

THE TRANSNATIONAL RULING CLASS EXPOSED

The global power elites of superconnected corporations and individuals amass vast wealth at the expense of the 99 per cent, and utilise the military-industrial-media empire to protect their interests.

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The Global One Per Cent Power Elite

This study asks: who are the world's one per cent power elite, and to what extent do they operate in unison for their own private gains over benefits for the 99 per cent? We examine a sample of the one per cent, starting with the Extractor Sector, whose companies are on the ground extracting material from the global commons and using low-cost labour to amass wealth. They include oil, gas and various mineral extraction companies, whereby the value of the material removed far exceeds the actual cost of removal. We also examine the Investment Sector of the global one per cent: companies whose primary activity is the amassing and reinvesting of capital. This sector includes global central banks, major investment money management firms and other companies, such as insurance companies, whose primary efforts are the concentration and expansion of money. Finally, we analyse how global networks of centralised power—the elite one per cent, their companies and various governments in their service—plan, manipulate and enforce policies that benefit their continued concentration of wealth and power. We demonstrate how the US-NATO military-industrial-media empire operates in service to the transnational corporate class for the protection of international capital in the world.

Wealth and Poverty

The Occupy movement has developed a mantra that addresses the great inequality of wealth and power between the world's wealthiest one per cent and the rest of us, the 99 per cent. While the 99 per cent mantra undoubtedly serves as a motivational tool for open involvement, there is little understanding as to who comprises the one per cent and how they maintain power in the world. Though a good deal of academic research has dealt with the power elite in the United States, only in the past decade and a half has research on the transnational corporate class begun to emerge.[i]

Foremost among the early works on the idea of an interconnected one per cent within global capitalism is Leslie Sklair's 2001 book *The Transnational Capitalist Class*. [ii] Sklair showed that globalisation was moving transnational corporations (TNCs) into broader international roles, whereby corporations' states of origin become less important than international agreements developed through the World Trade Organization and other international institutions. In 2000, Sklair wrote in an academic paper: "The transnational capitalist class [TCC] can be analytically divided into four main fractions: (i) owners and controllers of TNCs and their local affiliates; (ii) globalizing bureaucrats and politicians; (iii) globalizing professionals; (iv) consumerist elites (merchants and media)... It is also important to note...that the TCC and each of its fractions are not always entirely united on every issue..." [iii]

Estimates are that the world's total wealth is close to US\$200 trillion, with the US and Europe holding approximately 63 per cent.

To be among the wealthiest half of the world, an adult needs only \$4,000 in assets once debts have been subtracted. An adult requires more than \$72,000 to belong to the top 10 per cent of global wealth-holders, and more than \$588,000 to be a member of the top one per cent. As of 2010, the top one per cent of the wealthiest people in the world had hidden away \$21–\$32 trillion in secret tax-exempt bank accounts all over the world.[iv] Meanwhile, the poorest half of the global population together possesses less than two per cent of global wealth.[v]

The World Bank reports that, in 2008, 1.29 billion people were living in extreme poverty, on less than \$1.25 a day, and 1.2 billion more were living on less than \$2.00 a day.[vi] Starvation.net reports that at least 35,000 people, mostly young children, die every day from starvation in the world.[vii] Farmers around the world grow more than enough food to feed the entire world adequately, yet commodity speculators and huge grain traders like Cargill control global food prices and distribution.[viii] Addressing the power of the global one per cent—identifying who they are and what their goals are—is clearly a life-and-death issue.

Historically, wealth has been captured and concentrated through conquest by various powerful entities. Once acquired, wealth can then be used to establish means of production, such as the early British cotton mills, which exploit workers' labour power to produce goods whose exchange value is greater than the cost of the labour—a process analysed by Karl Marx in *Capital*.^[ix] A human being is able to produce a product that has a certain value. Organised business hires workers who are paid below the value of their labour power. The result is the creation of what Marx called "surplus value", over and above the cost of labour. The creation of surplus value allows those who own the means of production to concentrate capital even more. In addition, concentrated capital accelerates the exploitation of natural resources by private entrepreneurs—even though these natural resources are actually the common heritage of all living beings.^[x]

