white supremacy have had on us.

iii At LibGen, we define Big Business as corporate entities of all sizes that use monopolistic, predatory, exploitative, unfair practices and harmful shortcuts to exploit societal shortcomings and systematic racism to profit and grow their economic power and control over our economy and democratic institutions.



At Liberation in a Generation (LibGen), our focus is on building the power of people of color to transform the economy—determining who controls the economy, how it functions, and, most importantly, who benefits from it. As a movement-support organization, our first steps in advocating for a new system of co-governance began with the publication of our "Anti-Monopoly Activism" report in 2021. This report served as a primer for grassroots individuals and campaigns involved in anti-monopoly activism.[10] The report highlighted how monopoly power is amplified in our economy and shed light on how the lack of anti-monopoly research and policy ideas centered on people of color contributes to racial injustice.

Building on our commitment to center communities of color in anti-monopoly policy development, research, and organizing, we convened over 70 anti-monopoly experts, advocates, and grassroots organization representatives throughout 2022 and into the beginning of 2023.[iv] Our goal was to collaborate with policy partners and movement leaders from across the country to develop, vet, and refine anti-monopoly policy and research agendas that center racial justice.

This report is the culmination of this intentional effort. Within it, we describe the racist consequences of the Oppression Economy created by Big Business Co-governance, envision the Liberation Economy that could be achieved through Democratic Co-governance, and outline jointly developed anti-monopoly policy and research agendas that propel us toward a Liberation Economy where people of color can thrive.[v] While many of the ideas highlighted in this report do not originate from LibGen, they represent our best effort to consolidate and build upon the extensive thinking of national and grassroots leaders engaged in anti-monopoly activism across the country. Ultimately, our aspiration is that these ideas inspire further exploration and action among national and grassroots advocates of color as we work together to create a Liberation Economy.

iv See Appendix 1 for more on the process we undertook to produce this report.

v See Appendix 2 for a summary of policy recommendations, research questions, and community impact assessments of policy recommendations.

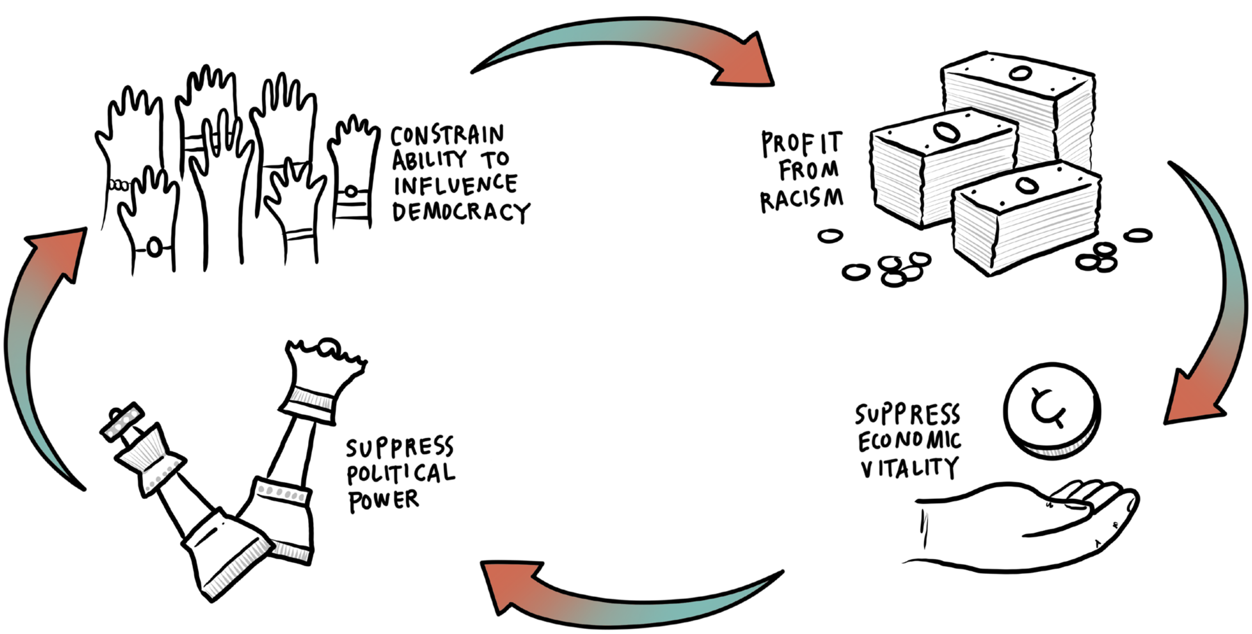
SECTION 2

The Problems with Big Business

Big Business Co-governance Created the Oppression Economy

In our publication "Anti-Monopoly Activism," we drew a comparison between the impact of Big Business and the great white shark in the movie "Jaws." Just like that monstrous shark dominates its ecosystem through violence and intimidation, Big Business exerts its dominance within our society. Empowered by a system co-governed by wealthy elite politicians and corporations, Big Business inflicts violence upon society to control various aspects of our lives, including our wages, access to healthcare, and even the actions of our politicians. Unfortunately, this violence disproportionately affects people of color, and it plays a key role in what we call the Oppression Economy—an economy in which racism is profitable.

The profitability that drives our economy is fueled by a vicious system in which white elites and their institutions employ the tools of theft, exclusion, extraction, and exploitation to inflict harm upon people of color, all in the pursuit of building wealth and accumulating power. With their ill-gotten gains, these elites further build, consolidate, and exert their political influence to maintain the status quo. This perpetuates a relentless cycle of oppression that suppresses the economic vitality of people of color, undermines our political power, and obstructs our ability to leverage democracy to change the economic rules that make racism profitable.



The Oppression Economy is built upon four structural pillars. One of these pillars is **the criminalization of people of color**, facilitated by politicians, elites, and their institutions through dehumanizing policies, tactics, and language. This includes racist dog whistles like "criminals," "illegals," "rapists," "thugs," and other terms used to devalue and control people of color. Our national policies on policing and prisons epitomize the wide-ranging impact of this pillar.

The second pillar is **the political suppression of people of color**, driven by elites and their institutions who leverage their political influence to convince policymakers to disenfranchise people of color. This is most vividly evident in our nation's long history of racist voter suppression, which persists to this day. By suppressing our political voice and power, elites and their institutions severely limit our ability to effectively counter monopolistic and corporate power, which disproportionately harms our communities.

The third pillar is **the dual financial system**, which both supports white households in building wealth and systematically excludes people of color, stripping away their wealth. Racist federal, state, and local policies and practices, such as redlining and the proliferation of predatory financial products and services in our communities, contribute to the racial wealth gap that continues to plague our communities and the nation.

The fourth and final pillar of the Oppression Economy is **the concentration of corporate power**, which enables powerful Big Businesses—from Amazon to AbbVie to Koch Industries—to control the prices we pay, the wages we earn, and the conditions in which we live. To maintain their stranglehold over the economy, monopolistic entities like these tirelessly work to capture government institutions, such as the tax code or federal regulation, by spending billions on lobbying, crafting favorable legislation and rules from within the government,[11] and supporting ballot initiatives that serve their interests.[12] Their goal? To rig the rules of the economy in their favor,[13] ensuring that they remain the architects, overseers, and beneficiaries of the Oppression Economy. While each of these four pillars contributes to the problem of rising and unchecked corporate power, this pillar lies at the heart of the issue and serves as the rationale for the solutions outlined in this report.

Big Businesses Rely on Racism to Build Their Wealth

Throughout our history, Big Businesses have relied on the tools of theft, exclusion, extraction, and exploitation to collude with the government in designing economic systems that strip wealth from people of color and deliver it to the white elite.

This co-governance relationship can be traced back to the days of cotton plantations in the Antebellum South, where slavery was not only constitutionally protected but also enforced by the federal government.[14] By 1860, this rendered the 4 million enslaved people as the single largest financial asset in the U.S. at the time, valued at over $3 billion.[15] As a result, the cotton plantations of the Antebellum South became, as sociologist Matthew Desmond put it in the 1619 Project, America's first Big Business,[16] with plantation owners akin to today's Fortune 500 monopolists. Thus, it should come no surprise that many of our modern business practices—aggressive expansion, workplace threats, complicated hierarchies, meticulous accounting, and other ruthless profit-maximizing tactics—have their roots in the institution of slavery.[17]

More than two centuries after the rise of America's first Big Business, the co-governance relationship between the government and Big Business continues and can be observed in various ways. One example is the case of AbbVie, the fifth-largest biomedical company in the United States.[18] Over the past two decades, AbbVie has been able to exploit the U.S. patent system to establish a legal monopoly for its anti-inflammatory drug Humira, used to treat arthritis, which disproportionately impacts Black and Brown people.[19]

Leveraging a patent system weakened by legislative changes, regulatory actions, and Supreme Court decisions,[20] Big Pharma corporations like AbbVie tirelessly manipulate the system in their favor.[21] They do this by employing a range of strategies to slow and block competitors from entering the market, including creating "patent thickets" where they file numerous patents for expiring drugs.[22] This tactic—which AbbVie employed in 2016 when its patent for Humira was set to expire—allows Big Pharma corporations to extend exclusivity and maximize profits from life-saving medications.

Since successfully leveraging the patent system in 2016 to maintain exclusivity over Humira for an additional seven years (through the first quarter of 2023), AbbVie has raised the price of Humira by nearly 60 percent, resulting in an staggering cost of $80,000[23] per year for the drug (since it was approved in 2002, AbbVie has raised the price of Humira by over 470 percent).[24] In total, AbbVie has generated over $114 billion from this single drug since 2016—more than it made from the drug during the previous 14 years (since 2002, AbbVie has generated over $200 billion in revenue from this drug alone),[25] all with the implicit blessing of the government.

Similarly, over the past decade, with the support of government disinvestment in Black and Brown communities, the foreclosure crisis, and governmental favoritism toward private-equity firms,[26] Invitation Homes (a creation of the world's largest private equity firm, Blackstone) has become the largest single-family corporate landlord in the U.S., owning over 85,000 properties.[27] Backed by the government, corporate landlords like Invitation Homes often employ predatory practices to exploit tenants within their properties, including aggressive rent increases and eviction filings, which tend to be higher in communities of color.[28] Unsurprisingly, corporate landlords readily lean into extractive practices. For example, in early 2022, the CEO of Starwood Property Trust, an affiliate of Invitation Homes, confidently told investors that "tenants seem capable and willing to pay these rent increases" and referred to inflation as "an extraordinary gift that keeps on giving"—after the company's income increased by half a billion dollars the previous year.[29]

To create a new transformative economy that allows people of color to thrive, we must dismantle our current Oppression Economy. This involves rebalancing the power dynamics between corporations, workers, consumers, and communities and ensuring that racism is no longer profitable. Achieving this goal requires ending the co-governance relationship between government and Big Business and transitioning to a co-governance model between government and the people. By doing so, we can redefine who governs our economy, ensuring that the government serves the people it is meant to serve, particularly people of color, rather than solely benefiting the wealthy elite.

Shareholder Capitalism Fuels the Oppression Economy & the Racial Wealth Gap

Centuries of structural and systemic racism are the root causes of racial wealth inequality.[30] This history explains why white households possess six times more wealth than Black households,[31] and why the racial wealth gap is estimated to be at least $14 trillion, over half the size of the entire U.S. economy, according to economist William

A. Darity, Jr.[32]

One consequence of the racial wealth gap is the concentration of wealth driven by the insatiable greed of a small number of white elite individuals. This can be observed in the vast wealth held by the top 400 people in the U.S., amounting to $4 trillion,[33] which is about 40 percent of the total wealth held by the entire Hispanic and Black population of 104 million people, which stands at $10.69 trillion.[34] While this kind of imbalance may be shocking, it is the inevitable outcome of racial capitalism[vi]—the idea that racism is not a mere byproduct of capitalism, but a key feature of it—which organizes itself to funnel money and capital to a very powerful few. This drives and informs the Oppression Economy, which places premium importance on the concentration of our financial resources with oligarchy who hoard our dollars to monopolize markets and protect their generational wealth.

Now, you may wonder, what does the Forbes 400 list have to do with corporate power? The Forbes 400 list is significant for two reasons: first, it is a who's who of corporate monopolists, and second, most of these individuals (or their families) accumulated their wealth through the ownership of corporate stocks, which perpetuates and exacerbates the racial wealth gap.

Forbes 400

TOTAL NET WORTH: $4 TRILLION			
Rank	**Name**	**Net Worth**	**Source of Wealth**
1	Elon Musk	$251 Billion	Tesla, SpaceX
2	Jeff Bezos	$151 Billion	Amazon
3	Bill Gates	$106 Billion	Microsoft
4	Larry Ellison	$101 Billion	Oracle
5	Warren Buffett	$97 Billion	Berkshire Hathaway
6	Larry Page	$93 Billion	Google
7	Sergey Brin	$89 Billion	Google
8	Steve Ballmer	$83 Billion	Microsoft
9	Michael Bloomberg	$76.8 Billion	Bloomberg LP
10	Jim Walton	$57.9 Billion	Walmart
11	Mark Zuckerberg	$57.7 Billion	Facebook
12	Rob Walton	$56.7 Billion	Walmart
13	Charles Koch	$56 Billion	Koch Industries
14	Julia Koch & Family	$56 Billion	Koch Industries

Source: LaFranco, Rob and Chase Peterson-Withorn. 2023. "Forbes 400: The Definitive Ranking of The Wealthiest Americans in 2022." Forbes.

vi Coined by the late Cedric Robinson, famed scholar, and political theorist, in his 1983 book Black Marxism: The Making of the Black Radical Tradition, racial capitalism refers to the notion that the racialized exploitation and the accumulation of capital are deeply interconnected and reinforce each other.

Behind this immense wealth inequality is the little known but dominant economic ideology of **shareholder capitalism**.[35] Also known as shareholder primacy, this ideology prioritizes the interests of ***shareholders***[vii]—individuals or businesses that hold corporate shares (also referred to as stock). However, as Lynn Stout, a renowned American corporate law scholar, has noted on this subject in "The Shareholder Value Myth", "Shareholder primacy is a managerial choice – not a legal requirement." In choosing to exclusively focus on the needs and interests of a select group of stakeholders, corporations are driven to benefit shareholders above all else under shareholder capitalism. This leads them to employ strategies such as ***share buybacks*** and cost-cutting measures like mass layoffs to increase share prices and maximize ***shareholder value***.

"Shareholder primacy is a managerial choice – not a legal requirement"

- Lynn Stout,

American corporate law scholar

Within this model, shareholders wield significant decision-making power and influence over the corporations in which they hold shares. However, individual households who hold corporate shares often have no sense of what they specifically hold *and* have limited influence over corporate governance. This is because a significant portion of shareholder power in our current system is funneled to ***asset managers*** through pooled investment funds. As a result, as the technical holders of corporate stocks in these pooled funds, asset managers not only know exactly what they hold but also possess immense decision-making power over corporations.

In the current landscape, where 85 percent of the nation's corporate shares are held by the top 10 percent of U.S. households,[36] and three asset managers—Vanguard, BlackRock, and State Street Global Advisors—control about 80 percent of the nation's pooled funds (Exchange-Traded Funds or ETFs),[37] shareholder capitalism primarily serves the interests of a privileged few: wealthy individuals and powerful money managers. This not only narrows the focus of corporations to a select group but also consolidates power and influence among a limited elite, including activist investors such as ultra-wealthy individuals, hedge funds, and private-equity firms. With their outsized and consolidated power, these elites often exert pressure on companies to engage in practices like mergers and acquisitions that boost share prices and maximize profit for themselves and their investors, regardless of the consequences.[38]

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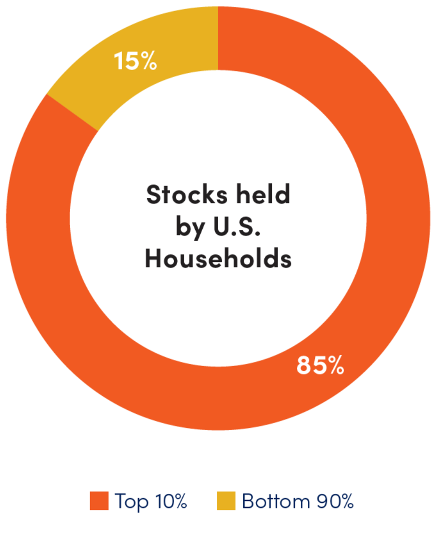
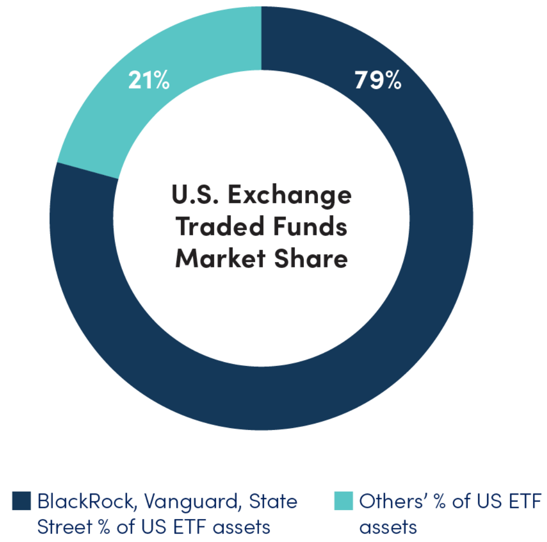
vii A majority shareholder owns more than 50 percent of a company's stocks, and conversely a minority shareholder owns less than 50 percent. Corporate founders, CEOs, and board chairs can also be majority shareholders, as is the case of Facebook's Mark Zuckerberg.



Source: Wolff, Edward N. 2021. "Household Wealth Trends In The United States, 1962 To 2019: Median Wealth Rebounds... But Not Enough." National Bureau of Economic Research.

