

The most powerful  
economic  
organization



In an era of rapid technological advancement, the economic and political barriers of countries are inevitably annihilated. Daily, the world is revolving in an express orbit. Mysteries unknown and facts alien from the knowledge of mankind are unraveled each day. The world is already transformed from scattered jigsaw puzzle pieces to a rigidly intertwined web. The process of the transformation is what people called “ globalization”. And the reasons for the web-like structure of order in the world are the star players of modern day whole sale and retail – the corporations.

In layman’s term when the word “ corporation” is mentioned, the closest thing that can be associated with it is the word “ money”. And as everybody says, money makes the world goes round. Thus, money can be given a corresponding weight with power. As thought in the general history of the world, corporations have come to rise during the period of the industrial revolution. The invention of the “ Spinning Jenny” and the steam engine has paved the way to an unforeseen development of technology. This unforeseen development of technology has leaded its way to an unimaginable rise of power of the corporations.

The early agents of corporation can be traced back to the emergence of merchants. In the latter era of the Middle Ages which is also known as the dark ages, the form of trade is facilitated by the class which is called the merchants. Merchants have performed the role of retail and wholesale centers, banking and finance institutions, and companies and corporations of the present time at that time. The mode of exchange is done through the mediation of merchants. Without these people, trade is a difficult endeavor.

Therefore, it can be assumed that the merchants of the Middle Ages are the embryo of the executives and officers-in-charge of the modern day corporations. Corporations are complex organizations of power. Generally, people are bent on thinking that a corporation is something that is an unconscious and unmoving entity for it is just generated by the rules and regulation that governs the trade and exchange of goods, commodities, and merchandises needed and wanted by the people. However corporations have really an important role in the day-to-day lives of every person in every place which commodities and goods are being used and consumed.

Consequently, corporations have an enormous and tremendous influence in the life of every people in this planet. Further with this enormous and tremendous influence, corporations exercise an unimaginable magnitude of power. With this power come the questionable intentions and goals of corporations. Corporations are known to produce goods and consumers' wants. Conversely, the question is how much power do corporations have to merely consider what is good for the consumers and the public they are ought to serve.

With the unending advantages and inconceivable and incredible supremacy that corporations possess, it is a reasonable conclusion that corporations are concerned only of things and matters that affect their businesses. The concerns of the consumers and the general public are bereft of attention in the eyes of the corporations. As Shah pointed out, corporations instead of being the agents of goodness and development in the world, they could be otherwise: As corporations become larger and multinational, their influence and interests go further accordingly.

Being able to influence and own most media companies, it is hard to be able to publicly debate the notions and ideals that corporations pursue. Some choices that corporations take to make profits can affect people all over the world. Sometimes fatally. In this light, corporations are really possessing great enormity of power. And even at the early stage of the foundation of the United States of America, President Abraham Lincoln has already recognized the power of the corporations and anticipated an imminent predicament. It is also stipulated by Anup Shah in the same article :

I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country. ... corporations have been enthroned and an era of corruption in high places will follow, and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until all wealth is aggregated in a few hands and the Republic is destroyed. In the statement of Lincoln above, corporation can actually obliterate the essence of the establishment of the Republic with its tremendous power.

The “enthronement” that is uttered by Lincoln will not be possible if the structures of the corporations are unfit to be capable of doing so.

Corporations are noted to be very powerful because of controlling every aspect of every person’s life. From morning until night, corporations are serving their role in the dirty kitchen, television room, bedroom, comfort room, classrooms, offices, and all important places of people’s daily endeavors. The power of corporations can be attributed to the inexorable rise of profit of the starting corporations and firms of the industrial revolution.

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The animated mood of the accumulation of profits of that time paved the way to the rise of the immeasurable power of corporations. The powers of corporations are demonstrated by their control on the production of goods and of their authority on financial institutions. As Lenin expounded, the production of goods and commodities are heavily concentrated only in a handful of industrial corporations. This concentration of production leads to the monopoly of certain businesses.

The production of goods is transformed to be the production of capital; hence the word "capitalism" is coined. The power of corporations rests on inappropriate appropriation : Production becomes social, but appropriation remains private. The social means of production remain the private property of few. The general framework of formally recognised free competition remains and the yoke of a few monopolists on the rest of the population become a hundred times heavier, more burdensome and intolerable.

Another factor to the rise of corporate power is their position in the operation of financial institutions. The owners of big time corporations are also stockholders of enormous banking institutions. The bank from the original function of storing money is converted to the use of corporations for increasing their capital. Aside from this, corporations which are great stockholders of banking institutions also control the function of banks by choosing the authorities that can invest in their owned banks.

If the investment is favorable to their business, the investment is welcome and accepted. However, if the investment is detrimental to their business, it is withdrawn and rejected. Corporations of different industrial lines are not

owned by myriad of persons and companies. Corporations especially now a day is controlled only by few proprietors. It is astonishing to find out that varied lines of industries are only controlled by one company or group of companies. Merging and combining of companies are the trend of the modern businesses.

