THE ONE PERCENT SOLUTION

How Corporations Are Remaking America One State at a Time

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Introduction

A CORPORATE POLITICAL AGENDA FOR THE TWENTY-FIRST CENTURY

In January 2015, Tennessee's Republican governor, Bill Haslam, unveiled a proposal to expand his state's Medicaid program to provide health insurance to two hundred thousand low-income residents. At the time, Haslam was at the peak of his power: he had just won reelection with 70 percent of the vote and had been named to head the Republican Governors Association. Haslam insisted that his plan was "not Obamacare"; indeed, he had gained concessions from the Obama administration allowing him to write conservative requirements into the program. His Republican colleagues—who controlled both houses of the legislature—supported his proposal, based partly on polling showing widespread voter approval. And yet none of this was enough.

An advocacy group funded by the billionaire Koch brothers, Americans for Prosperity (AFP), sent field organizers into the state, ran weeks of advertising, and staged demonstrations insisting that any Medicaid expansion whatsoever amounted to "a vote for Obamacare." Republican caucus chair Glen Casada termed AFP's campaign "politics of intimidation." But it worked; the governor's bill was defeated. Declaring victory, an AFP spokesman warned that "other governors [should] look at Tennessee as an example."[1]

The Tennessee experience raises important questions about American politics and the forces that shape Americans' economic lives. How could an outside advocacy group overturn the will of elected officials and their constituents? What led a corporate-backed group to undermine its Republican allies? Why would the Koch brothers, whose primary interests are in the oil industry, care enough about

Medicaid to bankroll this type of campaign? And finally, if corporate lobbies have the power to do what they did in Tennessee, what else could they do? In what other ways might they be trying to rewrite the rules that govern our economy?

In answering these questions, this book aims to show how America's most powerful corporate lobbies are working to remake the country's economy in ways that will affect all Americans profoundly—and yet are largely invisible to most of us. Understanding these forces' legislative agenda is essential to comprehending America's current political and economic trajectory. Because this agenda has been enacted in state legislatures rather than the U.S. Congress, it is state-level initiatives that form the subject of this book.

The United States is an economy in decline, with an increasing number of Americans unable to support their families at a minimally decent standard of living. In just three years, the post-2008 Great Recession erased two decades of growth in average household income. But the larger concern is a longer-term trend: the dismantling of the New Deal policies that created a booming middle class for several decades in the mid-twentieth century. In the new economy, decline—gradual but relentless—has become the new normal for an increasing share of the country.

This is reflected in rising economic inequality over the past four decades. Income and wealth have become increasingly concentrated, while tens of millions of Americans find themselves unable to attain the standard of living reached by comparable workers a generation or two earlier. The economy has been slowly restructured along lines that steer the bulk of gains into the hands of investors and upper management. For the past fifty years, the share of national income that goes to employees—rather than investors—has been steadily shrinking; by 2010, labor's share had reached the lowest point ever recorded.[2]

The most common explanations for these trends focus on globalization or technology, both of which have indeed contributed to rising inequality. What this book demonstrates, however, is that growing inequality and increased hardship for American workers are also the result of an intentional policy agenda pursued by the largest and most powerful lobbies in the country—those representing the nation's biggest corporations. In fact, that agenda has broadened rapidly, and been pursued with ever shaper ambition, in just the past few years.

The Supreme Court's 2010 *Citizens United* decision ushered in a new legislative era, shaped by the impact of unlimited corporate spending on politics.[3] That fall's elections were the first conducted under the new rules, and they brought dramatic change. Eleven state governments switched from Democratic or divided control to unified Republican control of the governorship and both houses of the legislature. Since these lawmakers took office in early 2011, the United States has seen an unprecedented wave of legislation aimed at lowering labor standards and slashing public services.

The best-known effort came in Wisconsin, where the newly elected Republican governor, Scott Walker, pushed through legislation that effectively eliminated the right to collective bargaining for his state's 175,000 public employees.[4] Yet what happened in Wisconsin was part of a much broader pattern. In the five years following *Citizens United*, bills restricting public employees' collective-bargaining rights were adopted in fifteen states.[5] In the same period, twelve states passed laws restricting the minimum wage, four eased limits on child labor, and nineteen imposed new caps on unemployment benefits.[6]

Many of these bills have been the subject of intensive reporting and debate. For the most part, however, journalists and scholars have focused on one or two specific bills, treating them as the product of local politics or a response to local economic conditions. This book, by contrast, identifies and assesses the corporate economic policy agenda as a whole. It provides the first comprehensive analysis of the goals of America's most powerful lobbies as they have been pursued in the fifty state legislatures in the years following *Citizens United*. The book thus also provides a context for making sense of federal legislative debates under the Trump administration, as the corporate lobbies seek to advance the same agenda in the halls of Congress.

At the heart of this activism are the country's premier business lobbies—the Chamber of Commerce, the National Association of Manufacturers (NAM), and the National Federation of Independent Business (NFIB)—along with the AFP and industry-specific groups such as the National Grocers Association and National Restaurant Association. I have tracked all bills that were enacted with the support of one or more of these organizations, in all fifty states, across a wide range of labor, employment, and economic policy issues. This includes not only restrictions on public- and private-sector unions but also legislation regarding the minimum wage, child labor, wage theft, tipped employees, construction wages, occupational safety, job discrimination, employee misclassification, overtime pay, unemployment insurance, budgetary retrenchment, and privatization of public services. In all, this book provides a comprehensive account of corporate political action on thirty separate but interrelated aspects of policy governing labor, employment, and public services.

When we examine this full range of legislation, certain things come into focus that are impossible to see when analyzing any particular bill. For starters, there is the sheer similarity of the legislation—nearly identical bills introduced in cookie-cutter fashion in states across the country. This highlights the extent to which state politics has become nationalized, with different states' legislation originating from a common source in national advocacy organizations.

Moreover, the corporate vision itself becomes clearer when all its components are brought together. For example, when lobbyists argue in one state against linking the minimum wage to the rate of inflation, the debate may seem to revolve around the pros and cons of indexing. But when one sees the same lobbyists working elsewhere to abolish the minimum wage outright, to lower construction wages, to expand the use of teenage labor, or to force the unemployed to take lower-wage jobs, the local fight about indexing becomes just one feature of a larger tableau.

This book's purpose is to reproduce that tableau. By synthesizing corporate lobbying efforts across diverse issues and all fifty states, it is possible to show the sum, not just the parts, of a cohesive strategic agenda—and thus to see how America's most powerful forces are seeking to reshape its economy, society, and politics.

The Rise of the One Percent Economy

In absolute terms—and certainly relative to much of the world—plenty of America's 320 million people are doing well. However, what was once a widespread and realistic ambition—not to be rich, but to live a good life, free of economic anxiety, and to be able to provide one's children with opportunities for advancement—has become unachievable for most.