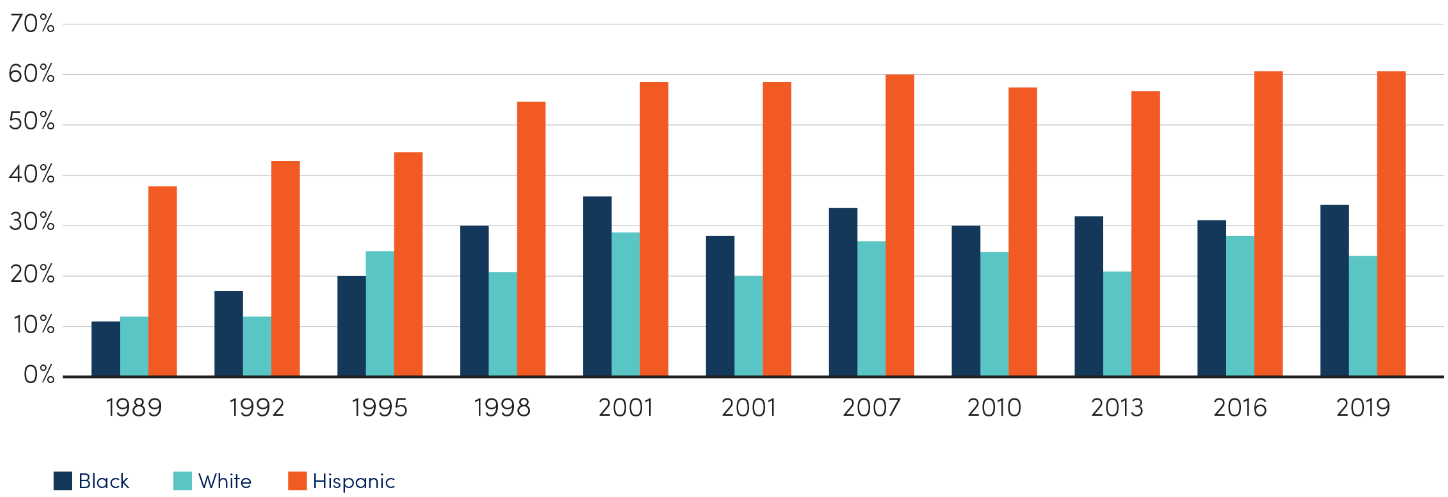


Source: _Greifeld, Katie. 2022. "Big Three's Grip on $6.7 Trillion ETF Market Slips for a Sixth Year." Bloomberg Law.

Disparities in shareholder ownership further exacerbate racial wealth inequality, as most shareholders in the U.S. are white. Today, approximately 61 percent of white households own corporate stock, compared to 34 percent of Black households and 24 percent of Hispanic households.[39]

The Shareholder Class is Predominantly White

Stock Holdings by Race or Ethnicity, 1989-2019

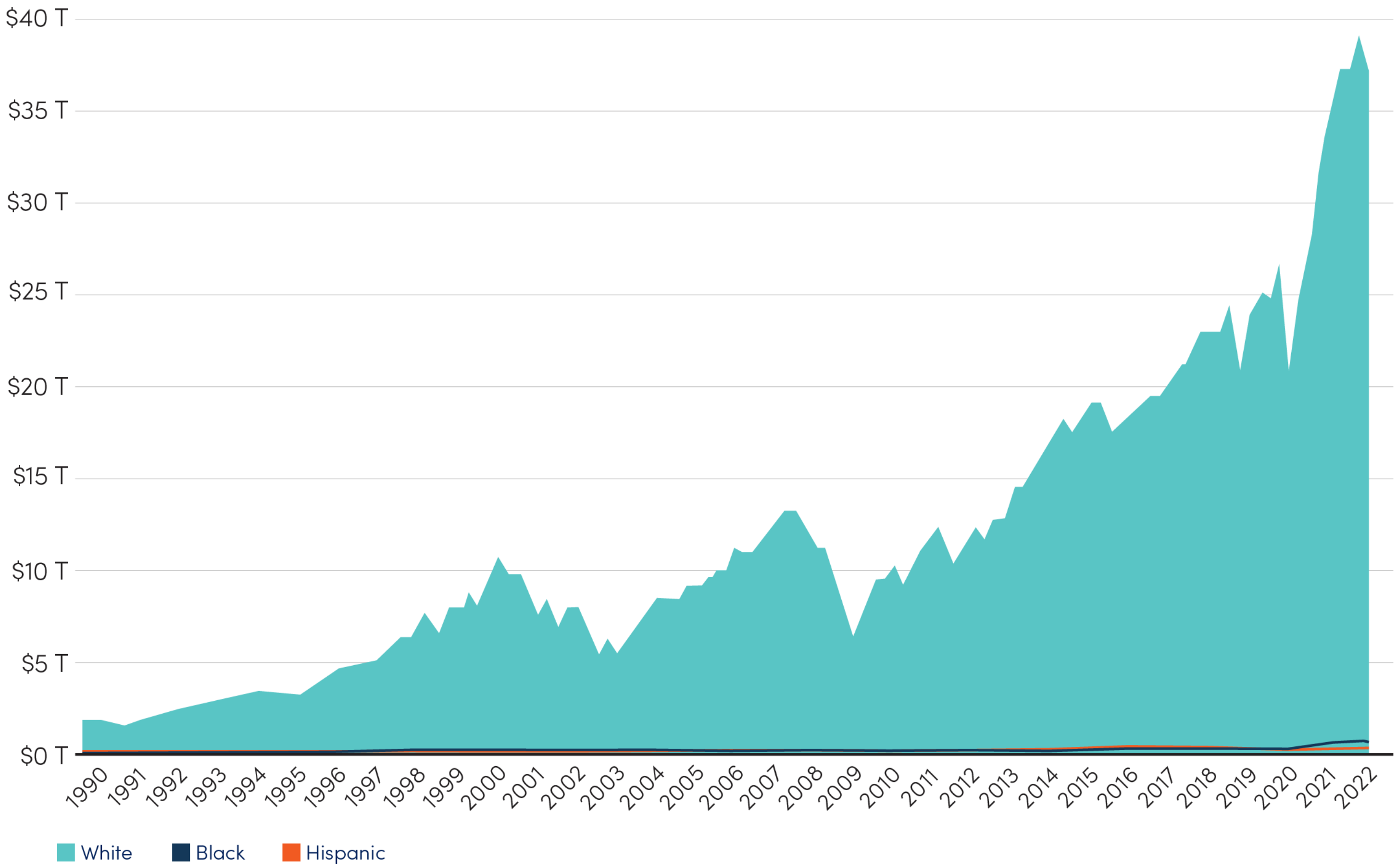


Source: Board of Governors of the Federal Reserve System. 2023. "Survey of Consumer Finances, 1989 - 2019."

These differences in stock ownership and corporate governance are compounded by stark disparities in the value of corporate stocks owned between white households and households of color. For example, as of the second quarter of 2022, white households owned *nearly 90 percent of the value of the nation's corporate stocks,* totaling $30.19 trillion.[40] In contrast, Black households owned just 1.1 percent of the value, amounting to $380 billion, while Hispanic households owned only 0.5 percent of the value, totaling $16 billion.[41]

White Households Overwhelmingly Control the Value Produced by the Stock Market

Value of Corporate Equities and Mutual Fund Shares by Race



Source: Board of Governors of the Federal Reserve System. 2023. "[Distribution of Household Wealth in the U.S. since 1989](https://www.federalreserve.gov/releases/z1/dataviz/dfa/)."

Given its impact on wealth distribution, corporate governance, and the driving forces behind corporate behavior, shareholder capitalism perpetuates an intense struggle between two competing factions within the corporate ecosystem: ***shareholders*** and ***stakeholders*** (such as workers, consumers, communities, the environment, and society). Unfortunately, shareholders are winning this struggle, and it's not even close.

> **"...had wealth portfolios only experienced stock market gains between 1983 and 2019, the Black-white wealth gap would have increased by 40% by 2019. By comparison, had wealth portfolios only experienced housing market gains over this period, the racial wealth gap would have decreased by 18%"**

- Company A cuts workers' pay and benefits package to increase profits: **winner shareholders/loser workers.**
- Company B extracts billions in subsidies from a municipal government by threatening to relocate: **winner shareholders/losers local community.**
- Company C lobbies congress for tax subsidies to use on stock buybacks to protect their valuations: **winner shareholders/losers everyone else**.

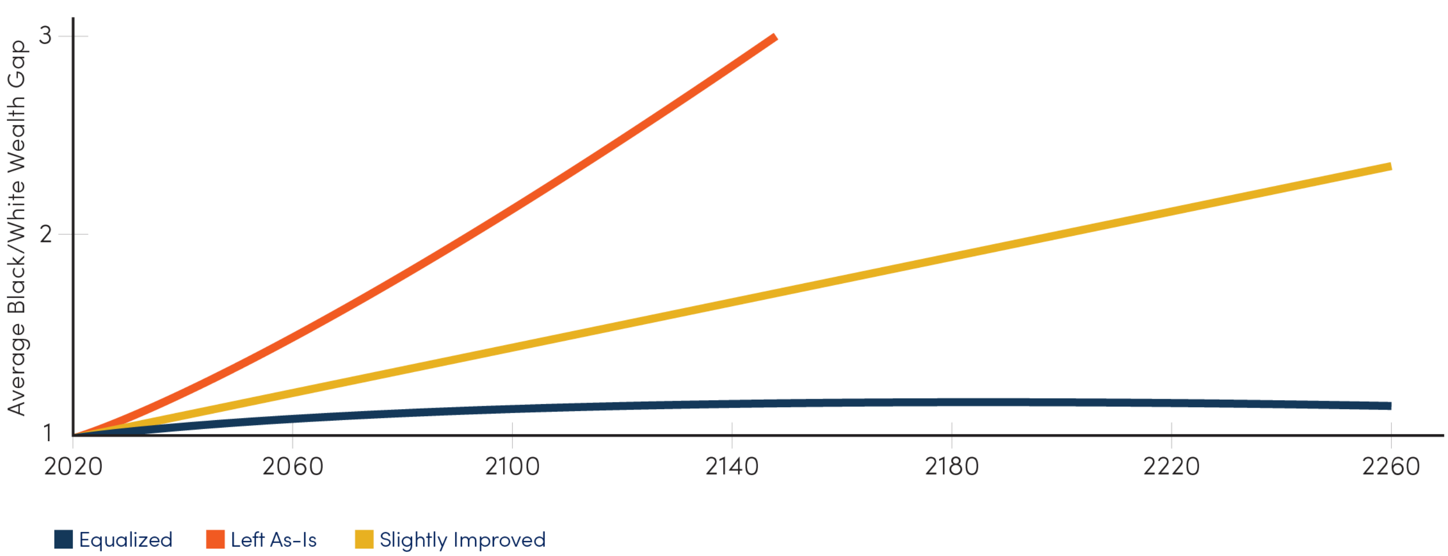
Given that much of the value generated by corporations disproportionately flows to white, largely wealthy households,[42] people of color bear the brunt of the losses in the shareholders-stakeholders struggle. For example, when companies reduce hourly wages for low-wage workers to cut costs, people of color, who are more likely to earn poverty wages compared to white workers,[43] are disproportionately impacted. Additionally, when companies disregard environmental air quality standards to lower expenses and boost shareholder returns, it is people of color who once again face disproportionate consequences.[44]

Fundamentally, the racial wealth gap persists due to the disproportionate advantages enjoyed by white households through their ownership of corporate stocks. Underscoring this, a recent study by economists Ellora Derenoncourt, Chi Hyun Kim, Moritz Kuhn, and Moritz Schularick[45] found that had wealth portfolios only experienced stock market gains between 1983 and 2019, the Black-white wealth gap would have increased by 40%. By comparison, had wealth portfolios only experienced housing market gains over this period, the racial wealth gap would have decreased by 18%.

If these disparities persist, shareholder capitalism will continue its oppressive reign, and the racial wealth gap will remain an enduring fixture in our lives. In fact, in the same study, Derenoncourt, and her colleagues suggest that without addressing the differences in savings and ***capital gains*** (the profits generated from corporate shares or other assets) between Black and white households, even an $11 trillion reparations program would fail to close the racial wealth gap.[46] Instead, the gap would expand significantly over the next century.[47]

Even With Reparations, the Racial Wealth Gap Would Continue to Grow Without Action to Address Racial Savings and Capital Gains Gaps

Wealth convergence after reparations if today's capital gains and saving rates were equalized, slightly improved, or left as-is



Source: Derenoncourt, Ellora, et al. 2022. "Wealth of Two Nations: The U.S. Racial Wealth Gap, 1860-2020." National Bureau of Economic Research.

To close the racial wealth gap once and for all, we must put an end to the horrific reign of shareholder capitalism and fundamentally redefine how we build and distribute wealth.

SECTION 3

Democratic Co-governance Is How We Build a Liberation Economy

Despite centuries of government institutions largely serving the interests of wealthy white elites and corporations, the federal government, along with state and local governments, remains the most effective vehicle for achieving the world we desire precisely because it has the power to create large-scale change. Throughout our history, every advancement in civil and human rights, from the abolition of slavery to the New Deal and the Civil Rights Act, has been achieved through government action. However, securing these rights has only been possible through community organizing and contestation that builds power.

Recognizing the role of government as the most powerful entity responsible for advancing the well-being of people of color, our mission is to reclaim control from harmful actors. We cannot leave Big Businesses to self-regulate or address the material needs of people of color, as our more than 400 years on this continent tells us that they will do the opposite and leverage racism and our capitalist system to enhance their profits and build their wealth.

While we acknowledge that convincing communities of color to engage in this transformative project of reimagining government will be challenging, we also recognize that the stakes are too high to give up. To create a Liberation Economy, we must not only build power in communities and among workers but also envision a world that does not currently exist. This involves envisioning a new kind of economy and society where our goals include the following:

- **All people of color have their fundamental needs met.** A world where no one worries about where our next meal will come from, whether the water we drink or the air we breathe is clean, or whether we can get medical care for a sudden illness or injury.
- **All people of color have safety and security.** A world without the need for police and prisons, where punishment and exclusion are replaced with support and rehabilitation. A world where homelessness is eradicated because housing is recognized as a human right, not merely a commodity.
- **All people of color are valued, are compensated for that value, and can thrive.** A world where wages of "essential" workers, including caregivers and food service workers, reflect their true value to the economy. It is a world where anyone who wants to work can find employment, and where consumers of color have equal access to quality goods and services, including financial services.
- **All people of color belong in our full identities**. A world where a Black transgender woman can pursue any profession of her choice, earning a livable wage, safely, without fear of discrimination or persecution. It is a world where a Central American immigrant with a disability can walk into any bank in the U.S. and open a savings account for their children.

By prioritizing the needs of people of color in policy design and oversight of the economy, we can collaboratively reimagine the role of Big Business in a Liberation Economy. This will enable us to create a future economy and democracy that are accountable and responsive to our needs.

STEP I

Curb Corporate Power

To curb corporate power and create a Liberation Economy, we, as people of color, must work in co-governance with our governments to dismantle economic systems of oppression. This requires elected officials and administrative agencies to share power with us and take intentional action to redesign economic laws and regulations in favor of the needs of people, particularly people of color, rather than Big Business. To achieve this, the government must take the following actions to curb corporate power and dismantle the Oppression Economy:

- **Abolish monopoly power** by strengthening and enforcing existing anti-monopoly laws, establishing new authorities and agencies if necessary, and breaking up corporations that violate anti-monopoly regulations. Rather than providing slaps on the wrist or causing corporations to second guess their monopolistic behaviors, we need to challenge and dismantle monopoly power forcefully, without hesitation, whenever and wherever it arises.

- **Abolish shareholder capitalism**, in part, by requiring that corporations consider and advance a broad set of interests beyond shareholder wealth in managing their company's stock price. By prioritizing the long-term interests of all stakeholders, including workers, the environment, democratic systems, and communities, rather than solely benefiting shareholders, we can put an end to shareholder capitalism.

- **Abolish extractive financial markets** by establishing countervailing powers to rein in hedge funds, private equity, and other forms of extractive finance. As part of this objective, we need to reallocate capital gains in the public interest and introduce robust market transparency and accountability requirements. By doing so, we not only can reduce the ability of financial institutions to exploit household wealth for their own gain but also can reduce the dominance financial markets exert over our lives, livelihoods, and economy.

- **Abolish corporate capture of public goods and democracy** by providing meaningful public resources and public provisions of essential goods and services to challenge private concentration. By doing so, our aim is to break the cycle of Wall Street financing and public indebtedness that has led many of our public goods to become fully or partially privatized, which perpetuates economic oppression across class, race, and gender lines.

- **Build worker and community power** by giving workers and community members a greater role in corporate governance through corporate charters, worker representation on corporate boards, and inclusive trade agreements. In addition, we also need to dismantle barriers that exclude and limit workers from being protected under the law and from exercising their right to organize and collectively bargain.

By implementing these approaches, we can address the fact that our current economy incentivizes monopolies, driven by unfettered capitalism, insufficient anti-monopoly enforcement,[48] winner-takes-all markets,[49] and the relentless pursuit of efficiency and growth. However, to ensure that ***antitrust***[viii] policies become antiracist,[50] we must move away from our current "colorblind" framework for understanding and addressing monopoly power—the ***"consumer welfare standard"***[51]—which often overlooks the ways in which people of color and marginalized communities suffer from antitrust and anticompetitive practices.[52]

To fundamentally shift our current paradigm of corporate concentration and power, we need to reclaim the historic role of our state and federal governments in curbing monopoly power. This shift requires implementing a system of co-governance that shares power and prioritizes the voices and needs of people of color over corporations. It means involving those most affected by monopoly power and excluded from its remedies in shaping policies and regulations that break up corporations, promote equitable distribution of economic power, and address a range of other monopoly power issues that impact their lives. This involvement should be present throughout the entire process, not just in the middle or end stages when policies have already been designed or at the end when corporations have harmed us.

Taking these steps will strengthen our democracy, reduce inequality, rebuild trust in government, and ensure that anti-monopoly policies serve those most harmed by corporate power. Only by making intentional and bold changes in our approach to developing anti-monopoly policies can we move closer to replacing our current Oppression Economy with a Liberation Economy.

