Corporate power, fossil capital

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Ottawa, February, 2017
Mapping the power of the carbon-extractive corporate resource sector
Modalities of corporate power
Some manifestations of corporate power

- **elite networks**: corporate interlocking, corporate community networks of capital **ownership**
- networks of capital **allocation**
- power at the **point of production** and in **chains of command**
- **commodity chains** across space: corridors of power
- power woven into everyday life: quiescence, ambivalence
- **contested power**: flashpoints
- corporate influence through **reach into civil society**: policy-planning processes, business leadership/advocacy, funding parties and not-for-profits
- **mass media influence**, e.g. corporate social responsibility advertising, news frames
- **political influence** through lobbying, revolving doors and regulatory capture that create a state-capital nexus
Marx on the modern corporation

With the development of social production the means of production cease to be means of private production and products of private production. . . . There is antagonism against the old form in the stock companies, in which social means of production appear as private property; but the conversion to the form of stock still remains ensnared in the trammels of capitalism; hence, instead of overcoming the antithesis between the character of wealth as social and as private wealth, the stock companies merely develop it in a new form (Marx 1959 [1863–83]: 439–440).
Modalities of corporate power

• Economic
  – Strategic control of corporations by owners and top executives
  – Allocation of capital, control of capital flows
  – Operational control of workplaces and of labour processes within commodity chains

• Cultural-political
  – Corporate reach into civil and political society
  – Cohesion of the corporate community: a unified voice, defining a general interest
Modalities of Corporate Power

Economic power as:
- Strategic control
- Allocative power
- Operational power
- Commodity chains

Political influence via:
- Lobbying (direct and via PR agencies)
- Regulatory capture
- Revolving doors
- Co-managing dissent & surveillance

Cultural influence via:
- Business activism in policy-planning, consensus formation, advocacy
- Business leadership in higher education and research
- Corporate funding of foundations, think tanks, advocacy groups, parties
- Media: CSR and PR to secure social license, discursive framing of news and commentary

Corporate power as accumulation

Corporations

Corporate power as hegemony

State

Civil society
Corporate power’s thermodynamic face

• Power as control of the flow of energy within an ecosystem
• Modern capitalism has ever been carboniferous; capitalist control over the production and consumption of fossil fuels is elemental to corporate power.
• Where carbon extraction comprises a leading sector, corporate power invests deeply in maintaining conditions for accumulation of fossil capital.
Mapping the power of the carbon-extractive corporate resource sector
Institutional Partners

• University of Victoria (HOST)
• Canadian Centre for Policy Alternatives - BC
• Canadian Centre for Policy Alternatives - SK
• Parkland Institute - University of Alberta
• Unifor
• Public Accountability Initiative (USA)
• University of Lethbridge
• University of Regina
• Simon Fraser University
• University of Northern BC
"The oil and gas industry shapes much of the public discussion about energy and climate change. We need to make that influence visible, so we can have a more democratic conversation about making the transition away from fossil fuels."

- Shannon Daub, Associate Director, Canadian Centre for Policy Alternatives BC Office & Co-Director, Corporate Mapping Project
Team members

• Co-directors: Bill Carroll (UVic) and Shannon Daub (CCPA-BC)
• 21 co-investigators and partner representatives (from 11 universities, six CSOs)
• 26 collaborators (from 15 universities)
• 60 community advisors
• 7 Advisory Board members
LittleSis* is a free database of who-knows-who at the heights of business and government.

* opposite of Big Brother

We’re a grassroots watchdog network connecting the dots between the world’s most powerful people and organizations.

Sheldon G Adelson
Right-wing casino kingpin

Key affiliations: American Solutions for Winning the... • Las Vegas Sands • President Barack Obama • The Koch Indus...
About Unifor

Unifor is Canada’s largest private sector union, with more than 305,000 members across the country, working in every major sector of the Canadian economy.

Unifor brings a modern approach to unionism: adopting new tools, involving and engaging our members, and always looking for new ways to develop the role and approach of our union to meet the demands of the 21st century.
Four research questions

• How is economic power organized in and around the fossil-fuel sector?
• How does that economic power reach into political and cultural life?
• How is corporate power wielded at ground level, from carbon extraction and transport right through to final consumption?
• How can we build capacity for citizen monitoring of corporate power and influence, while expanding the space for democratic discussion?
Mapping the power of the carbon-extractive corporate resource sector
Corporate power fossil capital climate crisis

A WEEK-LONG COURSE OPEN TO SOCIAL SCIENCE
GRADUATE STUDENTS FROM ACROSS CANADA
MAY 8–12, 2017 | UNIVERSITY OF VICTORIA

Join us at the Corporate Mapping Project’s first summer institute, offered by the University of Victoria Department of Sociology.

