Chapter 1

What on Earth is corporate power?

In our everyday worlds, we encounter corporate power at every turn. The goods and services we consume, the jobs we hold or aspire to hold, the mass media and social media that enliven (or perhaps deaden) our lives – these are all organized primarily on a corporate basis, as are the pensions that, if we are fortunate, await us at the close of our careers. Corporate power is in the background, and often in the foreground, of news narratives, and of course news itself (along with popular culture and entertainment) is produced as a source of profit for media corporations. Corporate power is so ubiquitous that, like fish swimming in the water, we may be altogether unaware of its presence. In this book, we provide an overview of how corporate power operates in Canada today. But we also lay out a basic history of how we got to where we are, and we consider what alternatives may be in the offing, for future reference.

We write as critics of corporate power – of its social inequities, of its ecological maladies, of the sharp limits it places upon a democratic way of life. Sometimes social critics are dismissed as ‘biased’, or dreamers. Our approach, however, is evidence based, and realistic. After this general introduction, we present a history of corporate capitalism in Canada, and then map out the ‘modalities’ of corporate power: the forms that it takes in the economic, cultural and political fields. To fix a troublesome problem, we need to understand it in its fullness. Corporate power is such a problem, for people and for the natural world in which we are immersed. Unlike fish in water, people can change their world. Corporate power, a recent development in human history, can be undone, and transcended. Our hope is that what follows will help you situate your life within the structure of corporate power in Canada, in a way that gets beyond one of corporate power’s most persuasive, and misleading conceits – that there is no alternative to contemporary capitalism.

So, what is this thing called corporate power? Put simply, it is the power that accrues to enormous concentrations of capital which, in contemporary societies, are organized as large corporations. To understand corporate power, we need to unpack what capital is and how control of capital means control of the human, technological, financial and natural resources through which human needs are satisfied. Control of capital places corporate owners, directors and top executives in a dominant position in economic decision-making, including over the flow of resources to new initiatives, which shapes the future. And it relegates workers, communities and governments to a position of ‘unilateral dependence’. As sociologist Peter Blau pointed out more than half a century ago, such dependence obliges subordinates to comply with the dictates and wishes of those who dominate, or else lose access to jobs and revenue. From its base in the economy, corporate power reaches into other areas – political and cultural – shaping the institutions, agendas, policies, discourses and values that add up to an entire way of life. That way of life is known as corporate capitalism.¹

Capitalism as a way of life
This chapter introduces some basic terminology for understanding corporate power in contemporary capitalism. By its celebrants, capitalism is lauded as a free society. Freedom is secured by the ‘free market system’. Everyone has opportunity to earn and spend money as they choose. This freedom of choice defines a liberal order, and extends, through elections, to the choice of political leaders. In this perspective, competition, between individuals trying to get ahead and between businesses trying to maximize profit, unleashes human talent and innovation, to the betterment of all. As the economy grows we all become more prosperous and fulfilled, even as the most talented and determined rise to the top. The freedom to acquire private property and to dispose of it as one pleases underwrites what Karl Marx, capitalism’s most important critic, called ‘a very Eden of the innate rights of man’:

There alone rule Freedom, Equality, Property and Bentham. Freedom, because both buyer and seller of a commodity, say of labour-power, are constrained only by their own free will. They contract as free agents, and the agreement they come to, is but the form in which they give legal expression to their common will. Equality, because each enters into relation with the other, as with a simple owner of commodities, and they exchange equivalent for equivalent. Property, because each disposes only of what is his own. And Bentham, because each looks only to himself. The only force that brings them together and puts them in relation with each other, is the selfishness, the gain and the private interests of each. Each looks to himself only, and no one troubles himself about the rest, and just because they do so, do they all, in accordance with the pre-established harmony of things, or under the auspices of an all-shrewd providence, work together to their mutual advantage, for the common weal and in the interest of all.²

Inscription on Karl Marx’s tomb.  [https://www.flickr.com/photos/barbarachandler/4954133701](https://www.flickr.com/photos/barbarachandler/4954133701)

With Marx, we can acknowledge these basic features of capitalism, which form the core of liberal ideology: the belief system that legitimates capitalism. In any ideology there are practical truths, which make it persuasive. Yet with Marx we can also dig deeper, beneath the surface-level appearances of capitalism, to uncover sources of power and inequality.
The ‘free market system’ that liberals celebrate does not, after all, float free. Before anything can be bought and sold, it must be produced. All those products placed on the ‘free market’ result from labour processes that are organized within relations of production. Often when we think of a marketplace a traditional farmers’ market comes to mind. In such a market one might find ten different vendors of potatoes, who are also the farmers who grew and harvested the product. Owning their own means of production (land, seeds, farm equipment) and working on their own account, such farmers are independent commodity producers. Theoretically a market society in which all participants were independent commodity producers – selling to and buying from each other – would embody the liberal ideal, as depicted in the passage we just quoted.

