

Bankers Rule the World: “The Network of Global Corporate Control”

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Bankers rule the world. A new [Swiss Federal Institute of Technology](#) study says so. Written by Stefania Vitali, James Glattfelder and Stefano Battiston, it's titled “The network of global corporate control,” saying:

“We find that transnational corporations from a giant bow-tie structure and that a large portion of control flows to a small tightly-knit core of financial institutions. This core can be seen as an economic ‘super-entity’ that raises new important issues both for researches and policy makers.”

The study says 147 powerful companies control an inordinate amount of economic activity – about 40%. Among the top 50, 45 are financial firms. They include Barclays PLC (called most influential), JPMorgan Chase, UBS, and other familiar and less known names.

Twenty-four companies are US-based, followed by eight in Britain, five in France, four in Japan, and Germany, Switzerland, and the Netherlands with two each. Canada has one.

Moreover, “top ranked” companies “hold a control ten times bigger than what could be expected based on their wealth.”

As a result, they have enormous influence over political, financial, and economic activity.

In his book titled, [“When Corporations Rule the World,”](#) David Korten said they're able to transfer enormous amounts of power, wealth and resources from public to private hands with government complicity. Money power and concentrated wealth in few hands especially harm humanity.

“These forces have transformed” financial institutions and other corporate predators “into instruments of a market tyranny that is extending its reach across the planet like a cancer, colonizing ever more of the planet's living spaces, destroying livelihoods, displacing people, rendering democratic institutions impotent, and feeding on life in an insatiable quest for money” and profits as a be and end all.

Only bottom line priorities and market dominance matter, not human welfare, environmental sanity, peace, equity and justice.

Transnational giants are the dominant institution of our time – especially financial ones with money power control of everything.

They decide who governs and how, who serves on courts, what laws are enacted, and

whether or not wars are waged. Corporate dominance, especially financial power, and democratic values are incompatible.

They operate ruthlessly as private tyrannies. They're predators. We're prey, and every day we're eaten alive. They do it because they can, and in America by mandate.

Publicly owned US corporations, including financial ones, must serve shareholders by maximizing equity value through higher profits. They do it by exploiting nations, people and resources ruthlessly.

Social responsibility doesn't matter. Neither does being worker-friendly, a good citizen, or friend of the earth. Bottom line priorities alone matter. Failure to pursue fiduciary responsibilities means possible dismissal or shareholder lawsuits.

Yet nothing in America's Constitution or statute laws endow corporations with their rights. They usurped them by co-opting Washington, the nation's courts, state capitals, and city halls.

As a result, over half the world's largest economies are corporations. Financial ones controlling the power of money are most dominant.

Corporate personhood enhanced their power, yet imagine. Although corporations aren't human, they can live forever, change their identity, reside in many places globally, can't be imprisoned for wrongdoing, and can transform themselves into new entities for any reason.

They have the same rights and protections as people without the responsibilities. As a result, they operate freely unrestrained, especially financial giants controlling the power of money at the public's expense.

Beginning in the late 1960s, financialization grew more dominant. Economic control began shifting from industry to finance. Corporations are now seen as bundles of assets, the more liquid the better. A new monopoly finance capitalism developed to exploit it.

FIRE sector (finance, insurance, and real estate) predators capitalized. Casino capitalism gained prominence. Today it thrives. Major players took advantage, profiting hugely from speculation, chicanery and fraud.

A burgeoning financial superstructure gained a life of its own. Today it's omnipotent, especially in America and Europe. Their business model involves grabbing everything that smells money, no matter what harm is caused.

Money doesn't buy everything, but it buys enough influence to matter. The smartest guys in the room take advantage, buying politicians like toothpaste. Democracy's just a figure of speech.

Only wealth and power matter. Enough of them turned financial giants into monsters. Whatever they want, they get, including the right to operate freely outside the law, manipulate markets, bilk investors, strip-mine nations and people for profit, and get bailed out at public expense if overreach.

Under Obama and European leaders, the worst of bad practices flourish. Foxes guard the

henhouse. Inmates run the asylum. Regulators don't regulate. Investigations aren't conducted. High-level criminal fraud gets wink and nod approval. Nothing is done to curb it.

Nor do public considerations matter nor is sustained low inflation long-term growth pursued as long as bankers get paid. Today, it's issue one in America and troubled Eurozone countries.

Wall Street dominance matters most in America. In Europe, "Troika" power is omnipotent – the IMF, EU and European Central Bank (ECB). Nations trapped under euro straightjacket rules can't devalue their currencies to be more competitive, monetize debt freely, or legislate fiscal policies to stimulate growth.

Instead, they're entrapped by banker diktats demanding tribute. In other words, financial coup d'etat authority runs sovereign governments. They occupy them rapaciously, making rules, setting terms, issuing demands, and pressuring, bribing or otherwise forcing political leaders to acquiesce. If not, they're replaced.