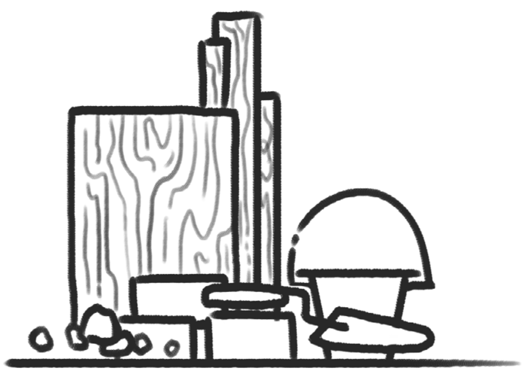
viii Antitrust refers to the body of laws, rules, and regulations that are designed to prevent and address monopolies and monopolist behaviors in the market. Individually and collectively these government tools aim to establish and promote fair competition, availability of goods and services, reasonable prices, and innovation in the market.

STEP II

Establish New Values & Principles for Big Business

Values and principles are often used interchangeably; however, we believe each is independently important in designing the future we hope to create. Using the metaphor of the Pantheon in Rome, which has stood since its construction in 27 BC largely because of the durability of bricks and the features of its architectural design, you can think of the **values** as the building materials and the **principles** as the architectural design features.

VALUES



The building materials that determine the strength & durability of our society and economy.

PRINCIPLES

The architectural design features things we see that inform practices and decision-making in our society and economy.

Values

Values may be unseen, but they are at the heart of our society and economy. Just as the strength and durability of the Pantheon's limestone bricks are determined by the unseen minerals and chemicals within them, our values shape the resilience and longevity of our society and economy. We believe that the current values held by large corporations are inadequate to construct a strong durable economy. Therefore, we must embrace new values[53] that form the bricks of the Liberation Economy we seek to build, including the following:

- **Collectivism**
  In a Liberation Economy, corporations prioritize the needs of the collective over the needs of the individuals. This means prioritizing the needs of all workers over the CEO or the needs and well-being of all stakeholders (such as neighborhoods and communities) over the narrow interests of shareholders.

- **Human Dignity**
  In a Liberation Economy, corporations always seek to advance and enhance the human dignity of all people. There are no tradeoffs. This means that actions like dumping waste caused by one community into another community or driving down the pay of a cashier to lower food prices violate this value

- **Public Service**
  In a Liberation Economy, corporations exist to serve the public's interest. This means they must provide goods and services that add value, or at very least, do not cause harm to society.

- **Abundance**
  In a Liberation Economy, corporations do not manipulate false narratives of scarcity to hoard and control national resources and wealth. In this new economy, there is acknowledgement that collectively we have enough resources and wealth to ensure everyone thrives.

- **Democratic Accountability**
  In a Liberation Economy, corporations will be accountable to all the people they are in a relationship with, including workers, consumers, and the communities they impact.

Principles

Principles are the visible things that inform practices and decision-making. In our Pantheon analogy, they correspond to the pillars and the dome. As the identifiable references that would make real and obvious the vision we have for Liberation Economy, the principles[54] behind the design of this new economy must include the following:

- **Corporations will advance the well-being of all people.**
  In a Liberation Economy, corporations must contribute to delivering on the common goals of the Liberation Economy, such as meeting basic needs, ensuring safety and security, valuing individuals, and promoting a sense of belonging. Thus, corporations cannot contribute to the continued maintenance of the Oppression Economy by exploiting racism—or other forms of oppression—to enhance their profits and to increase the personal wealth of their shareholders.

- **Corporations will advance a Liberation Economy and dismantle the Oppression Economy.**
  In a Liberation Economy, there are no tradeoffs that harm some individuals or groups so that others can flourish. This means that corporate products and services must be equally accessible to all or aligned with the goals of the Liberation Economy, while those misaligned with the Liberation Economy or aligned with the Oppression Economy should be dissolved.

- **Corporations will provide livable compensation and safe conditions to workers.**
  In a Liberation Economy, workers will not be exploited for their labor in a Liberation Economy. This means that corporations will establish pay based on **both** the value workers bring to the corporation **and** the costs required by workers to cover basic needs for themselves and their families in the places they call home.[55] It also means that corporations will share governance power with their workers, and collectively bargain with their workers to establish fair and equitable wages and working conditions.

- **Economic resources will be distributed to advance the common good.**
  In a Liberation Economy, economic resources will be distributed not concentrated. This means that the collective wealth created by corporations and our overall economy will be equitably distributed to ensure that all people in the nation are thriving, with a special focus on the distribution of money and capital to communities that have been most oppressed under our current Oppression Economy.

STEP III

Enact Anti-racist Government Policy & Answer Race-Conscious Research Questions

As mentioned earlier, we have never experienced a Liberation Economy. To achieve it, we must seek to design new economic policies and systems and answer new research questions. The agenda detailed below, which focuses on regulating to change behaviors, banning the worst private actors, and creating new public options, is our initial attempt to do just that.

The policy recommendations and research questions presented throughout the remainder of this report emerged from a collaborative 18-month process involving national and grassroots leaders from across the country. In identifying and prioritizing the most impactful policy interventions, we centered the aforementioned values and principles. We also kept in mind André Gorz's idea of a "non-reformist reform"[56]—something that moves us in the right direction, doesn't exacerbate current problems, and makes greater liberation possible in the future. Ultimately, we hope that the policy and research agenda below will stimulate further discussion and debate and inform future advocacy efforts to build a Liberation Economy.

SECTION 4

Policy & Research Agenda for Big Business in a Liberation Economy

The following policies are a combination of longstanding ideas, current legislative proposals, and new ideas generated by Liberation in a Generation and the working groups and organizers we convened. While we have included attributions throughout the presented ideas, for some existing proposals, we have added policy design recommendations to address specific harms to and needs of communities of color.

Each section includes a description of the problems facing communities of color, the policy solutions to address those problems, and their origins, along with research questions to better understand the potential impact of these policies on people of color.

1 Redistributing Power to Make Corporations Accountable to Communities

THE PROBLEM:

Corporate Charters

In our current Oppression Economy, weak and ineffective government regulation has allowed dominant companies like Amazon to enjoy private privilege and wield immense state-delegated powers with minimal duties to the public or enforceable limits.[57] This has allowed corporations to exploit racism to accumulate profits, wealth, and unchecked power.

Except for bank charters, which are issued by both federal and state governments, ***corporate charters*** (also known as Articles of Incorporation, which establish a corporation as a legal entity) are typically issued by state governments. While each state has its own laws establishing what a corporation must do to receive and maintain its charter, generally, to receive a corporate charter, corporations must:[58]

- establish a stated purpose,
- create bylaws that govern the corporation,
- identify the type and number of shares of ownership,
- list its founding board members, and

- establish a process of electing its board members.

Essentially, corporate charters are a contract that companies must enter with the government to exist. Once established, the charter offers the corporation various *corporate privileges,* including what is commonly referred to as corporate personhood, which allows corporations to initiate legal action and own property in their own name. Additionally, the charter serves as a shield, protecting officers and staff from personal liability for the corporation's actions, debts, and tax obligations.[59]

Before the late 1800s, the terms of these legal contracts required that corporations serve the public interest by providing a service needed by the public (such as building roads).[60] Many states also used the chartering process to regulate corporate behavior and practices as well. Corporations could only pursue activities that the state had expressly authorized them to undertake. State law also mandated and prohibited certain forms of conduct. For example, a bank charter could dictate the highest interest rates the bank could charge, the types of products and services it offered, or the type of projects in which it could invest.[61] Unfortunately, propelled by the ballooning industrial revolution of the mid-to-late nineteenth century and a desire among states to attract businesses and tax revenue through corporate chartering, after 1900, the power of state-by-state corporate charters began to erode in what historians have come to call a **"race to the bottom."[62]**

As a result, states began to lower their corporate chartering standards, including the public interest standards within them. In response, corporations began incorporating in states offering the most lenient chartering standards. For example, between 1880 and 1896, New Jersey only chartered 15 corporations, but after eliminating nearly all of its corporate restrictions, the number of corporations chartered in the Garden State grew to 2,000 by 1906.[63] Today, this race to the bottom continues, as 68 percent of all Fortune 500 companies and 93 percent of U.S.-based ***initial public offerings*** are chartered in the state of Delaware, which features corporate tax policies, less stringent regulations, and simplified corporate laws favorable to managers and shareholders.[64]

Ultimately, as states abandoned imposing public duties and responsibilities through corporate charters, corporations began to grow their political and economic power, which they used to further cement the Oppression Economy by stealing, exploiting, and excluding people of color in the name of making profits and enhancing their wealth.

THE SOLUTION:

A Federal Corporate Charter to End the Corporate Race to the Bottom

To significantly curb corporate power, ensure that corporations are serving a broader public interest, and strengthen democratic oversight of their impact on communities of color, the federal government must require that interstate corporations or corporations of a certain size obtain a ***federal corporate charter.*** If constructed well, such a charter could give people of color more power in corporate governance, allowing us to have more of a voice in meaningfully challenging the notion of corporate perpetuity, evaluating corporate behavior, and redirecting growth and innovation toward what our communities need. Developed through a combination of our own and working group members' ideas, available research, and Senator Warren's Accountable Capitalism Act,[65] here is our proposal for moving the responsibility of chartering out of states to a federal chartering system that establishes and evaluates a corporation's existence in a Liberation Economy.

Require large corporations to obtain a federal charter with a duty to advance the public interest.

Expanding on the Accountable Capitalism Act, interstate corporations or corporations with over a million dollars in annual revenue (rather than a billion as Senator Warren's legislation calls for) must obtain a federal charter as a **U.S. Corporation** from a newly formed **Office of U.S. Corporations (OoC)** in the U.S. Department of Commerce.

As part of this federal charter, U.S. corporations must commit to a **duty to advance the public interest.** This duty will require these corporations to demonstrate that their primary purpose and business practices advance the public interest. Additionally, corporations will be required to describe how their business practices advance historically oppressed stakeholders and their communities, which must include, at a minimum:

- People from racial groups subjected to systemic and structural racism
- People with disabilities
- Women
- LGBTQ+ people
- People impacted by the criminal legal system
- Immigrants

The duty to advance the public interest will also require corporations to consider the impacts of their activities on these groups in their capacities as workers, consumers, and community members, as well as their impact on our planet. Additionally, U.S. Corporations will be required to take a preemptive approach to ensure compliance by using an **"until proven safe"** methodology when making decisions that have significant implications for market power, concentration, competitiveness, and corporate accountability. This will include, but not be limited to, decisions such as expanding into a new, non-core line of business, as well as those affecting workers' bargaining rights, working conditions, and livelihoods. In essence, U.S. Corporations will be responsible for proactively assessing the potential consequences of their decisions and taking steps to prevent harm.

To ensure that U.S. Corporations are fulfilling their duty to advance the public interest, the Office of U.S. Corporations will be responsible for reviewing and approving corporate compliance with this methodology.

Federal corporate charters must be proactively reevaluated and renewed every five years.

To ensure proactive regulatory oversight and compliance with the duty to advance the public interest, U.S. Corporations must renew their charter with the Office of U.S. Corporations every five years. The Office of U.S. Corporations will assess whether a U.S. Corporation has affirmatively advanced the public interest, particularly for the special populations defined above (i.e., people from racial groups who've been subjected to systemic and structural racism), by identifying how corporate behavior has advanced or violated its duty to advance the public interest. If a U.S. Corporation is found to be in violation of its charter or failing to advance the public interest, the Office of U.S. Corporations will direct the corporation to take corrective actions. Failure to comply could result in the revocation of the federal charter.

To conduct this evaluation, the Office of U.S. Corporations will collaborate with relevant federal agencies, such as the Federal Trade Commission (FTC), the Consumer Financial Protection Bureau (CFPB), the National Labor Relations Board (NLRB), and the Equal Employment Opportunity Commission (EEOC), to assess U.S. Corporations' compliance with federal labor, consumer protection, and environmental protection laws. Additionally, the Office of U.S. Corporations will work with state attorneys general, worker groups, community-based organizations, and other non-shareholder stakeholder organizations to ensure compliance with state labor, consumer protection, and environmental protection laws.

If a U.S. Corporation is under investigation by any of these enforcement agencies for labor, consumer protection, or environmental protection violations at the time of the review, the renewal of its charter will be put on hold until the investigations are settled. Serial violations in these areas could also lead to the revocation of the U.S. Corporation's charter.

Federally chartered corporations must protect workers' right to organize.

As part of the federal corporate charter, U.S. Corporations must recognize and safeguard workers' rights to organize a union or worker organization. This includes setting aside funds to facilitate worker elections, establishing procedures for the collection and transfer of union or worker organization dues, and adhering to rules that prohibit retaliation against workers engaging in organizing activities. Any form of union busting or anti-union behavior instigated by the corporation or its representatives could result in the loss of a U.S. Corporation's federal charter.

Federally chartered corporations must redistribute corporate governance power through worker representation on corporate boards.

Expanding on the Accountable Capitalism Act's mandate that corporate boards include substantial employee participation, we call for at least 50 percent (rather than 40 percent as the legislation calls for) of corporate boards to be composed of worker-elected members. Furthermore, to ensure that historically oppressed communities have a meaningful voice in corporate decision-making, at least 50 percent of these worker-elected board members must be members of historically oppressed stakeholders.[ix] Organizers we spoke to emphasized the importance of worker elections for these positions, rather than employees handpicked by corporations, and stressed that the jurisdiction of these boards should include oversight of the corporations' political expenditures.

ix Non-shareholding members should be compensated at a wage commensurate with the role of board member.

Strict and proactive antitrust enforcement must be part of the federal chartering process.

During the charter renewal process, the Office of U.S. Corporations will collaborate with the FTC and the Department of Justice (DOJ) to determine if a corporation is in violation of U.S. antitrust laws, rules and regulations.[x] However, to enhance the effectiveness of antitrust assessments, the evaluation of federally chartered corporations, as well as all corporations, must extend beyond the current consumer welfare standard. This means considering not only the impact of corporate activities on prices and product quality for consumers but also identifying unfair practices such as below-cost pricing, exclusive dealing, and tying, and assessing if corporations have engaged in such practices. Additionally, antitrust assessments should include an evaluation of how workers' compensation and working conditions, the communities in which corporations operate, historically oppressed people of color, and the environment are impacted by corporate activities.

Moreover, whenever a U.S. Corporation acquires another company, it must undergo a ***federal mergers and acquisitions review*** and charter renewal, even if it occurs within the five-year period of its current charter. During this process, the U.S. Corporation must reaffirm its duty to advance the public interest and its commitment to historically oppressed stakeholders and their communities. An audit of the corporation's past conduct in fulfilling its obligations to advance the public interest and serve historically oppressed stakeholders will also be conducted. If at any point it is discovered that a U.S. Corporation has violated U.S. antitrust laws, failed to comply with its charter duties, disproportionately impacted historically oppressed stakeholders, or could cause harm in its newly formed capacity, the acquisition and/or charter renewal of the U.S. Corporation may be denied or revoked.

THE PROBLEM:

Corporate Tax System

Big Business and wealthy individuals often manipulate tax systems to avoid paying their fair share toward the public good.[66] This is accomplished through Big Business Co-governance, wherein corporations collude with lawmakers to craft tax provisions that allow them to pay less in taxes or avoid taxes completely. One such loophole is the ability of corporations to declare income generated in the U.S. as if it were earned in a tax haven country, despite having no real business activity in that jurisdiction.[67]

More broadly, despite rapid increases in corporate profits over the past several decades, Big Businesses and policymakers have also worked together to progressively lower the corporate tax rate over time. For example, between the most recent large-scale tax code reform in 2017 (The Tax Cuts and Jobs Act of 2017) and the one before that in 1986 (The Tax Reform Act of 1986), the corporate tax rate has been more than halved, going from 46 percent in 1986 to 21 percent today. Over that period, the top individual tax bracket also decreased from 50 percent to 37 percent. Meanwhile, the corporate tax system has been transformed from a somewhat progressive system to a regressive one, where corporations now pay a flat 21 percent tax, regardless of their income.

Tax structures like these and others found in our current tax codes enable concentrated corporate power and greater profit accumulation at the top. For example, the "Silicon Six"—Amazon, Meta (Facebook), Alphabet

x Antitrust refers to the body of laws, rules, and regulations designed to prevent and address monopolies and monopolist behaviors in the market. Individually and collectively these government tools aim to establish and promote fair competition, availability of goods and services, reasonable prices, and innovation in the market.

(Google), Netflix, Apple, and Microsoft—paid only 3.6 percent in income taxes on their collective $6 trillion-plus revenue between 2011 and 2020, largely by offshoring profits.[68] Likewise, AbbVie, the pharmaceutical company behind Humira, paid an effective tax rate of only 11.2 percent in 2020, despite generating 75 percent of its sales in the U.S. and having annual revenues exceeding $50 billion.[69] That same year, 55 corporations—including American Electric Power, Dish Network, FedEx, Nike, and Salesforce—paid $0 in U.S. federal taxes.[70]

Profitable Companies that Paid Zero in U.S. Federal Income Taxes in 2020

Company Name	U.S. Pre-Tax Income	Current Federal Income Tax	Effective Tax Rate	Industry
All 55 Companies	**$40.48 Billion**	**-$3.49 Billion**	**-8.6%**	**-**
Charter Communications	$3.68 Billion	-$7 Million	-0.2%	Telecommunications
Nike	$2.78 Billion	-$109 Million	-3.8%	Misc. manufacturing
Salesforce.com	$2.63 Billion	-$12 Million	-0.5%	Computers, office equip, software, data
Dish Network	$2.53 Billion	-$231 Million	-9.1%	Telecommunications
American Electric Power	$2.16 Billion	-$138 Million	-6.4%	Utilities, gas & electric
Danaher	$1.58 Billion	-$321 Million	-20.3%	Utilities, gas & electric
DTE Energy	$1.53 Billion	-$247 Million	-16.1%	Utilities, gas & electric
Xcel Energy	$1.46 Billion	-$13 Million	-0.9%	Utilities, gas & electric
Consolidated Edison	$1.23 Billion	-$2 Million	-0.2%	Utilities, gas & electric
Nucor	$1.22 Billion	-$177 Million	-14.5%	Metal & metal products
FedEx	$1.218 Billion	-$230 Million	-18.9%	Misc. services
Advanced Micro Devices	$1.21 Billion	$0	0.0%	Computers, office equip, software, data
FirstEnergy	$1.11 Billion	-$14 Million	-1.3%	Utilities, gas & electric
Fiserv	$1.10 Billion	-$25 Million	-2.3%	Utilities, gas & electric
Unum Group	$923 Million	-$98 Million	-10.7%	Financial data services

Source: Gardner, Matthew and Steve Wamhoff. 2021, "55 Corporations Paid $0 in Federal Taxes on 2020 Profits." Institute on Taxation and Economic Policy.

