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Chapter 1 : Capitalism - Wikipedia

Corporate Power and Ownership in Contemporary Capitalism: and millions of other books are available for Amazon Kindle. Learn more Enter your mobile number or email address below and we'll send you a link to download the free Kindle App.

You can help by adding to it. February The gold standard formed the financial basis of the international economy from to Capitalism was carried across the world by broader processes of globalization and by the beginning of the nineteenth century a series of loosely connected market systems had come together as a relatively integrated global system, in turn intensifying processes of economic and other globalization. Industrialization allowed cheap production of household items using economies of scale while rapid population growth created sustained demand for commodities. Globalization in this period was decisively shaped by 18th-century imperialism. Also in this period, areas of sub-Saharan Africa and the Pacific islands were colonised. The conquest of new parts of the globe, notably sub-Saharan Africa, by Europeans yielded valuable natural resources such as rubber , diamonds and coal and helped fuel trade and investment between the European imperial powers, their colonies and the United States: The inhabitant of London could order by telephone, sipping his morning tea, the various products of the whole earth, and reasonably expect their early delivery upon his doorstep. Militarism and imperialism of racial and cultural rivalries were little more than the amusements of his daily newspaper. What an extraordinary episode in the economic progress of man was that age which came to an end in August The United Kingdom first formally adopted this standard in Soon to follow were Canada in , Newfoundland in , the United States and Germany de jure in New technologies, such as the telegraph , the transatlantic cable , the radiotelephone , the steamship and railway allowed goods and information to move around the world at an unprecedented degree. The postwar boom ended in the late s and early s and the situation was worsened by the rise of stagflation. The extension of universal adult male suffrage in 19th-century Britain occurred along with the development of industrial capitalism and democracy became widespread at the same time as capitalism, leading capitalists to posit a causal or mutual relationship between them. Moderate critics argue that though economic growth under capitalism has led to democracy in the past, it may not do so in the future as authoritarian regimes have been able to manage economic growth without making concessions to greater political freedom. Moderate critics have recently challenged this, stating that the current influence lobbying groups have had on policy in the United States is a contradiction, given the approval of Citizens United. This has led people to question the idea that competitive capitalism promotes political freedom. The ruling on Citizens United allows corporations to spend undisclosed and unregulated amounts of money on political campaigns, shifting outcomes to the interests and undermining true democracy. According to Hahnel, there are a few objections to the premise that capitalism offers freedom through economic freedom. These objections are guided by critical questions about who or what decides whose freedoms are more protected. Often, the question of inequality is brought up when discussing how well capitalism promotes democracy. An argument that could stand is that economic growth can lead to inequality given that capital can be acquired at different rates by different people. In *Capital in the Twenty-First Century* , Thomas Piketty of the Paris School of Economics asserts that inequality is the inevitable consequence of economic growth in a capitalist economy and the resulting concentration of wealth can destabilize democratic societies and undermine the ideals of social justice upon which they are built. Singapore has a successful open market economy as a result of its competitive, business-friendly climate and robust rule of law. Nonetheless, it often comes under fire for its brand of government which though democratic and consistently one of the least corrupt [66] it also operates largely under a one-party rule and does not vigorously defend freedom of expression given its government-regulated press as well as penchant for upholding laws protecting ethnic and religious harmony, judicial dignity and personal reputation. Hall and David Soskice argued that modern economies have developed two different forms of capitalism: Germany, Japan, Sweden and Austria. Those

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two types can be distinguished by the primary way in which firms coordinate with each other and other actors, such as trade unions. In LMEs, firms primarily coordinate their endeavors by way of hierarchies and market mechanisms. Coordinated market economies more heavily rely on non-market forms of interaction in the coordination of their relationship with other actors for a detailed description see Varieties of Capitalism. These two forms of capitalisms developed different industrial relations, vocational training and education, corporate governance, inter-firm relations and relations with employees. The existence of these different forms of capitalism has important societal effects, especially in periods of crisis and instability. Since the early 1980s, the number of labor market outsiders has rapidly grown in Europe, especially among the youth, potentially influencing social and political participation. Using varieties of capitalism theory, it is possible to disentangle the different effects on social and political participation that an increase of labor market outsiders has in liberal and coordinated market economies Ferragina et al. This signals an important problem for liberal market economies in a period of crisis. If the market does not provide consistent job opportunities as it has in previous decades, the shortcomings of liberal social security systems may depress social and political participation even further than in other capitalist economies. Academic perspectives on capitalism In general, capitalism as an economic system and mode of production can be summarised by the following: High levels of wage labour.