What has changed is the diversion of a growing share of income and wealth into the hands of those who already have the most. America's golden age—the three decades following the Second World War—was a time of broadly shared prosperity. The country still cycled through good times and bad, but when the economy grew, most people benefited. In the three decades from 1947 to 1979, every segment of the population gained ground, but income growth was actually faster for the poorest households than for the richest. Although the rich grew richer, the country grew slightly more equal. Since then, exactly the opposite pattern has taken hold. For more than three decades, income has been radically skewed toward the wealthiest, with 40 percent of U.S. households experiencing stagnant or falling earnings (figure I.1).[7]

Underlying the growth in inequality is a breakdown in the relationship between productivity and wages. When workers produce more output per hour—whether through greater effort, better organization, new technology, or higher education—corporate profits grow and real wage increases become possible. For the first three postwar decades, when productivity improved, everyone gained. Indeed, average wage increases tracked productivity almost exactly: from 1948 to 1973, productivity increased by 96.7 percent, and hourly compensation for production and nonsupervisory workers (80 percent of the workforce) rose by 91.3 percent. Over the past forty years, however, productivity has been divorced from wages, as shown in figure I.2. From 1973 to 2013, productivity increased by 74.4 percent, but employee compensation grew by only 9.2 percent.[8] We now inhabit

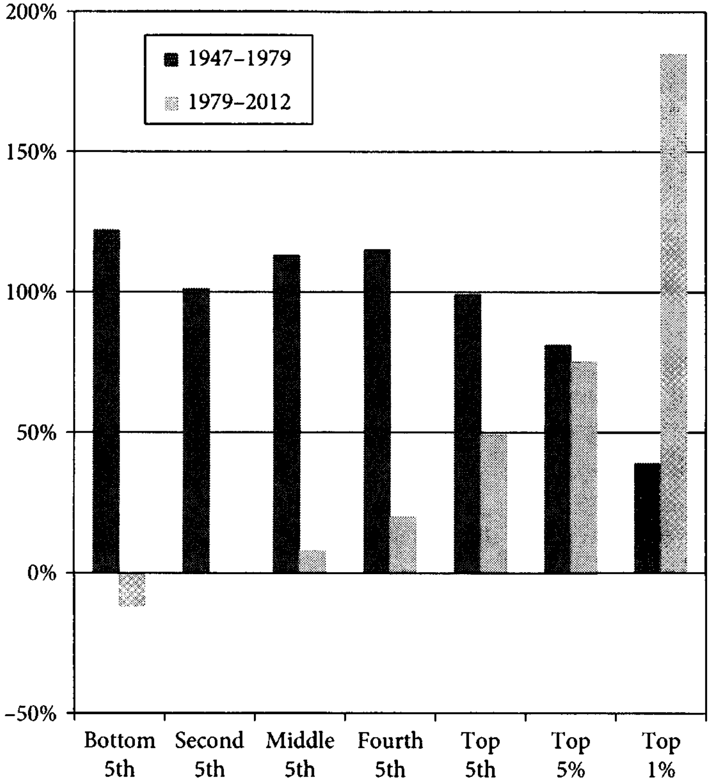

FIGURE I.1. Real family income growth, 1947–2012.

Source: Colin Gordon, "Growing Together, Growing Apart," *Working Economics Blog*, Economic Policy Institute, October 4, 2013, http://www.epi.org/blog/growing-growing.

an economy where, for many millions of Americans, it is possible to work both harder and smarter and still not get ahead.

With employees no longer able to secure their share of productivity gains, Americans' standard of living has slowly deteriorated. Particularly in the two-thirds of the labor market where jobs do not require a college degree, "family-wage" jobs have grown ever scarcer. Nine of the ten occupations projected to add the most jobs in the coming decade are low-wage, with an average salary exactly equal to the poverty threshold for a family of four.[9] The past four decades have been particularly hard on men. From 1979 to 2014, real wages declined for the bottom 60 percent of male workers—meaning that seventy million men in 2014 were working for less than their fathers or grandfathers

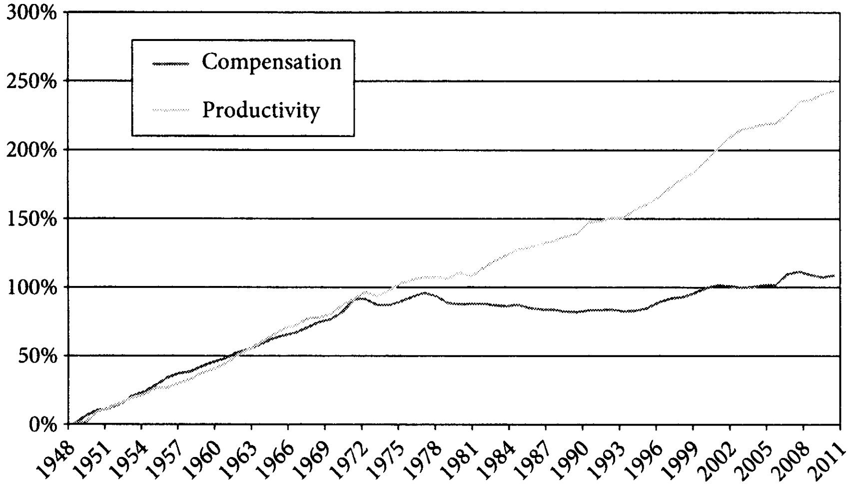

FIGURE I.2. Productivity and hourly compensation of production and nonsupervisory workers, 1948–2013.

Source: Analysis of data from U.S. Bureau of Labor Statistics and Bureau of Economic Analysis. Data are for wages and benefits of production/nonsupervisory workers in the private sector and net productivity of the entire economy. Net productivity is the growth of output of goods and services less depreciation per hour. Reproduced from Larry Mishel, Elise Gould, and Josh Bivens, "Wage Stagnation in Nine Charts," Economic Policy Institute, January 6, 2015, http://www.epi.org/files/2013/wage-stagnation-in-nine-charts.pdf.

earned.[10] The total income of American families has done better, increasing slightly over this period.[11] But this was made possible only by a dramatic increase in the number of hours that parents—particularly women—spent at work. As a result, the average middle-class family now works 280 hours per year—the equivalent of seven additional weeks of full-time work—more than they would have in 1979.[12]

The erosion of the labor market has put an increasing number of people at risk of poverty. In any given year, one in seven Americans lives below the official poverty line. But the number living close to the edge is much greater: fully 40 percent of American adults will spend at least one year in poverty during their prime working years.[13] For the first time in fifty years, in 2013 a majority of students in American public schools lived in low-income families.[14] Most disturbing of all, for some of the population, life has been getting shorter. White people still live longer than blacks in America, but because they had greater access to living-wage jobs in midcentury, they also had the most to lose, not only in economic terms but also, it appears, in terms of physical well-being. From 1990 to 2008, life expectancy for white American women without a high school diploma fell by five years and that of men by three years. The exact cause of shrinking life spans is not known, but researchers speculate that it may reflect the growing number of adults without health insurance during this period.[15]

Even for middle-class families with growing incomes, these gains are often insufficient to offset dramatic price increases for the core components—education, health care, and retirement security—that traditionally define a middle-class lifestyle. The average cost of family health insurance, for example, increased by more than 80 percent over the past ten years.[16] Thus, even for those whose earnings have improved modestly, the goals of sending one's children to college and not having to worry about poverty in old age have become increasingly difficult to square.

