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Do Corporations Already Rule the World?

Solidarity America

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Observers of our times in the past several years have said that, if we're not careful, corporations will rule the world.

Most Americans, including the economics experts, don't know that many, if not most, of the corporations and their managerial leaders believe that they really do rule the world. If our economic experts know, they're not telling the people.

Since they have no allegiance to any country, no matter where their corporate headquarters are located, they seem to just move their production from one place to another, according to where the climate for investment seems to be the most lucrative, and to countries where the government doesn't bother them much.

Most of us think that this is a new phenomenon, but it's been happening with great deliberation and speed since the end of World War II, even faster than it did in the years between the two world wars.

The loyalty of corporations lies not with the country of its origin or the place where it keeps its money, but it's with the shareholders - after top management takes care of itself. After that, such extras as livable wages, benefits, pensions, and a healthy place to work might be considered, but don't bet on it.

In 1972, Hugh Stephenson, a British journalist and economist, pointed out in his book, *The Coming Clash: The Impact of Multinational Corporations on National States*, "In terms of the relationship between industry and politics, to use a phrase coined in another context, the medium is the message. The lesson that the oil companies demonstrated first and most conclusively is that, in an industry with heavy capital requirements and where the end product is without national characteristics the only viable long-term strategy is one that ignores as far as possible the political and cultural divisions of the world into countries...The development since 1945 is that ever-growing sectors of industry are moving more or less rapidly into the same category as the oil companies..."

Simply put, he pointed out that nation states don't matter to modern corporations.

As accurate as Stephenson was in tracking the trend of transnational corporations in the period between 1945 and 1972, he could not have anticipated the virtual tidal wave of money and raw material that would be sent by the world's biggest corporations to developing countries in the age of "information technology" for production of clothing, shoes and boots, small machinery, automobiles, household appliances, and every kind of electronic device imaginable.

"Global free trade" is important to growth of the power of the corporations, which have re-created themselves in subsidiaries in scores of other countries, as a way of making themselves acceptable to governments and peoples. Just as oil has no national characteristic, many other commodities have no national characteristic. A gallon of oil is a gallon of oil, whether it comes from Texas or Saudi Arabia. A silicon chip is a silicon chip, whether from the U.S. or Japan, and a television set is a television set, whether from Taiwan or Mexico. You can put any name on the finished product that you wish, but it will be made where the wages are lowest and environmental laws are weak.

The myth of free trade, combined with the World Trade Organization (and previously, the General Agreement on Tariffs and Trade or GATT) further opened up the world to the overpowering influence of corporations on nations and societies everywhere.

Using the carrot of loans and restructuring of economies (usually the privatization of most or all government services), transnational corporations, through the levers of the World Bank and the International Monetary Fund, can convince just about any government or leader that they should be in charge of "development" of that country, because they have the know-how and the structure and the expertise to demonstrate how that country's resources should be used.

For the most part, not only do the workers and the farmers, peasants, and indigenous people lose control of their land and its resources, governments have been reduced to being mere observers of the exploitation of their countries. People have lost their very cultures and their traditions, but there are stirrings of some push-back.

Through most of the last hundred years, corporate emphasis has been on what might be called the hard resources - such things as mined metals, lumber, oil, and gas.

Lately, though, food has become the product of choice to own by transnational corporations. The U.S. food industry is being concentrated into a small number of

corporate owners. Fewer than a half-dozen corporations control most of the beef, a handful of corporations control milk and dairy, and just a few giant corporations control most of the pork and chicken.

Vegetable and fruit production could be controlled by just a few corporations in the next few years, not only by the traditional giant growers in places like California, Florida, and Texas, but control could come because mega-corporations are buying most independent seed companies and patenting every variety of seed that can be patented. The patenting of food animals also is under way.

Through patents, they will be able to collect royalties, even from the planting of a backyard garden. Small farmers are at a disadvantage and will be at greater disadvantage when the "food safety" laws, promoted and supported by corporate agribusinesses are pushed through Congress. These laws, being deliberated now, will make it difficult for small farms to survive, while corporate farms will be able to easily conform to the laws or, through their lobbying and campaign contributions, shape the laws to make themselves exempt.

To gain an insight into the power of corporations in other countries - especially the developing countries - one need but look at the tactics of the world's biggest retail corporation, Wal-Mart and how it insinuates itself into an American community.

Even where Wal-Mart is not welcome, its use of public relations, gifts, town hall meetings, the promise of hundreds of jobs, and legal mechanisms to fight the will of the people usually make the company victorious, and they build their big store. In months or a few years, the remaining small retail stores in the community, not able to compete with a conglomerate that sets its own prices on a worldwide scale, simply go out of business.

What Wal-Mart has done to communities across America, transnational corporations have done to other countries. After a while, it seems that corporate hegemony is a given. With the powerful support of "developed" governments and their money, diplomacy, military, and their junior executives armed with MBA degrees, small countries and ones that are "developing" seem to have little recourse but to give in to corporate demands, because that's what will make a nation "modern."

But, there is a fight-back movement growing in many places where workers and their unions and farmers and their organizations are demanding to have a say in the way their countries are run and have a say in who gets to use their resources.

La Via Campesina, a worldwide organization of peasants and indigenous farmers, is demanding "food sovereignty," the right to grow their own native foods on their own farms or plots of land and the right not to have imported food from corporate farms of other countries literally shoved down their throats because of "free trade." Workers of nations in this hemisphere are electing people who represent *them* and not just the elite and privileged.

Organizations of farmers and indigenous peoples and the unions of wage workers around the world have their work cut out for them, for they are the only power that can counterbalance the power of transnational corporations. But they can do that only if they work in solidarity with one another.

BlackCommentator.com Columnist, John Funciello, is a labor organizer and former union organizer. His union work started when he became a local president of The Newspaper Guild in the early 1970s. He was a reporter for 14 years for newspapers in New York State. In addition to labor work, he is organizing family farmers as they struggle to stay on the land under enormous pressure from factory food producers and land developers. Click [here](#) to contact Mr. Funciello.



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