

## **Corporatocracy: A Global Empire**

### **Introduction**

The corporatocracy represents more than a group of individuals focused on the bottom line, more than a group of economic hit men (EHM), and more than a group of jackals. It represents a well-entrenched and established system supported by the alignment of government and corporate interests. It is a system that involves many without their own knowledge and seeks to involve many more. In other words, the corporatocracy represents a system that has established itself as a global empire and that looks to expand further. This global empire differs from and, at the same time, shares many similarities to the empires of history, such as the Holy Roman Empire. While it does differ from past empires, one common characteristic exists throughout them all: the idea that those who stand in the way of this empire building are cast aside as outsiders, enslaved, and often destroyed.

### **Transitioning Empires**

Empires have risen or been created and subsequently crumbled or destroyed throughout history. At the same time, these empires themselves have created and destroyed countless nations, cities, and lives. From this one gains several valuable insights. The first one being the idea that if empires have been created and destroyed there is no guarantee that any empire will last or represent the final empire or system in an evolutionary chain. The second insight being that one can learn from history. One proves capable of learning how to prevent empires from destroying and enslaving innocent lives. However, as empires change so do the methods of empire building. John

Perkins writes about the transition from an openly militant or forceful method of empire building to one much more subtle and economically based, focusing on the latter.

### **The Beginning**

In his book *Confessions of an Economic Hit Man*, John Perkins parallels his personal story with the story of the rise of the corporatocracy and establishment of a new empire. The corporatocracy targeted and began recruiting Perkins right out of college. Instead of recruiting him for a position in the government, such as the National Security Agency (NSA), the corporatocracy recruited and hired him for the position of economic advisor/ analyst in MAIN, a consulting company (7-13).

His training revolved around creating economic forecasts, specifically for energy grids and growth. From the outside, his training appeared respectable and mathematically based; however, from the inside it reeked of hyper-optimism, biasness, and corruption. While simultaneously training him to create inflated energy forecasts, Claudine, his trainer, used his vulnerable character and past to create the next EHM by repeatedly reiterating, “Once you’re in, you’re in for life” (Perkins 17).

### **EHMs**

Perkins’ first assignment in Indonesia opened his eyes to the relationship between corporations and government and to the real job qualifications expected of him. As an EHM, Main expected Perkins to “cheat countries around the globe out of trillions of dollars,” to “funnel money...into the coffers of huge corporations and the pockets of a few wealthy families who control the planets natural resources,” and to create dependency of developing and poor countries to the United States through the use of debt (Perkins XI).

His job began with economic forecasts and plans that needed to convince the ruling people of each nation that increasing energy and funds in infrastructure would lead to growth rates at about 10% for years to come (Perkins 36). Each nation would finance such expenditures with vast sums of debt from global organizations such as the International Monetary Fund (IMF) and the World Bank. Then the nation would contract the engineering and constructing jobs out to U.S. corporations, transferring the debt money into the pockets of wealthy US corporations. Once the nation fails, it would then default on the loans and have to renegotiate the loans with the US corporations. Within these negotiations, further dependence on and transferal of the control of natural resources to these corporations would result. If the EHM's proved unsuccessful, jackals waited in the background ready to dispose of those standing in the way of the approval of such loans and contracts.

Perkins performed similar duties and destruction in less developed countries (LDCs) around the world including Saudi-Arabia, Iran, Ecuador, Venezuela, Panama, and Columbia.

### **Corporations, International Organizations, and the US Government: United Interests**

Since Perkins' start as an EHM, the corporatocracy has reinforced and expanded its empire through the alignment of interests between international organizations and the US government. This alignment occurred with the introduction of the elite, who have vested interests in these corporations, to top-level government and international organization positions. Robert McNamara, at different times, served as president of Ford Motor Company, secretary of defense under Kennedy, and president of the World Bank

(Perkins 90-91). Dick Cheney served as secretary of defense under George H.W. Bush, vice-president under president George W. Bush, and as president of Halliburton, a defense company, which received a lucrative defense contract after the second invasion of Iraq (90-91).

Perkins describes this corporatocracy as being supported by the three pillars of “major corporations, international banks, and colluding governments” (168). These colluding governments, all of which represent capitalism and free trade, reinforce the system and become content to support “America as CEO of the global empire” (182). With former and future corporate heads holding government and banking positions, the focus of US commercial interests and US foreign policy becomes indistinguishable from those of the private sector of the economy.

### **Relation to Naomi Klein**

In her book *The Shock Doctrine*, Naomi Klein describes neoliberalism, through the use of economic shock therapy, resulting in deregulation, privatization, and cuts to social spending in many of the same LDCs Perkins writes about in *Confessions of An Economic Hit Man* (Klein 94). While some of the shocks responsible for creating clean slates with which to work with resulted from natural events/ disasters, some of the shocks arose from shocks created through events such as violent and sudden coups. Perkins would explain these unnatural shocks of Klein as actions by jackals or other US funded groups to remove anti-American leaders such as Omar Torrijos and Salvador Allende (Perkins 89,185-189).

Klein’s discussion of privatization and deregulation opens the door for corporations and EHM’s like Perkins to enter into a nation and obtain those lucrative

contracts. The less government regulation existing on an industry or resource, the greater is the potential for foreign corporations to outbid local companies for these contracts. Privatization back home in the US allows the government to create new economies that previously did not exist. In the case of Iraq and the War on Terror, Klein explains defense, war, and homeland security as new markets with the potential to place large sums of money in the pockets of the elite heads of corporations.