On the individual side, between 2014 and 2018, ProPublica found that Elon Musk and Jeff Bezos—the first and second richest individuals in the U.S.—paid a true tax rate between 1 percent and 3.5 percent, respectively, while their combined wealth soared by approximately $113 billion.[71] Undoubtedly, the personal wealth of these and other of the nation's wealthiest, largely white, elites cannot be disaggregated from the profits of the corporations they started, own, or operate. This is because their wealth is almost entirely made up of the value of the shares they own in companies. Thus, unless they sell their shares and turn their paper wealth into income—which they rarely do, opting instead to borrow against their shares to avoid paying taxes[72]—much of their wealth goes completely untaxed. By contrast, due to racial wealth inequality, people of color often pay a greater portion of their income in taxes than wealthy white people.[73]

Taxes paid at the federal, state, and local levels aren't just a revenue-raising tool. They're also a redistributive tool and can either serve the public interest or serve corporations' profit interests. Unfortunately, each year, tax evasion by large corporations and the ultra-wealthy who control them[74] cost the federal government nearly trillion dollars a year[75]—revenue that our government is not collecting and that could fund critical investments in communities of color.

While people of color often bear the brunt of the social costs of this corporate greed through an endless list of economic disparities, the truth is that these costs are borne by all of us. The reason for this is that as corporations evade their responsibility to care for their workers, they pass the burden to the rest of us through government programs that serve to subsidize their low wages.[76] For example, despite being two of the nation's most profitable companies, Walmart and McDonald's have the most workers in the country on food stamps and Medicaid.[77]

Ultimately, tax avoidance is a tactic used by Big Businesses and those who control them to become[78] monopolies and maintain their monopoly control.[79] Yet, despite the harms that flow from this practice, we also have no way to gauge the impact that tax avoidance, by corporations and the wealthy, has on people of color because the Internal Revenue Service (IRS) does not collect racial data on taxpayers and does not analyze the impact of tax avoidance on people and communities of color. Still, what we do know is that some of the nation's worst tax dodgers are in industries that have caused incalculable harm to people of color, and that their tax avoidance schemes are directly responsible for the rise of corporate power.

THE SOLUTION:

A Redistributive Corporate Tax Regime that Supports Us

From Senators Elizabeth Warren[80] and Bernie Sanders[81] to Georgetown law professor Dorothy A. Brown,[82] as well as institutions like the Institute for Local Self-Reliance (ILSR) and the Institute for Taxation and Economic Policy (ITEP), there exists a wealth of ideas for creating a more equitable tax code. By building on and elevating some of these ideas, the following solutions can help begin rebalancing power in favor of communities and workers while shifting national resources away from wealthy, largely white, shareholders and toward public efforts to care for the economic well-being of people of color.

Close corporate tax loopholes to ensure tax fairness.

To ensure that corporations pay their fair share of taxes in a Liberation Economy, we need to close loopholes that allow them to significantly reduce or eliminate their effective tax rates. Among these loopholes, we need to end tax preferences for ***stock dividends and capital gains*** generated from the sale of corporate stocks, which currently allow corporations and shareholders to pay lower tax rates.[83] In other words, we need to treat all income equally under our U.S. tax code, regardless of how it is generated, as provisions like these unfairly favor wealth over work.

Additionally, it is critical that we close loopholes that allow the ultra-wealthy to delay and avoid paying taxes on their massive fortunes built off corporate stocks. As noted earlier, the ultra-wealthy often borrow against the values of their shares instead of selling them, a tactic that allows them to avoid paying their fair share.[84] To address this issue, we should impose an annual tax on ***unrealized capital gains*** for the ultra-wealthy,[85] targeting the increased (and untaxed) value of stocks that have not been sold.

To tackle other forms of profit shifting and tax avoidance, we also need to eliminate loopholes that allow companies to shield their U.S.-generated profits from taxation by claiming, through complicated accounting schemes, that these profits were earned in low- or no-tax haven countries. Additionally, we should ban the practice of ***share buybacks***, which artificially inflate stock prices to primarily benefit shareholders and executives, further concentrating corporate governance powers in the hands of elite individuals and institutions.[86] Finally, we must put an end to all forms of ***accelerated depreciation***, which allow corporations to immediately deduct future depreciation of investments in equipment and other assets, effectively granting them an interest-free investment loan from the government.[87]

Triple the corporate minimum tax from 15 percent to 45 percent.

To further ensure that corporations pay their fair share, we should expand the existing corporate minimum tax implemented through the Inflation Reduction Act. Specifically, we should raise it from 15 percent to 45 percent, closer to the maximum effective corporate tax rate in 1986. Additionally, we should broaden the scope of companies subject to this minimum tax by lowering the threshold for its application. Currently set at $1 billion in profits reported to shareholders, we should lower it to $1 million, with no exceptions.

Tax the wealth of the ultra elite.

To ensure that the wealthiest among us contribute their fair share to the common good and that our nation's wealth is more equitably distributed, the federal government must implement an annual wealth tax of at least 2 percent on households' net worth and trusts between $50 million and $1 billion.[88] Additionally, an annual 1 percent surtax (totaling at least 3 percent) must also be applied on households' net worth and trusts exceeding $1 billion. Just as important, the federal government should also eliminate tax provisions that encourage hoarding of wealth, such as lower tax rates for capital gains and the mortgage interest deduction.

Tax corporations for paying workers poverty wages.

To foster a Liberation Economy where workers are valued and appropriately compensated, corporations must face consequences for paying poverty wages through a Working Poor Tax. Inspired by a proposal in Connecticut,[89] this solution involves imposing a tax on companies at a specific rate per hour, per worker, for all workers paid less than a living wage.[xi] To implement this tax, the IRS (or state tax agencies) should develop a methodology that calculates the share of a corporation's income resulting from paying its workers below the government-defined livable wage.[xii] Once determined, an annual tax of 95 percent should be applied to this share of corporate income, with the revenue directed toward a worker solidarity or support fund.

xi As defined by the Massachusetts Institute of Technology (MIT), a "living wage" is the local wage rate that a full-time worker needs to cover the costs of their family's basic needs where they live. See https://livingwage.mit.edu for more details.

xii In line with MIT's methodology for what a living wage is, a livable wage will be defined and annually updated by the Department of Labor and should reflect a wage workers need to cover the cost of basic needs in the sub/urban, metropolitan, or rural communities where they live.

RESEARCH QUESTIONS FOR REDISTRIBUTING POWER TO MAKE CORPORATIONS ACCOUNTABLE TO COMMUNITIES

1. How can size regulation be effectively tailored, implemented, and enforced in different sectors, given the unique characteristics and challenges of a sector?

2. How does consolidation across consumer, labor, and capital markets affect the political and economic power of people of color?

3. How are corporations leveraging their power to influence academic institutions, and what are the implications of this for democracy and equitable policy- and decision-making?

4. What impact does tax avoidance have on people and communities of color, and how would the IRS collecting this data mitigate those impacts?

2 Building Worker Power & Equalizing the Labor Market

THE PROBLEM:

Concentrated Employer Power

Monopsony power in the labor market—where employers have some unilateral power to set wages, instead of wages being "set" or "given" by market forces[90]—perpetuates the Oppression Economy. For example, according to a recent report from the U.S. Treasury Department, corporate America has used their wage-setting power to keep wages 20 percent lower than they would be in an otherwise competitive labor market.[91] To achieve this, employers in corporate America and elsewhere often employ whatever tactics they can get away with, such as non-compete and non-disparagement agreements,[92] to eliminate labor market competition and upward pressure on wages and benefits. Although alarming, the power that allows employers to suppress wages and limit labor market competition is a key feature of our economy, as our markets are generally not competitive for a variety of reasons.[93]

While monopsony power affects all workers, it disproportionately impacts workers at the margins of the labor market. This empowers companies to engage in union-busting, impose grueling working conditions, and suppress wages. For example, left with little, if any, labor protections and access to public assistance programs, a recent investigation by Prism Reports, Futuro Investigates, and Latino USA found that (im)migrant workers face widespread wage theft and exploitation in the H-2A visa program, the successor to the oppressive Bracero Program of the 1940s, 50s, and 60s.[94] Tied to a single employer with few labor protections, the H-2A program often leads these workers to be considered "indentured servants who should be subject to even criminal sanction if they refuse to work," as H-2A (im)migrant shepherds claimed in a lawsuit against ranchers in Colorado, Wyoming, and other Western states.[95] Overall, between 2011 and 2021, American H2-A employers were able to steal $7.2 million in wages from (im)migrant workers.[xiii]

Labor conditions faced by these and other workers are shaped by numerous dynamics, including legislation, judicial decisions, international trade agreements, and administrative actions. However, two significant acts that shape the labor landscape are the National Labor Relations Act (NLRA) of 1935 and the Fair Labor Standards Act (FLSA) of 1938. Driven forward by the labor radicalism of the 1930s,[96] these landmark pieces of legislation enshrined the right of private-sector workers to collectively bargain, established a national minimum wage, standardized the workweek, and set child labor standards. Despite their significance and accomplishments, the passage of these acts required compromises to secure the support of pro-segregationist Southern Democrats,[97] leading to the exclusion of agricultural and domestic workers from the NLRA's right to collectively bargain and the FLSA's wage protections.

These compromises, coupled with decades of opposition from the business community and support from sympathetic policymakers, have resulted in a system of stratified rights that gives companies disproportionate power to set wages and working conditions in the labor market. The acts also enable companies to legally pay subminimum wages, offer irregular or extensive hours, and set poor working conditions. A striking example can

xiii Though there has been a recent effort between the U.S. and Mexican governments to return approximately $6.5 million of these stolen wages to about 13,000 Mexican workers (about $500 per worker or close to a third of the average monthly salary in Mexico), the full amount of $7.2 million currently remains in the Treasury Department as the government has been unable to locate the workers who are owed these stolen wages.

be seen in the agricultural sector, where farmworkers face a heat-related death risk 35 times higher than other outdoor workers in the U.S. due to inadequate enforcement of rest, water, and shade requirements.[98]

To advance workplace democracy in a way that avoids repeating past shortcomings, it is crucial that we more deeply understand how our system of stratified rights restricts and impacts workers—particularly workers of color—in the labor market. To accomplish this, we use the analogy of a cake, where each layer represents a form of exclusion that fragments the working class.

LAYER 1

Workers vs. "Employees"

At the top layer, we have various categories of workers, including agricultural[xiv] and domestic workers, ***independent contractors,*** and disabled workers, who are excluded from the NLRA's collective bargaining rights and/or the FLSA's overtime and minimum-wage protections. For example, today nonprofit "sheltered training workshops," which employ over 100,000 people with intellectual and developmental disabilities,[99] are legally paying subminimum wages and creating segregated employment opportunities for disabled workers.[100]

At the same time, employers also employ tactics such as ***worker misclassification*** (where an employee is classified as independent contractor) to evade worker protections, undermine labor market competition, and prevent unionization. This tactic not only leads to ***workplace fissuring,*** where companies shift costs and risks onto workers or smaller, less accountable companies,[101] but also makes workers vulnerable to antitrust prosecution if they take collective action.[xv] Like many other issues in our labor market, misclassification heavily impacts workers of color.[102]

LAYER 2

Constrained Union Growth and Influence

In the next layer, we find that our system of private-sector ***collective bargaining*** has gradually eroded organized labor's position and ability to expand its influence. Additionally, we find that employers frequently violate labor laws and employ union-busting tactics.[103] With the NLRA's enforcement capacity limited, this results in many unionized workers being deprived of the legal protections they are entitled to.

These and other issues stem from the Taft-Hartley Act of 1947, which made it difficult for workers to join unions by ending ***closed shops*** and allowing states to pass ***Right-to-Work*** laws, preventing unions from collecting funds from all workers who benefit from collective bargaining. Today, these laws remain in effect in 27 states and are a primary cause for the nearly 50 percent decline in overall union density since the early 1980s.[104] Unsurprisingly, these laws were used to crush unionism in the South. However, workers across the South fought back, and continue to do so, driving gains that would come in later decades thanks to the Civil Rights Movement's explicit focus on connecting labor and racial justice.

Taft-Hartley also excluded independent contractors from the protections of the NLRA and banned ***secondary boycotts*** (labor actions against anyone but the workers' direct employer), which also facilitated the rise of the

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xiv While farm workers' total exclusion from FLSA only lasted until the 1960s, their inclusion under FLSA today remains partial since, for example, overtime and other wage protections do not apply to these workers.

xv Supported by the Federal Trade Commission, in 2018, a federal court ruled that Seattle's 2015 ordinance, which permitted Uber and Lyft drivers to unionize, violated federal antitrust laws.

fissured workplace. Compared to white male workers, who were predominantly employed by large, centralized employers at the time, these provisions had a greater impact on women and nonwhite workers because they were more frequently employed at subcontractors, suppliers, and other firms, or working without employee status altogether.[105]

LAYER 3

Fragmented Bargaining Landscape

In the second-to-last layer, we find that our current system of bargaining keeps workers divided across workplaces, even when unionized, severely limiting our ability to secure a better future. For example, private collective bargaining agreements are negotiated shop-by-shop or unit-by-unit instead of sector-wide. This constrains organizing and limits the reach of any wins to specific workplaces. Additionally, many corporations have also outsourced core functions to "independent" firms they control. This means that while workers at a McDonald's franchisee can engage in collective bargaining against the franchisee itself, they cannot bargain with McDonald's USA.[106, 107] Moreover, the mandatory subjects of bargaining outlined by the NLRA often favor companies, further hindering organized labor's expansion.

LAYER 4

Workers Vs. Anyone Who Does Not or Cannot Work

Lastly, reaching the final and most crucial layer of our metaphorical cake, we discover that the U.S. relies on a system of predominantly privatized rights and benefits that heavily relies on private employers to provide for their workers. As a result, individuals who cannot work or choose not to work are left with an intentionally inferior system of public benefits, which frequently suffers from underfunding and delays. This arrangement not only harms those who are not employed but also leaves workers beholden to employers to get their most basic needs met. Therefore, any discussion on shifting the balance of power between workers and corporations must address the deliberate inequities embedded in our labor laws and social safety net systems.

Ultimately, the layers that constitute our current system have led to a concentrated labor market that weakens, divides, and deprives the working class of their power to confront unchecked corporate dominance. This underscores the critical importance of strengthening labor organizing as a means to counter corporate power. Simply having systems, legal protections, and rights in place is insufficient; workers must build enough power to vindicate those rights and ensure accountability.

THE SOLUTION:

Strengthen Our Labor Laws to Protect All Workers and Value All Work

To build up worker power and voice further, we must implement reforms that intentionally strengthen workers' ability to form unions and to bargain, while also reducing the power corporations have to keep us in unhealthy and harmful work environments. In effect, we need a comprehensive reevaluation of economic policy to safeguard and support workers,[108] and to dismantle the power that corporations have to pit us against each other, here and abroad. The following efforts and policies should be part of this reevaluation.

Bring all workers into federal labor law protections.

In order to boost worker voice and power, we first need to end the exclusion of those who have been left out of labor and wage protections by stopping companies from rigging the game in their favor. This requires closing loopholes, like misclassification, that allow employers to bypass labor laws, as well as expanding the right of all workers to organize, unionize, and bargain collectively.

Two pieces of legislation that can help accomplish this are the Protecting the Right to Organize (PRO) Act,[109] which, among a number of other pro-worker provisions, ends the misclassification of independent contractors by expanding the definition of employee, along with the Public Service Freedom to Negotiate Act,[110] which extends federal labor protections and bargaining rights to all public-sector workers.

Strengthen unions by repealing anti-union laws and increasing enforcement.

To strengthen and protect union power, we also need to reverse many anti-worker laws and practices across the country, such as right-to-work laws, which have limited the ability of workers to join and maintain unions, and ***captive audience meetings,*** where employers force unionizing employees to attend anti-union meetings designed to pressure workers from voting in favor of a union. Additionally, to sustain these and other pro-worker efforts, we also need to increase penalties for employers who violate workers' rights by boosting the funding and enforcement power of the NLRB. The PRO Act would also increase penalties against those that violate labor laws and would override anti-worker laws and practices throughout the country.[111]

Create a sectoral bargaining system to supercharge worker power.

To massively boost the power of workers, we need to create and implement a sector-wide approach to collective bargaining, instead of continuing with our current company-by-company approach. By allowing and empowering employees to set employment terms across sectors, ***sectoral bargaining*** would enormously rebalance power in favor of workers. For example, instead of each Amazon warehouse having separate negotiations, a union like the Amazon Labor Union could work with other warehouse workers, both at Amazon and other companies, to establish a collective standard for wages, benefits, and working conditions that applies to the entire warehouse labor sector. Sectoral bargaining is critical for boosting worker power and curbing corporate concentration, as it puts an end to the race to the bottom that lowers worker wages and pits workers against each other.[112]

To guide the development of a sectoral bargaining system, we highlight a few critical principles put forward in 2021 by over 80 scholars, labor lawyers, advocates, and union leaders,[113] which include the following.

- **Coverage:** All workers are presumed to be employees and qualify for sectoral bargaining, unless the employer can demonstrate that the worker is a true independent entrepreneur through the ***ABC Test.***[xvi]
- **Benefits:** Portable benefits offered within a sectoral bargaining system should not be inferior to existing social systems, and they should not be used to reduce employers' obligations to their workers.

