I. Domhoff: Who Rules America?

A. Power

1. What is power?

2. Who has the power?

3. How is it used?

4. What are the consequences?

B. Two types of power?

1. Collective power

2. Distributive power: capacity of group or class to realize its goals despite opposition

C. Domination

1. Domination: institutionalization of distributive power

2. structural

3. institutionalized

4. less visible, less resistance

D. Rejects three theories of power

1. pluralist theory of power

2. state autonomy theory of power

3. elite theory of power

E. Class Domination Theory

1. there is an upper class in America

2. upper class has power to realize goals with little opposition from other groups

3. upper class is both an economic class and social class

a. social class: interpersonal social interactions and shared membership in organizations

b. economic class: same individuals own and control income producing wealth

E. Institutionalization of upper class power?

1. organizational networks

a. religion, military, economy, political

b. upper class must be able to transform one of above networks into organizational base of power

c. upper class controls two: economy and political system

2. measuring power: power indicators

a. Who benefits? Measure: wealth and income

b. Who governs? Measure: who holds powerful positions

c. Who wins? Measure: who initiates, modifies, or vetoes policy initiatives

F. What are the consequences in U.S.

1. greater and greater power to upper class

2. social resources disproportionately to upper class

3. decline in vital needs of rest of society

4. institutionalization means power relations remain invisible and

unchallenged

II. Class Domination theory

A. Compositions of upper class

1. social class

a. people with common social background

i. institutional

ii. interpersonal

iii. membership network analysis

b. education

i. preschools

ii. day schools

iii. boarding schools/ elite prep schools

iv. elite private universities

v. function: create upper class subculture

vi. boarding schools as “total institutions”

c. social clubs

i. country clubs

ii. “downtown” clubs

iii. tennis clubs

iv. club network: multiple cities

v. Bohemian Grove

vi. Alfalfa Club

vii. function: upper class networking

d. social psychology of upper class

i. social cohesion (“we”)

ii. group belonging (“in” group)

iii. “capitalist mentality”

2. economic class

a. own or control forces of production

b. shared economic interests

B. Class domination and the institutionalization of economic power

1. Corporate community

a. large for profit corporations +owners, high level management

b. “corporate community today”

i. concentration

ii. shared monopolies

iii. shared ownership

iv. boards of directors

who are they?

direct interlocks

indirect interlocks

inside directors

outside directors

v. strategic alliances

vi. producer networks

2. economic power

a. control over labor

i. automation

ii. deskilling

iii. hire, fire, and move jobs and production

b. control over smaller companies

c. power over communities (“race to the bottom”)

i. invest when and where they want

ii. disinvest: capital flight

3. what about small businesses, family farmers, local business groups, labor, public pension funds as resistance

4. limits of economic power

a. possibility of government intervention

b. possibility of “the people”

C. Upper class and political power

1. America’s democratic institutions

a. Electoral process: represent our interests

b. Legislative process: public policy

c. Judicial system: guarantees our rights

d. Free press: no government control of ideas and opinions

2. Power Networks

a. candidate selection process: candidate that represents interests of upper class

b. special interest process: influence decision making

c. policy planning process: develop public policy and legislation in interests of upper class

d. opinion shaping process: manufacture consent of public

3. Candidate selection process

a. campaign financing

b. Who contributes?

c. 2008: $4 billion/$1 billion/$700 million

d. who governs?

4. Special Interest Process

a. lobbying

b. who lobbies? How many?

i. industries

ii. trade groups

iii. front groups

c. $3+ billion

d. means

i. access

ii. perks

iii. promises

iv. “education”

5. Policy Planning Process

a. Real Goal: formulate and articulate long term policy goals to benefit ofclass interests

b. Foundations

i. Ford

ii. Mellon

iii. Corporate foundations

c. Think tanks

i. American Enterprise Institute

ii. Cato Institute

iii. Heritage Foundation

d. Policy-discussion groups

i. Committee for Economic Development

ii. Business Roundtable

iii. Council on Foreign Relation

6. Opinion Shaping Process

a. goal: shape public opinion in order to guarantee the success of policies that they favor

b. composition

i. policy planning network

ii. public relations companies

iii. public affairs

iv. churches

v. schools

c. tactics

i. astroturfing

ii. front groups

iii. judicial education seminars

III. Who wins?

A. Tax legislation and the Rich

1. tax cuts ($425/$60,000/$521,000)

2. capital gains ($5/$25,000/$500,000)

3. estate tax (1.2%, $1 trillion)

4. top 400 17.2%

5. Obama tax cuts

B. Corporate Profits

1. 2001 $503 billion 2008 $1.35 trillion

2. drug companies 2001 $30 billion 2008 $80 billion

3. RECORD 2010

4. taxes

a. British Virgin Islands home to 400,000 corporations

b. 80% of largest corps in U.S. in tax havens

c. 60 % of companies pay no taxes

d. Deficit Commission: cut corporate taxes

C. Federal budget 2012

1. military-industrial complex vs education

2. nuclear industry vs poor

3. “clean coal”

D. Bailouts

1. TARP

a. bonuses and profits for Wall Street

vs

b. bankruptcies, foreclosures, unemployment for Main Street

2. subsidies

a. wealthfare for the rich

vs

b. work ethic for the poor

E. Deregulation