But such a society has never existed! In actual societies, independent commodity production has always been ancillary to other, class-based relations of production. For instance, although at the time of the American Revolution there were various independent commodity producers (and small-scale capitalists) in the northern colonies, the slave system of the southern colonies was actually dominant in what became the USA. Most leaders of that revolution – George Washington, Thomas Jefferson and others – were slaveholders, and according to historian Gerald Horne the ‘revolution’ was in great part a counter-revolution led by the founding fathers to preserve their right to enslave others.3

Obviously, within contemporary capitalism, farmers’ markets are the exception, not the rule. Most markets are dominated by a few big corporate players, and roughly nine-tenths of the population do not own businesses, but work for wages and salaries. What underlies the market is not independent commodity production, but capitalist production. To comprehend the difference, we need to understand what capital is. To quote Marx again, ‘capital is not a thing, but a social relation between persons, established by the instrumentality of things.’4

Specifically, capital is a class relation of exploitation between capitalists and wage workers. In all capitalist societies a small, dominant class owns and controls the main means of production, transport/communication, commerce and finance, as profit-maximizing companies. The nine-tenths of the population who are, formally speaking, proletarians – dependent on employment as a source of income – are linked into the economy not through farmers’ markets but through labour markets. They sell their labour-power – their capacity to work – to employers, in exchange for wages and salaries that enable them to buy what they need to live. On the other side of the capital-labour relation, capitalists buy labour-power in order to reap a profit from whatever the workforce accomplishes, under their direction. In the class relation that comprises capital, the worker’s motive is to meet her needs, but the capitalist’s is to grow his fortune.5

Most people think of exploitation as an exceptional situation in which a particular group of workers is victimized by an unscrupulous employer, who pays them less than the going wage. But in actuality, exploitation is a systemic feature of capitalism. This is hard to see, due to the ‘instrumentalities of things’, as Marx put it, above – that is, the market-mediated character of social relations within capitalism. Digging beneath the market, into the realm of production, we notice that the labour-power workers exchange for a wage is set to work in producing goods and
services of greater value than the capitalist’s initial investments. The difference between the value of those initial investments (including the purchase of labour-power) and the revenue from sale of the product provides the capitalist’s profit. If this difference did not occur, if labour did not create surplus value, in excess of the costs of production, the capitalist would have no reason to hire workers. As economist Jim Stanford argues,

Productive human effort (“work,” broadly defined) is clearly the only way to transform the things we harvest from our natural environment into useful goods and services. In this sense, work is the source of all value added.⁶

When we scale up from individual businesses to the system overall, this means that workers earn, on average, the going wage, and capitalists claim, on average, the going rate of profit. But the entire profit capitalists as a whole, as a class, claim is simply the economic surplus that the entire workforce, the working class, has produced. At the close of each working week, workers are paid the value of their labour-power (enabling them on average to live at the basic standard for employees), but their labour has created new value worth more than what they have been paid as wages. The new wealth created by labour is appropriated by capital. Systemically, this is what exploitation means. By owning and controlling the means of production, capitalists own and control the economic surplus. Ownership and control of capital mean power over workers in production but also power in shaping a future whose course depends on how capitalists dispose of society’s economic surplus, i.e., how they invest. These are, in fact, fundamental bases for corporate power.