The Extractor Sector: Freeport–McMoRan

Freeport–McMoRan Copper & Gold Inc. (FCX) is the world's largest extractor of copper and gold. The company controls huge deposits in [West] Papua, Indonesia, and also operates in North and South America and Africa. In 2010, Freeport reported revenues of \$18.9 billion and a net income of \$4.2 billion.^[xi]

The Grasberg mine in Papua employs 23,000 workers at wages below \$3.00 an hour. In September 2011, workers

went on strike for higher wages and better working conditions. Freeport had offered a 22 per cent increase in wages, and strikers said it was not enough, demanding an increase to an international standard of \$17.00–\$43.00 an hour. The dispute over pay attracted local tribesmen, who had their own grievances over land rights and pollution; armed with spears and arrows, they joined Freeport workers, blocking the mine's supply roads.^[xii] During the strikers' attempt to block busloads of replacement workers, security forces financed by Freeport killed or wounded several strikers.

Freeport has come under fire internationally for payments to authorities for security. Since 1991, Freeport has paid nearly \$13 billion to the Indonesian government—one of Indonesia's largest sources of income—at a 1.5 per cent royalty rate on extracted gold and copper, and, as a result, the Indonesian military and regional police are in their pockets. The prominent

Indonesian nongovernmental organisation Imparsial puts the annual figure at \$14 million.^[xiii] These payments recall even larger ones made by Freeport to Indonesian military forces over the years which, once revealed, prompted a US Securities and Exchange Commission investigation of Freeport's liability under the US Foreign Corrupt Practices Act.

In addition, the state's police and army have been criticised

many times for human rights violations in the remote mountainous region, where a separatist movement has been simmering for decades. Amnesty International has documented numerous cases in which Indonesian police have used unnecessary force against strikers and their supporters. For example, Indonesian security forces attacked a mass gathering in the Papua capital, Jayapura, and striking workers at the Freeport mine in the southern highlands. At least five people were killed and many more injured in the assaults, which shows a continuing pattern of overt violence against peaceful dissent. Another brutal and unjustified attack on 19 October 2011, on thousands of Papuans exercising their rights to assembly and freedom of speech, resulted in the death of at least three Papuan civilians, the beating of many, the detention of hundreds, and the arrest of six, reportedly on treason charges.^[xiv]

On 7 November 2011, the *Jakarta Globe* reported: "Striking workers employed by Freeport–McMoran Copper & Gold's subsidiary in Papua have dropped their minimum wage increase demands from \$7.50 to \$4.00 an hour, the All Indonesian Workers Union (SPSI) said..."^[xv]

Workers at Freeport's Cerro Verde copper mine in Peru also went on strike around the same time, highlighting the global dimension of the Freeport confrontation. The Cerro Verde workers demanded a pay rise of 11 per cent,

During the strikers' attempt to block busloads of replacement workers, security forces financed by Freeport killed or wounded several strikers.

while the company offered just three per cent. The Peruvian strike ended on 28 November 2011.[xvi, xx]

On 14 December 2011, Freeport announced a settlement at the Indonesian mine, extending the union's contract by two years. Workers at the Indonesian operation are to see base wages, which currently start at as little as \$2.00 an hour, rise 24 per cent in the first year and 13 per cent in the second year. The accord also includes improvements in benefits and a one-time signing bonus equivalent to three months of wages.[xvii]

In both Freeport strikes, the governments pressured strikers to settle. Not only were domestic military and police forces evident, but also higher levels of international involvement. Throughout the Papua strike, the Obama administration ignored the egregious violation of human rights and instead advanced US-Indonesian military ties. The US Secretary of Defense, Leon Panetta, who arrived in Indonesia in the immediate wake of the Jayapura attack, offered no criticism of the assault and "reaffirmed US support for Indonesia's territorial integrity". Panetta also reportedly commended Indonesia's handling of the strike.[xviii] The fact that he even mentioned a strike shows that the highest level of power is in play on issues affecting the international corporate one per cent and their profits.