The economic decline experienced by America's working- and middle-class families is only one side of the story. The other side is skyrocketing wealth for those at the top—even after the 2008 crisis. For the first time ever, in 2012 more than half of all income in America went to the richest 10 percent of the population, a degree of inequality surpassing even that of the late 1920s.[17] While the net worth of the bottom half of households evaporated in 2011–14, that of the richest 1 percent grew by an average of $5 million per family.[18] Indeed, one historian of oligarchy notes that the richest four hundred individuals in the United States now exercise a degree of influence over society comparable to that of the rulers of ancient Rome.[19]

Growing economic inequality has, in turn, created increased political inequality. While business has always enjoyed outsized political influence, its voice has grown even more dominant in recent years. Elections for public office have become dramatically more expensive, rendering politicians all the more dependent on those with the resources to fund their campaigns.[20] The increasing concentration of wealth has produced a growing class of megadonors prepared to spend enormous sums to influence outcomes. And finally, the progressive loosening of campaign finance regulations—culminating in the *Citizens United* decision—has enabled corporations and the wealthy to spend unlimited amounts on elections, and to do so secretly. The intersection of these three factors has dramatically increased the political influence of those at the top of the economy.

At the federal level, the domination of campaigns by a handful of megadonors has been so sudden—more than 60 percent of all personal campaign contributions in 2012 came from less than 0.5 percent of the population—as to render former superstars suddenly obsolete.[21] In his 2000 and 2004 elections, George W. Bush built what was heralded at the time as the most powerful fund-raising machine in American political history, constructed around teams of bundlers dubbed "Pioneers," who each committed to raise $100,000 from his or her circle of friends. This elite fund-raising corps was showered with appreciation, including twenty-four ambassadorships and two cabinet posts. By the time Bush's younger brother began his own presidential campaign, however, the Pioneers had become too small to matter. One businesswoman who had raised $1 million for the 2004 Bush reelection campaign complained in the spring of 2015 that none of the presidential candidates had contacted her. "They are only going to people who are multi-millionaires and billionaires. . . . [T]he people I talk to . . . just don't count anymore."[22]

So, too, political spending was heavily tilted toward corporations long before *Citizens United*; on average, from 2000 to 2010, business typically outspent labor unions by ten to one in federal elections.[23] In theory, *Citizens United* allowed for unlimited spending by both corporations and unions. In reality, however, the resource imbalance between these groups is so extreme as to render the comparison meaningless. The annual revenue of Fortune 500 companies alone is 350 times that of the labor movement.[24] By 2010, unions had already reached their limit of possible spending, with the AFL-CIO forced to cut its political advertising budget and limit itself to "incumbency protection," rather than competing for open seats.[25]

Corporate spending, by contrast, grew dramatically. Advocacy organizations spent just over $140 million on the presidential and congressional elections in 2008. Four years later, advocacy organizations spent $1 billion on federal elections, the great bulk of it from businesspeople and corporate organizations.[26] Both the U.S. Chamber of Commerce and the Club for Growth more than doubled their spending from 2008 to 2012. In addition, a slew of new corporate-funded advocacy organizations appeared during this period. Taken together, spending by the major corporate-funded groups was more than six times higher in 2012 than in 2008.[27]

In addition to the overall increase in spending, the 2010 elections marked the beginning of a fundamental shift in control of electoral politics. As recently as 2008, a team of political scientists at George Washington University, James Madison University and the University of California published *The Party Decides*, a sophisticated account of political parties' controlling role in the selection of presidential nominees.[28] But this analysis has quickly become outdated. In 2016, both the Donald Trump and Bernie Sanders campaigns challenged the role of party elites, with the GOP leadership rendered nearly powerless in the face of Trump's offensive. In down-ballot races, however, the power of party officials has been supplanted not by insurgent candidate campaigns but by private, corporate-funded advocacy groups. For many longtime donors, the ability to contribute secretly to private organizations offers strong incentive to eschew regular campaign contributions. Furthermore, such organizations can do things that parties and candidates cannot. By law, for example, candidates and parties are prohibited from "coordinating" with outside groups, which forces campaigns to operate in the dark regarding the timing, location, and volume of allied activity. In 2010, the GOP found a solution to this problem: the campaign's own advertising plans, previously treated as a closely guarded secret, would now be publicly distributed. Knowing the campaign's planned advertising buys, the outside groups could then freely coordinate a plan to supplement this effort without fear of duplication. The political director for Karl Rove's American Crossroads organization explained that "the [party] committees . . . make their [advertising] buys earlier. . . . That research then helps us on the outside have some sense of where to go."[29] The combination of campaign insiders and outside operatives thus effectively defeated the ban on coordination—but it is now the outside groups, not party officials, who are in position to drive the coordinated strategy.

Beyond advertising, the new private groups have taken on a growing array of responsibilities that had previously been the exclusive preserve of political parties. When Rove launched American Crossroads/Crossroads Grassroots Policy Strategies—just months after the *Citizens United* decision—its declared purpose included much of what had previously constituted core GOP activities. Rove's group would "research, test, educate, and galvanize citizens on high-resonance issues affecting the government and economy . . . shape citizen attitudes with hard-hitting issue advocacy, and . . . build a national grassroots network of center-right supporters who respond to our issue agenda and mobilize them to advocate effectively for policy change . . . [using] list exchanges [and] micro-targeting techniques."[30] While Rove's operation worked on list building, messaging, and communications, others were focused closer to the ground. Americans for Prosperity and FreedomWorks built their own field organizations—identifying local community leaders, recruiting and training thousands of volunteers, and running sophisticated voter-contact campaigns. In 2010, the Kochs financed three separate multicity bus tours; the "Spending Revolt" tour alone sponsored nearly 140 rallies, each featuring a GOP candidate and local Tea Party leader.[31] In 2012, Mitt Romney's single largest phone-banking operation was run by AFP.[32] A Koch-funded organization now has joint control over the Republican Party's electronic voter file—the heart of any field campaign. And in preparation for the 2016 elections, the Kochs established their own candidate-recruitment firm, as well as dedicated field organizations aimed at Latino voters, veterans, and millennials.[33]

Thus, it is not simply that politicians have become more dependent on corporate campaign contributions. Rather, the very machinery of elections has increasingly shifted from party to private hands. It is this—the capacity to develop, poll-test, and air advertisements; to recruit, train, and deploy local volunteers; and to tap sophisticated databases to mobilize sympathetic activists on specific issues—that enabled Americans for Prosperity to beat a unified Republican party in Tennessee. The political scientists Theda Skocpol and Alexander Hertel-Fernandez write that "by the mid-1990s, the Chamber of Commerce"—along with NAM and NFIB—was simply "an adjunct of the GOP."[34] If this was true twenty years ago, it is no longer. Corporate efforts to exert greater control over policy decisions have been building for decades. But it has now become impossible to portray the party itself as the prime determinant of electoral and legislative outcomes: in a post–*Citizens United* world, the relationship between parties and "their" outside supporters has been turned on its head.