This is done to ensure greater profit and control over commodities and trade. Another overwhelming fact is that corporations have already divided the world as their market. Treatises already exist in governing the rules and regulations regarding the trade and investments of corporation in different countries. As early as 1800's it is perplexing that corporations have already chosen specific countries wherein they could market their goods and establish their wealth:

As the export of capital increased, and as the foreign and colonial connections and “spheres of influence” of the big monopolist associations expanded in all ways, things “naturally” gravitated towards an international agreement among these associations, and towards the formation of international cartels. The abovementioned are some of the factors that can be attributed to the rise of corporations in their powerful positions. There are still many factors that contributed to their accumulation of great powers.

As corporations grew bigger, laws can be said to grow smaller on their control upon corporations. In the rise of the big companies, laws hindered them in procuring more profit at some point in time; because of this, corporations have devised a way to diminish the control of laws, rules, and regulations regarding their affairs. Corporations particularly in the United

States of America have acquired too much power because of giving them the identity as individuals. Corporations have obtained the identity of individuals meaning they have also attained the rights that individuals exercise.

Because of these, corporations have done all the things that they can never do before. In the decision of the 1886 ruling of the Supreme Court, everything has tremendously changed. As Shah quoted: Relying on the Fourteenth Amendment, added to the Constitution in 1868 to protect the rights of freed slaves, the Court ruled that a private corporation is a natural person under the U. S. Constitution, and consequently has the same rights and protection extended to persons by the Bill of Rights, including the right to free speech.

This is the very reason why corporations become legitimate in the intervention with the affairs of the state. With this Supreme Court ruling corporations have now the indirect permission in the elections of government posts. Corporations can now donate any amount to the electoral campaign activities of any politician. Securing their interest, they can bet any politician who is willing to serve their plight. Corporations have also now the right to speak freely about their opinion on the goodness of the state. Their opinion of course is based on their covert interests and ends.

To this end, the mass media is used by the corporations not just to sell their products but also to create a beautiful and unflawed image of their causes.

Another area in which corporations gain domination is education.

Corporations have also established educational institutions in which they can create educated individuals adhere to their ends and goals. These schools

owned by companies have curriculum designed to serve companies' needs of skills and knowledge highly relevant to their business. The amendment of the Supreme Court have resulted numerous ideologies in service to the objectives of corporations.

As stipulated in Shah's article, Robbins counted the following as the spreading ideologies biased to the accumulation of corporate power: 1) Sustained economic growth as the way to human progress; 2) Sustained economic growth as the way to human progress; 3) Economic globalization would be beneficial to everyone; 4) Privatization removes inefficiencies of public sector; 5) Governments should mainly function to provide the infrastructure to advance the rule of law with respect to property rights and contracts.

These ideologies are in service of the corporations' goal in extending their control and authority over the power of the state in limiting their profit and power. The sphere of corporate influence and power is basically an enormous one. They can already indirectly participate in electoral activities of the state by funding their chosen political candidate. If the candidate wins, they have all the power to control that candidate in the service of their ends. Because of being designated as humans, corporation has also the right to cover information that is essential to the welfare of the state.

Their profits and assets are veiled from the public. Crimes regarding their operations can also be dispensed because of hidden facts. Corporations claim that they have the right to privacy as one of the rights of individuals because they are designated to have the rights of individuals. Also



corporations have ventured into the commerce of military industrial complex. Military armaments and equipment are manufactured by these corporations and eventually market into countries that are waging their wars to their adversaries.

Another area of corporate control is alarmingly seen in world financial institutions such as the World Trade Organization, International Monetary Fund - World Bank, and Asian Development Bank. They are also influential in the creation of policies regarding trade and exchange. The General Agreement on Tariff and Trades and the NAFTA are said to be influenced by the top corporations of the world. Their influences are based on their interests and gains in the said policies. If The control of corporations are not only limited in the abovementioned facts.

Their powers are extended transcending powers even of countries in terms of financial accounts. As noted in the paper of Shah, Corporations are one of the biggest earners around the world. In the report named " Top 200: The Rise of Corporate Global Power", statistics prove the tremendous wealth of the top 200 corporations. Among the 100 largest economy of the world, 51 are owned by corporations. Only 49 are produced by countries. The top 200 corporations' economic activities are growing faster exceeding the revenues of other countries, particularly those in the third world economy.

The combined assets of the top 200 corporations around the world can exceed the revenues of all countries except of the richest 10 countries. Their assets are also beyond the combined assets of the poorest individual around the world. In the preceding statements, the powers of the corporations have

been discussed generally. It is very evident that corporate powers are really beyond imagination. Even the laws have been transgressed by the great authority of the corporations.