State of **CORPORATE POWER** 2012
Oil and gas make up eight of the top ten largest global corporations.

Resources:
http://www.tni.org
http://www.oilwatch.org
http://www.carbonweb.org
http://www.minesandcommunities.org
http://europeansforfinancialreform.org
We may have democracy, or we may have wealth concentrated in the hands of a few, but we cannot have both.

Louis D. Brandeis, U.S. Supreme Court, 1916-1939
The Global 0.001%

Extreme Wealth

World Population
7 Billion

Investable assets of US$1 million or more
0.1% of the population
10.9 million

Investable assets of US$30 million or more
0.001% of the population
73 million

AN Unequal World

Percent of World's Income in 2007
Top 20% of world population 82.8
Second 20% 9.9
Third 20% 4.2
Fourth 20% 2.1
Bottom 20% 1

USA
3,104

China
535

Japan
1,739

Germany
824

France
395

Italy
170

Canada
282

UK
454

Switzerland
243

Brazil
155

Top 20% of world population

Second 20%

Third 20%

Fourth 20%

Bottom 20%

2.5 billion people live on less than $2 a day.

Resources:
http://www.tni.org
http://ifg.org/programs/plutonomy.html
http://inequality.org
http://www.ukuncut.org.uk
http://www.taxjustice.net
http://www.equalitytrust.org.uk
http://www.tackletaxhavens.com

There has been class warfare going on for the last 20 years, and my class has won.
Warren Buffett, Chairman & CEO, Berkshire Hathaway

What Would $42.7 Trillion Pay For?

53 years
US-Iraq wars

2247 years
US space programme

854 thousand
Guilstream executive jets

1423 years
UN Millennium goal for clean water

George Bush, 2009

15.4 trillion
Investable assets of US$30 million or more

42.7 trillion
Investable assets of US$1 million or more

GEOGRAPHY OF THE RICH

Number of People in Thousands with Investable Assets of US$1 Million or More (2010)

USA
3,104

Brazil
155

Italy
170

Canada
282

UK
454

Germany
824

Switzerland
243

France
395

China
535

Japan
1,739

India
153

Australia
183

2
$2

Climate adaptation costs

Universal primary & secondary education

US-Iraq
wars

US space programme

Guilstream executive jets

UN Millennium goal for clean water
Behind every great fortune is a crime.
Honorable de Balzac, French novelist (1799-1850)

CASE STUDY OF CARLOS SLIM

The world’s richest man, who doubled his assets between 2008 and 2010, is a classic example of a tiny global elite, who have used monopolies, government corruption, and the support of the World Bank and IMF, to privatise public resources and extract vast wealth from ordinary people, often in the global South.

In 1990, Carlos Slim bought the newly privatised national telephone company, Telmex, in a sweetheart deal - with his friend then President Carlos Salinas - that included a prior price-rise on consumers, a monopoly of telecommunications for several years, and a $22 million loan from the World Bank. The deal made telephone services in Mexico some of the costliest in the world, and paved the way for Slim to take over other monopolies.

In 2006, it was estimated that Mexicans contributed $1.50 per capita or $67 million total to Slim every day. His significant investments in oil and gas, mining and infrastructure companies pollute the Mexican environment through the emission of greenhouse gases, the displacement of local populations and the destruction of the country’s biodiversity.

Slim protects his wealth by fighting off anti-monopoly suits with legal action, making donations to all major Mexican political parties, through friendships with politicians including current Mexican President Felipe Calderon and former President Bill Clinton, and more recently via his philanthropic involvement in the health and environmental sectors to “whitecoat” and “green-wash” the poor social and environmental track record of many of his companies.
Top 1% in America receives a higher share of total income than any other country in the OECD.

<table>
<thead>
<tr>
<th>Country</th>
<th>1990 Share</th>
<th>Increase from 1990 to 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>18.3%</td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>14.3%</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>13.3%</td>
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<tr>
<td>Ireland</td>
<td>10.3%</td>
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<tr>
<td>Portugal</td>
<td>9.8%</td>
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<tr>
<td>Italy</td>
<td>9.5%</td>
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</tr>
<tr>
<td>Japan</td>
<td>9.2%</td>
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</tr>
<tr>
<td>New Zealand</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>8.9%</td>
<td></td>
</tr>
<tr>
<td>Finland</td>
<td>8.6%</td>
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<tr>
<td>Belgium</td>
<td>7.7%</td>
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<tr>
<td>Denmark</td>
<td>7.4%</td>
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<tr>
<td>Norway</td>
<td>7.1%</td>
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<tr>
<td>Sweden</td>
<td>6.9%</td>
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</tr>
<tr>
<td>Netherlands</td>
<td>5.7%</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>8.9%</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>8.8%</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>11.1%</td>
<td></td>
</tr>
<tr>
<td>Switzerland</td>
<td>10.5%</td>
<td></td>
</tr>
</tbody>
</table>

WHERE DO THE RICHEST CONTROL MOST INCOME?