Corporate Lobbies and the Conservative Base

Since the emergence in 2009 of the Tea Party movement, commentators have routinely portrayed the conservative activist base as the sorcerer's apprentice: an untamed force that has increasingly taken control of the GOP. Following the 2012 elections, the *New York Times* described "Republican-on-Republican warfare," as major donors united to block Tea Party extremists from winning party nominations for federal office.[35] The *Washington Post* spoke of GOP leaders being "in thrall" to the Tea Party, unable to buck conservative activists on critical issues like immigration reform.[36] House Speaker John Boehner's forced resignation in the fall of 2015 was widely seen as a victory of the rank and file over entrenched interests. According to CNN, he and other GOP leaders, such as House Majority Leader Eric Cantor, "succumbed to the storm of conservatives angry at a party leadership they felt was betraying its base."[37] The election of Donald Trump was likewise cast as a revolt by the party's base against its donor class and establishment leaders. Indeed, Trump's candidacy was vigorously opposed by all the major corporate lobbies, and his election marked a setback for them. Nevertheless, they remain the single most influential force shaping Congressional legislation, and, at the state level, the base has never posed a significant obstacle to the corporate legislative agenda. On the contrary, corporate strategists played a decisive role in creating the Tea Party[38] and have been largely successful at channeling its activism in ways that serve their interests.

As the investigative reporter Lee Fang brilliantly recounts, the Tea Party arose from a long process of trial and error, led primarily by the Koch brothers and real estate mogul Howie Rich, who for at least a decade had sought to ignite a grassroots antitax movement branded with the symbols of the Boston Tea Party.[39] This is not to say that the Tea Party is simply a fabrication of corporate power brokers. Participants' convictions are genuine. But it was the corporate money that brought its members together; paid for their buses, stages, listservs, sound equipment, and meeting space; trained and equipped their activists; and broadcast their advertisements. The corporate-backed FreedomWorks even paid Glenn Beck $1 million to read "embedded content" in his newscasts.[40] Without such support, the Tea Party's constituency of disgruntled conservatives would have remained a marginal force in national debates.

From the beginning, the major corporate organizations that helped create the Tea Party—including Dick Armey's FreedomWorks and the Kochs' Americans for Prosperity—sought to harness populist impulses to corporate ends. In 2009, when Georgia legislators considered a dollar-per-pack increase in cigarette taxes to close the state's budget deficit, Philip Morris paid Grover Norquist's Americans for Tax Reform to organize a Tea Party protest in opposition. In 2010, FreedomWorks organized rallies to oppose the federal government's requirement that BP set aside $20 billion to cover damage from the Deepwater Horizon oil spill.[41] Neither issue appears to have been a high priority for many Tea Party activists, but once well-resourced corporate-funded operatives began organizing around them, it was possible to convince the rank and file that both were part of the broader agenda of antigovernment anger.

As Theda Skocpol and Vanessa Williamson note in their landmark study, many genuine and sophisticated activists within the Tea Party were openly skeptical about the agenda of big-money sponsors.[42] Yet for the most part, the initiatives that actually have become law—backed by Tea Party legislators—have been those that serve corporate interests.

From the start, the corporate strategists strove to marginalize Tea Party activists' passion for social conservatism. In 2010, activists worked with Freedomworks head Dick Armey to craft the "Contract from America," presented as a statement of core principles to which Tea Party-backed candidates were required to adhere. And yet every one of the core principles addressed economic concerns, with no mention whatsoever of same-sex marriage, abortion, immigration, or guns.[43] "Social issues may matter to particular individuals, but . . . the movement should be agnostic," argued the attorney who spearheaded this process. "This is a movement that rose [around] . . . economic conservative ideology. To include social issues would be beside the point."[44]

To be sure, the conservative base is not easily controlled, as was made manifest by the Trump campaign. Corporate backers have been forced to tolerate a degree of allegiance to social conservatism and to back off certain proposals in the face of economic populism in order to maintain the right-wing alliance. With the election of President Trump, corporate advocates were forced to relinquish—at least temporarily—their quests for a Pacific Rim free trade treaty and privatizing Social Security. On the whole, however, the legislative record indicates that it is the corporate lobbies, rather than the Tea Party's activists or Trump's grassroots army, that retain the most power to shape state laws. This is true even in Washington, D.C., where Republican senators and congresspeople remain overwhelmingly dependent on corporate largesse; it is truer still in the state legislatures.

Who Are the Corporate Lobbies?

No bill becomes a law without a coalition of political actors behind it. Most of the legislation described in this book—attacks on unions, the minimum wage, and public services—has been advanced by a combination of Republican politicians and conservative advocacy groups. For some parts of this coalition, the primary goal is partisan advantage. Republican strategists such as Grover Norquist have long identified public employees, labor unions, and trial lawyers as three "pillars" of the Democratic Party: unions and lawyers provide campaign funds, and public employees provide the army of volunteers who make phone calls and knock on doors in support of "big government" Democrats.[45] It is no accident that the hardest-fought antiunion campaigns have been waged in so-called battleground states. Cutting off union funds and campaign volunteers in toss-up states such as Michigan, Indiana, Pennsylvania, and Ohio may alter control of the federal government. As Wisconsin's Senate Majority Leader forecast in 2011, "If we win this battle [with public employee unions], and the money is not there under the auspices of the unions, certainly what you're going to find is President Obama is going to have a much . . . more difficult time getting elected and winning the state of Wisconsin."[46]

But behind the Republican operatives, the most important force driving this agenda forward is a network of extremely wealthy individuals and corporations—the key organizations whose agenda this book addresses. All three of the country's largest corporate lobbies—the Chamber of Commerce, National Association of Manufacturers, and the National Federation of Independent Business—are active in state political debates.[47] In recent years, the Koch-funded Americans for Prosperity has joined them as one of the largest and most active forces in state politics. In addition, several industry and employer associations—representing grocers, restaurateurs, and builders, for example—are active in state politics, either directly or through their membership in larger organizations. Above all, the corporate agenda is coordinated through the American Legislative Exchange Council (ALEC).

While these organizations primarily work in tandem with GOP leaders, they should not be understood simply as a component of the Republican Party or even the broader conservative movement. The corporate lobbies have not hesitated to pursue their own interests where these conflict with those of party leaders, even when doing so jeopardizes Republican legislative seats. Likewise, their agenda sometimes confounds party lines—most importantly on education reform, where traditional Democratic supporters in the technology and finance industries work in concert with Republican legislators and conservative corporate groups.