This course is open to graduate students in social science disciplines at any Canadian university (for students at universities participating in the Western Deans Agreement, the course may be eligible for transfer credit). Some travel and tuition subsidies available for students outside Victoria.

Space is limited—RSVP by October 1 to secure your spot or apply for subsidy.
The Corporate Mapping Project is shining a bright light on the fossil fuel industry by investigating the ways corporate power is organized and exercised. The initiative is a partnership of academic and community-based researchers and advisors who share a commitment to advancing reliable knowledge that supports citizen action and transparent public policy making.

We focus on "mapping" how power and influence play out in the oil, gas and
Stream 1 and 2a: Mapping corporate power and influence
Mapping the carbon-capital network and its reach into civil and political society

Bill Carroll

• how is Canada’s carbon-extractive sector socially and economically organized and embedded within the larger power structures of corporate Canada and transnational capitalism;

• how, via network relations, does this sector’s influence reach broadly into political and civil society?*

*To be presented in a CMP symposium at Congress
Chinese Investments and Elites in the Canadian Carbon Sector
Nana de Graaff

- How are Chinese state-owned oil companies and their directors inserting into the corporate power structures of Canada’s extractive industry and linked to transnational corporate elite networks and the Chinese SOE networks?
- Do Chinese investments indicate a distinctive kind of carboniferous capitalism and/or to what extent and how is China’s growing presence and influence in the originally Western-dominated oil and gas industry transforming the nature of carboniferous capitalism?
Canada’s Big 9 Fossil Fuel Firms and the Social Cost of Carbon*
Ian Hussey and Eric Pineault

• The purpose is to provide corporate profiles of the 8 firms as well as each company’s carbon liabilities: What is the general profile of the 9 corporations? What is the material base of the 9 corporations? Financial commitments and engagements?

• Discourse analysis: Corporate framing of strategy.

• Financial actor responses to strategy.

• Sample: Suncor Energy, CNRL, Imperial Oil, Husky Energy, Cenovus Energy, Shell Canada, TransCanada, Kinder Morgan and Enbridge
Stream 2b:
Corporate influence strategies
(hearts and minds)
Fossil Nation: Extractivism, Public Relations and Social Media*
Shane Gunster, Bob Neubauer, John Bermingham, Alicia Massie, Sibo Chen

• Explores the shifting public relations strategies of the Canadian fossil fuel industry, specifically the increasing reliance upon social media to cultivate an image of the public as broadly (and, often, fiercely) supportive of extractivism.
The Consultation game: Mapping corporate influence in Alberta and BC’s climate leadership plans*

Shannon Daub and Gwen Blue

• What do industry submissions to recent provincial climate policy consultation processes in BC and AB say about the policy preferences of specific fossil fuel corporations and the industry overall?

• Finds that industry’s newfound enthusiasm seeks to constrain government policies to a narrow ecological modernization agenda that functions both to preserve its economic interests and “green” its reputation.
Universities in a Carbon-Extractive Political Economy
Laurie Adkin

• To what extent have ‘petro-state’ priorities shaped the kind of research and development carried out in Alberta’s universities since the take-off of oil sands investment in 2000?

• What are the implications of the structuring of research priorities by governments and private sector funders from 2000-2015 for the project of diversifying and decarbonizing Alberta’s economy within the next 25 years?
Counter-independent report on U of C's Board of Governors Response to the Enbridge controversy

Garry Gray

• A case study that specifically examines University of Calgary BOG’s response to the Enbridge controversy. The BOG hired an ‘independent’ reviewer to write a report and set its terms of reference. The report when released claimed that ‘there was no improper conduct’ by the University or its President. This counter-independent report will analyze the independent review paid for by the university, within a framework of institutional corruption.
Purchasing Social License in Saskatchewan's Oil Patch*
Simon Enoch and Emily Eaton

• How, and to what extent, does the oil industry shape the every-day institutions and culture of rural life in Saskatchewan’s oil-producing communities?
• Explore and explain how, as energy companies have made themselves indispensable through funding of critical infrastructure and essential services and through promotion of educational, cultural and recreational activities, communities have come to embrace the narratives and frames of the petroleum industry on a variety of energy-related issues.
Indigenous Experiences in Alberta’s Oil Industry and its Gendered Impact on Working Families* 
Angele Alook

• How is “miyo-pimatisiwin/the good life” of Indigenous families disrupted by the colonial and capitalist structures?

