

The Class-Domination Theory of Power

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Who has predominant power in the United States? The short answer, from 1776 to the present, is: Those who have the money -- or more specifically, who own income-producing land and businesses -- have the power. George Washington was one of the biggest landowners of his day; presidents in the late 19th century were close to the railroad interests; for the Bush family, it was oil and other natural resources, agribusiness, and finance. In this day and age, this means that banks, corporations, agribusinesses, and big real estate developers, working separately on most policy issues, but in combination on important general issues -- such as taxes, opposition to labor unions, and trade agreements with other countries -- set the rules within which policy battles are waged.

While this conclusion may at first seem too simple or direct, leaving little room for elected officials or voters, the reasons behind it are complex. They involve an understanding of social classes, the role of experts, the two-party system, and the history of the country, especially Southern slavery. In terms of the big world-historical picture, and the Four Networks theory of power advocated on this site, large economic interests rule in America because there are no rival networks that grew up over a long and complex history:

There is no one big church, as in many countries in Europe
No big government, as it took to survive as a nation-state in Europe
No big military until after 1940 (which is not very long ago) to threaten to take over the government
So, the only power network of any consequence in the history of the United States has been the economic one, which under capitalism generates a business-owning class and a working class, along with small businesses and skilled craft workers who are self-employed, and a relatively small number of highly trained professionals such as architects, lawyers, physicians, and scientists. In this context, the key reason why money can rule -- i.e., why the business owners who hire workers can rule -- is that the people who work in the factories and fields were divided from the outset into free and slave, white and black, and later into numerous immigrant ethnic groups as well, making it difficult for workers as a whole to unite politically to battle for higher wages and better social benefits. This important point is elaborated on toward the end of this document in a section entitled "The Weaknesses of the Working Class."

Moreover, the simple answer that money rules has to be qualified somewhat. Domination by the few does not mean complete control, but rather the ability to set the terms under which other groups and classes must operate. Highly trained professionals with an interest in environmental and consumer issues have been able to couple their technical information and their understanding of the legislative process with timely publicity to win governmental restrictions on some corporate practices. Wage and salary workers, when they are organized or disruptive, sometimes have been able to gain concessions on wages, hours, and working conditions.

Most of all, there is free speech and the right to vote. While voting does not necessarily make government responsive to the will of the majority, under certain circumstances the electorate has been able to place restraints on the actions of the wealthy elites, or to decide which elites will have the greatest influence on policy. This is especially a possibility when there are disagreements within the higher circles of wealth and influence.

Still, the idea that a relatively fixed group of privileged people dominate the economy and government goes against the American grain and the founding principles of the country. "Class" and "power" are terms that make Americans a little uneasy, and concepts such as "upper class" and "power elite" immediately put people on guard. Americans may differ in their social and income levels, and some may have more influence than others, but it is felt that there can be no fixed power group when power is constitutionally lodged in all the people, when there is democratic participation through elections and lobbying, and when the evidence of social mobility is everywhere apparent. So, it is usually concluded by most power analysts that elected officials, along with "interest groups" like "organized labor" and "consumers," have enough "countervailing" power to say that there is a more open, "pluralistic" distribution of power rather than one with rich people and corporations at the top.

Contrary to this pluralistic view, I will try to demonstrate how rule by the wealthy few is possible despite free speech, regular elections, and organized opposition:

"The rich" coalesce into a social upper class that has developed institutions by which the children of its members are socialized into an upper-class worldview, and newly wealthy people are assimilated.

Members of this upper class control corporations, which have been the primary mechanisms for generating and holding wealth in the United States for upwards of 150 years now.

There exists a network of nonprofit organizations through which members of the upper class and hired corporate leaders not yet in the upper class shape policy debates in the United States.

Members of the upper class, with the help of their high-level employees in profit and nonprofit institutions, are able to dominate the federal government in Washington.

The rich, and corporate leaders, nonetheless claim to be relatively powerless.

Working people have less power than in many other democratic countries.

Before running through this list, it is first necessary to define the term "power" and to explain the "indicators" of power that are used to determine who has it. Later other concepts will be introduced as they are needed. They include "social class," "upper class," "corporate community," "interlocking directorates," the "policy-planning network," the "power elite," the "special-interest process," the "candidate-selection process," and a few others. All of these concepts are necessary in order to understand the nature and operation of the "power structure" in the United States.

Power and Power Indicators

Power is one of those words that is easy to understand but hard to define in a precise manner. We know it means "clout" or "juice" or "muscle" or "the ability to make things happen." We know it comes from words implying the ability to act in a strong, compelling, and direct way, but we also know that power can be projected in a very quiet and indirect manner.

By "power" I mean "the capacity of some persons to produce intended and foreseen effects on others" (Wrong, 1995). This is a very general definition that allows for the many forms of power that can be changed from one to another, such as economic power, political power, military power, ideological power, and intellectual power (i.e., knowledge, expertise). It leaves open the question of whether "force" or "coercion" is always lurking somewhere in the background in the exercise of power, as many definitions imply. However, to say that power is the ability to produce intended and foreseen effects on others does not mean it is a simple matter to study the power of a group or social class. A formal definition does not explain how a concept is to be measured. In the case of power, it is seldom possible to observe interactions that reveal its operation even in a small group, let alone to see one "social class" producing "effects" on another. It is therefore necessary to develop what are called "indicators" of power.