US President Barack Obama visited Indonesia in November 2011 to strengthen relations as part of Washington's escalating efforts to combat Chinese influence in Asia-Pacific. President Obama had just announced that the US and Australia would begin a rotating deployment of 2,500 US Marines to a base in Darwin, a move ostensibly designed to modernise the US posture in the region and to allow participation in "joint training". But some speculate that the US has a hidden agenda. The Thai newspaper the *Nation* has suggested that US Marines might be stationed in Darwin to provide remote security assurance to US-owned Freeport's gold and copper mine in West Papua, less than a two-hour flight away.[xix]

Public opinion is strongly against Freeport in Indonesia.[xxi] Freeport strikers won support from the US Occupy movement when activists from Occupy Phoenix and the East Timor and Indonesia Action Network marched to the Freeport headquarters in Phoenix, Arizona, on 28 October 2011 to demonstrate against the Indonesian police killings at the Grasberg mine.[xxii]

Freeport-McMoRan's Board of Directors

Freeport-McMoRan (FCX) chairman James R. Moffett owns over four million shares with a value of close to \$42.00 each. According to the FCX annual report released in June 2011, Moffett's annual compensation from FCX in 2010 was \$30.57 million. Richard C. Adkerson, president of the board, owns over 5.3 million shares. His total compensation was also \$30.57 million in 2010. Their incomes put them in the upper level of the world's top one per cent. Their interconnectedness with the highest levels of power in the White House and the Pentagon, as indicated by the specific attention given to them by the US Secretary of Defense and as suggested by the US President's awareness of their circumstances, leaves no doubt that Freeport-McMoRan's directors are firmly positioned at the highest levels of the transnational corporate class. Following is a list of Freeport-McMoRan's directors and their [current or past] corporate and/or policy affiliations:

- James R. Moffett—co-chairman, president and CEO of McMoRan Exploration Company; PT Freeport Indonesia; Madison Minerals Inc.; Horatio Alger Association of Distinguished Americans; Agrico, Inc.; Petro-Lewis Funds, Inc.; Bright Real Estate Services, LLC; PLC-ALPC, Inc.; FM Services Company.

- Richard C. Adkerson—Arthur Andersen & Company; chairman, International Council on Mining and Metals; executive board, International Copper Association, The Business Council, the Business Roundtable; advisory board of Kissinger Institute and Madison Minerals Inc.

- Robert J. Allison, Jr—Anadarko Petroleum Corporation (2010 revenue \$11 billion); Amoco Production Company.

- Robert A. Day—CEO of W. M. Keck Foundation (2010 assets more than \$1 billion); attorney in Costa Mesa, CA.

- Gerald J. Ford—Hilltop Holdings Inc.; First Acceptance Corporation; Pacific Capital Bancorp (annual sales \$13 billion); Golden State Bancorp, Inc. (merged with Citigroup in 2002); Rio Hondo Land & Cattle Company (annual sales \$1.6 million); Diamond Ford, Dallas (sales, \$200 million); Scientific Games Corporation; SWS Group, Inc. (annual sales \$422 million); American Residential Communities LLC.

- H. Devon Graham, Jr—R. E. Smith Interests Inc. (an asset management company; income \$670,000).

- Charles C. Krulak—president of Birmingham-

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Southern College; commandant of the Marine Corps, 1995–1999; MBNA Corporation; Union Pacific Corporation (annual sales \$17 billion); Phelps Dodge Corporation (acquired by FCX in 2007).

- Bobby Lee Lackey—CEO of McManus–Wyatt Hidalgo Produce Marketing Co.

- Jon C. Madonna—CEO of KPMG, (professional services auditors; annual sales \$22.7 billion); AT&T Inc. (2011 revenue \$122 billion); Tidewater Inc. (2011 revenue \$1.4 billion).

- Dustan E. McCoy—CEO of Brunswick Corp. (revenue \$4.6 billion); Louisiana–Pacific Corp. (2011 revenue \$1.7 billion).

- B. M. Rankin, Jr—vice chairman of FCX; co-founder in 1969 of McMoRan Oil & Gas LLC.

- Stephen Siegele—founder/ CEO of Advanced Delivery & Chemical Systems, Inc.; Advanced Technology Solutions; Fluorine On Call, Ltd.

Freeport–McMoRan's board represents a portion of the global one per cent who not only control the world's largest gold and copper mining company but are also interconnected by board membership with over two dozen major multinationals, banks, foundations, military and policy groups. This 12-member board is a tight network of individuals who are interlocked with—and influence the policies of—other major companies controlling approximately \$200 billion in annual revenues.