• Explores how Indigenous peoples and ethnic minorities working in the oil industry have similar experiences of racialization and colonization, though based on different state policies.

• Considers ways we can begin a discourse of solidarity among Indigenous, immigrant, and women workers, as a means of combating these maladies.
Commodity chains and flashpoints

- Specific chains of carbon extraction/transport/processing are composed of nodes of productive activity, material flows, and governance practices and projects.
- Commodity-chain analysis situates and illuminates the *flashpoints* at which issues of ecology, property rights and public health and safety may come into open contestation.
- We ask:
  - *who has formal access to the decision-making at each point?*
  - *how are actors seeking to reshape power relations at these sites?*
  - *what work done at and through these flashpoints, and how do relationships get reconfigured as a result?*
  - *what are the implications of this for public capacity to shape future energy regimes?*
What flashpoints arise along hydrocarbon commodity chains?

Where have these flashpoints occurred in northern BC?
Can Canada Expand Oil and Gas Production, Build Pipelines and Keep Its Climate Change Commitments?

David Hughes

• This study assesses the consequences of several scenarios of expansion in the oil and gas sector.

• It finds Canada cannot meet its global climate commitments while at the same time ramping up oil and gas extraction and building new export pipelines.

• It reviews existing pipeline and rail capacity for oil exports under the 2015 Alberta cap on oil sands emissions and finds Canada has enough capacity to handle the 45% increase in oil sand production this would entail.

Investigative journalism project
Patti Sonntag

• Investigative journalists-in-training are looking at the environmental and community costs of oil extraction and processing at sites in Saskatchewan and Sarnia.

• Who profits from this activity, and what price do our communities pay?
The Power of Fossil Fuel Divestment
James K. Rowe, Jessica Dempsey, Emilia Belliveau-Thompson

• A case study of the fossil fuel divestment movement, particularly in North America; produce knowledge about the campaign that will be useful for divest activists and the broader environmental movement
Modalities of Corporate Power

Economic power as:
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- Allocative power
- Operational power
- Commodity chains

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Corporate power as:
- Hegemony
- Accumulation

Corporate community cohesion
Corporate organization of media

State
Civil society
Defining Top Strata within the larger sample

- Second-order neighbours
  - 244 of 1064

- First-order neighbours
  - 155 of 719
  - Core sample: 238 of 238

- Carbon-extractive

- Foreign-based
  - 363 of 12,720

- Canada-based
## Prominent Foreign neighbours to the core sample

<table>
<thead>
<tr>
<th>Fossil-fuel?</th>
<th>Name</th>
<th>2014 revenue</th>
<th>Domicile</th>
</tr>
</thead>
<tbody>
<tr>
<td>yes</td>
<td>SINOPEC</td>
<td>$43 billn US</td>
<td>CHINA</td>
</tr>
<tr>
<td>yes</td>
<td>CHINA NATIONAL PETROLEUM CORPORATION</td>
<td>41</td>
<td>CHINA</td>
</tr>
<tr>
<td>yes</td>
<td>PETROCHINA</td>
<td>38</td>
<td>CHINA</td>
</tr>
<tr>
<td>yes</td>
<td>ROYAL DUTCH SHELL</td>
<td>36</td>
<td>NETHERLANDS</td>
</tr>
<tr>
<td>yes</td>
<td>BP</td>
<td>35</td>
<td>UK</td>
</tr>
<tr>
<td>yes</td>
<td>TOTAL S.A.</td>
<td>21</td>
<td>FRANCE</td>
</tr>
<tr>
<td></td>
<td>UNITEDHEALTH GROUP INC</td>
<td>10</td>
<td>USA</td>
</tr>
<tr>
<td>yes</td>
<td>EXXON MOBIL CORP</td>
<td>10</td>
<td>USA</td>
</tr>
<tr>
<td>yes</td>
<td>CHEVRON CORP</td>
<td>10</td>
<td>USA</td>
</tr>
<tr>
<td></td>
<td>AT&amp;T INC</td>
<td>10</td>
<td>USA</td>
</tr>
<tr>
<td></td>
<td>NOBLE GROUP LIMITED</td>
<td>10</td>
<td>BERMUDA</td>
</tr>
<tr>
<td>yes</td>
<td>PETRONAS</td>
<td>10</td>
<td>MALAYSIA</td>
</tr>
</tbody>
</table>
Canada's carbon-capital elite: a tangled web of corporate power
Three research questions

• What is the carbon-capital elite’s *accumulation base*, i.e. what combination of carbon-extractive companies provides a basis for the streams of profit upon which the elite’s power ultimately depends?

