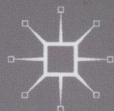


PHANTOM DEMOCRACY

CORPORATE INTERESTS AND
POLITICAL POWER IN AMERICA

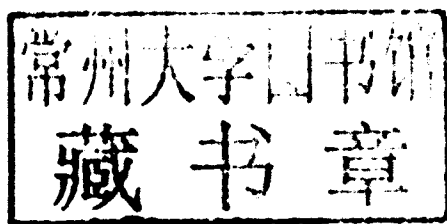
CARL BOGGS



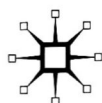
Phantom Democracy

Corporate Interests and Political Power in America

Carl Boggs



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PHANTOM DEMOCRACY

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Phantom Democracy

Preface

Political developments since the early 1980s have fueled a steady rightward ideological trajectory in the United States, beginning with the Ronald Reagan presidency and extending to the Soviet collapse and end of the Cold War, a series of U.S. military interventions in the Middle East, corporate and financial deregulations, 9/11 and its aftermath, intensified globalization, and the growing conservative stranglehold over the mass media. These decades have been marked by the simultaneous growth of American global power in the wake of the “Vietnam Syndrome,” much of it justified by the “war on terrorism.” Despite social contradictions intrinsic to an increasingly turbulent world system, the power of capital (backed by military force and such transnational institutions as the World Bank and International Monetary Fund) had by the early years of this century achieved new levels of power and legitimacy. In popular terms, these developments could easily lead to an era of futility, disillusionment, and cynicism—a mood fostered virtually nonstop by the corporate media, while for the elite stratum the dominant *modus operandi* was sure to be continued business-as-usual with a few caveats about terrorism, rogue states, and resource pressures. With the socialist tradition widely discredited as an ideological matrix for oppositional politics, moreover, sources of resistance to concentrated economic, governmental, and military power would be more difficult to locate.

The reality of daunting global challenges—above all ecological challenges—has elicited nothing more than formulaic, regressive discourses masked as populist alternatives to the status quo. As the trend toward freewheeling corporate power intensifies, the rhetoric of free markets, privatization, deregulation, and individual self-sufficiency grows louder, while the dominant centers of power merit elite celebrations of democracy, citizenship, and political rights. The rebirth of nineteenth-century liberalism, having little to do with political

actuality, has signaled a profound turn toward ideological escapism rooted in an impressive ensemble of myths, fantasies, and illusions.

This judgment might seem puzzling at a time when political volatility and ideological conflict in the United States appear to be on the upswing, when grassroots insurgencies claim to be fighting “big government,” and when many entrenched politicians face heightened opposition. It is no secret that electoral contests are often heated, nasty, and bitterly fought out, that well-funded lobbies are more active than ever, that think tanks and foundations thrive across the political spectrum, or that the mass media is saturated with lively debates over such issues as immigration, gay marriage, health care, taxes, and U.S. interventions in the Middle East. Environmental organizations have proliferated, most nominally dedicated to saving the earth and to some variant of “sustainable development.” On the left, a series of mass-based movements has surfaced since the early 1990s, including the mislabeled antiglobalization protests born in Seattle, scattered immigrant rights mobilizations, and large peace demonstrations preceding the 2003 U.S. invasion of Iraq. Other smaller efforts, mainly on college campuses, have surfaced from time to time. Much of this ferment has extended to rather wide sectors of the population, giving vent to festering anger while offering (however vague) hopes for change. Yet most of what gets processed through established political and media arenas—elections, candidate debates, interest-group lobbying, media engagement, etc.—remains confined to safe ideological parameters, where critical views of corporate, financial, and military power are either ruled off-limits or are restricted to tiny enclaves far removed from legitimate public discourse. No oppositional movement, furthermore, has offered coherent *political* responses to the current predicament based in durable organization, alternative ideologies, and effective institutional strategy. In other words, no movement has been able to generate antisystem potential at a time when fundamental change has become morally imperative. One problem here is that American society has witnessed the solidification of elite power and, with it, increased mass alienation and disempowerment marked by a shrinkage of politics, as citizen participation, public discourse, and social governance continue to atrophy. Sources of this shrinkage are not too difficult to identify: unsurpassed corporate and financial power, bureaucratic expansion, economic globalization, a massive lobby complex, workplace authoritarianism, and a penetrating media apparatus. Since the ancient Greeks, politics has been viewed by philosophers as central to human existence, the very

foundation of social governance, community life, citizen participation, and creative statecraft. Theorists as diverse as Aristotle, Rousseau, Machiavelli, Marx, and Gramsci have argued that political activity is indispensable to forging collective identities, public vision, and social change. It was Aristotle who first embraced politics as a medium of social obligation, central to the purpose of human life. Unfortunately, little of this remains in the United States today, despite ritual celebrations of freedom, democracy, and citizenship.