WHERE WAS THE MONEY MADE?

SECTORS THAT THE TOP 100 BILLIONAIRES' WEALTH CAME FROM

- Reliance Industries includes petrochemicals, oil and gas, biotechnology, textiles, retail, special economic zone (SEZ) development, telecom
- Walmart, First Solar
- Hutchison Whampoa Ltd and Cheung Kong Holdings (ports, telecom, retail, property development, infrastructure, biotechnology)
- Aldi discount supermarkets in Germany and the U.S.
- Koch Industries, Cato Institute, Americans for Prosperity, David H. Koch Charitable Foundation
- Thomson Reuters, Woodbridge investment firm, Globe and Mail
- Koch Industries, INVISTA, Flint Hills Resources, Georgia-Pacific
- Inherited L’Oreal from father; Bettencourt and Nestle are the two largest shareholders
- Novolipetsk Steel, Universal Cargo Logistics Holding B.V. (ports, shipping, transportation)
- Hennes & Mauritz (H&M) production outsourced to 800 factories in Europe and Asia

Tax evasion costs 145 countries more than US$3.1 trillion annually. Every $100 million recovered could fund full immunisations for four million children or provide water connections for 250,000 households.
Forty-three percent of 198 members who left US Congress between 1998 and 2005 became registered lobbyists.

As Chair of Federal Reserve from 1987 to 2006, Alan Greenspan managed US fiscal policy based on low interest rates and speculative lending, and was a strong advocate of tax breaks for the rich and deregulation of the financial sector.

Corporate ties:

“As those of us who have looked to the self-interest of lending institutions to protect shareholders’ equity, myself included, are in a state of shocked disbelief.” Greenspan on 2008 economic collapse

Anatoly Chubais
First Russian deputy-chairman of economy and finance after the collapse of the Soviet Union. Backed by IMF and World Bank, was one of the architects of deregulation and a privatization model that led to an effective handover of major state companies, such as Yukos, Lukoil and Novolipetsk Steel, to government insiders. These insiders became 20% of the richest men in the world in the 1990s. Meanwhile 60% of Russians have the same real income or less than the average 20 years ago.

Corporate ties:
Involved in series of scandals including a $2.9 million interest-free loan from Sotskryt Savings Bank, a major beneficiary of privatization. Head of state owned electric power monopoly Unified Energy System (UEES). Since September 2008, advisor to JPMorgan Chase & Co. Currently head of Rusnano Russian Nanotechnology Corporation.

Carlos Salinas

Corporate ties:
Salinas was advised by Robert Rubin (Goldman Sachs, Citigroup, U.S. Treasury) and led to Mexican oligarchs: Carlos Slim (Televisa), Emilio Azcarraga (Televisa), and Roberto Hernandez Ramirez (Banamex, Citigroup). U.S. General Accounting Office reported that between 1992 and 1994, Salinas’ brother Raul transferred over $90 million out of Mexico into bank accounts in London and Switzerland, through a complex set of transactions aided by high-ranking officers of Citibank. Carlos Salinas served on the Dow Jones & Company board of directors, 1995-1997.

Charlie McCreevy

Corporate ties:
In 2010 forced to resign from board of NENK Investments after EU ethics committee found conflict of interest with his work as commissioner in charge of financial regulation. Sits on boards of Ryanair, Aer Lingus,_Sentinal, ENIY Melon Clearing International Ltd, Sports Direct International.

Tony Blair
UK Prime Minister, 1997-2007, who followed Thatcher in promoting increased privatization of public services, deregulation of finance and consumption-led growth.

Corporate ties:
Consultant to JPMorgan Chase for an estimated $1 million per year. Adviser on climate change to Zurich Financial Services. Estimated to receive millions more through various corporate partnerships including Tony Blair Associates, Windrush Ventures, and BOCICO Ltd. While the Quartet Special Envoy on the Middle East, mediating the peace process in the Israeli-Palestinian conflict, Blair has also engaged in multi-million-dollar contracts with the Kuwait and Abu Dhabi regimes and is linked to oil interests in Iraq through the Korean UI Energy Corp.