• How is the carbon-capital elite *internally structured* as a network of interlocking directorates, which operates simultaneously at two levels: that of the corporation and that of the individual?

• How is the elite linked to the financial sector and other segments of corporate capital – national and transnational?

Answers to these will illuminate our understanding of Canada’s carbon-capital elite as a distinct grouping or *fraction*, embedded within wider networks of corporate power.
Distribution of total 2014 revenue within core sample
## 15 Majors in the core sample

<table>
<thead>
<tr>
<th>Corporation name</th>
<th>Revenue ($US)</th>
<th>Main activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUNCOR ENERGY INC</td>
<td>34487065</td>
<td>integrated oil and gas</td>
</tr>
<tr>
<td>ENBRIDGE INC</td>
<td>32474298</td>
<td>pipelines</td>
</tr>
<tr>
<td>IMPERIAL OIL LIMITED</td>
<td>31236313</td>
<td>integrated oil and gas</td>
</tr>
<tr>
<td>HUSKY ENERGY INC</td>
<td>20785069</td>
<td>integrated oil and gas</td>
</tr>
<tr>
<td>CENOVUS ENERGY INC</td>
<td>16945887</td>
<td>integrated oil and gas</td>
</tr>
<tr>
<td>CANADIAN NATURAL RESOURCES LTD</td>
<td>16273815</td>
<td>oil and gas extraction</td>
</tr>
<tr>
<td>SHELL CANADA LTD</td>
<td>12575966</td>
<td>integrated oil and gas</td>
</tr>
<tr>
<td>TRANSCANADA CORP</td>
<td>8786980</td>
<td>pipelines</td>
</tr>
<tr>
<td>ENCANA CORP</td>
<td>7644712</td>
<td>pipelines</td>
</tr>
<tr>
<td>TECK RESOURCES LTD</td>
<td>7418679</td>
<td>coal</td>
</tr>
<tr>
<td>GIBSON ENERGY INC.</td>
<td>7396704</td>
<td>pipelines</td>
</tr>
<tr>
<td>NEXEN INC</td>
<td>6938304</td>
<td>oil and gas extraction</td>
</tr>
<tr>
<td>PARKLAND FUEL CORPORATION</td>
<td>6494375</td>
<td>services to extraction</td>
</tr>
<tr>
<td>TALISMAN ENERGY INC</td>
<td>6185000</td>
<td>integrated oil and gas</td>
</tr>
<tr>
<td>PEMBINA PIPELINE CORPORATION</td>
<td>5235953</td>
<td>pipelines</td>
</tr>
</tbody>
</table>
Core sample of 238 FF corporations: city of head office

- n of firms
- revenue of firms
Core sample as embedded in the entire transnational network

Red: core sample
Dark pink: Can neighbours
Light pink: Can n of neighs
Lt green: foreign neighbours
Drk green: forn n of neighs
The 4core as a two-mode network

Black squares: people
White diamonds: firms
## Composition of the 4core

<table>
<thead>
<tr>
<th>Attribute</th>
<th>4core</th>
<th>non-4core</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-integrated oil and gas extraction</td>
<td>88.2%</td>
<td>51.3%</td>
</tr>
<tr>
<td>Carbon holdings in land</td>
<td>90.2%</td>
<td>62.0%</td>
</tr>
<tr>
<td>Headquartered in Calgary</td>
<td>98.0%</td>
<td>74.3%</td>
</tr>
<tr>
<td>Invested in Western Canada (+ROC/US)</td>
<td>84.2%</td>
<td>54.1%</td>
</tr>
<tr>
<td>Controlled by Canadian capitalists</td>
<td>92.2%</td>
<td>65.6%</td>
</tr>
<tr>
<td>Mean revenue (2014)</td>
<td>$954 million</td>
<td>1,682 million</td>
</tr>
</tbody>
</table>
### Distribution of Canadian network members by city of head office

