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## Corporate Elites: Virtuous or Vicious?

NIHAR DESAI

As we enter the new millenium, one thing is certain: politics is on the minds of fewer and fewer people. The portion of modern day society that engages in the workings of Washington, and actively enters into debate, is limited to wealthy corporate elites and powerful interest groups. It is no great surprise to discover that many Americans are frustrated with the "partisan politics as usual" atmosphere that now pervades the nation's capital. Moreover, the presentation of politics and policy-making in the media, ranging from television to literature, has expressed similar feelings. The delineation of politics is passing through a distinct revisionist phase, reflecting this atmosphere of doubt and skepticism that has developed in the world. Rising levels of distrust about American political institutions have been provoked by the failure of elites to address public discontent about the role of money and media in campaigns and the reappearance of political corruption. It often seems that Washington is unable to implement any policy that is not dictated by powerful interests.

We all know that politics is much more than government; instead, it involves all relationships of power, whether they be economic, social, or cultural. Politics is much broader than what goes on in government and is powerfully shaped and constrained by the dynamics of our economy. When this is understood, it is difficult to be satisfied with a definition of democracy confined to the presence of elections and formal rights. When elites rule in their own narrow interests, as they do in the United States, the result is oligarchy, not democracy. Aristotle first provided the formula for identifying whether a government is really a democracy because he recognized that "the real ground of difference between oligarchy and democracy is poverty and riches. It is inevitable that any constitution should be an oligarchy if the rulers under it are rulers by virtue of riches." In all, if the mechanism for their rule is called "democracy," it is nothing more than a democratic façade.

The notion of the democratic façade is the central thesis of Donald Bartlett's and James Steele's text entitled *America: Who Stole the Dream?* In essence, the work is meant to illustrate that American politics and policies are dominated by the corporate hegemony instead of the citizenry. As a result, the legislation that is proposed

and adopted is meant to secure the position of the wealthy even if it poses a major threat to the security of the mass populous and *their* American Dream. Although the scope of this work on the grand-scale is unfathomable, Bartlett and Steele cite three major themes to elucidate the implications of our "corrupt" policy-making – 1) the virtually nonexistent middle class, 2) the foreign dominance and 3) the detrimental globalization scheme.

The notion of "social class" is the great unmentionable in American politics. However, American institutions and the products of those institutions reflect and perpetuate an unmistakable class system. When we look around these days it is not hard to believe that the once admired middle-class American is no longer. This middle-class "squeeze" represents one of the major themes of Bartlett and Steele's work. They comment that "the shifting profile of a few people who have more and more and ever-increasing numbers of people of who less and less poses on the single greatest social and economic threats to American life . . . This is not the American dream . . . [but the] American reality." Thus, we see that corporate power is of more than academic interest. Such concentrated power has wrought a profound transformation in the American economy, a transformation that deeply affects the quality of life of the American people and the degree of control they are able to exercise over their destinies.

The appearance of this concentrated and dominant sector in the economy represents a remarkable change, not only in the organization of capitalism but in the degree to which private business decisions affect the public well being. The direction of economic life today is no longer the products of millions of transactions among thousands of firms operating through an impersonal marketplace. Rather, the main directions of economic life, and thus of social life in general, are a product of the planning processes of the great corporate firms and rests in the hands of relatively few people who sit in executive offices and boardrooms. Decisions made by the executives and owners of the great corporations have more direct and lasting effects upon the quality of life of Americans than any other set of decision-makers. Bartlett and Steele use cliches such as "have-mores and have-lesses" as well as statistics showing unequal income distribution and a concentration of wealth in the corporate sector as evidence for their assertion that corporate policies have caused the extinction of the middle class. For the impartial observer, this is a bitter pill to swallow because it most clearly exemplifies the interests of the corporate hegemony over the will of an entire citizenry. Americans often pride themselves on being members of the largest, most enduring, and most successful democracy in the world. Yet their lives, to a great degree, are channeled, shaped, and determined by the decisions of a very few people sitting in the boardroom and executive suites of corporations, over whom they exercise no control. "It appears as if the corporation fits very uncomfortably into *any known conception of democracy.*"

A second major theme in Bartlett and Steele's work centers around the growing percentage of people inhabiting U.S. soil that are immigrants. Whereas many people

are proud to live in this “cultural melting pot” and want our borders to be open to all those who want to stake a claim to the American Dream, the authors criticize foreign immigrants and place the suffering of millions of Americans on their backs. The work offers the general isolationist position in that they want a giant moat built around the U.S. mainland. A multitude of negative effects, caused by unlimited immigration, are introduced to substantiate the authors critique as well as saddening stories of everyday Americans in hopes of humanizing the problem and convincing the reader. For example, Bartlett and Steele blame immigration for American job losses, decreased wages and benefits for workers, and the destruction of the American Dream for millions and millions of citizens.