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Chapter 2 : The Rise of Corporations – Global Issues

In analysing the complex relationship between corporate power and the widespread phenomenon of share ownership, this book seeks to map and define the nature of resistance and domination in contemporary capitalism.

The Rise of Corporate Influence The Rise of the Corporation Corporations, as we tend to think of them, have been around for a few centuries, the earliest of which were chartered around the sixteenth century in places like England, Holland etc. Technically speaking, a corporation is what Robbins describes as a social invention of the state Robbins: That is, a state grants a corporate charter, permitting private financial resources being used for public purposes. As Arrighi points out, this initial creation of private finance and merchants, etc was to aid in the expansion of a state to which it belonged, and as Arrighi and Smith detail, served to expand colonial and imperial interests to start with, as well as help in war efforts between empires. A corporate charter however, was limited in its risks, to just the amount that was invested. A right not accorded to individuals. Even Abraham Lincoln recognized this: I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country. President Abraham Lincoln, Nov. The Lincoln Encyclopedia , Archer H. Shaw Macmillan, , NY Adam Smith, in his famous book the Wealth of Nations , the bible of capitalism, was also critical of some aspects of corporate activity. He saw corporations as working to evade the laws of the market, trying to interfere with prices and controlling trade etc. Back to top

The Rights of the Corporation As corporations did manage to increase their wealth and therefore political power, laws that initially tried to manage them were further relaxed. Yet, it was claiming of a corporation to be an individual in the United States in the s, and claiming the same rights as a person that helped to provide for large expansion of corporate capitalism: Relying on the Fourteenth Amendment, added to the Constitution in to protect the rights of freed slaves, the Court ruled that a private corporation is a natural person under the U. Constitution, and consequently has the same rights and protection extended to persons by the Bill of Rights, including the right to free speech. Thus corporations were given the same rights to influence the government in their own interests as were extended to individual citizens, paving the way for corporations to use their wealth to dominate public thought and discourse. The debates in the United States in the s over campaign finance reform, in which corporate bodies can donate millions of dollars to political candidates stem from this ruling although rarely if ever is that mentioned. Thus, corporations, as persons, were free to lobby legislatures, use the mass media, establish educational institutions such as many business schools founded by corporate leaders in the early twentieth century, found charitable organizations to convince the public of their lofty intent, and in general construct an image that they believed would be in their best interests. All of this in the interest of free speech. This influence also led to cultural and economic ideologies known by numerous names such as neoliberal, libertarian economics, market capitalism, market liberalism etc. Some of the guiding principles of this ideology, as Robbins continues, included: Sustained economic growth as the way to human progress Free markets without government would be the most efficient and socially optimal allocation of resources Economic globalization would be beneficial to everyone Privatization removes inefficiencies of public sector Governments should mainly function to provide the infrastructure to advance the rule of law with respect to property rights and contracts. However, the assumptions behind these principles are questionable as much as the principles themselves.

The Rise of Corporate Influence From this right of the corporation, how has it affected the rights of others? Corporations in and of themselves may not be a bad thing. They can be engines of positive change. But, especially when they become excessively large, and concentrated in terms of ownership of an industry and in wealth, they can also be engines for negative change, as seems to have happened. There is of course, the common concern about the drive for profit as the end goal sometimes contradicting the social good, even though it is claimed that the invisible hand ensures the drive for profit is also good for society. Sometimes this has surely been the case. But other times, it has not. There is much recognized and unrecognized corporate influence in our lives. Indeed, much of western culture and