In fact Americans have always believed their nation was truly exceptional, ordained by history or God to bring human progress to a needy and receptive world. The political system, mass media, and educational system remain, to this day, saturated with comforting myths that have become deeply ingrained in the popular folklore. Nothing is more sacred to this messianic outlook than the belief that the United States is a unique and enlightened democracy—for many, the greatest system of governance ever known to mortal beings. Where there is democracy, of course, freedom, human rights, justice, and equality must surely be close behind. Such national exceptionalism is enshrined in civics textbooks, political speeches, official documents, rationales for global behavior, and the bulk of scholarly works on American politics.

Among fanciful myths of American public discourse, surely none is more disconnected from everyday political life than the notion of an actually-thriving democracy. Any careful reading of history, however, shows that the United States has, to varying degrees, always been closer to an oligarchy ruled by a narrow stratum of wealthy elites—a power structure today increasingly dominated by gigantic corporate interests in partnership with big government and big military, consistent with C. Wright Mills's thesis formulated more than a half-century ago in his seminal *The Power Elite*. That so many Americans believe with great certitude that their country is a model democracy—and that its international role is similarly exemplary—is a tribute to either first-rate media propaganda or, more likely, the broader workings of ideological hegemony across the entire public terrain. If democracy rests upon deep and sustained citizen participation where ordinary people can make shared decisions on matters central to their lives, then a society dominated by corporate interests, a war economy, and national security-state—and legitimated by a corporate mass media—cannot possibly meet that standard. Indeed it falls considerably short of most “actually-existing” European democracies, notably postwar Scandinavian social democracy—the concrete yardstick used

throughout this book. A venerable constitution, hallowed body of laws, separation of powers, open elections, party system—none of this, crucial as it might be, guarantees a thriving, living democracy, or indeed anything beyond elite rule. My argument in the following chapters is that American society today is best understood as a “phantom democracy,” a species of militarized state capitalism where public access, collective governance, institutional accountability, and free communications scarcely define the political system or shape arenas of daily life such as the workplace, media, education, and local communities. For one thing, corporate lobbies have achieved growing power over elections, government agencies, legislative decisions, and to some degree even scientific research. The January 2010 Supreme Court ruling (in *Citizens United vs. FEC*), giving corporations virtually unlimited license to purchase electoral outcomes, simply enlarges this plutocratic legacy. The parochial, self-serving ideology of U.S. exceptionalism, historical foundation of such imperial stratagems as Manifest Destiny and The American Century, turns into a cruel hoax in an era when American domestic and global power more closely resembles oligarchical rule than democracy.

The early twenty-first century finds the United States in a steady downward trajectory of social decay and political authoritarianism that some argue could lead to fascism or its equivalent. While structural and legal features of liberal democracy remain firmly in place—constitutional rights, elections, two-party system, rule of law—from an *ideological* standpoint elements of historical fascism are indeed on the ascendancy: superpatriotism, corporatism, militarism, ethnocentrism, a resurgence of “traditional values.” Enclaves of local democratic activity, already weak and marginalized, have come under increasing attack by restive elites striving for maximum control of both domestic and global realms. The political culture has shifted so far rightward that even “liberalism” is today widely demonized as subversive, treasonous, or “un-American.” President Obama, by all accounts a moderate “centrist,” has been vigorously attacked as a “communist” or “Marxist” totally unfit for office. With Republicans and Democrats converging around shared corporate and imperial priorities, and with liberalism in crisis, significant reform prospects seem more distant than ever, virtually guaranteeing a fragmented, alienated, depoliticized mass public detached from the main levers of power. As oligarchical rule becomes more entrenched and popular inputs diminished, the social infrastructure erodes, the gulf between rich and poor widens, and joblessness increases while military

expenditures rise to the level of all other nations combined. In a society boasting of literally thousands of billionaires, the United States (in 2010) had 50 million people living in poverty, tens of millions unemployed, more tens of millions losing homes, thousands dying or wounded in distant wars, and 500,000 perishing yearly from cancer. It was a society, moreover, living on the edge of ecological disaster—its growth-obsessed economy more unsustainable with each passing year. The richest and most powerful country in history had become home to dark undercurrents of runaway greed, violence, corruption, and militarism. As elites, their media representatives, and rightwing populists resist even moderate change, the loudest “protest” voices emanate from Tea Party militants directed not against uncontrolled Wall Street, corporate, and military power but against “big government” regulations and social programs. Here, in a twist of historical irony, we see American exceptionalism turning back on itself, pushing the society further down the road of crisis, turbulence, and potential catastrophe.