The economic surplus that accrues to corporate capital can also be roughly calculated at the level of individual firms. Four decades ago, historian Leo Johnson calculated the amount of surplus per worker in eleven major Canadian corporations. He found that the employees of these corporations, comprising just 1.5 percent of all income earners, generated an economic surplus for the corporations and their controlling capitalists equivalent to the total income received by the poorest 1,400,000 earners.⁷

As proletarians, lacking their own means of production, workers have little choice but to be exploited by some employer. This is how they earn a living. But what about capitalists? Must they exploit workers, or could they behave otherwise? Again, a systemic analysis illuminates. Capital does not exist as a single entity but is fragmented into many competing units – firms – the largest of which are giant corporations. Within the economy, capitalists’ relations with each other are mediated by the market, as they compete for shares of the economic surplus that their class as a whole appropriates from labour. As political economist Ben Fine observes, for capitalists

…a situation of competitive accumulation exists, the condition of survival being to take part. In brief, capital as self-expanding value creates competition, which is fought by accumulation. The need to accumulate is felt by each individual capitalist as an external coercive force. Accumulate or die; there are few exceptions.⁸
Capitalists compete with each other in the quest to claim a sufficient share of the economic surplus — an above-average profit — to keep them “in the game.” Their class position as capitalists is at stake. The alternative, in the long term, is absorption into another capitalist’s enterprise, or bankruptcy. Inter-capitalist competition is waged by cutting the cost of production – whether through lower wages (including outsourcing of cheap labour), externalizing costs (tax avoidance, avoiding environmental costs of pollution and resource depletion) or technical innovations that raise labour productivity. Competition also occurs across economic sectors (and regions), as capital, aided by financial markets, moves from lower-profit to higher-profit sectors – creating rust belts ‘here’ and zones of hyper-development ‘there’. Moreover, in corporate capitalism the vast scale of production requires an elaborate apparatus for financing new production, for getting commodities to final consumers, etc., so that the economic surplus is competitively subdivided not only among industrial corporations but among all lines of investment, from finance and real estate to retail commerce, as investors of whatever stripe strive for above-average rates of return.9

All this profit-driven competition has led historically to remarkable advances in the forces of production – the techniques, technologies, knowledges and other means by which humans are linked to the rest of nature. However, these advances are always contained within capital’s exploitative relations of production. Each capitalist strives to minimize the wage bill, which means keeping wages in check and introducing innovations that improve productivity and reduce the need for living labour. Yet, for the system as a whole, these business strategies limit the capacity of proletarian consumers to buy the cornucopia of products their own labour has produced, generating a tendency toward underconsumption. At the same time, as production becomes more capital-intensive, the actual basis of profit – living labour – shrinks relative to investments in machinery and technology, and this dampens the overall rate of profit. These problems add up to what sociologist James O’Connor has called capitalism’s ‘first contradiction’: between the advancing forces of production and relations of production encapsulated in the capital-labour relation.10

In the short term, the financial sector can mitigate this contradiction. Credit cards and the like can temporarily extend consumer demand, and investors unhappy with the rate of return on industrial capital can shift into the paper economy – stocks, bonds, derivatives, hedge funds etc. Yet these fixes are superficial. They prolong a boom economy by postponing the inevitable slump. When the financial bubble bursts investment contracts. Weaker firms go under and the remaining capitalists become risk-averse. As investment contracts many workers lose their jobs and with that, consumer spending tanks. Capitalism enters a phase of crisis, stagnation and, for many, intensified misery. Since the late 1920s, Canada has experienced twelve crises, as economists Philip Cross and Philippe Bergevin show. The two crises that comprised the 1930s Great Depression were most severe (category 5), but the three post-1980 ones have been only slightly less substantial in impact and persistence.11
Crisis evokes strong images – from the Crash of 1929 (bankrupted stockbrokers jumping to their deaths from skyscrapers) to the Crash of 2008 (homeless families evicted from houses purchased under dubious credit arrangements). Crisis exposes the irrationality of capitalism as a way of life and intensifies struggles from below – from the industrial union movement of the 1930s to the Occupy movement of 2011-12. But crisis is also capital’s means of self-preservation. For the surviving firms, the destruction of capital – the devaluation of paper assets and bankruptcy of the...
weaker firms – improves conditions for profitable accumulation, as do the falling wages that accompany widespread unemployment. So it is that crises are followed by upswings in accumulation, giving capitalism its well-known boom/bust business cycle.

Marx saw major accumulation crises as endemic to capitalism. They express a central contradiction in this way of life. Goaded by capitalist competition, society’s productive forces expand, yet the capacity to put those forces to good use within thriving human communities is severely limited by the very antagonistic relation between capital and labour that is the source of profit, and the basis for production.