Freeport–McMoRan exemplifies how the Extractor Sector acquires wealth from the common heritage of natural materials by appropriating the surplus value of working people's labour in the theft of our commons. This process is protected by governments in countries where Freeport maintains mining operations, with the ultimate protector being the military empire of the US and the North Atlantic Treaty Organization (NATO). Further, Freeport–McMoRan is connected to one of the most elite transnational capitalist groups in the world. Over seven per cent of Freeport's stock is held by BlackRock, Inc., a major investment management firm based in Manhattan, NY.

The Investment Sector: BlackRock

Internationally, many firms operate primarily as investment organisations, managing capital and investing in other companies. These firms often do not actually make anything except money, and are keen to prevent interference with return on capital by taxation, regulations

and governmental interventions anywhere in the world.

BlackRock, Inc. is the world's largest assets management firm, with over 10,000 employees and investment teams in 27 countries. Its client base includes corporate, public, union and industry pension plans, governments, insurance companies, third-party mutual funds, endowments, foundations, charities, corporations, official institutions, sovereign wealth funds, banks, financial professionals and individuals worldwide. In December 2009, BlackRock acquired Barclays Global Investors. As of March 2012, BlackRock manages assets worth \$3.68 trillion in equity, fixed income, cash management, alternative investment, real estate and advisory strategies.[xxiii]

In addition to Freeport–McMoRan, BlackRock has

major holdings in Chevron (49 million shares, 2.5 per cent), Goldman Sachs (13 million shares, 2.7 per cent), Exxon Mobil (121 million shares, 2.5 per cent), Bank of America (251 million shares, 2.4 per cent), Monsanto (12 million shares, 2.4 per cent), Microsoft (185 million shares, 2.2 per cent), and many more.[xxiv] BlackRock manages investments of both public and private funds, including California Public Employees' Retirement System, California State Teachers' Retirement System, Freddie Mac, Boy Scouts of America, Boeing, Sears, Verizon, Raytheon, PG&E, NYC Employees' Retirement System, Los Angeles County Employees Retirement Association, GE, Cisco and more.

According to BlackRock's April 2011 annual report, the board of directors consists of 18 members. The board is classified into three equal groups—Class I, Class II and Class III—with terms of office of the members of one class

expiring each year in rotation. Members of one class are generally elected at each annual meeting and serve for full three-year terms or until successors are elected and qualified. Each class consists of approximately one-third of the total number of directors constituting the entire board of directors.

BlackRock has stockholder agreements with Merrill Lynch & Co., Inc., a wholly owned subsidiary of Bank of America Corporation, and Barclays Bank PLC and its subsidiaries. Two to four members of the board are from BlackRock management; one director is designated by Merrill Lynch; two directors, each in a different class, are designated by PNC Bank; two directors, each in a different class, are designated by Barclays; and the remaining directors are independent.

This 12-member board is a tight network of individuals who are interlocked with—and influence the policies of—other major companies controlling approximately \$200 billion in annual revenues.

BlackRock's Board of Directors

Following is a list of BlackRock's board of directors and their [current or past] corporate, institutional or policy affiliations:

Class I Directors (terms expire in 2012):

- William S. Demchak—senior vice chairman of PNC (assets \$271 billion); JPMorgan Chase & Co. (2011 assets \$2.2 trillion).

- Kenneth B. Dunn, PhD—professor of financial economics at the David A. Tepper School of Business at Carnegie Mellon University; former MD of Morgan Stanley Investment Management (assets \$807 billion).

- Laurence D. Fink—chairman/CEO of BlackRock; trustee, New York University; trustee, Boys' Club of NY.

- Robert S. Kapito—president of BlackRock; trustee of The Wharton School, University of Pennsylvania.

- Thomas H. O'Brien—former CEO of PNC; Verizon (2011 revenue \$110 billion).