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increasingly, around the world, consumerism is expanding. Influence on general populations via advertising and control and influence in the mainstream media. Influence on public policy and over governments, as hinted to above. This can range from financing large parts of elections, to creating corporate-funded think tanks and citizen groups, to support from very influential political bodies such as the Trilateral Commission, the Council on Foreign Relations and the Bilderberg group, etc. Influence on international institutions, such as the World Trade Organization, as well as international economic and political agreements. Thom Hartmann, a writer and reporter, describes at length how corporations co-opted the use of human rights, in his book *Unequal Protection*: It details the ruling also mentioned above on this page. With kind permission, a table contrasting implications before and after that ruling is reproduced here, from a summary page on the web site for the book: *After the Corporate Theft of Human Rights Rights and Privileges Only humans were endowed by their creator with certain inalienable rights and those human rights included the right to free speech, the right to privacy, the right to silence in the face of accusation, and the right to live free of discrimination or slavery. While to this day unions, churches, governments, and small unincorporated businesses do not have human rights but only privileges humans give them , corporations alone have moved into the category with humans as claiming rights instead of just privileges. Politics In many states, it was a felony for corporations to give money to politicians, political parties, or try to influence elections: Corporations claimed the human right of free speech, expanded that to mean the unlimited right to put corporate money into politics, and have thus taken control of our major political parties and politicians Business States and local communities had laws to protect and nurture entrepreneurs and local businesses, and to keep out companies that had been convicted of crimes. Multi-state corporations claimed such laws were discrimination under the 14th Amendment passed to free the slaves and got such laws struck down; local communities can no longer stop a predatory corporation. War Government, elected by and for We, The People, made decisions about how armies would be equipped and, based on the will of the general populace, if and when we would go to war. Prior to WWII there were no permanent military manufacturing companies of significant size. It now lobbies government to buy its products and use them in wars around the world. Regulation Corporations had to submit to the scrutiny of the representatives of We, The People, our elected government. Corporations lobbied states to change corporate charter laws to eliminate public good provisions from charters, to allow multiple purposes, and to exist forever. Corporations claim the human right to economic activity free of regulatory restraint, and the still-banned-for-humans right to own others of their own kind. Hartmann actually goes further saying that the ruling never happened: He simply wrote the words into the headnote of the decision. The words contradict what the court actually said. There is, in fact, in the US National Archives a note by the Supreme Court Chief Justice of the time explicitly informing the reporter that the court had not ruled on corporate personhood in the Santa Clara case. Of course, the influence of various groups and entities is nothing new. But today, the increasing size and wealth of corporations point to more concentration of wealth and of political and economic power and influence than before. Indeed, today as mentioned above, of the largest economies in the world, 51 are corporations; only 49 are countries based on a comparison of corporate sales and country GDPs. Adam Smith, often regarded as the father of modern capitalism, wrote the influential famous book, *The Wealth of Nations* in This book exposed the mercantile and monopoly capitalism of the preceeding centuries as unjust and unfair, and proposed a free market system. Smith is worth quoting at length: Our merchants and master-manufacturers complain much of the bad effects of high wages in raising the price, and thereby lessening the sale of their good both at home and abroad. They say nothing concerning the bad effects of high profits. They are silent with regard to the pernicious effects of their own gains. They complain only of those of other people. Merchants and master manufacturers are As during their whole lives they are engaged in plans and projects, they have frequently more acuteness of understanding than the greater part of country gentlemen. As their thoughts, however, are commonly exercised rather about the interest of their own particular branch of business, than about that of the society, their judgment, even when given with the greatest candour which it has not been upon every occasion is much more to be depended upon with regard to the former of those two*

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objects than with regard to the latter. Their superiority over the country gentleman is not so much in their knowledge of the public interest, as in their having a better knowledge of their own interest than he has of his. It is by this superior knowledge of their own interest that they have frequently imposed upon his generosity, and persuaded him to give up both his own interest and that of the public, from a very simple but honest conviction that their interest, and not his, was the interest of the public. The interest of the dealers, however, in any particular branch of trade or manufactures, is always in some respects different from, and even opposite to, that of the public. To widen the market and to narrow the competition, is always the interest of the dealers. To widen the market may frequently be agreeable enough to the interest of the public; but to narrow the competition must always be against it, and can serve only to enable the dealers, by raising their profits above what they naturally would be, to levy, for their own benefit, an absurd tax upon the rest of their fellow-citizens. The proposal of any new law or regulation of commerce which comes from this order ought always to be listened to with great precaution, and ought never to be adopted till after having been long and carefully examined, not only with the most scrupulous, but with the most suspicious attention. It comes from an order of men whose interest is never exactly the same with that of the public, who have generally an interest to deceive and even to oppress the public, and who accordingly have, upon many occasions, both deceived and oppressed it. Due to the immense size of this topic, do be sure to check back for updates!

Chapter 3 : Corporate Power and Ownership in Contemporary Capitalism : Susanne Soederberg :

In analysing the complex relationship between corporate power and the widespread phenomenon of share ownership, this book seeks to map and define the nature of resistance and domination in contempora In analysing the complex relationship between corporate power and the widespread phenomenon of share ownership, this book seeks to map and define.

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