For research purposes, power can be thought of as an underlying "trait" or "property" of a social group or social class. It is measured by a series of signs, or indicators, that bear a probabilistic relationship to it. This means that all the indicators do not necessarily appear each and every time power is manifesting itself. Research proceeds through a series of "if-then" statements: "if" a group or class is powerful, "then" it should be expected that certain indicators of this power will be present. It is especially important to have more than one indicator. Ideally, the indicators will be of very different types so that any irrelevant components in them will cancel each other out. In the best of all possible worlds, these multiple indicators will point to the same group or class, increasing the likelihood that the underlying concept has been measured correctly.

There are three primary indicators of power, which can be summarized as (1) who benefits? (2) who governs? and (3) who wins? In every society there are experiences and material objects that are highly valued. If it is assumed that everyone in the society would like to have as great a share as possible of these experiences and objects, then the distribution of values in that society can be utilized as a power indicator. Those who benefit the most, by inference, are powerful. In American society, wealth and well-being are highly valued. People seek to own property, earn high incomes, to have interesting and safe jobs, and to live long and healthy lives. All of these "values" are unequally distributed, and all may be utilized as power indicators.

Power also can be inferred from studies of who occupies important institutional positions and takes part in important decision-making groups. If a group or class is highly over-represented in relation to its proportion of the population, it can be inferred that the group is powerful. If, for example, a group makes up 10% of the population but has 50% of the seats in the main governing institutions, then it has five times more people in governing positions than would be expected by chance, and there is thus reason to believe that the group is a powerful one.

There are many policy issues over which groups or classes disagree. In the United States different policies are suggested by opposing groups in such "issue-areas" as foreign policy, taxation, welfare, and the environment. Power can be inferred from these issue conflicts by determining who successfully initiates, modifies, or vetoes policy alternatives. This indicator, by focusing on actions within the decision-making process, comes closest to approximating the process of power that is contained in the formal definition, but it must be stressed that it is no less an inference to say that who wins on issues is an indicator of "power" than with the other two types of empirical observations -- value distributions and positional over-representation -- that are used as power indicators.

The decisional (who wins) indicator is also the most difficult to use in an accurate way. First, it is often difficult to gain access to decision-makers to interview them, much less observe them in action. Second, aspects of a decision process may remain hidden. Third, some informants may exaggerate or play down their roles. Fourth, and not least, people's memories about who did what often become cloudy shortly after the event. Those are some of the reasons why social scientists often end up relying on written records about key decisions, but they often are not available until years later. So we end up historians as well as social scientists, or depending on historians for much basic information.

In summary, all three of the power indicators have strengths and weaknesses. However, these weaknesses present no serious problem. This is because each of these indicators involves different kinds of information drawn from very different kinds of studies. The case for the power of a group or class should only be considered a convincing one if all three types of indicators "triangulate" on one particular group or social class.

The Social Upper Class

One good starting point for the study of power in the United States, and the one I have preferred as a sociologist (especially in the 1960s and 1970s, when there was far less readily available information than there is now) is a careful consideration of the small social upper class at the top of the wealth, income, and status ladders. This is because the social upper class is the most visible and accessible aspect of the power equation. It is not necessarily the heart of the matter, but it is nonetheless the best place to get a handle on the overall power structure.

By a "social class" I mean a set of intermarrying and interacting families who see each other as equals, share a common style of life, and have a common viewpoint on the world. This general definition is accepted by most social scientists whatever their views on the distribution of power. By the "social upper class," hereafter to be called simply "the upper class," I mean that social class that is commonly agreed by most members of the society to be the "top" or "elite" or "exclusive" class. In various times and places Americans have called such people the "high hats," the "country club set," the "snobs," and the "rich." In turn, members of this class recognize themselves as distinctive. They call themselves such names as the "old families," the "established families," and the "community leaders."

The upper class probably makes up only a few tenths of one percent of the population. For research purposes, I use the conservative estimate that it includes 0.5% to 1% of the population for determining the over-representation of its members in corporations, nonprofit organizations, and the government. Members of the upper class live in exclusive suburban neighborhoods, expensive downtown co-ops, and large country estates. They often have far-away summer and winter homes as well. They attend a system of private schools that extends from pre-school to the university level; the best known of these schools are the "day" and "boarding" prep schools that take the place of public high schools in the education of most upper-class teenagers. Adult members of the upper class socialize in expensive country clubs, downtown luncheon clubs, hunting clubs, and garden

clubs. Young women of the upper class are "introduced" to high society each year through an elaborate series of debutante teas, parties, and balls. Women of the upper class gain experience as "volunteers" through a nationwide organization known as the Junior League, and then go on to serve as directors of cultural organizations, family service associations, and hospitals (see Kendall, 2002, for a good account of women of the upper class by a sociologist who was also a participant in upper-class organizations).

These various social institutions are important in creating "social cohesion" and a sense of in-group "we-ness." This sense of cohesion is heightened by the fact that people can be excluded from these organizations. Through these institutions young members of the upper class and those who are new to wealth develop shared understandings of how to be wealthy. Because these social settings are expensive and exclusive, members of the upper class usually come to think of themselves as "special" or "superior." They think they are better than other people, and certainly better able to lead and govern. Their self-confidence and social polish are useful in dealing with people from other social classes, who often admire them and defer to their judgments.