To speak of “oligarchy,” meaning rule of the few, runs completely against the grain of American historical fictions centered around not only democracy but “free markets,” a fantasy derived from the supposedly golden age of competitive capitalism. The reality of an integrated corporate-state system appears difficult for the vast majority of Americans to grasp. Mainstream academic work in the social sciences studiously ignores the issue of corporate power as if it were taboo. A close look at the economic landscape, however, reveals that just a handful of gigantic business enterprises—most of them transnational—control virtually every sector of market activity. A few corporations dominate energy (ExxonMobil, BP, Shell, Chevron, etc.), food production (ConAgra, Tyson, McDonalds, etc.), insurance (Aetna, Prudential, UnitedHealth, etc.), military contracts (Raytheon, TRW, Lockheed-Martin, Northrop-Grumman, etc.), the media (Disney, TimeWarner, NewsCorp, Sony, etc.), technology (Microsoft, Hewlett-Packard, Google, etc.), pharmaceuticals (Pfizer, Abbott, AstraZeneca, BristolMeyersSquibb, etc.), and so on across the economic terrain. This relatively small number of behemoths not only control the flow of profits and wealth but also wield enormous power over markets, assisted by government subsidies and myriad other supports. They maintain imposing bureaucracies, determine investments, manage labor relations, perpetuate massive income gaps, help shape popular culture, and colonize much of the political process not only through their control of the media but the intervention of business-funded lobbies, political action

committees (PACs), think tanks, foundations, corporate-backed R&D, and public relations enterprises. Such leverage enables big business to fight and weaken government regulations while taking over the work of such public agencies as the Environmental Protection Agency (EPA), Food and Drug Agency (FDA), Tennessee Valley Authority (TVA), Federal Communications Commission (FCC), and National Institutes of Health (NIH). Their capacity to globalize—to shift their base of operations anywhere in the world—endows them with sufficient flexibility to evade the counterforce of organized labor, consumers, local communities, and even governments. The trend toward oligarchy, reinforced by globalization and empire, has only intensified over the past two or three decades. To maintain the fantasy of “free markets” under these conditions is to indulge in sheer denial.

The American grand historical narrative has always been fixated on democracy, even at times when slavery, destruction of Native populations, colonial oppression, and extreme oligarchic rule were at their height. Imperial presidents of the past—Jackson, Polk, McKinley, Theodore Roosevelt, Wilson—all believed they were bringing democracy to an unruly and backward world, and all were quick to rely on military force. Their chauvinistic rationale merely assumed that American behavior was “democratic,” that existing practices amounted to forms of self-governance bequeathed by wise and progressive Founders of the Republic. President Wilson, during and after World War I, said the task of U.S. foreign policy was to “make the world safe for democracy”—a rhetorical gesture inherited by subsequent American leaders and taken seriously ever since by establishment politicians, media figures, and academics. Surely John F. Kennedy and his circle of Ivy League liberals were convinced the United States was valiantly promoting democracy in Vietnam as it fought tyrannical communism, a trope followed to the letter by Presidents Johnson and Nixon. The George W. Bush administration, staffed with an influential group of militaristic neocons, righteously believed the U.S. military invasion and occupation of Iraq was urgently needed to advance democracy, or so it was offered for public consumption. The Iraq debacle, going back to the early 1990s, speaks loudly and persuasively to this outlandish fiction. The actual legacy of “shock-and-awe” combined with “democracy-promotion” is more than a million Iraqi deaths, nearly five million displaced, a ruined infrastructure, economic calamity, shattered families, and a puppet government that, until at least 2010, was mainly controlled from Washington. And Iraq was hardly an aberration: the same destructive

and authoritarian logic applied to U.S. interventions in Korea, Vietnam, Chile, Central America, Indonesia, and Turkey among others. That political, media, and academic elites shamelessly perpetuate the fiction of American democracy-promotion only magnifies the shame.

