

***Equal Time for Freethought* interview with Douglas Rushkoff,
author of *Life Inc.: How the World Became a Corporation and
How to Take It Back***

interviewed by Michael O'Neil

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transcribed by Joel Schlosberg

Equal Time for Freethought: This evening, you're gonna hear my conversation with Douglas Rushkoff about his book [*Life Inc.: How the World Became a Corporation and How to Take It Back*](#). It's a fabulous book; I highly recommend reading it. And you're gonna hear it in just a moment, but I wanna tell you a little bit about Douglas himself. He is a widely known media critic and documentarian. He has written 10 books, and his documentaries include Frontline's award-winning [*The Merchants of Cool*](#) and [*The Persuaders*](#). He teaches media studies at The New School, hosts [*The Media Squat*](#) on radio station WFMU, and serves on the board of directors of [*The Media Ecology Association*](#), [*The Center for Cognitive Liberty and Ethics*](#), and [*The National Association for Media Literacy Education*](#). He has won the Marshall McLuhan Award for outstanding book in the field of media ecology, and was the first winner of the Neil Postman Award for career achievement in public intellectual activity. And again, we are talking about his national bestselling book *Life Inc.: How the World Became a Corporation and How to Take It Back*.

Douglas, listeners of WBAI are quite familiar with the reality of corporate crime, and many listeners might believe that corporations are inherently terrible; but in your book *Life Inc.*, you assert that our problem goes beyond the entities that we call corporations, and is in fact a worldview, and a system, that affects every transaction and relationship in which we participate. You call this system "corporatism" in the book. So what is corporatism? And what are some of the ways that it impacts our lives?

Douglas Rushkoff: Well, traditionally, corporatism was just thought of as a relationship between the private and the public sector, where they tend to serve one another. In other words, there's the government and there's the corporations; the corporations are kind of part of the government. And while that's sort of how Mussolini or Hitler or someone like that might have meant it, when I'm looking at corporatism, what I'm looking at is the fact that way back when, 5 or 600 years ago, Late Middle Ages and the early Renaissance, we created corporations for a very specific purpose; but then we changed their landscape upon which we live, and interact and operate; we changed the laws through which human beings interact in order to serve corporate interests.

So that now, we live in a world that's not only victimized by various corporate crimes, but we live on a landscape, on a playing field, that's tilted towards corporate interests. And that makes us really unaware that the rules by which we operate, that the values we have, are really internalized corporate values; where we look at the bottom line or the GNP as metrics through which to gauge the health of the society; and where we think of human beings as essentially self-interested actors in competition with one another. We accept these things as given, rather than assumptions; or parts of an operating system that was created, not to serve human beings at all; but to, over time, serve these very abstract corporate entities.

ETFF: What I love about *Life Inc.* is that you so profoundly illustrate how corporations are, on the one hand, invented, like you've been describing; but at the same time, over the hundreds of years, we now take them to be natural, as part of the natural order. And one of the ways that you debunk that assumption is by just talking about how corporations were created, how the first corporations were created.

Rushkoff: I know. It's kind of funny. Because I've done a bunch of the books of the last 10, 20 years on the problem of corporations and how they're so bad. But none of them went into, well, what's the idea? In other words, that if we think of corporations— well, it was a good idea to get people to work together, and to build bridges and do great stuff; but it was slowly perverted over time, as greedy people took hold. And that's not really the story.

What was happening was: by the Late Middle Ages in Europe, there was actually a rising middle class. Feudalism, which was the system people had lived in since the 9th or 10th century — with these big bad feudal lords, and all these little peasants having to work on their lands — that was really breaking down, and there was a rising merchant class and a rising middle class. And the aristocracy was threatened by this. There were all these people out there creating value for one another; selling things to one another. There were towns getting very, very wealthy developing their own global currencies in which to do transactions. They were getting so wealthy, they were building cathedrals in small towns. And these were not being funded by the Vatican or some giant central authority or rich family. These were being funded by the people who used to be peasants; by the now very wealthy middle class.