For research purposes, the important thing about these social institutions is that they provide us with a starting point for systematic studies of power. For example, these class "indicators" allow us to determine which economic and political leaders are and are not members of the upper class. Put another way, class indicators allow us to trace members of the upper class into the economic, political, and ideological power systems of the society.

Starting with these class indicators, we can show that the upper class is nationwide in its scope. This is because there is "overlapping" membership among the many social clubs around the country. A person from Chicago, for example, might belong to clubs in New York, Boston, and San Francisco, implying that he or she interacts with upper-class counterparts in those cities. By comparing dozens of club membership lists, we have been able to establish the "density" of this club network. (See the pages on the Bohemian Grove for findings on social cohesion and a photo essay; and for a wonderfully detailed and colorful portrait of what one of these clubs is like, see this memoir of going to the Links Club in New York City, which is one of the most central clubs in the social club/corporate executive network.)

Similarly, the alumni lists of exclusive private schools reveal that their students come from all parts of the country. The summer addresses of those members of the upper class who are listed in in-group telephone books called blue books and social registers show that people from all parts of the country mingle together at secluded summer resorts that have been upper-class watering holes for many generations.

But here we must enter our first caution. The class indicators are not perfect. Some members of the upper class do not join clubs, or list in a social register, or reveal their school affiliations in such sources as *Who's Who in America* that we have to rely on for much of our information. We cannot trace such people through the power system. They are counted as not being upper class when they really are. On the other hand, there are local, or scholarship children (often people of color) at some prep schools who are not members of the upper class, and some honorary members of social clubs are not upper class. They are counted as upper class when they really are not. In large-scale studies, these two kinds of mistakes tend to cancel each other out, so in general we obtain an accurate picture. But it is true that the class indicators could be wrong on specific individuals. They are useful for group studies, not for identifying individuals.

Cautions aside, there is no doubt that there is a nationwide upper class in the United States with its own distinctive social institutions, lifestyle, and outlook. There is also no doubt that most of these people are active in business or the professions, and that all of them are very wealthy. Their great wealth is obvious, of course, from the large sums that it takes to maintain their homes and their style of life, but systematic studies also show that the wealthiest families are part of the social institutions of the upper class. Combining our studies with findings by economists on the wealth and income distributions, it is possible to say that the upper class, comprising 0.5% to 1% of the population, owns 35-40% of all privately held wealth in the United States and receives 12-15% of total yearly income. In short, the upper class scores very high on the "who benefits" power indicator.

The wealth and income of members of the upper class certainly imply that the upper class is

powerful, but they do not demonstrate how power operates. It is therefore necessary to turn to studies of the economy to gain further understanding of the American power structure.

The Corporate Community

Major economic power in the United States is concentrated in an organizational and legal form known as the corporation, and has been since the last several decades of the 19th century. No one doubts that individual corporations have great power in the society at large. For example, they can hire and fire workers, decide where to invest their resources, and use their income in a variety of tax-deductible ways to influence schools, charities, and governments. The argument begins over whether the large corporations are united enough to exert a common social power, and then moves to the question of whether they are still controlled by members of the upper class.

The unity of the corporations can be demonstrated in a number of ways. They share a common interest in making profits. They are often owned by the same families or financial institutions. Their executives have very similar educational and work experiences. It is also important for their sense of unity that corporate leaders see themselves as sharing common opponents in organized labor, environmentalists, consumer advocates, and government officials. A sense of togetherness is created as well by their use of the same few legal, accounting, and consulting firms.

However, the best way to demonstrate the unity among corporations is through the study of what are called "interlocking directors," meaning those individuals who sit on two or more of the boards of directors that are in charge of the overall direction of the corporation. Boards of directors usually include major owners, top executives from similar corporations or corporations located in the same area, financial and legal advisors, and the three or four officers who run the corporation on a daily basis. Several studies show that those 15-20% of corporate directors who sit on two or more boards, who are called the "inner circle" of the corporate directorate, unite 80-90% of the largest corporations in the United States into a well-connected "corporate community."

Most social scientists agree that corporations have a strong basis for cohesion. However, there is disagreement over their relationship to the upper class. Some theorists, the pluralists, say that members of the upper class used to dominate corporations, but not any more due to their increase in size, the need for highly trained and specialized executives, and the decline in family ownership. Thus, there is an upper class of rich families with one set of interests and a group of professional business executives who have their own interests and power base. Members of the upper class have power based on their wealth, and corporate executives have organizational power.

Contrary to this claim of a division between owners and managers, I think there is strong evidence for the idea of great overlap in membership and interest between the upper class and the corporate community. The wealthiest and most cohesive upper-class families often have "family offices" through which they can bring to bear the concentrated power of their collective stock ownership, sometimes placing employees of the office on boards of directors. Then too, members of the upper class often control corporations through financial devices known as "holding companies," which purchase a controlling interest in operating companies. More generally, members of the upper class own roughly half of all corporate stock. Then too, upper-class control of corporations can be seen in its over-representation on boards of directors. Several past studies show that members of the upper class sit on boards far more than would be expected by chance. They are especially likely to be part of the "inner circle" that has two or more directorships. According to the "who governs" power indicator, the upper class still controls the corporate community. Thus, we can conclude that the upper class is rooted in the ownership and control of the corporations that comprise the corporate community. We can say that members of the upper class are for the most part a "corporate rich" who continue to be involved in the business world as investors, venture capitalists, bankers, corporate lawyers, and top executives.