The growing incompatibility between the productive development of society and its hitherto existing relations of production expresses itself in bitter contradictions, crises, spasms. The violent destruction of capital not by relations external to it, but rather as a condition of its self-preservation, is the most striking form in which advice is given it to be gone and to give room to a higher state of social production. … These contradictions, of course, lead to explosions, crises, in which momentary suspension of all labour and annihilation of a great part of the capital violently lead it back to the point where it is enabled [to go on] fully employing its productive powers without committing suicide.12

Crisis momentarily shrink capital. During the last major crisis Canada’s GDP contracted in 2009 by 11.5 percent, only to grow by 17.7% the next year. Indeed, the clear historical trend is for capital to grow. As each capitalist accumulates by reinvesting profit in more extensive and efficient production, the system as a whole expands, pulling more and more human practices and natural processes into its vortex, and colonizing new frontiers. Just as capitalists, if they are to remain capitalists, cannot avoid exploiting workers, the system as a whole must grow – the alternative is collapse, as the incentive to invest disappears. Yet capitalism is part of a complex ecosystem – planet Earth – whose intricately interconnected web of life is sustained not through endless growth but in a dynamic equilibrium now directly threatened by capital’s perpetual motion. There is a deep contradiction between capital’s logic of endless growth and the Earth’s finite character. The key question, posed by geographer David Harvey, is how capital can continue to accumulate and expand in perpetuity ‘when it seems to involve a doubling if not tripling in the size of the astonishing physical transformations that have been wrought across planet earth in the last forty years.’13

Corporate capitalism in the web of life

To pose this question is to point to what James O’Connor calls capitalism’s ‘second contradiction’, which has become especially acute in our era. Competition pushes individual capitalists to externalize costs not only onto society but onto the ecosystem. The result is a strong tendency to degrade the conditions of production including the ecological systems behind fundamental resources such as water and soil, as well as the climate itself.14

Indeed, legal scholar Joel Bakan has characterized the corporation as an ‘externalizing machine.’ ‘The corporation’s built-in compulsion to externalize its costs is at the root of many of the world’s social and environmental ills.’ The point in externalization is to reduce the cost of doing
business by making someone else pay. Business-friendly governments often help out, through weak regulatory frameworks and low tax and royalty rates to attract investment by boosting profits. In Alberta, for instance, since the 1990s a lax regulatory regime has allowed oil and gas companies to abandon wells after the resource has been extracted, without proper remediation. A recent study estimated that ‘17,000 out of 170,000 abandoned wells in rural Alberta are leaking methane and that leaks at 3,400 wells could pose a risk to the public.’ In cities like Edmonton and Calgary more than 1,000 abandoned wells have yet to be located and tested for leakage. In BC, after the dam retaining the tailings pond at Mount Polley mine collapsed in August 2014, sending 25 million cubic metres of contaminated effluent into Quesnel Lake, the province spent $40 million cleaning up the disaster. Investigators concluded the failure resulted from a design flaw but the company, Imperial Metals (owned by Murray Edwards, a leading donor to the BC Liberal Party, then in power) was never fined or charged. Indeed, the government’s immediate response was to help Edwards spin a public-relations response that would protect other proposed mining projects from criticism.15

Pollution as a means of externalizing costs is an instance of something more general. World-systems theorist Jason Moore notes that, in concert with the exploitation of labour, capital has always boosted its profitability (and counteracted the tendency for the profit rate to fall) by appropriating ‘Cheap Nature’. By incorporating the so-called ‘free gifts’ of nature as an ecological surplus, capitalism has kept costs of key inputs to production low – from energy, water and raw materials to the food that provides subsistence to workers. Historically, this appropriation has often occurred through colonization and land-grabs on the resource frontiers. For capital, nature has served as both ‘tap’ and ‘sink’. From beaver pelts in early colonial Canada (‘New France’) to light sweet crude oil in post-World War Two Alberta, business has tapped nature’s bounty. At the same time, nature has been a sink, absorbing capital’s waste, as the examples of externalization cited above show. According to sociologist Allan Schnaiberg, capitalism’s endless growth puts us all on an accelerating ‘treadmill of production’, extracting resources (many of them non-renewable) and depositing waste in greater and greater quantities.16