### **Relation to Kevin Phillips**

In his book *Wealth and Democracy*, Kevin Phillips writes about the accumulation and realignments of wealth in US history. Historically, new accumulations and alignments of wealth within the US have been driven by changes in technology. New technologies create new industries, which in turn drive the economy (Phillips 249-293).

Perkins would respond to Phillips and Klein using the notion that these new accumulations of wealth, especially in a highly integrated and interdependent global empire, arose from the creation of new privatized industries, especially industries involving international consulting firms such as MAIN interested in economic development plans. Maximizing profits results from intervening after a shock or a removal of impeding forces and encouraging maximum amount of debt build-up in these LDCs. Not only do these corporations gain the debt money through contracts, but they also gain even more money after these LDCs default on loans and allow for more foreign control of resources.

### **Relation to Polanyi**

In his book *The Great Transformation: The Political and Economic Origins of Our Time*, Karl Polanyi writes about the characterization of the nineteenth century as

period of peace. This peace was supported by a balance of power, the gold standard, a self-regulating market system, and a liberal state. After the removal of the gold standard, the IMF, the World Bank, and the GATT were established as the system replacing the gold standard. The travel and general acquaintance of the high financiers provided the main link between economic and political organizations and hopefully peace (Polanyi 3-21). Perkins would respond to this by arguing that the collusion between political organizations and corporations serves as the main driver behind the increasing anti-American sentiment and violence.

The use of debt by supposedly unbiased international organizations and banks masquerading as proponents of economic development to effectively cripple and enslave LDCs focuses solely on the heads of corporations and ignores the people within not only the LDCs, but also back home within the United States. Income disparities continue to increase in both the US and these under-developed countries. Poverty remains rampant when the gains of these economic plans should be reinvested back into the economy and social systems of the LDCs, not the heads of foreign corporations.

### **Manifest Destiny**

*“We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness”- Founding Fathers (Found in Perkins XIII)*

A repeated concept within *Confessions of an Economic Hit Man* involves the idea of Manifest Destiny. Today, many within the US take the beginning of *The Declaration of Independence* to mean that “God has given us the right to place a few of our people at the very top of this capitalist pyramid and to export our system to the entire world” (Perkins 65). Countries without capitalistic institutions or with anti-American sentiments are

branded as communist, socialist, radicalists, and terrorists, all of which carry a negative connotation to US citizens. US interests in Latin America have been interpreted by many “to mean putting down any populist movement that smacked of socialism” (Perkins 67). According to Perkins, many of the people marked as terrorists and communists are actually “just people with families who live on lands [corporations are] destroying” (146). The lack of local reinvestment of these plans and the increased poverty resulting from it drive people towards a hatred of the US and towards desperate actions.

Those individuals who continue to stand in the way of the corporatocracy become targeted and most of the time eliminated because manifest destiny justifies the means with the ends. If the final result is represented by capitalism and neoliberalism, then any means that helps bring about those ends are justifiable and right, even if that means destroying innocent lives.

### **Perkins’ Heroes**

Throughout his book, Perkins makes numerous references to his newfound heroes. His historical heroes included the founding fathers and Thomas Paine who created a republic with a base that “was moral and philosophical rather than materialistic” (Perkins 150). His modern day heroes include leaders such as Salvador Allende and Omar Torrijos who refused corruption, supported anti-corporatocracy views, and attempted to help the people being enslaved by corporations, not the foreigners receiving all the money. Perkins also admires all the people of these LDCs who acted for their own betterment because “they were men with convictions. They had chosen real worlds, not a no man’s territory somewhere between” (148).

### **A Problem with the System**

*Confessions of An Economic Hit Man* relates the struggle of the author to come to terms with the destruction caused by his job and the jobs of many other EHMs. In every LDC where Perkins worked, he saw the side of the country that most people never see. He saw the beauty of each culture and of each person, a beauty that would be subsequently destroyed and milked for all its worth. Even with these existing moral questions/ problems, Perkins continued to perform his duties as an EHM.

In this case blame lies in the system, not in the people within the system. Perkins was able to act as an EHM because he proved capable of distancing himself from the pain, destruction, and poverty. The system teaches its members and reinforces ideas that capitalism is the best economic system, that these LDCs need the help of the corporatocracy, and that sacrifices are necessary to reach these end goals. What once began as greedy and materialistic individuals creating a system has transitioned to a system that creates greedy, moral-less, and materialistic individuals. With each new generation, the system evolves becoming more entrenched, increasingly more global, and more and more successful at bankrupting LDCs.

The personal problem Perkins dealt with every day as an EHM reflects and portrays this problem with the system. Instead of ceasing actions he disagreed with, Perkins justified his actions as earning a paycheck, as helping others, and by asking what difference one person can make.

### **Concluding Thoughts**

“The missile is not created that can kill an ideal” (Perkins 70).

While the corporatocracy continues to surge along destroying those standing defiantly in its path, more and more people are rising and standing in place of fallen heroes like

Torrijos. With critique and defiance comes discussion. With discussion comes change. Political economy offers one a different perspective from which to view the mainstream and a place for discourse. The quote above remains true for many critics of mainstream theory, neoliberalism, and corporatocracy. At the same time it is important to mention that the quote also represents the difficulty that exists in changing a current ideal. It might be hard to destroy a non-mainstream view, but it is just as hard if not harder to destroy or change a mainstream view as entrenched as the corporatocracy.

## REFERENCES

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