True enough, there are many top corporate executives who did not grow up in the upper class. Most CEO's of major corporations do not come from the upper class. However, they are gradually socialized into the upper class and its values as they move up the corporate ladder; indeed, they are advanced on the basis of their ability to fulfill upper-class goals of corporate expansion and profitability. In return, these rising managers are given the opportunity to buy corporate stock at below-market prices, paid very high salaries, and given other "perks" that make it possible for them

to join the upper class economically as well as socially. The end result is a strengthening of the power of the upper class, not a diminution of it.

How Government Policy Is Shaped From Outside Government

The upper class and the closely related corporate community do not stand alone at the top of the power structure. They are supplemented by a wide range of nonprofit organizations that play an important role in framing debates over public policy and in shaping public opinion. These organizations are often called "nonpartisan" or "bipartisan" because they are not identified with politics or with either of the two major political parties. But they are the real "political party" of the upper class in terms of insuring the stability of the society and the compliance of government.

Upper-class and corporate dominance of the major nonprofit organizations can be seen in their founding by wealthy members of the upper class and in their reliance on large corporations for their funding. However, dominance is once again most readily demonstrated through studies of boards of directors, which have ultimate control of the organizations, including the ability to hire and fire top executives. These studies show that (1) members of the upper class are greatly over-represented on the boards of these organizations, and (2) that nonprofit organizations share a large number of directors in common with the corporate community, particularly directors who are part of the "inner circle." In effect, most large nonprofit organizations are part of the corporate community.

All the organizations in the nonprofit sector have a hand in creating the framework of the society in one way or another, and hence in helping to shape the political climate. The cultural and civic organizations set the standard for what is beautiful, important, and "classy." The elite universities play a big part in determining what is important to teach, learn, and research, and they train most of the professionals and experts in the country. However, it is the foundations, think tanks, and policy-discussion organizations that have the most direct and important influences. Their ideas, criticisms, and policy suggestions go out to the general public through a wide array of avenues, including pamphlets, books, local discussion groups, mass media, and not least, the public relations departments of major corporations. Their materials also reach government through a variety of means that will be outlined shortly.

It is worthwhile to look a little more closely at the foundations, think tanks, and policy-discussion organizations to show how they function as a "policy-planning network."

Tax-free foundations receive their money from wealthy families and corporations. Their primary purpose is to provide money for education, research, and policy discussion. They thus have the power to encourage those ideas and researchers they find compatible with their values and goals, and to withhold funds from others. Support by major foundations often has had a significant impact on the direction of research in agriculture, social science, and the health sciences. However, foundations also create policy projects on their own. The Ford Foundation, for example, helped to create a complex network of advocacy groups and funding sources for Community Development Corporations (CDCs) that provide housing and social services in the inner city.

The role of the think tanks is to suggest new policies to deal with the problems facing the economy and government. Using money from wealthy donors, corporations, and foundations, think tanks hire the experts produced by the graduate departments of the elite universities. The ideas and proposals developed by the experts are disseminated through pamphlets, books, articles in major magazines and newspapers, and, most importantly, through the participation of the experts themselves in the various forums provided by the policy-discussion organizations.

The policy-discussion organizations are the hub of the policy-planning network. They bring together wealthy individuals, corporate executives, experts, and government officials for lectures, forums, meetings, and group discussions of issues that range from the local to the international, and from the economic to the political to the cultural. New ideas are tried out in weekly or monthly discussion groups, and differences of opinion are aired and compromised. These structured discussion groups usually begin with a presentation by the invited experts, followed by questions and discussion involving all participants. Such discussion groups may range in size from ten to 50, with the usual group having fifteen to 25 members.

The many discussion groups that take place within the several policy-discussion organizations have several functions that do not readily meet the eye. They are often overlooked by theorists -- pluralists and state-autonomy theorists, primarily -- who do not believe that the upper class and corporate community have the ability to develop overall policy sophistication and thereby be in a position to influence the government. First, these organizations help to familiarize busy corporate leaders with policy options outside the purview of their day-to-day business concerns. This gives these executives the ability to influence public opinion through the mass media and other outlets, to argue with and influence experts, and to accept appointments for government service. Second, the policy-discussion organizations give members of the upper class and corporate community the opportunity to see which of their colleagues seem to be the best natural leaders through watching them in the give and take of the discussion groups. They can see which of their counterparts understand the issues quickly, offer their own ideas, facilitate discussions, and relate well to experts. The organizations thus serve as sorting and screening mechanisms for the emergence of new leadership for the corporate rich in general.