Frits Bolkestein
Royal Dutch Shell employee, Minister of Defence in Netherlands, European Commissioner for Internal Market and Services, 1999-2004, responsible for the “Bolkestein Directive” that aimed to create a free market for the service sector in the EU that was widely condemned for trying to lower health, safety and labour standards.

Corporate ties:
Non-executive director of Air France-KLM, 2005-2011. Adviser to Russian oligarch Mikhail Khodorkovsky’s Bank Menatep, the holding company of energy and oil conglomerate Yukos.

Lawrence Summers

Corporate ties:
Hedge Fund D. E. Shaw Group managing director, 2006-2009. Board of electronic payment service Square, 2011. Adviser to venture capital firm Andreessen Horowitz, 2011. During Summers’ Presidency at Harvard, University purchased a series of speculative interest rate swaps that eventually lost approximately $1 billion in value. While top economic adviser to President Obama, earned more than $5 million from D. E. Shaw and collected $2.7 million in speaking fees from Wall Street companies that received government bailout money.

Over half of the lobbyists at four of the best known Brussels lobby consultancies have previous experience working inside EU institutions.

All in all, I think we’ve hit the jackpot.
U.S. President Ronald Reagan, October 15, 1982, as he signed a bill deregulating the savings and loan industry which allowed bankers to gamble hundreds of billions in taxpayers’ money.

Over half of the lobbyists at four of the best known Brussels lobby consultancies have previous experience working inside EU institutions.
Marcilio Marques Moreira

Brazilian Minister of Finance, 1991-1992, responsible for overseeing the “Plano Collor” (Plano Brasil Novo) of trade liberalization, deregulation, and privatization.

Corporate ties:
- Executive-Vice-President, Unibanco. Senior International Advisor at Merrill Lynch & Co. Board member of NOVOTEL, Coca-Cola, RJ Reynolds, Hoescht, Marsh & McLennan Group, IBM-Latin America, and GE-South America, and ENERGISA.

Peter Mandelson

Director of communications for the UK Labour Party; Privy Councillor and Secretary of State for Trade and Industry in 1998; Secretary of State for Northern Ireland, 1999-2001. One of the architects and key defenders of Labour Party’s full embrace of pro-corporate domestic and international policies. As European Commissioner for Trade, 2004-2008, he aggressively pushed for Free Trade Agreements to help expand markets for European corporations.

Corporate ties:
- Chairman of Global Counsel LLP, a consultancy firm for European businesses, 2010-. Senior Advisor to financial advisory and asset management firm Lazard Ltd, 2011. Tenure in EU Commission led to allegations that his meetings with Russian oligarch Oleg Deripaska were a conflict of interest given his role in decisions to cut aluminium tariffs that benefited Deripaska’s company Rusal.

We are intensely relaxed about people getting filthy rich.

Dick Cheney


Corporate ties:

The Davos class run our major institutions, know exactly what they want, and are well organized, but they have weaknesses too. For they are wedded to an ideology that isn’t working and they have virtually no ideas nor imagination to resolve this.

This article is adapted with minor editorial changes from Susan George’s recent book Whose Crisis, Whose Future? (Pluto Press and John Wiley & Sons, 2010)

“All for ourselves and nothing for other people” seems in every age of the world to have been the vile maxim of the masters of mankind,” wrote Adam Smith in 1776 in The Wealth of Nations, universally considered the first comprehensive inquiry into the nature and practice of capitalism.

The masters of mankind are still with us. I call them the Davos class, because, like the people who meet each January in the Swiss mountain resort, they are nomadic, powerful and inter-changeable. Some have economic power and usually a considerable personal fortune. Others have administrative and political power, mostly exercised on behalf of those with economic power, who reward them in their own way. Contradictions among its members can most certainly exist – the CEO of an international company does not always have exactly the same interests as his bankers – but generally speaking, when it comes to societal choices, they will agree.

I’m not impugning anybody’s individual morality here – there are surely plenty of kind-hearted bankers, generous traders and socially responsible CEOs. I am simply saying that, as a class, they can be counted on to behave in certain ways if only because they serve a single system. The Davos class, despite its members’ nice manners and well-tailored clothes, is predatory. These people cannot be expected to act logically because they are not thinking about longer-term interests, usually not even their own, but about eating, right now.

You can find the Davos class in every country – its members do not belong to a conspiracy and its modus operandi can be readily observed and identified. Why bother with conspiracies when the study of power and interests will do the job? The Davos class is always extremely small relative to the society and its members naturally have money – sometimes inherited, sometimes self-made. More importantly, they have their own social institutions – clubs, top schools for their kids, neighbourhoods, corporate and charity boards, holiday destinations, membership organizations, exclusive fashionable social events, and so on – all of which help to buttress social cohesion and collective power. They run our major institutions, including the media, know exactly what they want and are much more united and better organized than we are.