ALEC, the most important national organization advancing the corporate agenda at the state level, brings together two thousand member legislators (one-quarter of all state lawmakers, including many state senate presidents and House Speakers) and the country's largest corporations to formulate and promote business-friendly legislation (see table I.1).[48] According to the group's promotional materials, it convenes bill-drafting committees—often at posh resorts—in which "both corporations and legislators have a voice and a vote in shaping policy." Thus, state legislators with little time, staff, or expertise are able to introduce fully formed and professionally supported bills. The organization claims to introduce eight hundred to one thousand bills each year in the fifty state legislatures, with 20 percent becoming law.[49]

Ultimately, the "exchange" that ALEC facilitates is between corporate donors and state legislators. The corporations pay ALEC's expenses and contribute to legislators' campaigns; in return, legislators carry the corporate agenda into their statehouses.[50] Member corporations also fund the ALEC-affiliated State Policy Network, whose procorporate think tanks produce policy papers in support of model legislation.[51] In the first decade of this century, ALEC's leading corporate backers contributed more than $370 million to state elections, and over one hundred laws each year based on ALEC's model bills were enacted.[52] Through this network, corporate lobbyists have established a well-funded, highly effective operation that combines legislative drafting, electoral politics, lobbying, grassroots activism, and policy promotion.

Both the Chamber of Commerce and ALEC often pursue initiatives that directly benefit the bottom line of particular corporate members. The Chamber advertises itself as the representative of American business generally, but a much smaller circle of very large corporations accounts for most of its budget and dominates its advocacy agenda.[53] In 2009–10, for example, the health insurance industry provided more than $100 million to the Chamber to advocate against health care reform.[54] All three of the world's leading emitters of greenhouse gases—Chevron, ExxonMobil, and BP—are affiliated with the Chamber, which in turn lobbies against regulation of coal mining, fracking, and CO_2 emissions.[55] The Chamber has also received significant funding from tobacco companies and is engaged in an international effort to defeat anti-smoking laws.[56]

At the state level, much of ALEC's activity is similarly targeted at issues of direct financial concern to member companies. In one outreach message to potential

TABLE I.1 American Legislative Exchange Council, select current and recent past members

Abbott Laboratories	Darden Restaurants	Microsoft
Aflac	Dell	Mobil
Air Transport Association	Dow Chemical	Monsanto
Alcoa	Dow Corning	Motorola
Allergan	Duke Energy	Nestle
Altria Group	Dupont	News Corporation
Amazon.com	eBay	NFIB
American Association of Health Plans	Eli Lilly	Northrop Grumman
American Bankers Association	Enron	Pacific Gas and Electric
American Cyanamid	Express Scripts	Peabody Energy
Amgen	Exxon Mobil	Pepsico
Amoco	Facebook	Pfizer
Amway	FedEx	PhRMA
Anheuser-Busch	Ford Motor Co.	Procter & Gamble
Archer Daniels Midland	GEICO	Prudential
Arthur Andersen	General Electric	Raytheon
AT&T	General Motors	Sallie Mae
Bank of America	Geo Group	Scantron
Baxter Healthcare	Georgia-Pacific	Schering-Plough
Bayer Corp	GlaxoSmithKline	Seagram & Sons
Bell Atlantic	Google	Shell Oil
Bell Helicopter	Hewlett-Packard	Sony
Blue Cross Blue Shield	Home Depot	Sprint Nextel
Boeing	Honeywell	State Farm
BP	IBM	T-Mobile
Cargill	Inland Steel	Taser International
Caterpillar	International Paper	Time Warner
Chevron	JC Penney	Union Pacific Corp
Chrysler	John Deere & Co.	United Airlines
CIBA-GEIGY	Johnson & Johnson	United Health Group
Coca-Cola	K12 Inc.	UPS
Columbia Healthcare	Koch Industries	U.S. Chamber of Commerce
Connections Academy	Kraft Food	Verizon
Consolidated Edison	Laidlaw	Visa
Coors Brewing Company	Lowe's	Wackenhut
Corrections Corp. of America	Mary Kay Cosmetics	Wal-Mart
Cox Communications	McDonald's	Walgreens
Crown Industries	McKinsey & Co.	Wells Fargo
CVS	Merck	Yahoo!

Source: Adapted from table found in alexexposed.com.

members, ALEC trumpeted its operation as "a good investment" for corporate partners, adding that "nowhere else can you get a return that high."[57] When energy companies invest, ALEC lobbies against state and local environmental controls. When drug companies invest, it supports prohibiting imports of lower-cost drugs from Canada. When Coca-Cola invests, it lobbies against taxes on sugary soft drinks. When private prison operators invest, it advocates for policies that would raise occupancy rates, such as the detention of undocumented immigrants and the restriction of parole eligibility.[58] And when payday loan companies invest, it opposes a law prohibiting such firms from charging more than 36 percent interest.[59]

But both ALEC and the Chamber also promote a broader economic and deregulatory agenda that is not directly tied to the profitability of specific donors. They support cuts to "entitlements" such as Social Security, unemployment insurance, and food stamps; push for more trade agreements on the NAFTA model; seek to shrink public funding for schools; oppose paid sick leave and workplace safety regulations; and work to undermine labor unions and restrict their participation in political debates.[60] Virtually all the initiatives described in this book—including forced privatization, "right-to-work" laws, and abolition of minimum-wage and prevailing-wage laws—reflect model statutes developed by ALEC and promoted through its network. Some of ALEC's most powerful corporate members are also active in the Chamber, and the Chamber itself is an active member of ALEC, as are Koch Industries, NFIB, and Americans for Prosperity. For all of them, this dimension of the legislative agenda is aimed not at immediately enhancing specific companies' revenues but at reshaping the underlying balance of power between workers and employers.

Much of the discussion of campaign finance in recent years has focused on the outsized influence of individual megadonors. Unsurprisingly, the vast majority of the ultrawealthy favor public policies that advance their economic interests. But individuals make poor subjects for political analysis. Some spend money on issues unrelated to their interests—such as Tom Steyer's focus on climate change and Michael Bloomberg's on gun control. Above all, an examination of individual donors leads to a focus on personal convictions, passion, or grudges, which are hard to predict—much less influence.

By contrast, the behavior of corporate lobbies is deliberate, rational, and impersonal. At some point, every major corporate contributor to ALEC convened its government affairs or executive committee to decide to invest resources in the organization. This decision cannot have been the product of personal or ideological conviction unrelated to the company's financial interests; given corporate officers' fiduciary responsibility to shareholders, we must assume that it was based on the belief that it served the company's long-term interests.