The power elite that Mills so boldly analyzed has only further consolidated its hold over American society in recent decades. The Obama presidency was widely expected to bring change and democratization to a society broken by eight years of Bush's warmaking, Wall Street profligacy, corporate deregulation, and economic ruin. The promise, however, never gained much traction, nor, in practical reality, could it have. Obama was restrained by, and beholden to, the same institutional and ideological forces that held previous White House occupants captive: corporate and financial interests, the lobby complex, permanent war economy, national security state, and a U.S. imperial presence in every corner of the globe. For genuine change or democratization to occur, the entire system of production and consumption would have to be extensively transformed. Fiscal policy, national debt, military spending, global bases and interventions, investment priorities—all these are established within set parameters, largely outside the realm of political debate or public input. Thus the 2008 presidential debates, in the tradition of earlier corporate-sponsored spectacles, were never likely to confront pressing issues beyond the usual bromides and platitudes. Upon election, Obama was expected to assume his rightful place within the Washington establishment, which of course he did—as quickly revealed by his mostly conservative appointments. Within a year of taking office, he presided over massive Wall Street bailouts, yielded to the insurance and pharmaceutical companies on health care, extended Bush-era rendition and surveillance practices, escalated the war in Afghanistan, seemed ready to keep U.S. troops in Iraq indefinitely, upheld the same destructive (and doomed) pro-Israel policies, pushed for record Pentagon spending, retreated on aggressive Wall Street legislation, and moved timidly on global warming at Copenhagen. Obama's domestic and international policies, in other words, generally fell in line with the much-castigated and unpopular Bush-Cheney agenda. Meanwhile, American society was slipping further into the recesses of economic crisis, social decay, and authoritarian rule.

The eclipse of what little remains of American democracy coincides with the steady expansion of corporate and imperial power, reflected in the growth of military spending that approached a

staggering \$1 trillion in 2010. Pentagon contractors were able to amass huge profits at a time when budget deficits and fiscal crisis weaken every municipal and state government in the United States—and when the federal government is hobbled by its own escalating deficits and shortfalls. The insatiable demands of empire clash at every turn with requirements for a sustainable economy, viable social programs, and political democracy, yet the war machine moves full-speed ahead, its momentum hardly dented. Some critics mistakenly conclude that Washington can no longer “afford” its empire and that its global power—symbolic of U.S. exceptionalism—is finally coming to an end. While this argument is seductive, as it points toward a more peaceful future, no evidence can be marshaled to support it: the Pentagon in 2010 had more resources at its disposal, in the world, and in American society, than any time in the past, and like other swollen bureaucracies, its managers will never voluntarily relinquish their hold over power and privilege. In the tradition of previous empires, American power is far more likely to collapse from its own internal contradictions than from calculated decisions made at the summits of power. As always, large-scale institutional controls follow a self-perpetuating logic, especially in the case of military power, which easily can employ patriotic appeals and national security threats to legitimate its bureaucratic domain. Meanwhile, the costs of empire are sustained overwhelmingly by ordinary American taxpayers.

The ruling interests in fact pursue U.S. world hegemony without ever taking into account the stupendous costs and risks of blowback endemic to the imperial project. Neoconservative ideology (explored in chapter 2) remains very much alive in a world that Washington elites believe is riddled with anarchic disorder and diabolical enemies. Writing in a *Los Angeles Times* op-ed column, leading neocon Max Boot exulted over the capacity of U.S. power to bring security and progress to others in the world fortunate enough to have a benevolent American patron and protector. “The very fact that the entire world is divided into American military commands is significant,” he notes. “There is no French, Indian, or Brazilian equivalent—not yet even a Chinese counterpart. It is simply assumed without need for comment that American soldiers will be central players in the affairs of the entire world. It is also taken for granted that a vast network of U.S. bases will stretch from Germany to Japan—more than 700 in all... They constitute a virtual American empire of Wall-Mart style PXs, fast-food restaurants, and gyms.” Such brazen imperial hubris, if exhibited elsewhere in the world, would be viewed as a sign of

demented fascism, but in the United States it is standard thinking among the upper crust, as the moral and political guidepost of U.S. global behavior is now unapologetically chauvinistic. This seems eminently reasonable since, as Boot argues, “American power is the world’s best guarantor of freedom and prosperity,” adding that, “...countries that dismiss the prospects for continuing American leadership do so at their peril.” Such ominous warnings will appear to most of the world as real threats that Washington is prepared to back by some combination of economic, political, and military power.