When capitalism inhabited only a small region of the planet – in the 16th-19th centuries – these ecologically problematic tendencies had only local consequences – a ravaged forest here, a polluted river there. But with the full-fledged globalization of capital in the late 20th century and the closing of resource frontiers, the era of Cheap Nature and low environmental impact drew to a close, raising both the costs of production and the impact of ecological degradation. Climate change epitomizes what Moore calls the ‘unsavory convergence’ of nature-as-tap and nature-as-sink which ‘is rapidly undermining the possibility for “normal” capitalism to survive, over the medium run of the next 20-30 years.’ Carbon emissions from burning the fossil fuels that power capitalist industry and agriculture are overflowing the sink that the world’s carbon-absorbing atmosphere, forests (themselves depleted through over-logging) and oceans have provided. The result – global warming – means longer and more severe droughts, extreme weather (from acute heat waves to super-storms) and aquifier depletion – all of which suppress agricultural yields. Higher levels of atmospheric carbon also lead to ocean acidification, compromising aquatic living systems and reducing their capacity to fix carbon. As the sink overflows with greenhouse gases and other pollutants, the tap, ironically, begins to run dry, not only in the erosion of
agricultural productivity (cheap food) but in the depletion of high-grade oil and the consequent resort to tar-sands and other forms of ‘extreme oil’, which creates even greater carbon emissions and ecological risk. The treadmill of production spins out of control.  

Viewing the system through an ecological lens, we see capitalism as embedded within ‘the web of life’, with implications that now stare us in the face. Corporate power harnesses natural processes, including labour processes, into the pursuit of private wealth, relying whenever it can on cheap nature to underwrite and subsidize profitability. This is partly achieved through corporate externalization of costs, helped along by direct and indirect state subsidies to capital. In the most recent half-century, capitalism has scaled up to such an extent that it is now in what William Reese has called *ecological overshoot*: its ecological footprint exceeds the carrying capacity of the ecosystem. This is evident in a deepening crisis whose signature symptom is global warming, the result primarily of two centuries of unmitigated and exponentially increasing carbon emissions.

**Corporate power and ‘fossil capital’**

At the centre of this crisis is corporate power over ‘fossil capital’ – the ‘cheap energy’ that has enabled capitalism to incorporate the ‘buried sunshine’ of millions of years of fossilized life forms into a growth machine that now threatens sustainability of human civilization. In this instance, corporate power resides in control over energy flows. Indeed, as political economist Andreas Malm argues, power has a dual meaning – as ‘a force of nature, a current of energy, a measure of work’ and as ‘a relation between humans, an authority, a structure of domination.’ Since ‘all economic activities are ultimately a matter of energy conversion,’ the biophysical and social forms of power have been closely entwined in all class societies. But in pre-industrial orders the dominant class’s biophysical power base lay in appropriating the flow of solar energy (and energy flows of wind and water), along with the animate energy of humans and draught animals. The rise of coal-fueled steam power in the Industrial Revolution made vast quantities of buried sunshine available to capitalists, dramatically augmenting their control of biophysical power, but also strengthening their social power over labour.

It is no accident that corporate power emerged in the 19th century, along with the exponential growth in commodified carbon energy, i.e., fossil capital. The quantum leap in energy harnessed into production is what enabled accumulation to speed up and capital to scale up, to the size of large, capital-intensive corporations. These began to reshape capitalism, as we shall see, near the end of the nineteenth century. From the coal mines, railways and steel mills of that era to contemporary oil fields, energy infrastructures, manufacturing and other industries tied in with fossil-fuel energy (including industrialized agriculture), capitalism in Canada has relied on the transformation of increasing quantities of fossilized carbon into kinetic energy. And the same is true globally. Geographer Richard Heede has shown that between 1751 and 2010 just 90 ‘carbon major’ companies contributed 63 percent of total global greenhouse gas emissions. Half of those emissions occurred after 1986, highlighting the exponential shape of the growth curve. A more recent study by Paul Griffin found that between 1988 and 2015 the top 25 carbon majors accounted for a staggering 51 percent of global industrial greenhouse gas emissions. And
through these years fossil fuel corporations benefited from massive government subsidies that, according to the International Monetary Fund, amounted to $5.3 trillion in 2015 alone.\textsuperscript{20}

In view of the strategic centrality of fossil capital as a source of both corporate power and of climate crisis, globally and in Canada, many of our examples throughout this book are drawn from this sector.