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xvi The "ABC" test requires an employer to presume a worker is an employee unless they can prove that (1) they did not have control or the ability to control the worker's ability to complete work; (2) the services provided were not part of the usual business or performed outside the company's place of business; and (3) the worker is engaged in an independent trade or profession.

- **Participation and Representation:** All workers in a sectoral bargaining system should have a meaningful say in the negotiation process and be represented through organized and democratic organizations.
- **Union Involvement:** Only independent trade unions, not company unions, should be part of a sectoral bargaining system.

In addition to these principles, it is important to minimize friction between workers' rights and their ability to secure them. This can be achieved by implementing automatic triggers, such as establishing a sectoral bargaining panel when union density in a sector reaches a certain threshold, as recommended by the Clean Slate for Worker Power project at Harvard Law School.[114] It is important to note that the organizers we spoke with emphasized that the creation of sectoral bargaining should go hand in hand with the breaking up of large companies.[115] By breaking up large companies, collective bargaining can be applied across the resulting smaller firms, ensuring that sectoral bargaining covers as broad a range of workers as possible.

Furthermore, to pave the way for a national sectoral bargaining system, states and local governments should create ***wage boards*** within their jurisdictions. Building on efforts in states like New York, New Jersey, and California (which recently enacted the Fast Food Accountability and Standards [FAST] Recovery Act, a law-turned-ballot-measure to create a state-appointed council to negotiate pay and other working standards for fast-food workers in the state),[116, xvii] wage boards would more immediately help workers set minimum sector-wide standards for wages, benefits, and working conditions within their state or local areas.[117] Similar to the federal corporate chartering system proposed earlier in this report, it is crucial that workers from historically oppressed communities have a significant representation on these boards (at least 50 percent).[xviii]

Decouple life-sustaining benefits from one's employment.

To improve the overall position of workers, we need to break employers' power over workers as the sole avenue for accessing life-sustaining social benefits. To decouple these benefits and services from employment, we need to establish a guaranteed basic income that sustains and prevents workers from being forced to navigate the economy with poverty-level wages or endure harmful working conditions to make ends meet.

At the same time, we also need to create a national system of paid sick and family leave that guarantees that workers are not forced to choose between earning an income or caring for themselves or a loved one. Lastly, we also must establish and expand universal worker relief funds that automatically scale-up during economic downturns, providing workers with sustainable levels of economic support, in the form of cash, during times of need. Organizers emphasized the importance of this type of support for temporary workers and subcontractors who face particularly unstable employment.

Create a federal job guarantee.

To further rebalance the labor market in favor of workers, we can reduce the dominance of employers by establishing new public pathways to good jobs through a federal job guarantee. This idea, championed by the federal government during the 1930s (through the creation of the Works Progress Administration and

xvii Enacted into law in January 2022, California's FAST Act was put on hold a month before its effective date, in December 2022, in response to a lawsuit filed by the fast-food industry group, Save the Restaurants. After a campaign by an industry coalition led by the International Franchise Association (IFA), the future of the FAST Act will now be determined by California voters in 2024 through a ballot measure.

xviii Non-shareholding members should be compensated at a wage commensurate with the role of board member.

Civilian Conservation Corps),[118] the Black Panther Party,[119] Martin Luther King Jr.,[120] and others, would provide government-backed jobs with livable wages, healthcare, paid leave, and retirement benefits as an alternative to low-wage private-sector work.

This concept elevates a proposal by economists Mark Paul, William Darity, Jr., and Darrick Hamilton[121]—jobs offered through the program should be universally available for every capable adult and should provide a living wage that covers basic needs (rather than wages that raise workers above the poverty level as the Paul, Darity, Hamilton proposal calls for).[122] Fringe benefits should also be included, and the program should be governed by a local body with democratic accountability and funded exclusively by the federal government. While a federal job guarantee may not solve all labor market problems, it would build on a history of government employment as a safe haven for people of color, creating jobs that serve locally identified needs and reducing the power of the private sector over workers.

Reform worker and trade policies that subordinate global south workers and their economies to U.S. corporations.

To address the power imbalances faced by (im)migrant agricultural workers, reforms are needed in programs like H2-A and in our approach to farmworkers in the labor market. As Centro De Los Derechos Del Migrante recommends, we should start by giving workers greater control over who employs them and providing a pathway to citizenship or legal permanent status (at a minimum).[123] Conversations in sessions with organizers affirmed that employment should create clear pathways to citizenship status. Additionally, we should also move to end the exclusion of farmworkers and others from accessing labor protections and ensure that these workers are able to access public supports, including healthcare, while they are here.

On an international level, tax loopholes that incentivize offshoring jobs and profits should be closed. Environmental and labor standards should be enforced in all U.S. trade agreements, and stakeholder participation and approval should be mandated in trade negotiations. Finally, investment treaty arrangements that give excessive power to corporations should be eliminated to prevent them from dictating global policy for their own profits.

RESEARCH QUESTIONS FOR BUILDING WORKER POWER & EQUALIZING THE LABOR MARKET

1. How do collective bargaining agreements address monopsony power?

2. How do mergers and acquisitions impact the job security and wages of workers in the affected industries, and what is the long-term impact of mergers on the economic stability of affected communities/workers?

3. How does monopsony power affect community ownership in different sectors, and how does it impact economic and social equity for communities, particularly communities of color?

4. How can unions effectively address the issue of monopsony power in sectors where labor is highly mobile and worker bargaining power is weak?

5. How do union contracts and collective bargaining agreements influence wage-setting and hiring practices in markets dominated by monopsony power?

3 Breaking the Financial Sector's Grip on Our Economy & Democracy

THE PROBLEM:
The Financialization of Our Economy

Whether or not people know what the stock market is, politicians, reporters, and many others often equate the stock market with the economy.[124] This misguided notion is due to generations of conditioning by corporations, politicians, and the elite, who have placed Wall Street at the center of the economy. After all, the government often turns to Wall Street for advice on the economy during downturns or to run critical parts of government. We're also often told financial markets play a vital role in spurring economic growth since they—and only they—can efficiently direct capital from investors toward greater and improved goods and services production.

However, in reality, the stock market is *not* the economy. Wall Street prioritizes profits over people, and many corporations accumulate wealth through financial speculation instead of producing goods and services that benefit the broader community. For example, when the managers at Chipotle Mexican Grill reached their limits in reducing hours or cutting wages of front-line workers, Wall Street analysts downgraded the company's stock.[125] This process, where vast parts of our economy rely on speculation, asset trading, and dispossession via the financial markets to accumulate massive wealth, is known as ***financialization***.[126]

Digging deeper into this issue, we can identify four major problems that arise from the increasing reliance on financialization to accumulate wealth and the concentration of power in our financial markets.

The increasing role of financialization and power of financial markets comes at our expense.

As a result of financialization, financial markets (banks, private equity firms, and other channels that facilitate the flow of money) are increasingly hoarding vast amounts of power and wealth in the U.S. economy. This trend is problematic since corporate financiers, from Goldman Sachs to JPMorgan Chase to Blackstone, prioritize short-term shareholder returns over all else, extracting value from the economy through trading and speculation on debts and financial assets. Consequently, the finance sector has grown in scale and profitability relative to the "real" or "productive" economy, where goods and services are created and exchanged.[127]

This shift harms workers, widens disparities, and has real consequences for our communities. For example, when cities and counties turn to private Wall Street investors to fund infrastructure projects, it can result in the loss of control over public assets and critical revenue streams.[128] Additionally, financialization leads us to pay more to access our public services and goods—in taxes, tolls, and even fines and fees from the carceral system—because Wall Street prioritizes "efficiency," which really just means they spend less on the things we need.[129]

A lot of our money is invested in ways we don't have control over.

Increasingly, our retirement funds and public-sector employees' pension funds are pooled and invested in the stock market. This ties our financial wellbeing to the fluctuations and interests of the financial markets, and, in the case of pensions, it helps corporations maintain a position of power over workers.

Overall, over $62 trillion of household and worker financial assets are invested in the financial market through shares in corporations; yet, we have limited say in how our money is invested. This is partly due to the fact that today just three financial institutions—BlackRock, Vanguard, and State Street—dominate the market, controlling about 80 percent of the nation's pooled assets,[130] which amounts to about $20 trillion in assets.[131] Moreover, many workers plan for retirement by buying financial assets in pooled funds through their employers or aggregators like mutual funds. This lack of control not only limits our choices in investment but also shifts the risk to individuals and marketizes our retirement security, increasing the power of corporations over workers and undermining our ability to retire with dignity.

Those managing our money are solely focused on their bottom lines.

Despite a significant portion of our money flowing into the financial market, we have little say in how it is invested because that power is transferred to asset managers because our savings are put into pooled funds they control. As the legal owners of our pooled assets, asset managers are the shareholders of corporations, not us, which limits our influence over the decisions of corporations. This ownership gives these financial middlemen unparalleled power over the economy, and a huge say in how corporations are governed.

Guided by rules that require them to prioritize profits over all else, asset managers use their power to direct companies to make investments in things that harm us and our communities—from speculative land grabs in the global south to fossil fuels—because it's good for their bottom line, without us having a say.

Some money managers are particularly ruthless about generating profits.

Of the various forms of asset managers, private equity is among the most concerning. Backed by institutional investors (e.g., pension funds, university endowments, insurance companies), and valued at $5 trillion,[132] the profit motive of private equity firms—from Blackstone to the Carlyle Group and beyond—is to make as much money as possible. They do this by buying companies of all kinds,[133] especially those struggling, through ***leveraged buyouts,*** which is a process in which companies being bought by private equity firms are forced to take on as much as 70 percent of the purchasing price as their own debt. Once in debt, private equity firms then implement severe cost-cutting measures in the name of efficiency, such as layoffs, reducing wages, and benefits, before ultimately selling the company for a profit.

The Toys "R" Us bankruptcy in 2017 is one example of the devastating effects of private equity.[134] After being acquired by private equity firms, who walked away with millions, over 30,000 Toys "R" Us employees lost their jobs (it took months of organizing for workers to get severance).[135] Another example is the University of California (UC) system's recent investment of $4.5 billion in the Blackstone Real Estate Investment Trust (BREIT) just a week after its workers ended the largest academic strike in U.S. history.[136] As a public-institution-turned-private-investor, the UC system was directly investing in the affordable housing crisis since the business model of corporate landlords like Blackstone relies on a shrinking housing supply and profits extracted from tenants through rent increases and aggressive evictions, which disproportionately affect communities of color.[137] The UC system is not alone here because public pension plans are the largest investors in private equity funds.[138]

Ultimately, the concentration of financial power in fewer hands translates into greater political power for Wall Street elites. They use this power to push for deregulation, which feeds into a cycle where short-term profits are prioritized over long-term growth. This is why it is important to implement reforms that limit the power and influence of financial markets, enhance public control over investments, and redirect resources toward the real economy.

THE SOLUTION:

End Shareholder Primacy & the Power Financial Markets Have Over Our Lives

To loosen the grip financial markets have on our economy, we need to reduce the power that Wall Street and financial middlemen have over our resources, which they use to act with impunity in search of higher returns and profits. Specifically, to regain control over our money, so that we're not left powerless in how it's invested or used against us, we need to undertake several coordinated measures, including the following:

Publicly fund retirement for all.

Marketized retirement security is the primary structure fueling shareholder primacy, which in turn imperils communities of color, the environment, and our democracy. As long as individuals' retirement security remains interconnected with the stock market, we will remain trapped in a never-ending cycle where the constant demand for fund growth translates into pressure on stock prices to increase, resulting in profit-maximization strategies that are harmful to us all, especially people of color. To disrupt this cycle and reduce the outsized power financial markets have, a Liberation Economy must publicly fund retirement for all.

To create the enabling conditions for such a transformation, the policies that follow offer a set of more immediate-term reforms that aim to curtail the extractive power of the financial markets and improve workers' and communities' material conditions. From creating public options for asset management to reforming fiduciary duties, these strategies begin the necessary work of delinking retirement security from the stock market and the profit interests of parasitic money managers.

Reform asset managers' fiduciary duties.

Elevating a proposal put forward by Lenore Palladino,[139] an economist and professor at UMass Amherst and a fellow at the Roosevelt Institute, we need to shift the ***fiduciary duties*** of asset managers from solely maximizing profits to considering the long-term interests of households they serve. This means changing securities and employee retirement investment laws overseen at the federal level by the U.S. Securities Exchange Commission and the U.S. Department of Labor (i.e., the Investment Advisers Act of 1940 and the Employee Retirement Income Security Act of 1974) and at the state level to require asset managers to consider the total effects of their actions on the shared interests of beneficiaries, not just financial interests. Building on the proposal's calls for asset managers to make their portfolios carbon neutral by 2050, the government needs to also establish an affirmative, enforceable obligation for asset managers to advance racial equity and workers' rights in their portfolios.

While enforcing higher standards is a positive step, organizers cautioned that solutions like this may not be impactful enough for people of color, like environmental social governance investing.[140] Alternatively, organizers also suggested such solutions may be overly effective, potentially leading to negative consequences for the financial well-being of people of color who rely on pensions and retirement funds to live out their golden years. Therefore, careful consideration must be given to the design and implementation of such large-scale solutions.

Create a "public option" for asset management.

Because the concentration of corporate power is closely tied to the concentration of financial power, it is also critical that we tackle the monopoly financial markets have as the central structure for how money flows in our economy and how corporations accrue political and financial power. One way to do this is by creating a public asset manager, as Lenore Palladino has also proposed, to establish a countervailing power to our current extractive system of capital allocation. This could provide a much-needed alternative to the sector and would ensure that *our* money is used to promote *our* shared interests, rather than solely for the benefit of a few wealthy elites.

Expanding on Lenore Palladino's proposal, as a ***fiduciary***, a public asset manager should also assume the following duties:

- Prioritize racial equity and champion the needs of communities of color in its investment decisions, steering clear of extractive industries and carceral systems that harm people of color.
- Provide accessible, low-cost/no-fee investment options that directly empower and uplift people of color.
- Create accessible investment funds dedicated to public-good projects that focus on rebuilding and supporting persistently poor communities, along with formerly redlined neighborhoods, and previously legally segregated areas that remain low income and majority-minority today.
- Offer options for household investors from marginalized communities to direct their funds toward investments that promote their needs and the public interest.

At the same time, Congress, the U.S. Securities Exchange Commission, and other relevant financial regulators should also enact forward reforms that ensure our money better centers the voices and needs of communities of color by requiring that asset managers within the current system to accomplish the following:

- Commit to affirmatively furthering racial equity in their investments as part of their ability to continue engaging in the market. This can be achieved, in part, by requiring firms to refrain from making investments that are harmful to communities of color, such as speculative land grabs and investments in fossil fuels.
- Create community advisory boards made up of people of color and other marginalized groups that

ensure that investments are informed, guided, and vetted to address the needs of marginalized communities or, at the very least, avoid causing harm to them.

- Implement a robust and public system of impact measurement and reporting that tracks how their investment decisions advance racial equity and holds them accountable for their decisions.

Curb the power of private equity over workers and communities.

Given private equity's inflated market power, the public sector's involvement, and the harms that flow from its relentless pursuit of profits, we need to significantly limit the power of these firms. Elevating and building on ideas from Senator Warren's Stop Wall Street Looting Act,[141] David Dayen,[142] and others working to end the looting of our communities by private equity,[143] we can limit and roll back private equity's involvement in our financial markets, lives, jobs, and communities.

Make private equity liable for the impacts of their actions.

Despite relying heavily on forcing purchased companies to take on a mountain of debt, private equity firms hold zero liability for the devastating consequences that come from this favored tactic. To hold them accountable, all liabilities, including any debt, severance, legal judgments, labor violations and pension-related obligation,[xix] should also be held by private equity firms and those that run them, not just the underlying company they own. This would ensure that these financial vultures are held accountable for the harms their actions cause and cannot discharge their obligations to workers and communities in bankruptcy.

Ban private equity from mortgaging a company's future for profit.

Private equity firms often use the debt they force companies to take on to repay investors, a tactic known as ***dividend recapitalizations***, which is a strategy to increase returns from a leveraged buyout. By mortgaging the future of the companies they own to keep clients happy today, these firms can put the companies and workers at risk of job losses and bankruptcy.

As a series of abolitionist and/or non-reformist reforms to progressively constrain the power and reach of private equity firms, we propose banning leveraged buyouts entirely, so that private equity firms cannot take over floundering businesses, transfer the responsibility for debt repayment to the company they just bought, and turn a massive profit without any of the risk. In the absence of such a ban, we at least need to go further than Senator Warren's Stop Wall Street Looting Act, which calls for banning debt-financed dividends and offshoring jobs for two years after an acquisition. Instead, we propose banning private-equity firms entirely from engaging in debt-financed dividends, or at a minimum, restricting them from giving out these dividends for at least five years, which aligns with today's higher-range holding periods of private-equity firms.[144]

xix Organizer input emphasized this point.

Ban private-equity firms from self-dealing and subject purchases to mergers and acquisition reviews.

Private-equity firms often sell their owned companies to other private-equity firms at inflated prices, leading to what some may consider a Ponzi scheme.[145] Some firms have taken this to another level by selling their companies to themselves through vehicles known as continuation funds or off-shoot funds managed by the same private-equity firm.[146] By effectively paying themselves, private-equity firms not only have a vehicle to roll their investors into new funds, keeping them around for longer, but also a dubious tool to generate even higher valuations and fees for the firm. To tackle these practices, we have to ban this and other kinds of self-dealing entirely, including the practice of private-equity firms charging acquired companies advisory and other annual service fees that these firms do not actually provide.[147] We also should subject private-equity firms to a federal mergers and acquisitions review whenever they buy a company, but especially when it is being bought from another private-equity firm.

Significantly limit the leverage of private equity.