- Ivan G. Seidenberg—former chairman of Verizon; former CEO of Bell Atlantic; Honeywell International Inc. (2010 revenue \$33.3 billion); Pfizer Inc. (2011 revenue \$64 billion); former chairman of the Business Roundtable; National Security Telecommunications Advisory Committee; President's Council of The New York Academy of Sciences.[xxv]

Class II Directors (terms expire in 2013):

- Abdlatif Yousef Al-Hamad—board chairman of Arab Fund for Economic and Social Development (assets \$2.7 trillion); former Minister of Finance and Minister of Planning, Kuwait; Kuwait Investment Authority; Task Force on Multilateral Development Banks; International Advisory Boards of Morgan Stanley, Marsh & McLennan Companies, Inc., American International Group, Inc. and the National Bank of Kuwait.

- Mathis Cabiavetta—Swiss Reinsurance Company Ltd (2010 revenue \$28 billion); CEO of Marsh & McLennan Companies, Inc. (2011 revenue \$11.5 billion); Union Bank of Switzerland (2012 assets \$620 billion); Philip Morris International (2010 revenue \$27 billion).

- Dennis D. Dammerman—General Electric Company (2012 revenue \$147 billion); Capmark Financial Group (formerly GMAC); American International Group (2010 revenue \$77 billion); Genworth Financial (2010 assets \$100 billion); Swiss Re (2012 assets \$620 billion); Discover Financial Services (2011 revenue \$3.4 billion).

- Robert E. Diamond, Jr—CEO of Barclays PLC (2011 revenue \$32 billion); International Advisory Board of the British-American Business Council.

- David H. Komansky—CEO of Merrill Lynch (division of Bank of America, 2009) (2011 assets management \$2.3 trillion); Burt's Bees, Inc. (owned by Clorox); WPP Group

(2011 revenue \$15 billion).

- James E. Rohr—CEO of PNC (2011 revenue \$14 bn).

- James J. Grosfeld—CEO of Pulte Homes, Inc. (2010 revenue \$4.5 billion); Lexington Realty Trust (2011 assets \$1.2 billion).

- Sir Deryck C. Maughan—Kohlberg Kravis Roberts & Co. (2011 assets \$8.6 billion); CEO of Salomon Brothers from 1992 to 1997; a chairman of the US-Japan Business Council; GlaxoSmithKline plc (2011 revenue \$41 billion); Thomson Reuters (2011 revenue \$13.8 billion).

- Thomas K. Montag—president of global banking and markets for Bank of America Corporation (2011 revenue \$94 billion); Merrill Lynch (division of Bank of America, 2009; 2011 assets management \$2.3 trillion); Goldman Sachs (2011 revenue \$28.8 billion).

Class III Directors (terms expire in 2014):

- Murry S. Gerber—executive chairman of EQT Corp. (2010 revenue \$1.3 billion); Halliburton Company.

- Linda Gosden Robinson—former CEO of Robinson Lerer & Montgomery, LLC; Young & Rubicam, Inc.; WPP Group plc (2011 revenue \$15 billion); Revlon, Inc. (2011 revenue \$1.3 billion).

- John S. Varley—CEO of Barclays PLC (2011 revenue \$32 billion); AstraZeneca PLC (2011 revenue \$33.5 billion).

BlackRock is one of the most concentrated power networks among the global one per cent. The 18 members of the board are connected to a significant part of the world's core financial assets. Their decisions can

change empires, destroy currencies and impoverish millions. Some of the top financial giants of the capitalist world are connected by interlocking boards at BlackRock, including Bank of America, Merrill Lynch, Goldman Sachs, PNC Bank, Barclays, Swiss Reinsurance Company Ltd, American International Group (AIG), UBS AG, Arab Fund for Economic and Social Development, JPMorgan Chase & Co. and Morgan Stanley.

The World's Top Superconnected Companies

A 2011 ETH Zürich study (by Stefania Vitali, James B. Glattfelder and Stefano Battiston) reports that a small group of companies—mainly banks—wields huge power over the global economy.[xxvi] Using data from Orbis 2007, a database listing 37 million companies and investors, the Swiss researchers applied mathematical models to the world economy. The study is the first to look at all 43,060 transnational corporations and the web of ownership between them. The research created a "map" of 1,318 companies at the heart of the global economy [see NEXUS 19/04; Ed.]. The study found that 147 companies formed a "super-entity" within this map, controlling some 40 per cent of its wealth.