\textit{The anatomy of capitalist society}

Capitalism displays a unique anatomy, which gives corporate power its distinctive shape and form. The anatomy is unique in two ways: (1) the institutional separation of the economic from the political, and (2) the importance of \textit{civil society} as a field of activity ‘between’ the economy and the state. We now take these up in turn.

In previous class societies there was no formal separation of economic and political power. Feudal lords, for instance, owned the principal means of production in pre-industrial Europe – the land – and exploited their serfs, but they also exercised political sovereignty over their territory and their subjects. The power to appropriate the economic surplus was interwoven with the coercive power of the state to enforce obedience. In capitalism (which emerged from European feudalism in the 16\textsuperscript{th}-19\textsuperscript{th} centuries) this unity is undone. Political theorist Ellen Wood points out that the power to exploit and appropriate is transferred to a separate sphere, ‘the economy’, organized around market relations. Concomitantly, political power becomes lodged in another sphere – the state. This means that, in the words of sociologist Fred Block, ‘the ruling class does not rule’ – at least not directly. Notwithstanding such prominent outliers as Donald Trump, under capitalism political leadership is distinct from economic leadership.\textsuperscript{21}

Moreover, the state’s responsibilities extend beyond the coercive – the protection of private property and the enforcement of order. Within capitalist democracies like Canada, the state is tasked with representing the will of the citizenry, constructed as a ‘common interest’. Yet the state is structurally dependent on the capital accumulation process, the source of its own revenues, so whatever ‘common interest’ it constructs must accord with the core capitalist-class interest in private accumulation. All this means that in addition to exercising a monopoly over the use of force (including taxation) within its territory, various agencies of the state devise and implement policies to incentivize capital accumulation while dispensing concessions to subordinates. Such measures as minimum wages, public pensions and socialized health care – all implemented in Canada in the 1960s in response to pressure from below – serve to legitimate the system by easing the burdens of proletarian existence. Political sociologist Bob Jessop has summarized the fine balance this entails:

\begin{quote}
\ldots the modern state’s activities are said to require a healthy and growing (or at least profitable) economy – which ties political programmes to economic imperatives. Subordinate classes can secure material concessions only within this constraint: if profitability is threatened, concessions must be reversed. In periods of crisis, state dependence on continued private accumulation may even reinforce the power of capital where alternative economic imaginaries are weak and resistance is disorganized. Yet capital cannot press its economic advantages too far without undermining the state’s
\end{quote}
political legitimacy, which in normal conditions requires respect for the law and for public opinion.

James O’Connor has thus summarized that, within corporate capitalism, the state combines the functions of coercion, accumulation and legitimation.\(^{22}\)

In the twilight of European feudalism, French King Louis XIV infamously declared, “L’État, c’est moi” (“I am the State”). Such a statement could never be made within a capitalist democracy. Far from a unified ‘agent’, the state is a vast, complex terrain of struggle. However, the playing field is substantially sloped in favour of the capitalist class. Not only do state revenues depend on accumulation, but state agencies, including government, comprise an “unequal structure of representation”, as Rianne Mahon showed in her classic study of the decline of the Canadian textile industry in the 1970s. The dominant fraction of capital – in this case, finance – is represented within the state through the Department of Finance (as well as the Treasury Board and Bank of Canada), which holds the “pre-eminant position” within the wider policy network. Other fractions of capital are represented more marginally in the policy network, in this case through the Canadian Textile Institute. More subordinate social interests are also represented on the margins, including labour (Ministry of Labour) and colonized peoples (Indian Affairs and Northern Development). As Mahon summarizes,

> These institutional sites within the state…act as the means through which the state is able to “hear” and formulate a response to the issues arising out of inter- and intra-class conflict. Yet just as the relations among these forces are unequal, so too does the quality and form of their representation within the state vary; the structure of representation is unequal.\(^{23}\)

In practice, corporate power and state power entail a ‘partnership between two different, separate forces, linked to each other by many threads, yet each with their own sphere of concerns.’ They depend on each other, and through “revolving doors” leaders move between the two sectors. The ‘power bloc’ – those in core positions of economic and political power – includes both state and capitalist leadership, sometimes complemented by other interest groups.\(^{24}\)