In some cases—Coca-Cola's opposition to restrictions on sugary soft drinks, for example—that interest is obvious. In others—restricting eligibility for unemployment insurance or cutting school funding—it is less clear. These cases force us to probe more deeply to understand corporate goals. Likewise, when the country's largest corporations unite to oppose Obamacare, promote guest workers, limit lawsuits for race or sex discrimination, and slash public pensions and library budgets, we must make sense of how these policies fit together into a coherent agenda deemed to serve their self-interest.

For these reasons, this book focuses not on individual donors but on legislation promoted by one or more of the major corporate lobbies. The exception is the Koch brothers' network of advocacy groups, represented at the state level primarily by Americans for Prosperity. While the Kochs may hold deep ideological convictions, they do not act on convictions that are inconsistent with their business interests.[61] Whereas other megadonors may focus on issues unrelated to their business—internet privacy, climate change, or marriage equality, for example—the Kochs focus solely on advancing an ambitious agenda to free corporate owners from the burdens of taxation, regulation, and organized workers. Indeed, the Kochs have a history of employing senior staff who hold positions simultaneously in Koch Industries and in related foundations and advocacy groups in order to ensure that their advocacy funding is aligned with their financial interests. So too, Koch Industries' lobbyists often work in close coordination with the staff of Koch-funded advocacy organizations.[62]

Furthermore, rather than simply contributing to candidates' campaigns, the Kochs have established a uniquely broad network of related organizations—candidate selection and funding vehicles, think tanks, data firms, communications strategists, and grassroots organizers—that together constitute an integrated and formidable political force.[63] In 2014, Americans for Prosperity alone spent $125 million and had five hundred full-time staffers to organize supporters in target states.[64] Finally, the Kochs not only spend their own money on an unparalleled scale; they also serve as organizers and directors of a network of corporate and private donors. In 2016, this network aimed to spend close to $1 billion, significantly more than either the Democratic or Republican parties raised in the 2012 election cycle.[65] The ability to raise such sums, election after election, fundamentally recalibrates the balance of power in electoral politics and must be taken into account in any effort to understand the corporate legislative agenda.

How Does Twenty-First-Century Corporate Politics Differ from What Came Before?

The effort to make sense of the corporate agenda also requires comprehending salient features of the historical context in which it is situated. The struggle between employers and employees—and the outsized influence of business lobbies—is hardly new. Big business lobbies fought against the eight-hour day,[66] Social Security,[67] and the minimum wage.[68] An impressive body of scholarship has shown that the country's big business lobbies have consistently sought to minimize or reverse the accomplishments of the New Deal, starting almost immediately after its inception.[69] Yet the shape of the struggle changes, and we cannot understand corporate lobbies' aims in the twenty-first century simply by examining their behavior in the 1940s or 1970s. Today's corporate agenda is framed, in particular, by rising inequality, a shrunken "economic left," and the impact of globalization and financialization on corporations' strategic plans.

Not all scholars agree that there is such a thing as an overarching "corporate agenda" in politics. The historian Benjamin Waterhouse and the sociologist Mark Mizruchi argue that twenty-first-century corporations are unable to forge a collective policy agenda beyond the particular interests of individual companies.[70] Indeed, there have been some notable disagreements among the corporate lobbies themselves. Americans for Prosperity, for example, opposes the Export-Import Bank and Common Core education standards, both of which the Chamber of Commerce supports. ALEC itself has seen scores of companies drop out in recent years—first in the wake of the Trayvon Martin murder in Florida, a state where ALEC promoted "Stand Your Ground" laws, and then in response to the organization's perceived opposition to climate change legislation. Similar defections have occurred at the Chamber of Commerce.[71]

Yet such disagreements also point to the centrality of the agenda described in this book. ALEC, the Chamber, NAM, NFIB, AFP, and the Club for Growth disagree on various policies, and they have sometimes endorsed opposing candidates in GOP primary elections. But they are fully united on attacking public- and private-sector unions, opposing minimum-wage laws and paid sick leave, restricting unemployment insurance, and supporting large tax cuts and permanent restrictions on public spending. The fact that organizations that may fight over other issues come together around this agenda attests to its centrality: no corporation has ever resigned from ALEC because it disagreed with the organization's position on the minimum wage or paid sick leave.

Many observers have noted that corporate politics have shifted to the right. From the 1960s through the 1990s, the Chamber of Commerce and NAM represented what the sociologist William Domhoff terms the "ultraconservative wing" of the corporate community, while the Business Roundtable comprised more moderately minded CEOs.[72] In the twenty-first century, the Business Roundtable has shrunk almost to insignificance—its 2009–10 lobbying budget was less than one-tenth that of the Chamber.[73] At the same time, the Chamber and NAM have been outflanked on the right by Americans for Prosperity, FreedomWorks, and the Club for Growth. This historical shift, too, must be understood not simply as a product of the Koch brothers' personal ideology or as an expression of a vaguely articulated zeitgeist but as a reflection of structural economic changes.

One of the current economy's distinguishing features is the degree of globalization to which it is subject, relative to earlier periods. It may never have been entirely true that "what's good for General Motors is what's good for the country," as the company's president apocryphally suggested in 1953.[74] But the alignment between corporate and national interests was certainly much closer when companies relied on Americans both to make and to buy their products. Currently, a majority of GM employees and nearly two-thirds of the cars it sells are overseas, with the number of cars sold in China alone surpassing the U.S. total.[75] General Motors remains highly engaged in American politics, as a member of NAM's board of directors, a partner of the U.S. Chamber of Commerce, and an active member of ALEC.[76] But this influence is now exercised on behalf of a company for which American workers' skills and household incomes matter less than ever before.

GM's situation is far from unique. For the first time, many of the country's most powerful political actors are companies whose headquarters may be located in the United States but whose profitability does not primarily depend on the fortunes of American society. Foreign sales now account for 48 percent of the S&P 500's total corporate revenues.[77] Among recent ALEC member corporations, Exxon Mobil, Caterpillar, Procter & Gamble, Pfizer, Dow Chemical, and IBM all earn more than 60 percent of their revenue outside the United States.[78] This marks a new departure in American politics: some of the most influential actors in the legislative process have political interests that are increasingly disconnected from the fate of the country's citizens.

These interests have also been influenced by the dramatic growth of the financial sector relative to the economy as a whole—a process that has fundamentally reshaped corporate priorities. A series of legal and regulatory changes, beginning in the 1970s, gradually allowed pension funds to invest in stocks and higher-risk financial instruments; permitted savings and loans, commercial banks, insurance companies, and investment banks to merge their operations; and created a large market of unregulated investment instruments. Together, these changes triggered a wave of hostile takeovers and leveraged buyouts and led nearly all publicly traded companies to reorient their operations in order to maximize short-term return to shareholders.[79] Whether in response to shareholder demands or to preempt takeover attempts by boosting earnings per share, the country's premier corporations began diverting resources away from investment in plant, labor, or technology in order to free up cash for stock buybacks, increasingly generous dividends, and other investor payouts.[80]

As the economist Eileen Appelbaum and industrial relations scholar Rosemary Batt describe it, corporations have moved from "the 'managerial business model'—in which returns are generated through productive activities overseen increasingly less able to provide collective solutions to issues of concern to the business community, and society, as a whole."