Working households bear the burden through layoffs, wage and benefit cuts, higher taxes, and other austerity measures to assure bankers are paid.

According to [Michael Hudson](#), the system:

"shift(s) planning power into the hands of high finance on the claim that this is more efficient than public regulation. Government planning and taxation is accused of being 'the road to serfdom,' as if 'free markets' controlled by bankers given leeway to act recklessly is not planned by special interests in ways that are oligarchic, not democratic."

"Governments are told to pay bailout debts taken on not to defend countries in military warfare as in times past, but to benefit the wealthiest layer of the population by shifting its losses onto taxpayers."

As a result, social inequality proliferates. A new Organization for Economic Cooperation and Development ([OECD](#)) report discusses the damage over the last three decades among its 34 member states. They include America, Japan, Western Europe, and others.

Titled "Divided We Stand: Why Inequality Keeps Rising," it discusses conditions from the early 1980s until the 2008 global economic crisis. Its impact alone left 200 million workers unemployed compounded by more imposed austerity.

Among OECD countries, the top 10% is nine times better off than the bottom 10%. America, Israel and Turkey are the most unequal industrialized nations at 14 to 1. In Britain, Japan, Italy, and South Korea, the gap is 10 to 1.

Rising inequality also affected "traditionally egalitarian countries" like Germany, Denmark, and Sweden. They went from 5 to 1 in the 1980s to 6 to 1 today. Mexico and Chile are worst off with gaps of 25 to one.

In America, the top 1% controls 20% of all income plus a far greater percent of total assets. Concentrated wealth extremes also affect European countries, following America's pattern.

The report says income inequality "first started to increase in the late 1970s and early 1980s in some English-speaking countries, notably the United Kingdom and the United

States, but also in Israel.”

Since the late 1980s, it's grown more widespread. At the same time, labor rights were sacrificed to benefit corporate bottom line priorities. In addition, finance capital grew omnipotent. As a result, money power rules everything.

Imposed austerity greatly impacted working households in troubled Eurozone countries and others facing economic hard times. Greece has been especially hammered by repeated layoffs, wage and benefit cuts, as well as higher taxes.

In early December, unelected Prime Minister Lucas Papademos (a former Bank of Greece governor and ECB vice president) force-fed through parliament more austerity cuts. Receiving an eight billion euro loan was conditional on doing so.

As a result, imposed measures include another five billion euros in spending cuts, 3.6 billion in new taxes, pensions cut 15%, and wages slashed more than already. In addition, more ahead is planned.

Papademos said “(t)he financial crisis in our country is not a passing storm....It will take many years” of greater worker sacrifices to assure bankers are paid.

In fact, the more wage, benefit, pension, and other cuts ordinary people bear, the weaker Greece's economy becomes from lost purchasing power with a working population heading toward serfdom in a nation no longer fit to live in.

Millions of Greeks are now impoverished. Unemployment approaches 20%. For youths between 15 and 24, it's nearly 50%. Years more imposed pain is planned to assure bankers are paid. As a result, expect Greece sooner or later to explode.

In addition, the more debt Greece assumes, the less it's able to service it, and faster it heads toward debt peonage. According to Michael Hudson, moreover, “(a) basic mathematical as well as political principle” explains that “(d)ebts that can't be paid, won't be.”

In early December, unelected Italian Prime Minister Mario Monti (former EU official installed by Goldman Sachs, known to some as “three-card Monte”) introduced his own austerity package.

To service Italy's \$1.6 trillion debt, it includes attacking its social security pension system. In retirement, families depend on it. Nonetheless, retirement age eligibility will be raised to 66 from 58 by 2018, inflation-adjusted increases will end, and to qualify fully, workers must contribute from wages for 42 years.

In addition, value-added taxes will increase by 2%, and firing workers will be easier than ever. As in Greece, more cuts are planned, targeting workers to benefit bankers, other corporate favorites, and Italy's super-rich.

Portugal's new austerity cuts will see take-home pay down 27% since 2010. Its 2012 budget reduces spending by 4.4% of GDP by cutting healthcare and other benefits.

It also raises value added and other taxes, extends working days by 30 minutes with no added pay, and eliminates bonuses equal to two months earnings.

These measures follow earlier ones. They included cutting public sector wages 10%, eliminating four holidays, slashing overtime pay 50%, reducing pay for shift work, imposing "time banks" for greater employer flexibility over when employees must work, making firings simpler and cheaper, imposing shorter fixed-term contracts, ending rest breaks, and lowering unemployment benefits.

A Final Comment

Financial tyranny runs America and Europe. As a result, public anger grows.

Can revolutionary sparks be far behind? Expect pain levels eventually to cross thresholds of no return. Anything after that is possible, good or bad.

Hopefully a better world will emerge, free from banker occupation. It's our only chance!

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