The third component of capitalist society’s anatomy, civil society, lies “between the economic structure and the State with its legislation and its coercion,” as the editors of Gramsci’s *Prison Notebooks* have stated. Civil society comprises an especially complex terrain. There, people with their diverse needs, capacities, identities and interests sustain themselves and each other, within families, schools, religious communities, voluntary associations, trade unions, social movements, political parties, etc. From the standpoint of the capitalist economy, much of what happens in civil society reproduces the labour-power that workers sell to capitalists for a wage. This terminology may sound strange. Karl Marx himself viewed labour-power as a most “peculiar commodity,” in two senses. As we have seen, it is the unique source of more value than it is worth, i.e., of surplus value. But also, unlike other commodities in a capitalist system, labour-power is not an object. It is inseparable from human beings themselves. Thus labour power is (re)produced as workers maintain their lives, both on a daily basis and across generations. By the
same token, civil society (along with the state) is a key site where the dominant position of the capitalist class is also reproduced, as we shall see in Chapter 6.  

The central institution in these processes of class reproduction is the family. For the capitalist class, wealth is inherited through families, thereby reproducing the dominant class intergenerationally. Children born to wealthy parents grow up rich. Very few members of the capitalist class come from humble backgrounds. Along with the transmission of wealth, the culture, ideology and values of the dominant class are transmitted through socialization processes centred initially in the family (to be later reinforced within elite private schools). Meanwhile, for proletarians, the family has traditionally been a site of unpaid domestic labour – housework and childcare – which reproduces labour-power, daily and intergenerationally. The predominant assignment of these activities to women has been a continuing source of gender inequity. This is evident in many “upper middle class” families in which the male breadwinner pursues a professional-managerial career while the female homemaker engages in the labour of care. As feminist sociologist Dorothy Smith observes, in these cases the interests of the wife are held to be intimately bound up with her husband’s career. In various ways she is expected to support him morally and socially as well as through the ways her domestic labour ensures both his ordinary physical well being and his proper presentation of self. Lacking the wealth of capitalists, such families strive to inculcate in their children the capacities and sensibilities needed to get ahead in a world dominated by corporate capital. And although 21st century Canada is in some ways less gender-stratified than it was when Dorothy Smith’s analysis was published in 1985, her basic observation on this issue still has relevance:

Children progressively become the object of parental work, particularly the work of mothers, aimed at creating a definite kind of person, with distinct communicative skills in speech and writing and with capacities to take advantage of an educational process through which boys will have access to career-structured occupations and girls will have access to men with career-structured occupations.

Other aspects of civil society are also linked into state and capital. Education – the major institution of socialization after the family – is wholly or partly state-funded, and a good deal of schooling is attuned to corporate needs for various kinds of skilled, qualified labour. From its 19th century origins onward, formal education has been in part “an attempt to domesticate the working class” by inculcating not only marketable skills but “time-discipline”: “the ordering of work and domestic life around scheduled regularity and the principle of using time efficiently.” Political parties are creatures of civil society, yet electoral successes bring them into parliament and even government. Mass media and social media are largely organized as profit-seeking corporations, although consumption of and participation in media often occurs in civil society. These examples show how economy, state and civil society are intermeshed. We therefore need to see corporate power as both direct (capitalists and their accumulation strategies directly dominate the economy) and mediated – through the state and the organizations and practices of civil society. A key issue, taken up in Chapter 6, is how corporate power reaches, via a panoply of relations, into political and civil society.
Civil society is not simply a field in which the class positions of capital and labour are reproduced. Viewed not from the standpoint of capital accumulation but more broadly, civil society is a field of social struggles for the hearts and minds of the people, the public. Corporate influence, through media, advertising, business-funded think tanks and many other agencies is endemic. Yet corporate rule does not go unchallenged. Various forms of counter-power, grounded in resistance or opposition to corporate and state power, have also arisen. In capitalist democracies like Canada, countervailing powers of social movements – from feminism and environmentalism to Indigenous and labour movements – have contested and even checked the powers of both state and capital. In our concluding chapter we consider some of these countervailing powers, and the alternatives they pose to corporate rule. But at this point it is time to examine the development of corporate capital in Canada.