The work of the Chamber of Commerce, ALEC, and allied organizations, however, suggests that there is no shortage of coordinated political action, including on broad social issues not tied to the bottom line of particular firms. What has changed is not the ability to act in concert but the underlying interests that shape corporate behavior. Mizruchi complains, for example, that "the corporate community has been unable to provide a solution to the crisis" of education. But what is a crisis for American citizens may simply not be one for many of the most powerful U.S.-based corporations. Rather than assuming corporations have become unable to formulate a coordinated response to shared problems, it is more fruitful to assume that the leading corporate lobbies are acting rationally—and then explore how and why the legislative agenda we are witnessing is deemed to serve their interests. In seeking to make sense of observed corporate behavior, we need to ask the right question, based on a clear-eyed understanding of the present: How might this behavior make sense *under the current conditions* of long-term decline, globalization, financialization, a diminished left, and unrestricted money in politics?

Making Sense of Corporate Motives

The state legislative record provides a richly detailed account of the policy initiatives advanced by the big business lobbies. But how are we to make sense of these? If a state chamber of commerce advocates the expansion of charter schools, for example, is this because member companies are concerned they won't have enough skilled labor to hire and see this as a means of solving that problem? Perhaps it is because charters are cheaper, and companies see them as a way to cut taxes, or because they have financial interests of their own that will benefit from charter industry growth. Or is it simply because companies are concerned about American education and support this cause for the same reasons they donate to parks and hospitals?

More broadly, how should we understand what gives coherence to a state chamber of commerce's disparate legislative priorities, or comprehend the motives behind legislation that has no immediate payoff for a particular member's bottom line? How we answer these questions shapes how we anticipate these actors' initiatives—and thus how others might think about organizing on behalf of an alternative vision of the economy.

Both scholars and journalists have often characterized the most extreme corporate proposals—abolishing the Department of Education, refusing to raise the federal debt limit, privatizing Medicare—as primarily the product of ideology.

The most extensive academic research on the Tea Party and the Koch network has been carried out by a team of political scientists led by Harvard University's Theda Skocpol. Skocpol's book on the Tea Party, coauthored with Vanessa Williamson, distinguishes between "'mainstream' . . . pro-business GOP circles" and organizations such as FreedomWorks and Americans for Prosperity, which are deemed "advocacy groups . . . ideological organizations first and foremost."[88] But "ideological" can have multiple meanings. Clearly, the work of the business lobbies is not ideological in the sense of reflecting a moral commitment that is completely unrelated to financial self-interest, as might be true of a billionaire supporter of marriage equality or opponent of abortion. Too often, the word "ideological" functions as a marker for the point where analysis ends: observers can no longer trace policy positions to obvious material interests, so they label what appears to be irrational or frivolous behavior ideological, turning the term into a catchall category for whatever they can't explain otherwise.

While the convictions that people express may be sincerely held, they tend to be intertwined with our assessment of how they affect our interests. There are of course individuals who advocate passionately for policies that run counter to their financial interests. But they are the exception. And when it comes to deliberate decisions by large corporations, as opposed to personal choices by individual donors, it is even less likely that political advocacy strays far from financial interests.

This does not mean that when corporate executives participate in policy debates, they are merely acting as a mouthpiece for shareholders. The experience of running a company might very well nurture a heartfelt belief that society would be better off if one's firm didn't have to contend with labor negotiations or government regulation. At the same time, those whose personal views coincide with corporate goals are more likely to be promoted to higher levels of authority; to the extent that these views diverge from the company's interests, they are revised or discarded. This is why, in order to understand or anticipate corporate political activity, it is more fruitful to examine business models and profit strategies than to plumb the personal worldviews of senior managers.

This is true even of the Koch brothers, often considered emblematic of the most ideological of corporate interests. Even their behavior expresses no passionate convictions that run counter to or are disembodied from their financial interests.[89] Many observers note that the brothers come from a family of ideologues: their father, Fred Koch, was a founding member of the John Birch Society. Yet his sons, unlike him, do not advocate white supremacy or homophobia; on the contrary, they have launched an initiative to recruit Latino voters into the Republican camp, and David Koch has declared his support for marriage equality. Whatever the Kochs may think privately, their public behavior has almost nothing to do with the social conservatism trumpeted by their father.[90]

Skocpol and Hertel-Fernandez define the Kochs as "individuals who take philosophical and normative ideas as well as material interests very seriously," suggesting that they oppose public employee unions "in part because they see all unions as distortions of the 'free market.'"[91] But the Kochs' actual behavior is rife with contradictions of these supposedly bedrock principles. Koch Industries took maximum advantage of federal subsidies for their oil and pipeline businesses—even engaging lobbyists to ensure these perks stayed in the federal budget.[92] The brothers presumably oppose Iran's form of government but nevertheless employed a foreign subsidiary to sell oil equipment to the country in disregard of U.S. sanctions.[93] According to testimony from one longtime employee, Koch Industries followed a standard practice of cheating customers in measuring quantities of gas bought and sold; the company paid $20 million to settle one lawsuit charging it with stealing oil by this method from a Native American reservation.[94] None of this describes the behavior of a company that is, above all, committed to the principles of a fair and free market. Most telling is the brothers' position on the 2008 Troubled Assets Relief Program (TARP), the bank bailout that served as a prime focus for conservatives' antigovernment rage. Americans for Prosperity initially opposed TARP as an unwarranted government intrusion in the market. But in September 2008, the stock market suffered its largest ever single-day decline, threatening the Kochs' own financial interests. Within forty-eight hours, the Kochs had switched sides, and AFP signed on to a letter urging U.S. senators to support TARP's adoption.[95]

Skocpol and Hertel-Fernandez focus on disagreements between the Kochs and the Chamber of Commerce—which they characterize as a clash between "ideological groups" and "corporate priorities"—as evidence that the GOP's rightward move is driven by principled rather than economic motives.[96] Yet even these conflicts may have less to do with ideology than with competing corporate interests. The authors single out debate over reauthorization of the Export-Import Bank as the leading example of the Kochs' insistence on ideological purity at the expense of economic interests. Koch Industries was determined to block reauthorization, these scholars suggest, because it "views the . . . Bank as antithetical to the free market principles it pursues."[97] But a 2015 report from the Koch-funded Mercatus Center offers an alternative explanation. The bank subsidizes sales of large capital goods produced in the United States—but only if purchased by foreign buyers. Half of the largest sales subsidized by the bank are to foreign energy firms that compete with Koch Industries—which, as an American-based firm, is ineligible for the subsidies. "These foreign concerns," the report concludes, "are collecting subsidies from American taxpayers. . . . The federal government [thus] disadvantages U.S. energy firms."[98] What appears as an ideological difference, then, may simply reflect commercial conflicts of interest between competing business sectors.