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The top 25 of the 147 superconnected companies are: (1) Barclays PLC*; (2) Capital Group Companies, Inc.; (3) FMR Corporation; (4) AXA SA; (5) State Street Corporation; (6) JPMorgan Chase & Co.*; (7) Legal & General Group PLC; (8) Vanguard Group, Inc.; (9) UBS AG; (10) Merrill Lynch & Co., Inc.*; (11) Wellington Management Co., LLP; (12) Deutsche Bank; (13) Franklin Resources, Inc.; (14) Credit Suisse Group*; (15) Walton Enterprises, LLC; (16) Bank of New York Mellon Corporation; (17) Natixis SA; (18) Goldman Sachs Group, Inc.*; (19) T. Rowe Price Group, Inc.; (20) Legg Mason, Inc.; (21) Morgan Stanley*; (22) Mitsubishi UFJ Financial Group, Inc.; (23) Northern Trust Corporation; (24) Société Générale; (25) Bank of America Corporation*. (* denotes BlackRock directors)

Notably, for our purposes, BlackRock's board members have direct connections to at least seven of the top 25 corporations that Vitali *et al.* identified as an international "super-entity". They have direct links to seven of the 25 most interconnected corporations in the world. BlackRock's 18 board members control and influence tens of trillions of dollars of wealth and represent a core of the superconnected financial sector corporations. Below is a sample cross-section of key figures and corporate assets among the global economic "super-entity" identified by Vitali *et al.*

Within the highest levels of the economic "super-entity" are other key figures and corporate connections:

- Capital Group Companies—privately held; based in Los Angeles; manages \$1 trillion in assets.
- FMR—one of the world's largest mutual fund firms, managing \$1.5 trillion in assets and serving more than 20 million individual and institutional clients; Edward C. (Ned) Johnson III, chairman and CEO.
- AXA—manages \$1.5 trillion in assets, serving 101 million clients; Henri de Castries, CEO, and director, Nestlé SA.
- State Street Corporation—asset management of \$1.9 trillion; directors include CEO Joseph L. Hooley and Kennett F. Burnes, retired chairman and CEO of Cabot Corporation (2011 revenue \$3.1 billion).
- JPMorgan Chase & Co. (2011 assets \$2.3 trillion)—directors include: James A. Bell, retired executive VP of The Boeing Company; Stephen B. Burke, CEO of NBCUniversal and executive VP of Comcast Corporation; David M. Cote, CEO of Honeywell International, Inc.; Timothy P. Flynn, retired chairman of KPMG International; and Lee R. Raymond, retired CEO of Exxon Mobil Corp.
- Vanguard (2011 assets under management \$1.6 trillion)—directors include: Emerson U. Fullwood, retired VP of Xerox Corporation; JoAnn Heffernan

Heisen, retired VP of Johnson & Johnson, Robert Wood Johnson Foundation; Mark Loughridge, CFO of IBM Global Financing; Alfred M. Rankin, Jr, CEO of NACCO Industries, Inc., National Association of Manufacturers, Goodrich Corporation, and chairman of the Federal Reserve Bank of Cleveland.

- UBS (2012 assets \$620 billion)—directors include: Michel Demaré, board member of Syngenta and the IMD Foundation (Lausanne); David Sidwell, former CFO of Morgan Stanley.

- Merrill Lynch (Bank of America) (2011 assets management \$2.3 trillion)—directors include: Brian T. Moynihan, CEO of Bank of America; Rosemary T. Berkery, general counsel for Bank of America/Merrill Lynch (formerly Merrill Lynch & Co., Inc.), member of the New York Stock Exchange's Legal Advisory Committee, director of Securities Industry and Financial Markets Association; Mark A. Ellman, managing director of Credit Suisse First Boston; Dick J. Barrett, co-founder of Ellman

Stoddard Capital Partners and director of MetLife, Citigroup Inc., UBS, The Carlyle Group, ImpreMedia, Verizon, Fluor Corporation, Wells Fargo & Co. and Goldman Sachs Group.

The directors of these superconnected companies represent a small portion of the global one per cent. Most people with assets in excess of \$588,000 are not major players in international finance. At best, they hire asset

management firms to produce a return on their capital. Often their net worth is tied up in nonfinancial assets such as real estate and businesses.