Third, these organizations legitimate their participants to the media and interested public as knowledgeable leaders who deserve to be tapped for public service because they have used their free time to acquaint themselves with the issues in nonpartisan forums. The organizations thereby help make wealthy individuals and corporate executives into "national leaders" and "statesmen." Finally, these organizations provide a forum wherein members of the upper class and corporate community can come to know policy experts. This gives them a pool of people from which they can draw advisors if they are asked to serve in government. It also gives them a basis for recommending experts to politicians for government service.

The organizations also serve obvious functions for the experts. First, presenting their ideas and policies to these organizations gives them an opportunity to have influence. Second, it gives them a chance to advance their own careers if they can impress the upper-class and corporate participants.

The policy-planning network is not totally homogeneous. Reflecting differences within the corporate community, there are moderate-conservative and ultra-conservative wings within it. Moderate conservatives favor foreign aid, low tariffs, and increased economic expansion overseas, whereas the ultra-conservatives tend to see foreign aid as a giveaway. Moderate conservatives tend to accept the idea that governmental taxation and spending policies can be used to stimulate and stabilize the economy, but ultra-conservatives insist that taxes should be cut to the very minimum and that government spending is the next thing to evil. Moderate conservatives accept some welfare-state measures, or at least they support such measures in the face of serious social disruption. Ultra-conservatives have consistently opposed any welfare spending, claiming that it destroys moral fiber and saps individual initiative, so they prefer to use arrest and detention when faced with social unrest.

The reasons for these differences are not well understood. There is a tendency for the moderate-conservative organizations to be directed by executives from the very largest and most internationally oriented of corporations, but there are numerous exceptions to that generalization. Moreover, there are corporations that support policy organizations within both camps. However, for all their differences, leaders within the two clusters of policy organizations have a tendency to search for compromise due to their common membership in the upper-class and corporate community. When compromise is not possible, the final resolution of policy conflicts often takes place in legislative struggles in Congress.

The existence of the policy-planning network provides evidence for another form of power possessed by the wealthy few: expertise on social and political issues. It is an important complement to the naked economic power possessed by the corporations.

The Power Elite

Now that the upper class, corporate community, and policy-planning network have been defined and described, it is possible to discuss the leadership group that I call the "power elite." I define the power elite as the leadership group of the upper class. It consists of active-working members of the upper class and high-level employees in profit and nonprofit institutions controlled by members of the upper class through stock ownership, financial support, or involvement on the board of

directors. This does not mean that all members of the upper class are involved in governing. Some are only playboys and socialites; their social gatherings may provide a setting where members of the power elite mingle with celebrities, and sometimes they give money to political candidates, but that is about as close as they come to political power.

Conversely, not all those involved in the power elite are members of the upper class. They are sons and daughters of the middle class, and occasionally, the blue-collar working class, who do well at any one of several hundred private and state universities, and then go to grad school, MBA school, or law school at one of a handful of elite universities -- e.g., Harvard, Yale, Princeton, Columbia, MIT, Johns Hopkins, University of Chicago, and Stanford. From there they go to work for a major corporation, law firm, foundation, think tank, or university, and slowly work their way to the top.

The idea of the power elite intertwines class theory and organizational theory, two theories which are often thought of as distinctive or even as rivals. The basis for the intertwining of the two theories is to be found in the role and composition of the boards of directors that govern every large profit and nonprofit organization in the United States. It is on boards of directors that the values and goals of the upper class are integrated with those of the organizational hierarchy. Upper-class directors insure that their interests are infused into the organizations they control, but the day-to-day organizational leaders on the board are able to harmonize class interests with organizational principles.

It is important to stress that I am not saying that all experts are members of the power elite. People have to be high-level employees in institutions controlled by members of the upper class to be considered part of the power elite. Receiving a fellowship from a foundation, spending a year at a think tank, or giving advice to a policy-discussion organization does not make a person a member of the power elite. It also may be useful to note that there are many experts who never go near the policy-planning network. They focus on their teaching and research, or work for groups that oppose the policies of the power elite. In short, experts and advisers are a separate group just below the power elite in the pecking order.

With the composition of the power elite clearly stated, it is now possible to show how it dominates the federal government in the interest of the upper class and corporate community.

The Power Elite and Government

Members of the power elite directly involve themselves in the federal government through three basic processes, each of which has a slightly different role in ensuring "access" to the White House, Congress, and specific agencies, departments, and committees in the executive branch. Although some of the same people are involved in all three processes, most leaders specialize in one or two of the three processes. These three processes are:

The special-interest process, through which specific families, corporations, and industrial sectors are able to realize their narrow and short-run interests on taxes, subsidies, and regulation in their dealings with congressional committees, regulatory bodies, and executive departments;

The policy-making process, through which the policies developed in the policy-planning network described earlier are brought to the White House and Congress;

The candidate selection process, through which members of the power elite influence electoral campaigns by means of campaign donations to political candidates.

Power elite domination of the federal government can be seen most directly in the workings of the corporate lobbyists, backroom super-lawyers, and industry-wide trade associations that represent the interests of specific corporations or business sectors. This special-interest process is based in varying combinations of information, gifts, insider dealing, friendship, and, not least, promises of lucrative private jobs in the future for compliant government officials. This is the aspect of business-government relations described by journalists and social scientists in their case studies. While these studies show that the special interests usually get their way, the conflict that sometimes erupts within this process, occasionally pitting one corporate sector against another, reinforces the image of widely shared and fragmented power in America, including the image of a divided corporate community. Moreover, there are some defeats suffered by the corporate rich in the special-interest process. For example, laws that improved auto safety standards were passed over

automobile industry objections in the 1970s, as were standards of water cleanliness opposed by the paper and chemical industries.