Because private-equity firms rely heavily on debt rather than their own cash to buy companies, we should do all that we can to limit their ability and propensity to turn leverage into profit. One way to do this is by repealing Section 209 of the National Securities Markets Improvement Act of 1996 (NSMIA), which deregulated private equity by creating an exemption for firms from registering as an investment fund under the Investment Company Act of 1940.[148] This has allowed private-equity firms to avoid reporting requirements, transaction restrictions, and limits on debt usage that private equity overwhelmingly relies on.[149]

By doing away with Section 209, firms would need to downsize to under 100 investors to avoid registering as an investment fund, which would limit their ability to raise money for their funds. However, as David Dayen suggests,[150] the best course of action would be to place all investment firms under the 1940 law, requiring private-equity firms to carry $3 of their own assets for every $1 they borrow in the process, which would significantly limit their ability to leverage debt for profit.

Ban private equity altogether along with other forms of extractive finance.

Beyond shrinking the scope and power of private equity, we could also take an abolitionist approach and ban private equity altogether, along with other forms of extractive finance, including hedge funds. Taking such steps would not be easy, given how interconnected extractive finance is within our financial markets and our economy. It also would not be painless, since many of our public and union pensions have flocked to extractive financiers, particularly private equity, over the past several decades in search of ways to make up for declining state investments in worker pension funds. However, we see this and the above steps as non-reformist reforms that would move us toward abolishing extractive financial markets while building structures that meet people's financial needs.

Require banks to explicitly center the needs of people of color.

As facilitators of economic activity, banks have historically served as gatekeepers to basic financial products and have denied us access to mainstream financial services. It is because of this denial—particularly mortgage lending discrimination fueled by banks and government through redlining—that today, we have laws like the Community Reinvestment Act (CRA) to ensure banks are held accountable when they fail to meet our needs.

Despite its importance and origins as a tool to combat racial discrimination in lending, the CRA still does not explicitly require banks to serve the needs of Black and Brown communities. Instead, banks receive CRA credit for investing in low- and moderate-income communities and their needs. This means that even if banks do not invest in our needs or do make harmful investments, such as speculative real estate or gentrifying businesses that fail to serve the local community, they can still receive a positive rating as long as these investments are directly situated in or indirectly serving low-income communities. To ensure that the CRA effectively protects us from discrimination and abuses perpetuated by banks, we need to add consideration of race to CRA regulations.

While recent efforts by the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency (OCC), and the Federal Reserve to update the CRA are steps in the right direction, they do not fully address the needs of people of color in our dual financial system. To center the needs of communities of color, we should follow the National Community Reinvestment Coalition's (NCRC) recommendations of increasing the collection and reporting of racial demographic data on lending activities made by banks.[151] This will allow us to better understand how banks are serving or failing to meet our needs and communities and strengthen the argument for reparations for Black American descendants of chattel slavery.

To hold banks accountable for serving us, NCRC also suggests updating CRA guidelines to include racial lending thresholds as a key criterion for CRA exams,[152] which we agree with. Finally, we should also enact meaningful penalties for banks that fail to serve our needs or that harm us. As suggested by Randell Leach, the head of Beneficial State Bank, a community development bank, this can be accomplished, in part, by updating CRA guidelines to downgrade a bank's CRA rating by two levels for certain violations.[153]

Create a public banking system to end our dual financial system.

Today, Big Business has access to the world's largest public bank, the Federal Reserve, which distributes the money supply by passing it through financial institutions, who then determine how and to whom it is distributed in the economy. Put simply, this means that the federal government has effectively outsourced the distribution of the money supply. Yet, as the gatekeepers to the basic financial products people need to navigate the economy, banks have not only harmed us through practices ranging from discriminatory lending to banking deserts[154] but also have shut out over 40 percent of people of color from accessing basic financial services,[155] leaving many of us to rely on predatory financial services that undercut our financial well-being.

In a Liberation Economy, we need public banks to serve those not served by private banks. Building on ideas centered on postal banking, and a proposal put forward by Representatives Alexandria Ocasio Cortez and Rashida Tlaib through the Public Banking Act,[156] our vision for creating a public banking system calls for the Federal Reserve to become more of a "people's bank" by providing every U.S. citizen (and undocumented citizen) with a Federal Reserve checking or savings account. Accessible online or through the U.S. Postal Service, these accounts could also be used by the federal government to deliver direct cash payments, such as welfare benefits, tax returns, or special cash payments in times of emergency (such as the expanded Child Tax Credit provided to families due to COVID-19).

Our vision for the future of public banking in this country ultimately calls on the Federal Reserve to use its monetary power to reduce racial disparities in the financial and labor markets, as called for by Senator Warren and others in Congress.[157] Additionally, it involves the Federal Reserve directly serving our needs by offering low-cost financial products and services that can challenge the costly and exploitative alternative financial services industry.

Increase direct federal funding to state and local governments.

One consequence of the tax avoidance by corporations and wealthy individuals we raised earlier in this report is that our state and local governments often don't have as much money as they should to carry out their essential functions. At the same time, federal funding for states and localities has plummeted since the 1980s.[158] This is a huge problem because states and localities face several constraints when it comes to raising their own revenues for social services and infrastructure, such as regressive tax laws, constitutional restrictions, and balanced budget requirements. And because they cannot spend more money than they bring in and cannot print money like the federal government, they must rely on private investment to finance essential needs, such as public schools, libraries, public housing, and infrastructure.

According to the Action Center for Race and the Economy, the interest payments from cities and states relying on Wall Street capital to support local infrastructure and basic services for residents reallocates some $160 billion annually from taxpayers to Wall Street.[159] This leaves communities indebted and beholden to private, profit-driven bondholders. Unsurprisingly, the underwriters of municipal debt are a who's who of Wall Street bigwigs, such as Bank of America, Citigroup, Morgan Stanley, JPMorgan Chase, the Royal Bank of Canada, Goldman Sachs, Wells Fargo, Stifel, Barclays, and Raymond James.[160] In 2019, these ten elite institutions underwrote nearly $300 billion in municipal bonds throughout the country, an amount about 3.5 times the size of New York City's budget at the time.[161]

These and other big Wall Street investment banks that underwrite municipal bonds often use their outsized power to set terms that favor their profit interests at the expense of communities. This is due to their legal duty to maximize shareholder returns, with no such duty to consider the public interest. In the end, this dependence on private financing makes our communities indebted to bondholders, leading to regressive tax policies and fines and fees imposed via the criminal legal system to pay back bonds, fueling carceral violence, and balancing municipal budgets on the backs of people of color.[162]

In a Liberation Economy, states and localities will not rely on Wall Street to meet the needs of their residents. Instead, the federal government will play a pivotal role in providing financing for municipal projects, like the funding it provided through the American Rescue Plan Act (ARPA)[163] and other measures implemented during the COVID-19 pandemic. While this financing should be facilitated by relevant federal agencies and the Federal Reserve, it is critical that Congress establish a permanent state and local budgetary relief fund—building on the intentionally broad, but temporary, State and Local Fiscal Recovery Fund deployed through ARPA—that provides flexible, short-term grants to states to address pressing fiscal and community needs. This would ensure local communities have access to more equitable funding to support residents and workers and break private financiers' chokehold on governments and communities.

At the same time, to complement such a stream of direct, and flexible, federal grant funding for short-term needs, the Federal Reserve should move to directly provide long-term, no-cost loans to state and local governments, with priority given to funding citizen-led initiatives, as organizers we spoke to emphasized. This would disrupt public dependency on private financiers and bondholders, be more cost-effective and reestablish federal government responsibility for financing public goods and services, rather than outsourcing it to private interests.

RESEARCH QUESTIONS FOR BREAKING THE FINANCIAL SECTOR'S GRIP ON OUR ECONOMY & DEMOCRACY

1. How do private investors and real estate practices contribute to the consolidation of corporate power, particularly in communities of color, and what are the mechanisms by which they do so?

2. How do financial markets influence the investment decisions made by public-sector pension funds? What are the implications of these investments for public-sector employees and their communities?

3. What strategies do workers and communities employ to regain and wield power in municipal finance decisions?

4. How does the role of federal preemption to public banking, functionality, and capitalization impact financialization in local and state governments?

5. How do different regulatory frameworks (such as community reinvestment requirements and anti-monopoly laws) impact the power and behavior of financial markets in communities of color?

6. How does the concentration of wealth in dominant companies (like Amazon) influence capital decisions, and what are the implications of this for the broader economy?

7. How do different regulatory frameworks (such as community reinvestment requirements and anti-monopoly laws) impact the power and behavior of financial markets in communities of color?

8. In what ways and through which methods do financial markets undermine community power, ownership, and financial decision-making in communities of color?

4 Restoring the Public Provision of Essential Goods & Services

THE PROBLEM:

Public Goods Have Become Privatized

Over the last 50 years, Big Business Co-governance has advanced a narrative to foment anti-government sentiment to privatize an array of public goods.[164] Driving this narrative are phrases like "Government is not the solution to our problem, government is the problem,"[165] or the government shouldn't "trap" people in a cycle of dependency. However, the fuel behind these and other similar phrases that have given rise to the anti-government sentiment we face today has been racist ideology and dog-whistles that have tirelessly positioned publicly provided goods and services as primarily helping "undeserving" Black people and (im)migrants.[xx]

Today, the dynamics of Big Business Co-governance have led many of our basic needs to be provided by for-profit corporations, putting much of our formerly public goods either in real threat of being privatized or already under corporate control. As a result, people of color are systematically excluded from accessing affordable basic needs necessary to thrive, including healthcare, internet access, and education.

For example, as the Initiative for Medicines, Access, and Knowledge (I-MAK) has spotlighted through their work, the U.S. healthcare system has long prioritized short-term profits over the needs of people who depend on critical life-saving and sustaining medicine for conditions such as diabetes, hypertension, arthritis, cancer, and sickle-cell anemia. Considering that Black and Brown communities are disproportionately affected by these medical conditions, this means that privatization of our medical care and the exorbitant prices that come with it place our lives at greater risk. This is why public provision is impactful for people of color because despite the history of harm the government has perpetuated against us, it is one of the few institutions we still have the power to influence.

A Liberation Economy government requires a Democratic Co-governance approach where the government not only shares power and resources, but also serves as the primary provider for a number of economic and life-sustaining goods and services, including healthcare and clean water.[xxi] This means that these, and other, public goods or services to people are, if necessary, below private-market cost in the short term, and completely free over the long term. While this concept is not new, as federal government, state governments, and local municipalities have long provided an array of critical public goods—such as national parks, interstate highways, postal service, water and sanitation, education, and libraries—it is critical that government does more to prevent corporations from wielding their financial power and control over our public essential goods services to shape the economy and public policy in their interest.

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xx Reagan's invention of the mythical "welfare queen" to attack the U.S. social safety net is an example of the racist rhetoric they employed. The propaganda campaign was so effective that Bill Clinton, a liberal democrat, did much of the dirty work of privatization for them. During his presidency, we saw the privatization of prisons, hospitals, social service programs, workforce training programs, public utilities, and a massive deregulation of financial services.

xxi We recognize that others might have strong arguments to add to the list we have provided in this paper. These are the public provisions that were highlighted in the 18-month process that informed this paper.

THE SOLUTION:

Break Monopoly Power Over Public Goods That Sustain Our Lives & Economic Well-being

While many public goods and services are crucial to our social and economic well-being, some are so essential to our lives and livelihoods that they should not be left to the private sector to provide. To build the Liberation Economy we need and deserve, we need to break the monopoly power corporations have over our life-sustaining public goods and services. To do this, we need to accomplish the following:

Provide government-guaranteed access to critical public goods and services.

While we consider child and adult care, healthcare, and clean water to be highly critical goods and services, others may prioritize a different set of public goods. Regardless of the specific goods and services that are deemed critical, it is essential that the federal government provides most of the funding to these kinds of goods and services. This would ensure equal access to all, especially people of color, and promote democratic governance and racial equity. Ultimately, the goal should be to ensure that corporations are not allowed to dictate the delivery and accessibility of critical public goods and services that are necessary to sustain our lives and economic well-being.

Guarantee access to child and adult care.

Affordable, high-quality care from cradle to grave is essential for a healthy and inclusive Liberation Economy. However, our current patchwork systems and programs, from paid parental and family leave, childcare, aging care to end-of-life care, disproportionately burden families, particularly women who often bear the brunt of leaving the workforce, assuming additional financial obligations, debt, and the physical and emotional labor of caring for children and other loved ones.[166] This can result in individuals having to leave their jobs or miss work, limiting their ability to make ends meet, get ahead, and earn a living. Moreover, our insufficient systems of care also create a vacuum for private equity firms and other for-profit entities to exploit,[167] as evidenced by the exorbitant costs of for-profit childcare centers that can reach up to $40,000 per year, which enables some operators to generate annual profits of 15 to 20 percent of revenue.[168]

In a Liberation Economy, it is critical that we provide guaranteed access to high-quality, reliable, and affordable child and adult care to every individual and family. This means removing barriers for our most vulnerable families by offering these care systems at no cost to them, while also asking those with greater resources to acknowledge the contributions of past generations that have fostered our collective well-being, as well as future generations that will continue to do so. It also means lifting the wages of our nation's care workers, so that their pay matches the value, trust, and responsibility that is placed on them when they care for our children, parents, grandparents, and other loved ones.

Additionally, a comprehensive system of care also needs to provide greater support to parents by providing them with a child allowance to offset the cost of raising children, much like the expanded Child Tax Credit implemented during the height of the pandemic. Similarly, we also need to ensure that our emergency and long-term care systems provide meaningful, sustainable, and accessible support for critically ill and aging individuals and their families, so that we can eliminate the need for families to resort to online and community-based fundraising to cover critical expenses for life-sustaining, lifesaving, and end-of-life care services.

Guarantee access to healthcare.

Demand-side solutions such as implementing single-payer health coverage should be an integral part of a Liberation Economy. Likewise, solutions aimed at curbing the power of pharmacy benefit managers (PBMs)—which are healthcare middlemen that manage prescription drug benefits, serving as a go-between health insurers and pharmacies—are also necessary to create an economy that prioritizes the needs of people of color. PBMs were originally formed to lower drug prices (by pooling health plan customers), but over time these healthcare middlemen have worked to pump up the price of generic drugs in the U.S., which makeup 92 percent of all prescriptions in the country.[169] These middlemen have also experienced significant consolidation over the years, leading three companies—CVS Caremark, Express Scripts, and OptumRX—to now control 85 percent of the market. [170]

Although the Affordable Care Act expanded health insurance to millions of people, its implementation was left to states and relies heavily on the private market for insurance. In this system, access to healthcare and insurance is uneven, difficult, and largely facilitated by private-sector gatekeepers. To achieve fully universal healthcare, we must also publicly provide services on the supply side of the healthcare equation, since what good is affordable, universal health insurance if we continue to lack access to critical healthcare infrastructure.

In ensuring that there are clinics, hospitals, pharmacies, and other critical pieces of healthcare infrastructure for all people to access affordably, our goal is eliminate "healthcare deserts" in both rural and urban areas that disproportionately impact people of color.[171] To accomplish this, the federal government should take a greater, more direct role in reducing costs of prescription drugs and should provide the funding necessary to states and localities to ensure that all people, especially people of color, have public access to several key healthcare services. While not comprehensive, these services should at a minimum include:

- pharmacies,
- primary care providers,[172]
- hospitals,[173]
- hospital beds,
- trauma centers, and
- low-cost health centers.

Additionally, given the significant consolidation of the health sector that began in the 1960s and 1970s, and continues through today, we need solutions that target the monopolistic and monopsinistic characteristics of the current healthcare system. Such measures, including solutions that prohibit the vertical integration of hospitals and insurers, could help untangle and prevent further connection and concentration between the supply and demand sides of our healthcare system.

Building on these points, we also need to ensure that healthcare research and development (R&D)—particularly publicly supported and funded R&D—serve the public's best interests and are conducted under strict federal control. Today, tens of billions of dollars in federal funding goes to support medical R&D each year,[174] meaning our tax dollars make life-saving research breakthroughs possible. However, with this publicly supported research in hand, private companies build off it, reaping the rewards for their executives and their shareholders. For example, the U..S government spent between $18 and $40 billion on COVID-19 vaccine development.[175] Pfizer then used that research to double its profits from 2020 to 2021.[176]

As we shared earlier, Big Pharma monopolies often lobby aggressively to protect their patents, blocking efforts to produce cheaper generic versions and beat back proposals for international fair-pricing agreements, which would make vaccines and other medications more accessible to countries in the global south. This has led to the implementation of a system of global medical apartheid to shore up their profits. To address these and other issues within our medical system, sweeping patent reforms are needed. Elevating recent reforms put forward by the Initiative for Medicines, Access, and Knowledge (I-MAK),[177] and the New York Times editorial board[178] reforms here should include, but should not be limited, to the following:

1. Mandate the U.S. Patent Office advance equity as part of their mission.
2. Require the U.S. Patent Office to collect demographic data on patent applicants.
3. Expand the definition of "customer" at the U.S. Patent Office to include patent and trademark applicants and those of us that will be impacted by their applications.
4. Limit the ability of corporations to use complexity to shield themselves from competition.
5. Set a higher standard for patent protection.
6. Cap the number of times an investor can resubmit rejected patent applications.
7. Reform the patent trial and appeal board.
8. End conflicts of interest between those who lead the U.S. Patent Office and their prior professional lives.
9. Increase public participation on the Patent Office's public advisory committee.
10. Create a public advocate office at the Patent Office.

Further, we also need more robust enforcement by the Food and Drug Administration (FDA), and greater power and resources placed with public institutions, such as the National Institutes of Health (NIH), Centers for Disease Control and Prevention (CDC), and state and local public and university hospitals. Through these public provisions in R&D, the federal government will have greater power to control costs and ensure vital medical care is affordable and accessible to people of color.

Guarantee access to clean water.

The Oppression Economy has allowed corporations like American Water, United Water, Veolia, and Nestlé to pursue the privatization of the earth's most abundant resource: water. To build their power over natural resources, these corporations often follow a three-step process: 1) choking off funding to community water systems, 2) causing the failure of the water system and lowering public confidence, and 3) pushing forward private-sector water systems for their own profit.[179]

Privatization of community water systems has catastrophic consequences for people of color, including higher rates, poor water quality, corruption, lack of accountability, and profits being placed over public health and safety.[180] Many communities, such as Pittsburgh, are fighting back against the privatization of our water and we must continue to support these efforts to preserve public access to safe and affordable water.[181]

In a Liberation Economy, access to clean and safe water should be a fundamental right for everyone. This means that all water systems should be managed by democratically governed and accountable public institutions, and fully funded by a combination of federal, state, and municipal funds. This would ensure that access to water would be free of cost for all individuals and families who need it the most.