Upon carefully analyzing their thesis and its supporting evidence, I assert that this scenario lacks all merit. Not only have Bartlett and Steele failed to recognize the legal immigrants who have waited months, if not years, to become citizens, but they also fail to accurately define this very complicated issue. Primarily, they fail to acknowledge that there are two separate kinds of jobs that must be considered when objectively analyzing this issue – 1) low paying jobs and 2) decent to high wage jobs. For those jobs that do not provide substantial earnings and are undesired, such as fast food workers, babysitters, nursing home attendants, etc., one should thank the immigrants for providing a stable work force in these service industries. Although they may be “low-class” jobs that many Americans are unwilling to take on, we must recognize that immigrants gladly take on these jobs and provide the services that some Americans yearn to take advantage of. On the other hand, immigrants provide fierce competition for the high paying professional jobs. What the authors do not elucidate is that the foreign immigrants are a necessity in our capitalistic economic system.

By its very nature, capitalism requires competition, not only in terms of the final product, but also in the workforce that provides the product. Thus, if a technician from India or China has the intellectual tools to work for a company, then he or she has every right to compete with competent Americans for the job. Bartlett and Steele are not incorrect in their research of statistics, but they take the wrong approach when it comes to dealing with the issue. Where they quickly and relentlessly blame immigrants who consider it a blessing to come to America, maybe they should point to the real causes of this problem – the hubris of some Americans and the incompetence of others.

Thus far I have analyzed two of the central themes in *America: Who Stole the Dream* and have taken drastically different positions, one in support of Bartlett and Steele and the other that directly contradicts their assertions. Once again in the third topic, which centers around the detrimental effects of globalization, I wholeheartedly agree with them. For most of the world’s people, the “New World Economy” is a disaster that has already happened. Those it hurts can not escape it nor can they afford to accept it. Many years ago, the North American Free Trade Agreement was widely regarded as a definite policy, but the near defeat of NAFTA revealed pervasive

popular doubt about the wisdom of an unregulated international market. NAFTA became a symbol for an accumulation of fears and angers regarding the place of working people in the New World Economy.

The North American economic integration that NAFTA was intended to facilitate is only one aspect of a rapid and momentous historical transformation from a system of national economies toward an integrated global economy. New information, communication, transportation, and manufacturing technologies, combined with tariff reductions, have made it possible to coordinate production, commerce, and finance on the world scale. This transformation has also had devastating consequences, many of which are explored in Bartlett and Steele's work. For example, the recent quantum leap in the ability of transnational corporations to relocate their facilities around the world in effect makes all workers, communities, and countries competitors for these corporations' favor. The consequence is a "race to the bottom" in which wages and social and environmental conditions tend to fall to the level of the most desperate. This dynamic underlies U.S. deindustrialization, declining wages, and downward pressure on social spending and investment; it is also largely responsible for the migration of low-wage, environmentally destructive industries to poor countries like Mexico and China.

Moreover, as each work force, community, or country seeks to become more competitive by reducing its wages and its social and environmental overheads, the result is a general downward spiral in incomes and social and material infrastructures. Lower wages and reduced public spending means less buying power, leading to stagnation, recession, and unemployment. This dynamic is aggravated by the accumulation of debt; national economics in poor countries and even in the United States become geared to debt repayment at the expense of consumption, investment, and development.

Globalization has also created a much more significant polarization of the "haves and have-nots" both within and between countries around the world. Poor U.S. communities boast world-class unemployment and infant mortality. Meanwhile, tens of billions of dollars a year flow from poor to rich regions of the world, in the form of debt repayment and capital flight. Furthermore, national governments have lost much of their power to control their own economies. The ability of countries to apply Keynesian techniques in pursuit of development, full employment, or other national economic goals has been undermined by the power of capital to relocate virtually overnight. Governmental economic power has been further weakened by neo-liberal political movements that have dismantled government institutions for regulating national economies. In sum, globalization has reduced the power of individuals and communities to shape their own destinies. Contrary to rosy media accounts about the alleged virtues of the North American Free Trade Agreement, Bartlett and Steele profoundly question the conventional wisdom that places support for "free trade" at the level of an unassailable truth. As we have seen, global economic engagement is far

from a monolithic panacea for our economic ills. In light of Bartlett and Steel's work, we must resist the pressure from corporate elites and not succumb to the glorified ideals of a global village when in fact we know that the result is a global pillage.

Each and every one of us have seen or witnessed the strong frustration carried by some in terms of American politics. Moreover, there is a growing sense of helplessness in the American citizenry that can be captured simply by the title of Bartlett and Steele's work, *America: Who Stole the Dream*. Although I did not agree with one of their cultural assertions, i.e. that of immigration as a problem, I applaud the writers for taking the time to work for the average citizen and disillusion the American conscience. However, I do not think the authors wanted their readers to be quietly disillusioned; instead, their message of monumental implication should serve as an inspiration to question our leaders' motives and demand truthful answers. Although the text is comprised of hundreds of pages and countless examples, there is one universal theme that serves as its cornerstone – American politics exemplifies the victory of corporate elites and powerful interests over the average American. Thus, we come to the summation of Donald Bartlett and James Steele's *America: Who Stole the Dream* – when elites rule in their own narrow interests, as they do in the United States, the result is oligarchy, not democracy. The mechanism for their rule is called “democracy,” but it is merely a *democratic façade*.