Policies of concern to the corporate community as a whole are not the province of the special-interest process. Instead, such policies come from the network of foundations, think tanks, and policy-discussion organizations discussed in an earlier section. The plans developed in the organizations of the policy-planning network reach the federal government in a variety of ways. On the most general level, their reports, news releases, and interviews are read by elected officials and their staffs, either in pamphlet form or in summary articles in the *Washington Post*, *New York Times*, and *Wall Street Journal*. Members of the policy-planning network also testify before congressional committees and subcommittees that are writing legislation or preparing budget proposals. More directly, leaders from these organizations are regular members of the dozens of little-known committees that advise specific departments of the executive branch on general policies, making them in effect unpaid temporary members of the government. They are also very prominent on the extremely important presidential commissions that are appointed to make recommendations on a wide range of issues from foreign policy to highway construction. They also serve on the little-known federal advisory committees that are part of just about every department of the executive branch.

Finally, and crucially, they are appointed to government positions with a frequency far beyond what would be expected by chance. Several different studies show that top cabinet positions in both Republican and Democratic administrations are held by members of the upper class and corporate executives who are leaders in policy-discussion organizations.

The general picture that emerges from the findings on the overrepresentation of members of the power elite in appointed governmental positions is that the highest levels of the executive branch are interlocked constantly with the upper class and corporate community through the movement of executives and lawyers in and out of government. Although the same person is not in governmental and corporate positions at the same time, there is enough continuity for the relationship to be described as one of "revolving interlocks." Corporate leaders resign their numerous directorships in profit and nonprofit organizations to serve in government for two or three years, then return to the corporate community or policy-planning network. This system gives them temporary independence from the narrow concerns of their own organizations and allows them to perform the more general roles they have learned in the policy-discussion groups. They then return to the private sector with useful personal contacts and information.

As important as the special-interest and policy-planning processes are for the power elite, they could not operate successfully if there were not sympathetic, business-oriented elected officials in government. That leads us to the third process through which members of the power elite dominate the federal government, the candidate-selection process. It operates through the two major political parties. For reasons to be discussed in a moment, the two parties have very little role in political education or policy formation; they are reduced to the function of filling offices. That is why the American political system can be characterized as a "candidate-selection process."

The main reason the political system focuses on candidate selection to the relative exclusion of political education and policy formulation is that there can be only two main parties due to the structure of the government and the nature of the electoral rules. The fact that Americans select a president instead of a parliament, and elect legislators from "single-member" geographical areas (states for the Senate, districts for the House) leads to a two-party system because in these "winner-take-all" elections a vote for a third party is a vote for the person's least desired choice. A vote for a very liberal party instead of the Democrats, for example, actually helps the Republicans. Under these rules, the most sensible strategy for both the Democrats and Republicans is to blur their policy differences in order to compete for the voters with middle-of-the-road policy views, or no policy views at all.

Contrary to what many believe, then, American political parties are not very responsive to voter preferences. Their candidates are fairly free to say one thing to get elected and to do another once in office. This contributes to confusion and apathy in the electorate. It leads to campaigns where there are no "issues" except "images" and "personalities" even when polls show that voters are extremely concerned about certain policy issues. You don't raise unnecessary issues during a campaign, one

successful presidential candidate once said.

It is precisely because the candidate-selection process is so personalized, and therefore dependent on name recognition, images, and emotional symbolism, that it can be in good part dominated by members of the power elite through the relatively simple and direct means of large campaign contributions. Playing the role of donors and money raisers, the same people who direct corporations and take part in the policy-planning network have a crucial place in the careers of most politicians who advance beyond the local level or state legislatures in states with large populations. Their support is especially important in party primaries, where money is an even larger factor than in general elections.

The two-party system therefore results in elected officials who are relatively issueless and willing to go along with the policies advocated by those members of the power elite who work in the special-interest and policy-planning processes. They are motivated by personal ambition far more than they are by political conviction. Still, there are some extremely conservative elected Republicans who often oppose power elite proposals, claiming that such policies are the work of secret communists or pointy-headed intellectuals out to wreck the "free enterprise" system. There also are many Democrats from blue-collar and university districts who consistently oppose power elite policies as members of the liberal-labor coalition. However, both the ultra-conservatives and the liberals are outnumbered by the "moderates" of both parties, especially in key leadership positions in Congress. After many years in Congress the elected liberals decide to "go along to get along." "This place has a way of grinding you down," explained one liberal Congressman of the early 1970s in a classic summary of what happens.