At the same time, efforts to privatize community water systems must be halted, and all private water systems under private control should be turned over to the public.[xxii] The federal government has the resources necessary to modernize every community water system in the country and subsidize its operation. We believe that actions like these will remove the profit motives from the provision of water and eliminate the corruption and racist politics that led to the human-made water crises we witnessed in Flint, Michigan,[182] and Jackson, Mississippi.[183]

Create "public options" to break up monopoly power over public goods.

While there is, and may continue to be, a role for important goods and services to be provided by businesses, our governments at all levels—federal, state, and municipal—also need to actively establish viable alternatives to privately delivered goods and services. They can do this by providing "public options" to privately delivered goods and services, as well as the legal frameworks and resources to help scale worker-owned cooperatives.

Advancing these strategies not only provides important alternatives to Big Business, ensuring equitable access for people of color, driving down prices, and curbing potential monopoly power, but also expands the avenues for building greater power and wealth within our communities. Here are some ideas and areas where we can establish and enhance public options as a high-quality alternative to the private market.

Establish debt-free public colleges and universities.

The U.S. has over 1,500 public colleges and universities.[184] Every state in the U.S., including the District of Columbia, has a public college and university system. It's hard to imagine, but once upon a time going to college would not place you in a lifetime of debt. For example, in 1968, tuition at the University of California-Berkeley (UC Berkeley) was about $2,000. Unfortunately, as the number of people of color

xxii Today there are approximately 52,110 community water systems in the United States that provide water to approximately 286 million people. Eight percent of community water systems provide water to 82% of the U.S. population through large municipal water systems.

attending those institutions increased during the Civil Rights Movement, the costs of public institutions began to rise dramatically.[185] As a result, today, it will cost you nearly $40,000 a year to get a college degree from UC Berkeley.[186] Rising costs like these are directly responsible for the proliferation of the student loan market, which actively exploits and oppresses Black and Brown students most severely.[187]

In a Liberation Economy, every person should have access to a free, high-quality education at a public college or university. To achieve this, LibGen recommends that federal and state funding provide funding to cover the cost of attending a two- or four-year public college or university, as well as minority-serving institutions like historically Black colleges and universities or tribal colleges (including tuition, room and board, books, technology, transportation, and child care).[188] This would create a truly debt-free college experience for people of color. At the same time, admission barriers that disproportionately exclude people of color, such as standardized tests and application fees, should also be eliminated and greater federal oversight of private student lending should be enforced for those who choose to attend private institutions. Finally, while a fully funded, free public college system would likely lead to the demise of for-profit colleges and universities, these institutions should also be banned.

Create decommodified, affordable, and accessible housing.

Housing is a fundamental human right, yet our reliance on the private market has led housing to be commodified, making it largely inaccessible to many people of color. This reliance has given outsized power to private developers, landlords, and Wall Street over all aspects of our housing market, with the consequences often heavily borne by Black and Brown communities.[189]

In a Liberation Economy, housing will be made a human right through a homes guarantee, ensuring the right to safe, affordable, and secure housing for all people of color. To establish such a right, it is crucial we support the efforts of the Homes Guarantee Campaign,[190] which advocates for the creation of 12 million units of social housing.

Rooted in the belief that housing shouldn't be a profit source but a right, social housing is typically characterized by cross-class communities, permanent affordability, and democratic control. As a result, social housing can also include a range of other models, including limited-equity cooperatives, community land trusts, mutual housing associations, and some forms of nonprofit ownership that advance racial equity and strengthen long-term housing stability.

Building on international social housing models,[191] this new form of permanently affordable housing must be built entirely with public dollars and must be managed at the local level through municipal governments, nonprofit housing providers, limited-equity cooperatives, land trusts, or mutual housing associations. By eliminating profit-driven entities, we can ensure this new kind of housing better serves people of color.

Although social housing is a bold step, organizers have emphasized examples from their cities and states. This means that we can begin investing in a new form of housing that is inclusive, equitable, and supports us and our needs through models that already exist in the country.

Scale up worker-owned cooperatives.

As a proven model for creating jobs, generating wealth, and improving the conditions of workers and the broader community,[192] ***worker cooperatives*** (co-ops)—businesses owned and operated by workers—hold great potential in a Liberation Economy. More specifically, as a public option for private business that provides workers with direct control over economic re/production, distribution of goods and services, and that prioritizes worker pay over shareholders or executive compensation, co-ops offer a critical alternative to the shareholder capitalism model that dominates our economy.[193]

While worker-owned co-ops are limited in size and scale in the U.S., possibilities for expanding the presence of co-ops in our economy are extensive. In fact, inspired by Spain's Mondragon Corporation, a federation of worker cooperatives employing 70,000 people across 96 cooperatives—from a grocery chain to logistics firms[194]—generating roughly $12 billion in annual revenue, we join the New Economy Coalition, its members (including Democracy at Work Institute and the U.S. Federation of Worker Cooperatives) and others in elevating the potential for increasing worker-owned cooperatives in all sectors of the economy.[195] To realize this, governments at all levels, but especially the federal government, must make it easier for workers to start and expand co-ops. Specifically, the federal government must move to provide workers with meaningful funding sources, technical assistance and other supports, along with appropriate legal frameworks to remove barriers for worker-owners to found cooperatives and convert existing traditional businesses to worker-ownership.

Eliminate harmful public and private provision of goods and services.

Simply making a system public isn't enough to make it liberatory. Prisons, for example, are overwhelmingly public, and yet, they continue to perpetuate violence against communities of color and other marginalized groups. In other words, even if all private involvement and profit generation via the prison industrial complex were ended today, that still wouldn't resolve their harms entirely, because prisons are only a small part of the prison industrial complex abolitionists seek to dismantle.

Despite this drawback, addressing private companies' participation in the carceral structure is an important abolitionist step we can take to end carceral violence. And while ending the profit motive that drives private companies in the carceral system and elsewhere throughout our economy can't fix our current systems—from the criminal-legal to financial to housing—our work must be rooted in a broader abolitionist vision that seeks to build a future devoid of systems and structures designed to extract wealth from communities of color.

This is why, in a Liberation Economy, certain goods and services have no place within it because they are largely used in the theft, exclusion, and exploitation of people of color. Thus, the government should use its power to outright ban public and private provision of goods and services that harm us. While not exhaustive, this includes the following.

Abolish the profit motives that help sustain the carceral state.

A Liberation Economy will also be an abolitionist society. There will be no space for public or private prisons, or other actors that are involved in the prison industrial complex, including policing, jails, prisons, immigration detention, civil commitment, e-carceration, and all other forms of coercive control and confinement. Instead, liberatory economic systems will provide safety and security for the Black and Brown people whose poverty and desperation feed the for-profit prison industry's pipeline, which depends on the incarceration of Black and Brown people. In a Liberation Economy, systems of restorative justice and human care will replace our current punitive carceral systems.

Ban predatory financial products.

Our economy has no place for predatory financial products like payday loans, subprime mortgages, check-cashing services, private student loans, or for-profit tax preparation services. These products will be banned in a Liberation Economy as they are designed to exploit the financial desperation caused by a racist oppression economy. Instead, the Treasury Department (through the IRS), the Federal Reserve and other appropriate federal entities should provide public bank accounts, free online tax preparation, and other financial services as an alternative to the for-profit financial industry that widely exploits Black and Brown communities.

RESEARCH QUESTIONS FOR RESTORING PUBLIC PROVISION OF ESSENTIAL GOODS & SERVICES

1. What are the consequences of privatization of public goods and services for communities of color, particularly when it comes to access and affordability?

2. How can regulatory policy ensure public options are an effective tool against corporation concentration and do not result in bifurcated markets that entrench inequity?

3. How effective are government provisions in serving as a competition and equity mechanism in the delivery of goods and services?

4. What resources are effectively administered when the public and private markets compete with each other?

SECTION 5

Conclusion

Dismantling the many and varied tentacles of oppression that corporations wield will require imagination and coordination among advocates, organizers, researchers, and policy decision makers—particularly among Black, Indigenous, Latine, Arab, Middle Eastern, and Asian and Pacific Islander people. Through the stories and insights shared by organizers and advocates, we conclude this report by sharing some of the enabling conditions we heard for advancing and seeing some of these ideas through to fruition.

Continue gathering and sharing information.

Organizers affirmed that the solutions presented in this report could draw skepticism and aversion from people in their communities who are particularly wary of publicly provided goods and services, whose well-being today could be impacted, and who may see these solutions as diminishing their future potential economic mobility and even as being contrary to beliefs in the American Dream, entrepreneurship, and capitalism more broadly. As a result, participants expressed that we need more venues for sharing and discussing these topics. We need places where we continue to discuss, in plain language, how these issues are showing up and what policy designs address our needs and build support for these ideas. Even in our short time together, organizers were making connections about patterns of problematic corporate power they were seeing across sectors and geographies. Venues like this can help seed direction for organizer-led policy campaigns.

Advance with care.

As we discussed the transformation possible with these ideas, organizers flagged that these ideas could also have considerable negative immediate impact on the financial stability of people of color. The example of retirees who are dependent on returns from pension funds that are currently invested in companies harming communities of color demonstrates the need to work with care and strategy while also pursuing bold changes. Organizers also expressed concern over things like federal charters because of the strength and difference of state laws. At the same time, participants grappled with the fact that the extreme difference in state laws is exactly what contributes to disparities and exclusion. These examples demonstrate the need for discussions, strategies, and advocacy to hold nuance and adaptability in the policy design.

Connect the dots and eliminate policy silos.

The policy solutions put forward here impact and influence one another in their ability to materially improve the living conditions of workers, consumers, and people of color. Organizers were interested in how proposals could work together and build on one another. For example, could building social housing create federally supported jobs? Or if a corporation fails to meet the new public interest requirements being imposed on it, could it be dissolved and its assets moved to a public option?

Restore faith in publicly provided goods and services.

There are many ways—past and present—state powerhouses have been wielded to further oppress and marginalize groups. Because of this, communities of color may be understandably mistrustful of solutions that rely heavily on the federal government. At the same time, participants also noted that, save for federal intervention, or setting national standards, overcoming barriers in more conservative states is nearly impossible to surmount.

Ultimately, federal government provision and enforcement of these ideas ensures improvement of conditions in every community and makes the material changes we need at scale. At the same time, existing and burgeoning local and state examples are providing proof points about what is possible in community governance, movement of capital, and provision of public services. These models are necessary enabling conditions in restoring faith in government; creating governing opportunities for workers, residents, and consumers; and identifying the gaps in federal policies that stifle community control of resources. Organizers also expressed the need to have local and state analogies for these ideas to reinforce understanding and support for transformative national policies.

Ensure resources for enforcement, oversight review, and accountability.

Creating legal requirements without teeth, agencies with too few resources, or systems that rely on corporations to rein in their own worst behaviors is a system that's designed to fail. In our conversations with organizers, many were skeptical about proposals to reform existing oversight mechanisms. Effectively implementing the solutions outlined here will require building stronger oversight and accountability mechanisms both within and outside government.

Alongside enabling conditions like these and others, the economic liberation of people of color within a generation is possible when we work on multiple fronts, with care and strategy, and build from the expertise of people of color navigating systems of oppression. Liberation in a Generation looks forward to continuing our partnership with community leaders and supporting those advancing these ideas in their communities.

SECTION 6

Appendices

APPENDIX 1:

Approach to The Report

The *From Big Business to a Liberation Economy* engagement used a multimodal collaborative approach to create a robust anti-monopoly research and policy agenda rooted in racial justice. This report is the culmination of those efforts, spread across 18 months and involving over 40 participants drawn from a range of racial justice, antitrust, economic, research, advocacy, organizing, and philanthropic organizations. Participants in this engagement were organized across five groups. Below is a more detailed description of the process through which this report was finalized, and the various groups' contributions to this effort.

Advisory Committee

The first group to be convened was an advisory committee whose primary function was to inform the overall scope, structure, and goals of the project and to identify a shared set of values and principles to ground this work. Engagement with the advisory committee yielded the following results, which in turn informed the other project components.

- A concept note synthesizing the From Big Business to a Liberation Economy engagement's primary goal of developing an antiracist anti-monopoly research and policy agenda that:
    - points to a liberation economy;
    - binds anti-monopoly action to antiracist outcomes;
    - builds consensus that policy inaction is racist;
    - goes beyond harms to markets, competition, deracinated and/or abstract constituencies (e.g., small business); and
    - sets out the dangers of failure to intervene.
- Advisors helped set the initial bounds of inquiry and informed the creation of four working groups, each tasked with addressing one of the following dimensions of monopoly power:
    - Corporate governance
    - Public governance and taxation
    - Corporate size and scale
    - Corporate capture of public goods and democratic institutions

The advisors would meet as a full group nine times from 2022 to 2023. These group discussions were supplemented by one-on-one meetings with each of the advisors, through which LibGen gathered additional insights into the guidance and parameters the working groups would use to focus their efforts. Many of the advisors opted to participate in one of the working groups as well.

Policy and Research Working Groups

The working groups were co-led by LibGen and three external co-hosts, whose substantive policy expertise within their assigned area proved vital in shepherding the working group discussions. The four groups met a total of 22 times from June to December 2022. With each conversation, the working groups and their members further defined the boundaries of their inquiry (phase 1), worked to narrow emerging research and policy questions (phase 2), and prioritized a set of research/policy questions that will have the greatest impact on communities of color (phase 3). To supplement the robust discussions occurring within meetings, LibGen provided external research support along with various tools for participants to asynchronously collaborate, surface new ideas/questions, and share resources.

By the end of phase 3, the four working groups and their members surfaced over 40 policy recommendations, along with a whole host of research questions that require further exploration, to support the creation of the final policy and research agenda outlined in this report. This was followed by a period of detailed review of the working groups' findings, which the LibGen team subsequently synthesized and grouped into four key issue areas that cut across all working group's discussions and recommendations:

- Labor and monopsony
- Financial markets and fiduciary duty
- Corporate chartering
- Public provision of essential goods and services

From March to April 2023, LibGen hosted four organizer engagement sessions that reviewed the working groups' recommendations and ideas as grouped above and solicited participants' feedback.

Grassroots Organizer Engagement Series

LibGen hosted two sets of organizer engagement sessions in March and April of 2023 with two separate cohorts. The goal for each pair of sessions was to solicit participating organizers' feedback on the policy ideas and proposals generated by the working groups and to ensure that the final research and policy agenda supported the work they were leading in their communities.

The first set of organizer engagement sessions was co-hosted with the Athena coalition in March 2023, a coalition formed to stop Amazon's growing power over our society and economy. The March series cohort was drawn primarily from the Athena network, while the subsequent April series included a broader set of organizers representing diverse geographies and movement backgrounds. Both the March and April series covered mostly the same content, with only minor modifications to the structure and content to reflect the first cohorts' feedback. Ultimately, during the course of the four virtual organizer sessions hosted in March and April, LibGen engaged and received feedback from over 30 organizing groups.

In terms of the sessions' structure, the content was divided into four buckets split evenly between the two sessions. Session 1 covered policies related to the financial sector's grip on our economy and policy proposals for making corporations accountable to communities (e.g., corporate charters and tax policies). The second session covered public provision of essential goods and services as well as building worker power and equalizing the labor market. For each issue, LibGen's facilitation team gave participants an overview of key concepts and explained how this issue operates to harm and exploit people of color. Following these presentations, participants were polled about the ideas to get their initial perspectives, then they dove into a discussion where participants could hear from each other, and finally they took a vote to see how participants ranked the policies and if their views shifted following the discussion.

The polls asked participants to rank on a scale of one to five, with five being the highest possible score, how impactful the policy proposals raised would be in addressing the issues their communities face. Of note, nearly all the policy ideas reviewed by the participants were highly rated across both the March and April series with some relative differences. Please see Appendix 2 for the complete list of policy rankings for both the March and April series.

Like the working groups, the organizer cohorts were provided with tools for providing written feedback and asynchronous collaboration following each session. Additionally, detailed policy orientation guides were developed and shared with the organizers to provide further contextualization and grounding for the policies that would be explored in the sessions.

After the series concluded, the participants' feedback was synthesized, and the report's authors worked to integrate that feedback into the policy and research agenda laid out here. As a final step to ensure that the feedback was incorporated faithfully, the report was shared with a group of external reviewers drawn from the working groups, advisory group, and organizer cohorts to review the final report and ensure its fidelity to the recommendations, ideas, and proposals raised by the advisors, working group participants, and organizer participants.

APPENDIX 2:

Summary of Policy Recommendations, Research Questions, & Community Impact Assessment by Organizers

As part of our effort to ensure that the final research and policy agenda presented in this report supports the work of grassroots organizers and campaigners in their communities, we asked participating organizers to rank each policy proposal based on their perceived community impact. Using a scale of 1 to 5, where 1 represented little to no immediate impact, 3 indicated uncertainty about the impact, and 5 denoted a tremendous impact on their community, organizers were able to provide their assessment. To avoid relative comparisons within their responses, participants were encouraged to evaluate each idea on its own merit, allowing them to rate multiple ideas highly if they found them appealing.

To simplify the responses from participating organizers, we translated the final average scores received into assessments of community impact, categorized as low, moderate, and high impact. These assessments have been color-coded and are noted throughout the list of policies below.

1 Redistributing Power to Make Corporations Accountable to Communities

Problem: Corporate charters enable unchecked power.

Solutions:

- **Require large corporations to obtain a federal charter** | Moderate Impact
    - Commit to a "duty to advance the public interest."
    - Reevaluate and renew corporate charter every five years.
    - Require protection of workers' right to organize.
    - Require a minimum of 50 percent worker-elected corporate board members.
    - Ensure strict and proactive antitrust enforcement of corporate activities.