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The TCC and Global Power

So how does the transnational corporate class maintain wealth concentration and power in the world? The wealthiest one per cent of the world's population represents approximately 40 million adults. These 40 million people are the richest segment of the first-tier populations in the core countries and intermittently in other regions. Most of this one per cent have professional jobs with security and tenure working for or associated with established institutions. Approximately 10 million of these individuals have assets in excess of \$1 million, and approximately 100,000 have financial assets worth over \$30 million. Immediately below the one per cent in the first tier are working people with regular employment in major corporations, government, self-owned businesses and various institutions of the world. This first tier constitutes about 30–40 per cent of the employed in the core developed countries, and some 30 per cent in the second-tier economies and down to 20 per cent in the peripheral economies.

The second tier of global workers represents growing armies of casual labour: the global factory workers, street workers and day labourers intermittently employed with increasingly less support from government and social welfare organisations. Mostly concentrated in megacities, they constitute some 30–40 per cent of workers in the core industrialised economies and 20 per cent in the second-tier and peripheral economies. This leaves a third tier of destitute people ranging from 30 per cent of adults in the core and secondary economies to 50 per cent of the people in peripheral countries who have extremely limited income opportunities and struggle to survive. These are the 2.5 billion people who live on less than \$2 a day, who die by the tens of thousands every day from malnutrition and easily curable illnesses, and who have probably never heard a dial tone.[xxvii]

As seen in our Extractor Sector and Investment Sector samples, corporate elites are interconnected through direct board connections with some 70 major multinationals, policy groups, media organisations and other academic or nonprofit institutions. The Investment Sector sample shows much more powerful financial links than the Extractor Sector sample; nonetheless, both represent vast networks of resources concentrated within each company's board of directors. The short sample of directors and resources from eight other of the superconnected companies replicates this pattern of multiple-board corporate connections, policy groups, media and government controlling vast global resources. These interlocking relationships recur across the top interconnected companies among the transnational corporate class, resulting in a highly concentrated, powerful network of individuals who share a common interest in preserving their elite domination.

Sociological research shows that interlocking directorates have the potential to facilitate political cohesion.[xxviii] Transnational corporate boards meet on a regular basis to encourage the maximisation of profit and the long-term viability of their firms' business plans. If they arrange for payments to government officials, conduct activities that undermine labour organisations, seek to manipulate the price of commodities (e.g., gold) or engage in insider trading in some capacity, they are forming conspiratorial alliances inside those boards of directors.

The 30 directors in our sample, inside two connected

companies, have influence with some of the most powerful policy groups in the world, including the British–American Business Council, the US–Japan Business Council, the Business Roundtable, The Business Council and the Kissinger Institute. They influence some \$10 trillion in monetary resources and control the working lives of many hundreds of thousands of people. They are a power elite unto themselves, operating in a world of power elite networks as the de facto ruling class of the capitalist world.

Moreover, this one per cent global elite dominates and controls public relations firms and the corporate media. Global corporate media protect the interests of the one per cent by serving as a propaganda machine for the superclass. They provide entertainment for the masses and distort the realities of inequality. Corporate news is managed by the one per cent to maintain illusions of hope and to divert blame from the powerful for hard times.[xxix] Four of the 30 directors in our two-firms sample are directly connected with public relations and media. Thomas H. O'Brien and Ivan G. Seidenberg are both on the board of Verizon Communications, where Seidenberg is chairman. Verizon reported over \$110 billion in operating revenue in 2011.[xxx] David H. Komansky and Linda Gosden Robinson are on the board of WPP Group, which describes itself as the world leader in marketing communications services, grossing over \$65 billion in 2011.[xxxi]

The Transnational Superclass

Even deeper inside the one per cent of wealthy elites is what David Rothkopf calls "the superclass". David Rothkopf, former managing director of Kissinger Associates and Deputy

Under Secretary of Commerce for International Trade Policy and Development, published his book *Superclass: The Global Power Elite and the World They Are Making* in 2008.[xxxii] According to Rothkopf, the superclass constitutes approximately 0.0001 per cent of the world's population and is comprised of 6,000 to 7,000 people (some say 6,660). They are the Davos-attending, private jet-flying, money-encrusted, megacorporation-interlocked, policy-building elites of the world, people at the absolute peak of the global power pyramid. They are 94 per cent male, predominantly white, and mostly from North America and Europe. They set the agendas at the Trilateral Commission, Bilderberg Group, G8, G20, NATO, World Bank and World Trade Organization.