But this dominant class has weaknesses too; one is that it has an ideology but virtually no ideas and no imagination. Their programme since the 1970s, usually called “neoliberalism”, is based on freedom for financial innovation, no matter where it may lead, on privatization, deregulation, and unlimited growth; on the supposedly free, self-regulating market and free trade that gave birth to the casino economy. This economy has failed spectacularly and is now thoroughly discredited, at least in the public mind.

Most people ask for no further proof; they can see that the system works neither for them, nor for their families and friends, nor for their country. Many also recognize that it’s bad for the immense majority of the earth’s people and for the earth itself. The sole response of the Davos Class is to keep the old world order ticking over a bit longer, with a free pass for all the institutions which created the crisis to begin with. It won’t work, not even on their own terms.

I believe that we – the decent, honest, so-called ordinary people I meet all the time – have the numbers (and thus also the votes) on our side. We have the imagination, the ideas and the rational proposals as well as most of the skills and the scholarship – meaning we know what needs to be done and how to do it. We belong to a huge variety of formal and informal organizations struggling for change in this or that institution, this or that domain. Collectively, we even have money. What we do not have is the unity or the organization of the adversary, and we all too often lack the consciousness of our own potential power.

The Occupy Wall Street Movement in the United States and the Indignados and others in Europe have identified the huge inequalities that prevail in our societies as “the 1 percent” and the “99 percent” that roughly coincide with the Davos Class and the rest of us, although the former is closer to one-tenth of 1 percent. In other words, they have identified the adversary, the class that maintains a rotten status quo. Our task now is to build a vast coalition of all those who agree with the diagnosis, all those who want to fight for their future but also for a fairer society, a better world. Collectively, we even have money, but this money is not for the unity or the organization of the adversary, and we all too often lack the consciousness of our own potential power.


Photo credit: Copyright World Economic Forum www.swiss-image.ch/Photo by Hanspeter Barta
PLANET EARTH: A CORPORATE WORLD

Top 25 companies based on revenues: Forbes, April 2011

Top 25 companies based on ownership and control: Vitali, Glattfelder, and Battiston, The Network of Global Corporate Control, 2011

Location of Top 200 corporations and number of Top 500 corporations per country: Fortune 500 http://money.cnn.com/magazines/fortune/global500/2011/full_list/20%

THE GLOBAL 0.001%


What would $42.7 billion pay for?

• US-Iraq War: direct costs so far have been $800 billion but indirect costs could top $4 trillion, MarketWatch, December 2011 http://www.marketwatch.com/story/iraq-war-ends-with-a-4-trillion-ou2011-12-15

• US space programme: US White House website http://www.whitehouse.gov/omb/factsheet_department_nasa/

• Gulfstream Executive Jet: Business & Commercial Aviation’s

• 2010 Purchase Planning Handbook


THE WORLD’S RICHEST MEN


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Tax rates in different OECD countries: Center of Budget and Policy Priorities http://www.cbpp.org/


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Alan Greenspan:

• Testimony before the U.S. House Committee on Oversight and Government Reform, October 23, 2008.

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Anatoly Chubais


Thane Gustafson, Capitalism Russian-style, chapter 3; and Janine R. Wedel, The Harvard Boys Do Russia, The Nation, June 1, 1998.

• Reuters, September 22, 2008; and Aaron Mulvihill, Russia Today http://russiaphedia.rt.com/prominent-russians/politics-and-society/anatoly-chubais/

• Marketwatch, September 26, 2008.

Marcilio Marques Moreira

• http://www.labgbooth.com/conference/speakers/18

Carlos Salinas


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Charlie McCreery


Dick Cheney

• http://www.nationalcorruptionindex.org/pages/profile.php?profile_id=230

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Frits Bolkestein

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• http://managementscope.nl/magazine/artikel/252-Chordovski-Poetin-Yukos

Lawrence Summers


Peter Mandelson

• The Moscow Times, Oct 22, 2008

• The Times, Oct 13, 2008

• The Guardian, Oct 21, 2008


Tony Blair

• BBC News, January 10, 2008.


• Dispatches: The Wonderful World of Tony Blair, http://www.youtube.com/watch?v=Tg-Dc3nmdYa

• The Guardian, March 17, 2010.

Sources

Research: George Draffan

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