Although members of the power elite are far and away the most important financial backers for both parties, this does not mean that there are no differences between the two parties. The leadership levels have intra-class differences, and the supporters tend to have inter-class differences. The Republican Party is controlled by the wealthiest families of the upper class and corporate community, who are largely Protestant in background. The Democratic Party, on the other hand, is the party of the "fringes" of the upper class and power elite. Although often called "the party of the common person," it was in fact the party of the Southern segment of the upper class until very recently. The power of the Southern Democrats in the party and in Congress was secured in a variety of ways, the most important of which was the seniority system for selecting committee chairs in Congress. (By tradition, the person who has been on the committee longest just about automatically becomes the chair; this avoids conflict among members of the party.) However, the underlying point is that the one-party system in the South and the exclusion of African-Americans from the voting booth until the mid-1960s gave the Southern planters and merchants power at the national level through the Democratic Party out of all proportion to their wealth and numbers. Thus, it is not necessarily the wealthiest people who rule. The nature of the political system also enters into the equation. But the Southern elites are not poor; they are only less rich than many of their Northern counterparts.

The Southerners dominated the Democratic Party in alliance with the "ethnic rich" in the North, meaning wealthy Jews and Catholics who were shunned or mistreated by the rich Protestants. The businesses they owned were often local or smaller than those of the Republican backers, and they usually were excluded from the social institutions of the upper class. These ethnic rich were the primary financial supporters of the infamous "political machines" that dominated Democratic politics in most large northern cities.

The alliance between the Southern segment of the upper class and the Northern ethnic rich usually was able to freeze out the policy initiatives of the party's liberal-labor coalition through its control of congressional committees, although there was a time (1940 to 1975) when labor unions had significant influence on the Democrats. When that alliance broke down on certain issues because the machine Democrats sided with the liberals and labor, then the Southern Democrats joined with Northern Republicans to create the "conservative coalition," AKA "the conservative voting bloc," wherein a majority of Southern Democrats and a majority of Northern Republicans voted together against the Northern Democrats. This conservative coalition most often formed around the issues that reflect class conflict in the legislative arena -- civil rights, union rights, social welfare, and business regulation. Legislation on any of these issues weakens employers in the face of workers and their unions, so it is not surprising that the conservative coalition is based on the shared

interests of Northern and Southern employers. This alliance won far more often than it lost in the years between 1937, when it was formed, and the 1990s, when it disappeared for the simple reason that many of the Southerners had become Republicans.

Once the Voting Rights Act of 1965 was in effect, the Democratic Party was slowly changed because African-Americans in the South were able to vote against the worst racists in the party primaries. The gradual industrialization also was causing changes. As a result of these two forces, Southern whites started to move into the Republican Party, which thus became the party of wealthy employers in both the North and South. In that context, the Democratic Party is slowly becoming what many always thought it to be, the party of liberals, minorities, workers, and the poor.

In summary, the special-interest process, policy-planning process, and campaign finance make it possible for the power elite to win far more often than it loses on the policy issues that come before the federal government. The power elite is also greatly over-represented in appointed positions, presidential blue-ribbon commissions, and advisory committees within the government. In terms of both the "who wins" and "who governs" power indicators, the power elite dominates the federal government.

However, this domination does not mean control on each and every issue, or lack of opposition, and it does not rest upon government involvement alone. Involvement in government is only the final and most visible aspect of power elite domination, which has its roots in the class structure, the nature of the economy, and the functioning of the policy-planning network. If government officials did not have to wait on corporate leaders to decide where and when they will invest, and if government officials were not further limited by the acceptance of the current economic arrangements by the large majority of the population, then power elite involvement in elections and government would count for a lot less than it does under present conditions.

Why Business Leaders Feel Powerless

Despite these various kinds of objective evidence that the power elite has great power in relation to the federal government, many corporate leaders feel that they are relatively powerless in the face of government. To hear them tell it, Congress is more responsive to organized labor, environmentalists, and consumers. They also claim to be harassed by willful and arrogant bureaucrats. These negative feelings toward government are not a new development, contrary to those who blame the New Deal and the social programs of the 1960s. A study of businessmen's views in the 19th century found that they believed political leaders to be "stupid" and "empty" people who went into politics only to earn a living, and a study of businessmen's views during what are thought of as their most powerful decade, the 1920s, found the same mistrust of government.

The emotional expressions of business leaders about their lack of power cannot be taken seriously as a power indicator, for that confuses psychological uneasiness with power. Feelings are one thing, the effects of one's actions another. But it is nonetheless interesting to try to understand why businessmen complain about a government they dominate. First, complaining about government is a useful political strategy. It puts government officials on the defensive and forces them to keep proving that they are friendly to business. Second, businessmen complain about government because in fact very few civil servants are part of the upper class and corporate community. The anti-government ideology of the United States tends to restrain members of the upper class from government careers except in the State Department, meaning that the main contacts for members of the power elite within government are at the very top. There is thus uncertainty about how the middle levels will react to new situations, and therefore a feeling that there is a necessity to "ride herd" on or "reign in" the potentially troublesome "bureaucrats."

There also seems to be an ideological level to the business leaders' attitudes toward government. There is a fear of the populist, democratic ideology that underlies American government. Since power is in theory in the hands of all the people, there always is the possibility that someday "the people," in the sense of the majority, will make the government into the reflection of pluralist democracy that it is supposed to be. In a certain very real way, then, the great power of the upper class and corporate community are culturally illegitimate, and the existence of such power is therefore vigorously denied. It is okay to be rich, and even to brag about wealth a little bit, but not to be powerful or, worse, to flaunt that power.