Boot’s arrogant celebration of empire has deep origins in U.S. history, a motif explored at length in chapter 1. Its democratic pretenses have served as ideological cover for oligarchical power, domestically and internationally, as I discuss in the following chapters. The pretense of an indispensable nation, taking on the burdens of spreading democracy, building global order, and shaping history, was always destined to produce an aggressive but ultimately self-defeating, imperial ethos. Superpower profligacy was bound, sooner or later, to invade the homefront, as the corporate-imperial behemoth takes precedence over virtually every domestic priority. Neocon ideologues like Boot are so infatuated with U.S. global power that they cannot grasp how that power can so easily turn on itself, devouring economic, political, and social resources within domestic society. In the face of mounting crisis, therefore, inhabitants of the American and global commons may have no alternative but outright rebellion—first, to recapture the public sphere, and second, to dismantle the war machine and lay the groundwork for sustainable development and a peaceful world. From this standpoint, any penetrating critique of American politics must extend far beyond the usual focus on stolen elections, corruption, bad leaders, “mistaken” policies, and presumed violations of the Constitution. Oligarchical tendencies run much deeper across history. The critical perspective adopted in this book revolves, instead, around long-term historical factors, that is, pervasive structural and ideological trends going back to origins of the Republic.

One problem is that public space in American society for such democratization has been generally limited, partial, and uneven. Yet to argue that the system has been governed by an oligarchic elite, as I do in this book, by no means suggests that spheres of citizen participation and local democratic governance have been entirely absent. In fact U.S. history is replete with democratic experience: popular insurgencies, town meetings, social movements, third-party

formations, community organizations, municipal populism, and the like. Although often episodic and short-lived, such democratic energies have made noteworthy inroads into the political culture, set restraints on elite rule, created pressures for social reforms, paved the way toward new legal codes, and broadened participatory space. U.S. history would be something altogether different were it not for the enduring legacy of labor, feminist, civil rights, community, antiwar, and environmental struggles, made possible by the dedication and sacrifice of millions of Americans who in myriad ways carried on the fight against established power. Scattered zones of democratic space today owe everything to these popular incursions and upsurges. It might be argued that the era of 1960s new-left radicalism and its aftermath, new social movements, represents a pinnacle of civic participation and popular rebellion in which millions of people were strongly engaged, able to set new priorities, and influence the course of events. Social advances helped expand citizenship, enlarge the public sphere, and revitalize local governance in opposition to the dictates of oligarchic power. Still, despite such forward progress, the national power structure remained largely intact, controlled by the same elite stratum that would boast even more ambitious global objectives. If multiple, though primarily local, zones of democratic participation retain a foothold across the public landscape, these areas never expanded to the point they could undermine, much less overthrow, an oligarchic power structure that confounds virtually every familiar illusion of American political mythology. Any far-reaching democratization of American society will inevitably face the task of confronting—and transforming—that power structure.

Like any book, this one is strongly influenced by the seminal work of others—in this case, by C. Wright Mills (*The Power Elite*, 1956), Fred Cook, (*The Warfare State*, 1962), Herbert Marcuse (*One-Dimensional Man*, 1964), and Seymour Melman (*The Permanent War Economy*, 1974). I also owe an intellectual debt to more recent works that critically deconstruct class and power relations in American society: Michael Parenti (*Democracy for the Few*, 1983), Robert McChesney (*Rich Media, Poor Democracy*, 1999), G. William Domhoff (*Who Rules America?*, 2006), Chalmers Johnson (*Nemesis*, 2006), Sheldon Wolin (*Democracy, Inc.*, 2008), and James Petras (*Rulers and Ruled in the United States*, 2008) among others. The legacy of Mills, visible throughout this study, remains especially pervasive, as he uniquely explored the confluence of corporate, government, and military interests in forging elite power. Later critics

have taken up Mills's agenda, if only partially and unevenly, often fixated on just one part of the integrated power structure. Many, unfortunately, have carried forward deep assumptions embedded in American democratic mythology. The approach chosen here builds upon Mills while extending critical analysis into other terrains—for example, the media, workplace, higher education, community life, and the all-important medical sector. Oligarchy, in other words, is not confined to corporate rule or governmental processes alone, but enters into and transforms every realm of public life. It is especially reinforced by the workings of imperial and military power—a centerpiece of this book.

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CARL BOGGS
Los Angeles, February 2011

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