The key to understanding the Koch brothers' public-policy priorities and choice of candidates to back is ultimately found on Koch Industries' bottom line. The family firm had good reasons to oppose the Obama administration and Democratic lawmakers. Proposals to reverse the Bush tax cuts for the wealthiest Americans or to regulate the derivatives industry would strike heavily at the Kochs' personal wealth and at a core component of their business.[99] Most important, efforts to regulate greenhouse-gas emissions pose a significant threat to the company's profits.[100] Indeed, as far back as 1993, the Kochs funded Citizens for a Sound Economy (a precursor to FreedomWorks and Americans for Prosperity) to organize rallies against a BTU tax proposed by the Clinton administration. Starting with the first Tea Party Tax Day, AFP worked hard to integrate energy interests into the movement, distributing talking points declaring that "the Obama budget proposes the largest excise tax in history, disguised as a cap-and-trade energy scheme."[101] In 2010, AFP organized a No Climate Tax initiative that called on GOP candidates to pledge never to support climate change legislation; five hundred candidates signed.[102] Legislative responses to climate change are a concern for the Kochs at the state level as well. After AFP helped elect right-wing Republicans to the New Hampshire legislature, for example, one of the victors' first acts in early 2011 was to pull the state out of the New England Regional Greenhouse Gas Initiative, effectively ending a regional effort to control carbon emissions.[103]

Furthermore, even these most extreme of corporate advocates are not so committed to ideological purity that they would rather lose elections than compromise. Again, Skocpol and Williamson's otherwise insightful book gets this point wrong, contrasting Karl Rove's "electability-over-principles" approach with the Kochs' supposed political intransigence.[104] In fact, the Kochs' behavior appears entirely pragmatic; it is simply aimed at different goals. AFP, for example, was so enthusiastic about Paul Ryan's 2010 budget proposal—including gradual privatization of Medicare—that votes on that proposal were used as a political litmus test to determine which members of Congress the organization would support.[105] However, when that proposal proved broadly unpopular (it was blamed for losing the GOP a congressional seat in a May 2011 special election in upstate New York), its backers concluded that Medicare privatization was a bridge too far.[106] None of the organizations that supported it in principle—including the Heritage Foundation and AFP—retained it as a central feature of the 2012 election cycle.[107] Similarly, though Mitt Romney was far from the Kochs' top choice for president, once he secured the GOP nomination, AFP endorsed and campaigned for him.[108]

Whereas getting Republicans elected may be more important to Rove than locking down what they will do once in office, the Kochs and the rest of the "extreme" corporate right are first and foremost committed to corporate-friendly policies. This has created political fissures and competitive primaries. But the Kochs are no less pragmatic than Rove; they simply make different calculations regarding how far right candidates can go and still win. And the electoral record suggests that the two sides may have equal claims to realism. In 2010, for example, half of the Tea Party candidates for the U.S. Senate won, and half lost.[109] The Kochs' aim remains to enact laws and change policies—not to speak truth to power while falling on their sword. What distinguishes the "mainstream" Chamber of Commerce from the "radical" Kochs is not pragmatism but ambition. The Kochs and the Chamber largely share the same economic vision—low taxes, little regulation, few public services, and no unions. What sets the Kochs apart is their belief that it is feasible to realize this vision with bold leaps rather than incremental steps.

A Revolution of Falling Expectations

Rapidly widening economic inequality and long-term uncertainty for a growing number of Americans have produced widespread anxiety, resentment, and rage, which in turn create a politics that is combustible and unpredictable. Anger is voiced in many directions: against banks and insurance companies, against public employees, and against immigrants. The result is a politics rife with contradictions. In 2012, for instance, 75 percent of Montanans voted to do away with corporate personhood, but 55 percent voted for Mitt Romney, who defended it; a majority of New Jersey voters support a significant increase in the state's minimum wage, but a majority also supported Governor Chris Christie, who vetoed the move.[110] Large majorities think both that big government is a problem and that the country's wealth should be much more evenly distributed.[111] At the height of the Occupy Wall Street protests, nearly 20 percent of Republicans—and one-tenth of Tea Partiers—supported the protest movement.[112] And multiple accounts described voters torn between backing Donald Trump or Bernie Sanders in 2016.[113]

For the corporate lobbies, growing inequality poses a central political challenge: how to advance policies that are bound to exacerbate inequality while avoiding a populist backlash. ALEC and Chamber of Commerce lobbyists are aware that much of their agenda is broadly unpopular. This problem was particularly acute in the heat of the 2008 financial crisis and during the onset of the Great Recession. Most of the country blamed the financial crisis on insufficient government regulation.[114] An overwhelming majority—including three-quarters of Republicans—believed the government should ban bonuses in banks that received federal assistance.[115] And nearly 60 percent of the public believed that the government should limit compensation for *all* corporate executives, regardless of whether they had received federal bailout money.[116] Throughout 2007–9, a significant majority of Americans not only supported a "public option" for health insurance but wanted a single-payer system.[117] Finally, for at least a decade, two-thirds of the country has consistently held that corporations pay too little in taxes; in 2015, a majority supported the proposition that "our government should . . . redistribute wealth by heavy taxes on the rich."[118]

The corporate lobbies, understandably nervous about managing these sentiments, have sought to channel economic resentment in benign directions by positioning themselves as the voice of the disenfranchised. The Koch brothers, for example, have created an organization called Generation Opportunity, dedicated to recruiting millennials to the conservative camp. Rather than insisting that the future is bright, the organization's message targets young people's anxiety and anger, which it tries to redirect toward government. "We are the only generation in American history to be left worse off than the last one," the organization's pitch proclaims. "We are paying more for college tuition, for a Social Security system and a Medicare system we won't get to use, $18 trillion in national debt and now an Obamacare system—all that steals from our generation's paychecks."[119] Similarly, a 2015 FreedomWorks fund-raising appeal sought to turn anticorporate sentiment to its advantage, arguing that "while the left is funded by a few rich corporations or billionaires, we're funded by tens of thousands of patriots like you."[120]

In an environment in which populist backlash poses a constant source of concern, it is not enough for the corporate lobbies to draft and advocate for legislation that is narrowly self-interested. They must also anticipate and preempt popular challenges to rising inequality. The record of corporate legislative action suggests that this concern has been embodied in four types of initiatives:

- Laws that constrain or abolish the institutional vehicles through which working people seek to challenge corporate power. This includes not only the elimination of labor unions but also restrictions on citizens' right to sue for corporate malfeasance and limits on government's authority to regulate corporate behavior.
- Privatization of public services, thereby removing focal points around which protest might coalesce. If no public authority is responsible for libraries or bus service, all grievances and demands become customer-service issues rather than policy problems that must be addressed by democratically accountable officials.
- Initiatives to restrict the public's right to vote on redistributive policies, making it illegal for city councils to vote on regulating fracking, policing wage theft, or raising the minimum wage.