<table>
<thead>
<tr>
<th>City</th>
<th>Core sample</th>
<th>Direct Neighbours</th>
<th>Indirect Neighbours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vancouver</td>
<td>6.3</td>
<td>15.5</td>
<td>11.5</td>
</tr>
<tr>
<td>Calgary</td>
<td><strong>79.4</strong></td>
<td>13.5</td>
<td>3.3</td>
</tr>
<tr>
<td>Edmonton</td>
<td>2.1</td>
<td>4.5</td>
<td>2.9</td>
</tr>
<tr>
<td>Winnipeg</td>
<td>0</td>
<td>3.9</td>
<td>2.5</td>
</tr>
<tr>
<td>Toronto</td>
<td>5.5</td>
<td><strong>40.6</strong></td>
<td><strong>42.2</strong></td>
</tr>
<tr>
<td>Ottawa</td>
<td>0</td>
<td>0.6</td>
<td>2.9</td>
</tr>
<tr>
<td>Montreal</td>
<td>0.4</td>
<td>12.3</td>
<td>18.4</td>
</tr>
<tr>
<td>Other cities</td>
<td>6.3</td>
<td>8.9</td>
<td>16.3</td>
</tr>
<tr>
<td></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>
The Canadian corporate network, clustered by seven cities, showing five economic sectors:

- Black: carbon
- Dark grey: carbon-related industrial
- Grey: other industrial
- Light grey: commerce
- White: finance.

Vancouver

Calgary

Edmonton

Winnipeg

Toronto

Ottawa

Montreal
The New Climate Denialism: Time for an intervention

Commentary. Featured
by Seth Klein and Shannon Daub | September 30, 2016

For decades, the urgent need for climate action was stymied by what came to be known as "climate denialism" (or its more mild cousin, "climate skepticism"). In an effort to create public confusion and stall political progress, the fossil fuel industry poured tens of millions of dollars into the pockets of foundations, think tanks, lobby...
Mapping the carbon capital elite’s reach into key sectors of civil society
Modalities of Corporate Power: Streams 1 & 2

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**Corporate power as hegemony**

**Corporate power as accumulation**

**Civil society**

**State**
The sample of organizations and their participation in the elite network

<table>
<thead>
<tr>
<th>Sample Stratum</th>
<th>Overall sample (A)</th>
<th>Network participant (B)</th>
<th>B/A</th>
<th>In dominant component</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Carbon-extractive firms</td>
<td>238</td>
<td>81</td>
<td>.340</td>
<td>76</td>
</tr>
<tr>
<td>2.a. Industry associations</td>
<td>21</td>
<td>12</td>
<td>.571</td>
<td>11</td>
</tr>
<tr>
<td>2.b. Advocacy/consensus-forming</td>
<td>17</td>
<td>10</td>
<td>.588</td>
<td>9</td>
</tr>
<tr>
<td>3. Policy-planning</td>
<td>12</td>
<td>11</td>
<td>.917</td>
<td>9</td>
</tr>
<tr>
<td>4.a. Universities and schools</td>
<td>46</td>
<td>27</td>
<td>.587</td>
<td>20</td>
</tr>
<tr>
<td>4.b. Research institutes</td>
<td>16</td>
<td>13</td>
<td>.813</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>353</td>
<td>154</td>
<td>.436</td>
<td>136</td>
</tr>
</tbody>
</table>
Cross-sector volume of interlocking
Dominant component of 76 carbon-capital firms and 60 civil-society organizations
62 universities and schools, research institutes and carbon-capital corporations in the network
Some policy-oriented conclusions

- Getting beyond business as usual
- Regulation
- Power shift
Stream 4:
Public sociology, citizen engagement, dialogue with movements
LittleSis* is a free database of who-knows-who at the heights of business and government.

* Sosie of Big Brother

We're a grassroots watchdog network connecting the dots between the world's most powerful people and organizations.

John A Paulson
Hedge fund manager whoaped billions betting against subprime

Key affiliations: New York University • Harvard Business School • Raftone
Our Future PAC • Paulson & Co. Inc. • Bear Stearns • More »

Related people: James P Gorman • B John Roseman • Jr • William C Rudin + Janie Dinon • Kenneth C Langone • More »

Map the power with Oligrapher
The Carbon Council of New York State?

Fossil fuel interests vs. climate legislation in New York

Read the report »
Thanks for your attention!

wcarroll@uvic.ca

http://www.corporatemapping.ca/