Global corporate media protect the interests of the one per cent by serving as a propaganda machine for the superclass. They provide entertainment for the masses and distort the realities of inequality.

They are from the highest levels of finance capital, transnational corporations, government, the military, academia, nongovernmental organisations, spiritual leaderships and other shadow elites. Shadow elites include, for instance, national security organisations and their deep politics in connection with international drug cartels, which extract 8,000 tons of opium from US war zones annually, then launder \$500 billion through transnational banks, half of which are US based.[xxxiii]

Rothkopf's understanding of the superclass is based on influence and power. Although there are over 1,000 billionaires in the world, not all are part of the superclass in terms of influencing global policies. Yet these 1,000 billionaires have twice as much wealth as the 2.5 billion least wealthy people. They are fully aware of the vast inequalities in the world, and they work hard to protect this structure of concentrated wealth.

NATO: Superclass Security

Protection of capital is the prime reason why NATO countries now account for 85 per cent of the world's defence expenditure, the US spending more than the rest of the world combined.[xxxiv] Fears of inequality, rebellions and other forms of unrest motivate NATO's global agenda in the war on terror.[xxxv, xxxvi] NATO is quickly emerging as the police force for the transnational corporate class. As the TCC more fully emerged in the 1980s, coinciding with the collapse of the USSR, NATO began broader operations. It first ventured into the Balkans, where it remains, and then moved into Afghanistan. NATO started a training mission in Iraq in 2005, has recently conducted operations in Libya, and as of July 2012 is considering military action in Syria.

It has become clear that the superclass uses NATO for its global security. This is part of an expanding strategy of US military domination around the world, whereby the US–NATO military–industrial–media empire operates in service to the TCC for the protection of international capital anywhere in the world.[xxxvii]

Sociologists William Robinson and Jerry Harris anticipated this situation in 2000 when they described "a shift from the social welfare state to the social control (police) state replete with the dramatic expansion of public and private security forces, the mass incarceration of the excluded populations (disproportionately minorities), new forms of social apartheid...and anti-immigrant legislation." [xxxviii]

Their theory accurately predicted the agenda of today's global superclass, including the continued consolidation of capital around the world without interference from

governments or egalitarian social movements.[xxxix]

In addition, this agenda leads to the further pauperisation of the poorest half of the world's population, and an unrelenting downward spiral of wages for everyone in the second tier and even some within the first tier.[xl] It is a world facing economic crisis, where the neoliberal solution is to spend less on human needs and more on security.[xli] It is a world of financial institutions run amok, where the answer to bankruptcy is to print more money through quantitative easing with trillions of new inflation-producing dollars. It is a world of permanent war, whereby spending for destruction requires even more spending to rebuild—a cycle that profits the TCC and its global networks of economic power. It is a world of drone killings, extrajudicial assassinations, and death and destruction at home and abroad.

Total Social Control

The Occupy movement uses the one per cent vs 99 per cent mantra as a master concept in its demonstrations, disruptions and challenges to the practices of the transnational corporate class, within which the global superclass is a key element in the implementation of a super-elite agenda for permanent war and total social control. Occupy is exactly what the superclass fears the most: a global democratic movement that exposes the TCC agenda and the continuing theatre of government elections, wherein the actors may change but the marquee remains the same. The more that Occupy refuses to cooperate with the TCC agenda and mobilises activists, the more likely the whole TCC system of dominance will fall to its knees under the people power of democratic movements. ∞

It has become clear that the superclass uses NATO for its global security. This is part of an expanding strategy of US military domination...

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Editor's Note:

This is an edited version of Dr Peter Phillips and Kimberly Soeiro's article titled "The Global 1% – Exposing the Transnational Ruling Class". To view the complete article with endnotes, go to <http://tinyurl.com/97dsxvh>.