Problem: The corporate tax system enables Big Business to avoid paying a fair share toward the public good.

Solutions:

- **Close corporate tax loopholes to ensure tax fairness** | High Impact
    - End tax preferences for stock dividends and capital gains that benefit corporations and shareholders with lower tax rates.
    - Charge an annual tax on the unrealized capital gains of the ultra-wealthy to curb tax

avoidance and ensure they pay their fair share.

    - Eliminate loopholes that allow companies to offshore their profits to shield them from U.S. taxes.
    - Ban the practice of share buybacks.
    - End all forms of accelerated depreciation.

- **Triple the corporate minimum tax from 15 percent to 45 percent | High Impact**
    - Raise the corporate minimum tax to be closer to the maximum effective corporate tax rate in 1986.
    - Lower the threshold for the corporate minimum tax to apply from $1 billion to $1 million in reported profits, without any exceptions.
- **Tax the wealth of the ultra-elite | High Impact**
    - Charge a tax of at least 2 percent on households' net worth and trusts between $50 million and $1 billion.
    - Institute an annual 1 percent surtax (for a total of at least 3 percent) on households' net worth and trusts between over $1 billion.
- **Tax corporations for paying workers poverty wages | High Impact**
    - Implement a Working Poor Tax that taxes companies at a specified rate per hour, per worker, for all employees earning below a living wage.

RESEARCH QUESTIONS FOR REDISTRIBUTING POWER TO MAKE CORPORATIONS ACCOUNTABLE TO COMMUNITIES

1. How can size regulation be effectively tailored, implemented, and enforced in different sectors, given the unique characteristics and challenges of a sector?

2. How does consolidation across consumer, labor, and capital markets affect the political and economic power of people of color?

3. How are corporations leveraging their power to influence academic institutions, and what are the implications of this for democracy and equitable policy- and decision-making?

4. What impact does tax avoidance have on people and communities of color, and how would the IRS collecting this data mitigate those impacts?

2 Building Worker Power & Equalizing the Labor Market

Problem: Employers have concentrated and unilateral power to set wages and labor conditions.

Solutions:

- **Bring all workers into federal labor law protections** High Impact
  - End the misclassification of workers and expand the right of all workers to organize, unionize, and bargain collectively through the Protecting the Right to Organize (PRO) Act.
  - Extend federal labor protections and bargaining rights to all public-sector workers through the Public Service Freedom to Negotiate Act.
- **Strengthen unions by repealing anti-union laws and increasing enforcement** | High Impact
  - Eliminate right-to-work laws, which have limited the ability of workers to join and maintain unions.
  - Ban "captive audience" meetings, where employers force unionizing employees to attend anti-union meetings designed to pressure workers from voting in favor of a union.
- **Create a sectoral bargaining system to supercharge worker power** | High Impact
  - Establish a national sectoral bargaining system to enable employees from across sectors to collectively bargain and set employment terms for their respective industries.
  - Consider workers to be employees by default and eligible for sectoral bargaining unless the employer can prove otherwise.
  - Portable benefits within a sectoral bargaining system cannot be inferior to what workers are currently entitled to, nor can they be used to reduce employers' obligations to their workers.
  - Workers in a sectoral bargaining system must have a meaningful say in the negotiation process.
  - Workers in a sectoral bargaining system must be represented through organized and democratic organizations.
  - Only independent trade unions can be part of a sectoral bargaining system.
  - Create wage boards at the state and local level to help workers set minimum sector-wide standards for wages, benefits, and working conditions, as a step toward implementing a sectoral bargaining system.
- **Decouple life-sustaining benefits from one's employment** | High Impact
  - Implement a guaranteed basic income to ensure workers have a reliable income that lifts them above poverty and protects them from harmful working conditions.
  - Establish a national paid sick and family leave program that allows workers to take time off to

care for themselves or their family members without sacrificing their ability to earn an income.

    - Create and expand universal worker relief funds that automatically scale up during economic downturns, providing workers with sufficient support in the form of cash during times of need.

- **Create a federal job guarantee | High Impact**
    - Ensure every capable adult has access to a socially useful job through a Federal Job Guarantee (FJG) program.
    - Provide all FJG workers with a living wage and fringe benefits that enable them to meet their basic needs and support their families, regardless of where they live.
    - Fully fund a Federal Job Guarantee (FJG) program that is locally governed and accountable to local workers and community needs.

- **Reform worker and trade policies that subordinate global south workers and their economies to U.S. corporations | Moderate Impact**
    - Reform the H-2A program to empower workers with more control over their employment and eliminate divisions based on citizenship status by providing a pathway to citizenship or legal permanent status.
    - End the exclusion of farmworkers and other (im)migrant workers from labor protections and ensure they have access to public supports while they are in the country.
    - Close tax loopholes that financially incentivize offshoring jobs and profits.
    - Enforce environmental and labor standards on all U.S. trade agreements.
    - Mandate stakeholder participation and approval in trade negotiations.
    - Eliminate investment treaty arrangements that delegate unprecedented power to corporations to dictate global policy.

RESEARCH QUESTIONS FOR BUILDING WORKER POWER & EQUALIZING THE LABOR MARKET

1. How do collective bargaining agreements address monopsony power?
2. How do mergers and acquisitions impact the job security and wages of workers in the affected industries, and what is the long-term impact of mergers on the economic stability of affected communities/workers?
3. How does monopsony power affect community ownership in different sectors, and how does it impact economic and social equity for communities, particularly communities of color?
4. How can unions effectively address the issue of monopsony power in sectors where labor is highly mobile and worker bargaining power is weak?
5. How do union contracts and collective bargaining agreements influence wage-setting and hiring practices in markets dominated by monopsony power?

3 Breaking the Financial Sector's Grip on Our Economy & Democracy

Problem: Financial markets are increasingly hoarding vast amounts of power and wealth in the U.S. economy.

Solutions:

- **Publicly fund retirement for all** | **No Impact Assessment**[xxiii]
- **Reform asset managers' fiduciary duties** | **Low Impact**
    - Shift the fiduciary duties of asset managers from solely maximizing profits to consider the total effects of their actions on the shared interests of beneficiaries.
    - Establish an affirmative, enforceable obligation for asset managers to advance racial equity and workers' rights in their portfolios.
- **Create a "public option" for asset management** | **Moderate Impact**
    - Establish a public asset manager to counterbalance our current extractive system of capital allocation to ensure that our money is used for shared interests and our collective benefit.
    - Require asset managers to commit to advancing racial equity in their investments.
    - Require asset managers to establish community advisory boards comprising people of color to guide investment decisions that address the need to implement a public system of impact measurement and reporting to track progress and ensure accountability in promoting racial equity.
- **Curb the power of private equity over workers and communities** | **Moderate Impact**
    - Extend all liabilities of acquired companies—including any debt, severance, legal judgments, labor violations, and pension-related obligations—to also be held by private-equity firms and those that run them.
    - Ban the practice of leveraged buyouts.
    - Ban or severely limit the practice of dividend recapitalizations, or debt-financed dividends.
    - Ban the practice of off-shoot in-house private-equity funds, such as continuation funds, fee-gouging of acquired companies, and other forms of self-dealing.
    - Require private-equity firms to undergo a federal mergers and acquisitions review whenever they buy a company.
    - Repeal Section 209 of the National Securities Markets Improvement Act of 1996 to reestablish reporting requirements, transaction restrictions, and limits on debt usage in private-equity firms.

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xxiii Policy was added during the external review process following the organizer engagement sessions.

- Place all investment firms under the Investment Company Act of 1940 to require private-equity firms to adhere to a 3:1 asset-to-debt investment portfolio ratio.
- Ban private equity and other forms of extractive finance.

- **Require banks to explicitly center the needs of people of color | Low Impact**
    - Update Community Reinvestment Act (CRA) guidelines to increase the collection and reporting of racial demographic data on lending activities made by banks.
    - Update CRA guidelines to include racial lending thresholds as a key criterion for CRA exams.
    - Update CRA guidelines to downgrade a bank's CRA rating by two levels for certain violations.
- **Create a public banking system to end our dual financial system | Moderate Impact**
    - Direct the Federal Reserve to provide every U.S. citizen (and undocumented citizen) with a Federal Reserve checking or savings account.
    - Mandate that the Federal Reserve use its monetary power to reduce racial disparities in the financial and labor markets.
- **Increase direct federal funding to state and local governments | Moderate Impact**
    - Establish a permanent state and local budgetary relief fund that provides flexible, short-term grants to states to address pressing fiscal and community needs.
    - Provide direct long-term, no-cost loans to state and local governments, with a focus on supporting citizen-driven initiatives, through the Federal Reserve.

RESEARCH QUESTIONS FOR BREAKING THE FINANCIAL SECTOR'S GRIP ON OUR ECONOMY & DEMOCRACY

1. How do private investors and real estate practices contribute to the consolidation of corporate power, particularly in communities of color, and what are the mechanisms by which they do so?
2. How do financial markets influence the investment decisions made by public-sector pension funds? What are the implications of these investments for public-sector employees and their communities?
3. What strategies do workers and communities employ to regain and wield power in municipal finance decisions?
4. How does the role of federal preemption to public banking, functionality, and capitalization impact financialization in local and state governments?
5. How do different regulatory frameworks (such as community reinvestment requirements and anti-monopoly laws) impact the power and behavior of financial markets in communities of color?
6. How does the concentration of wealth in dominant companies (like Amazon) influence capital decisions, and what are the implications of this for the broader economy?
7. How do different regulatory frameworks (such as community reinvestment requirements and anti-monopoly laws) impact the power and behavior of financial markets in communities of color?
8. In what ways and through which methods do financial markets undermine community power, ownership, and financial decision-making in communities of color?

4 Restoring the Public Provision of Essential Goods & Services

Problem: Many public goods are either in real threat of being privatized or already under corporate control.

Solutions:

- **Provide government guaranteed access to health care and water**
  - **Guarantee access to child and adult care | High Impact**
    - Provide guaranteed access to high-quality, reliable, and affordable child and adult care to every individual and family, at no cost to our most vulnerable families.
    - Require those with greater resources to pay their fair share into the system.
    - Lift the wages of our nation's care workers.
    - Provide parents with a child allowance to offset the cost of raising children.
    - Ensure that our emergency and long-term care systems provide meaningful, sustainable, and accessible support for critically ill and aging individuals and their families.
  - **Guarantee access to healthcare | High Impact**
    - Implement a single-payer health coverage to end the extractive, exclusionary, and costly nature of our current healthcare system.
    - Curb the power of pharmacy benefit managers to reduce prescription drug prices.
    - Eliminate "healthcare deserts" by providing public access to several key healthcare services, including pharmacies, primary care providers, hospitals, hospital beds, trauma centers, and low-cost health centers.
  - **Guarantee access to clean water | High Impact**
    - Establish access to clean and safe water for all as a fundamental right by publicly funding our water system, shifting management to public institutions, and preventing privatization of community water systems.
- Create "public options" to break up monopoly power over public goods
  - **Establish debt-free public colleges and universities High Impact**
    - Provide full federal and state funding to cover the entire costs of attending a two- or four-year public college or university, including minority-serving institutions, covering tuition, room and board, books, technology, transportation, and child care.
    - Eliminate admission barriers that disproportionately exclude people of color, such as standardized tests and application fees.

        - Establish greater federal oversight of student lending at private institutions.
        - Ban for-profit colleges and universities.
    - **Create decommodified, affordable, and accessible housing** | **Moderate Impact**
        - Establish a Homes Guarantee—the right to safe, affordable, and secure housing for all people of color—by creating 12 million units of social housing.
    - **Scale worker-owned cooperatives** | **No Impact Assessment**[xxiv]
        - Establish and provide federal financial assistance, technical support, and appropriate legal frameworks to make it easier for worker to start and expand worker-owned cooperatives.
- **Eliminate harmful public and private provision of goods and services** | **High Impact**
    - **Abolish the profit motives that help sustain the carceral state**
        - Replace our current punitive carceral systems, including policing, jails, prisons, immigration detention, civil commitment, e-carceration, and all other forms of coercive control and confinement, with restorative justice and human care systems.
    - **Ban predatory financial products**
        - Ban predatory financial products and services, including, payday loans, subprime mortgages, check cashing services, private student loans, and for-profit tax preparation services, that are designed to exploit the financially desperate.

RESEARCH QUESTIONS FOR RESTORING PUBLIC PROVISION OF ESSENTIAL GOODS & SERVICES

1. What are the consequences of privatization of public goods and services for communities of color, particularly when it comes to access and affordability?
2. How can regulatory policy ensure public options are an effective tool against corporation concentration and do not result in bifurcated markets that entrench inequity?
3. How effective are government provisions in serving as a competition and equity mechanism in the delivery of goods and services?
4. What resources are effectively administered when the public and private markets compete with each other?

xxiv Policy was added during the external review process following the organizer engagement sessions.

APPENDIX 3:

Key Terms

"ABC" test: An employment test that requires an employer to presume a worker is an employee unless the employer can prove that (1) they did not have control or the ability to control the worker's ability to complete work, (2) the services provided were not part of the usual business or performed outside the company's place of business, and (3) the worker is engaged in an independent trade or profession.

Accelerated depreciation: A feature of the U.S. tax code that allows corporations to immediately deduct the future depreciation of investments in equipment and other assets.

Antitrust: The set of laws, rules, and regulations that are designed to prevent and address monopolies and the behaviors of dominant market players. The purpose of antitrust is to promote fair competition, ensure the availability of goods and services, maintain reasonable prices, and foster innovation in the market.

Asset managers: Financial entities that are responsible for managing pooled investment funds.

Big Business Co-governance: An economic and political governance model where government and democratic institutions join with corporations to govern the nation.

Big Businesses: Corporate entities of all sizes that use monopolistic, predatory, exploitative, unfair practices and harmful shortcuts to exploit societal shortfalls and systematic racism to profit and grow their economic power and control over our economy and democratic institutions.

Capital gains: The profit generated from the sale of corporate shares or other assets.

"Captive audience" meetings: A practice where employers force unionizing employees to attend anti-union meetings designed to pressure workers against voting in favor of a union.

Closed shops: A union security agreement under which the employer agrees to hire union members only, and employees must always remain members of the union to remain employed.

Collective bargaining: The process in which workers collectively negotiate with employers, through their chosen union representatives, to establish wages, benefits, and other working conditions.

Consumer welfare standard: A legal and regulatory framework that narrows antitrust and anti-competitive issues to focus on short-term price effects, leading corporate activities to be evaluated on their impact on prices and quality of goods for consumers.

Corporate charters: A contract that companies must enter with the government in order to exist as legal entities.

Corporate privileges: Special benefits provided to a legal corporate entity, such as limited liability and "corporate personhood," which allows a corporation to initiate legal action and own property in its own name.

Democratic Co-governance: An economic and political governance model where power is shared with communities and movements in service of the interests, needs, and concerns of marginalized groups, particularly those of people of color.

Dividend recapitalizations: A type of leveraged buyout where acquiring companies require acquired companies to use debt to pay shareholders a special dividend.

Federal mergers and acquisitions review: A mechanism within U.S. antitrust law led by the Federal Trade Commission (FTC) and the Department of Justice (DOJ) to prevent anticompetitive mergers or acquisitions. After a proposed corporate merger or acquisition is announced, the FTC and DOJ conduct a review to identify any potential antitrust issues. Based on their findings, they may either allow the deal to proceed or take legal action to block it through the courts or administrative channels.

Fiduciary duties and fiduciaries: Fiduciary duty is a legal responsibility to put someone else's interests before your own, and fiduciaries are people or institutions that control assets without benefiting from them directly.

Financialization: Financialization is the increasing dominance of the financial sector, including banks, private equity firms, hedge funds, and stock exchanges, in the U.S. economy, leading to a misallocation of capital, concentration of power, and inequality at the top.

Independent contractors: A form of self-employment under a worker contract with an employer or corporation to provide goods and services.

Initial public offerings: The process through which a privately held company offers its shares to the public for the first time.

Leveraged buyouts: A process by which a company purchases another company using mainly debt, which is taken on by the acquired company.

Misclassification: A process through which a corporation incorrectly classifies its workers as independent contractors instead of employees to sidestep federal labor and wage protection laws.

Monopoly: A corporate entity or group of corporations that, due to their excessive size and anticompetitive behavior, wield disproportionate economic power and governing influence, negatively impacting workers, consumers, markets, local communities, democratic governance, and the planet.

Racial capitalism: Coined by the late Cedric Robinson, famed scholar, and political theorist, in his 1983 book *Black Marxism: The Making of the Black Radical Tradition*. Racial capitalism refers to the notion that the racialized exploitation and the accumulation of capital are deeply interconnected and reinforce each other.

"Right-to-work" laws: State laws that prohibit mandatory union membership or the requirement for employees to pay union dues as a condition of employment, allowing employees to choose whether they want to join a union.

Secondary boycotts: Labor actions taken by workers against entities or businesses that have a connection or relationship with an organization involved in a primary labor dispute but are not the workers' direct employer.

Sectoral bargaining: A form of collective bargaining that allows employees to negotiate employment terms and work conditions across sectors, rather than company-by-company or unit-by-unit.

Share (stock) buybacks or **share repurchases:** A process through which a company uses its own funds to buy back its own corporate shares from the open market, reducing the number of outstanding shares available to the public.

Shareholder capitalism or s**hareholder primacy**: An economic concept in which the primary objectives of corporations and their activities is to benefit **shareholders**—individuals or businesses who own corporate shares (also referred to as stock).

Shareholder value: The value, or expected financial returns and benefits, a shareholder receives or expects to receive from the corporate shares they hold in a corporation.

Stock dividends: Stocks that return a portion of the company's earnings to shareholders on a regular basis.

Unrealized capital gains: An increase in the value of a corporate share or other assets that an investor has not sold, which is when the value of a stock has increased but has not been sold.

Workplace fissuring: The practice of large companies shifting responsibility for certain operations to smaller entities or individual workers, resulting in reduced accountability, fragmented work arrangements, and increased precarity for workers

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