Finally, the expressions of anguish from individual corporate leaders concerning their powerlessness also suggests an explanation in terms of the intersection of social psychology and sociology. It is the upper class and corporate community that have power, not individuals apart from their institutional context. As individuals, they are not always listened to, and they have to convince their peers of the reasonableness of their arguments before anything happens. Moreover, any policy that is adopted is a group decision, and it is sometimes hard for people to identify with group actions to the point where they feel personally powerful. It is therefore not surprising that specific individuals might feel powerless.

The Weaknesses of the Working Class

There are many democratic countries where the working class -- defined as all those white-collar and blue-collar workers who earn a salary or a wage -- has more power than it does in the United States. This power is achieved primarily through labor unions and political parties. It is reflected in more egalitarian wealth and income distributions, a more equitable tax structure, better public health services, subsidized housing, and higher old-age and unemployment benefits.

How is it possible that the American working class could be relatively powerless in a country that prides itself on its long-standing history of pluralism and elections? There are several interacting historical factors. First, the "primary producers" in the United States, those who work with their hands in factories and fields, were more seriously divided among themselves until the 1930s than in most other countries. The deepest and most important of these divisions was between whites and African-Americans. In the beginning, of course, the African-Americans had no social power because of their enslavement, which meant that there was no way to organize workers in the South. But even after African-Americans gained their freedom, prejudices in the white working class kept the two groups apart.

This black/white split in the working class was reinforced by later conflicts between craft workers -- also called "skilled" workers -- and industrial workers -- also called mass-production or "unskilled" workers. Craft workers usually tried to keep their wages high by excluding industrial workers. Their sense of superiority as skilled workers was reinforced by the fact that they were of Northern European, Protestant origins and the industrial workers tended to be Catholics and Jews from Eastern and Southern Europe. Some African-Americans were also found in the ranks of the industrial workers, along with other racial minorities.

It would have been difficult enough to overcome these divisions even if workers had been able to develop their own political party, but they were unable to develop such a party because the electoral system greatly disadvantages third parties. Workers were stuck. They had no place to go but the Republicans or Democrats. In the late 19th and early 20th centuries the craft workers often supported the Democrats, while the recent immigrant industrial workers tended to support the Republicans. Even when craft and industrial workers moved into the Democratic Party en masse in the 1930s, they couldn't control the party because of the power of the wealthy Southern planters and merchants.

Nor did the workers have much luck organizing themselves through unions. The employers were able to call upon the government to crush organizing drives and strikes through both court injunctions and police arrests. This was not only because employers had great influence with politicians then, just as they do now, but because the American tradition of law, based in *laissez faire* (free market) liberalism, was so fiercely opposed to any "restraint of trade" or "interference" with private property. It was not until the 1930s that the liberal-labor coalition was able to pass legislation guaranteeing workers the right to join unions and engage in collective bargaining. Even this advance was only possible by excluding the Southern workforce -- i.e., agricultural and seasonal labor -- from the purview of the legislation. Further, the passage of the legislation had only limited impact because the industrial unions were defeated almost completely in the South and Southwest. Unions thrived in a few major industries in the North in the years after World War II, but then their power was eroded beginning in the 1970s as the big corporations moved their factories to other countries or lost market share to European and Japanese companies.

Given this history of internal division, political frustration, and union defeat, it is not surprising the

American workers continue to accept the highly individualistic ideology that has characterized the United States since its founding. This acceptance in turn makes it even more difficult to organize workers around "bread-and-butter" issues. They often vote instead on the basis of social issues or religious convictions, with those who are deeply religious, opposed to affirmative action, or opposed to gun control voting for the avowedly anti-union Republican Party.

Thus, it is important not to confuse freedom with social power. Between 1962 and the 1990s there was a great expansion in individual rights due to the civil rights, feminist, and lesbian-gay movements, but during that time the ratio of a top business executive's pay to a factory worker's pay increased from 41 to 1 to about 300 to 1. American workers can say what they want and do what they want within very broad limits, and their children can study hard in school so they can go to graduate school and join the well-off professional class as doctors, lawyers, architects, or engineers, but when it comes to social power most Americans have very little of it if they are not a part of the power elite.

Conclusion

The argument over the structure and distribution of power in the United States has been going on within academia since the 1950s. It has generated a large number of empirical studies, many of which have been drawn upon here. In the final analysis, however, scholars' conclusions about the American power structure depend upon their beliefs concerning power indicators, which are a product of their "philosophy of science." That sounds strange, I realize, but if "who benefits?" and "who sits?" are seen as valid power indicators, on the assumption that "power" is an underlying social trait that can be indexed by a variety of imperfect indicators, then the kind of evidence briefly outlined here will be seen as a very strong case for the dominant role of the power elite in the federal government.

If "who wins?" on a wide range of government decisions is seen as the only valid indicator of power, and if it is expected that the power elite must win every time, which is the stance adopted by pluralist theorists on the basis of a "strict positivist" view of how power must be measured, then the argument presented here, based on a "soft positivism," will be seen as less impressive. That's because those relatively few of us who disagree with the pluralists have not yet had the time and the resources to do enough case studies within the framework of the special-interest and policy-planning processes to show the full range of power elite dominance on policy issues. A good start has been made in this direction, but it will take more to convince the skeptics.

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