So what the aristocracy had to do, and fast, was figure out a way to be able to hold on to their wealth. So these were families that hadn't created value in centuries. So what they did was they came up with this idea for the corporation. What the corporation was, was a way to do long-distance investment in activities; rather than short-distance, or real, creation of value. And then you have to ask: well, why would merchants who were already doing fine, why would they accept investments from the aristocracy or investments from the monarchy? They accepted this investment because what the monarch gave them in return for those shares was laws. They said: "OK, if you let me invest in your company, I'll give you exclusive dominion over the West Indies. Or I'll give you the exclusive contracts on all coal production, or all cotton growing." So what they got was monopoly.

So what the corporation really is, is a contract between between a company and the government for laws to be written granting that company a complete monopoly over its industry. And that's what changed the face of business from this thing we think of as free-market competition, or traditional capitalism, to this new kind of corporate capitalism. Where really, you have a set of laws that are there to help people with money make money by having money and not actually doing anything.

ETFF: And also, in addition to being granted dominion over those lands, they were given *carte blanche* to do whatever they wanted with the people who lived on those lands, or the people who worked in those mills. And those people were also abstracted to become an expendable resource.

Rushkoff: Well, that's the bias of the entire corporatist model; is towards abstraction, towards long-distance operation, towards marionetting rather than participating. Because now, if you run a company, and you no longer have to compete with anyone for your business, because you've been granted that business by the government; your focus is gonna shift away from innovation, away from supply and demand, from creating things for

people; and your bias is going to shift more towards exploitation. "Oh, I've been granted an exclusive right to extract the resources of the New World, of America, of the West Indies."

So you're not looking at it as, "How am I going to create rope more efficiently or create better kinds of rope?" It doesn't matter. Because I'm the only one who's allowed to make rope. Instead, what I wanna look at is: "How do I get slaves over there? How do I get the laws written in such a fashion that anything I need in order to make my rope is also part of my company?" So that no one is allowed to have a company of their own that supplies me with something. If they're doing something that's supplying me with something, then I go back to the king and say, "Make what they're doing illegal." So instead, I supply that for myself and they have to work for me.

ETFF: So it sounds like the kind of market inefficiency in the long term that free-marketeers claim that capitalism is supposed to do away with that that kind of behavior, it's not an exception to a free market. It's actually just how things are. It's the intentions of how these institutions were designed.

Rushkoff: And we have this myth, and it *is* a myth, that trade— Looking at the food industry now, Michael Pollan has been showing the fact that this is a myth; that mass production and industry is somehow more efficient than local commerce, local creation of goods and services; and it's not. It's only more efficient when you write laws that make it more efficient. So while big industry is certainly more efficient for, maybe, making microchips, or making things that you need big companies and thousands of people to do, it's not more efficient to make oats that way, or corn that way; or any of the things that we can make and store locally for one another.

And if you look at the great original economic theorists, folks like Adam Smith, there's been [inaudible] by the economists of *The Wall Street Journal* as a free-market libertarian; he was actually biased towards local commerce and local agriculture. They all saw this giant, centralized corporation as inefficient, not efficient. They all understood that the American Revolution was fought against the very artificial, giant, abstract entities which are designed for very temporary purposes. Like maybe building a railroad, or building a bridge, or making computers. But once they exist, it's almost as if these things really are giant, centralized bureaucracies that are better run by government.

In other words, then think of computer chips as a state and corporate alliance through which these resources are produced and distributed. It's not actually an efficient way to do things. McDonald's is not more efficient, in the long term, than grass-fed beef is, which is bought locally. It's not even more efficient to create a culture of children that are gonna eat burgers every day. That's inefficient because the hardening of the arteries and the diseases that result from it.

ETFF: A listener out there in radio land might be thinking, "Well, we know that maybe the British East India Tea Company or the Dutch East India Tea Company, those were monopolistic chartered corporations, but in our present day and age, we have McDonald's, we have Burger King, we have Arby's; we've got a number of entities out there competing with our business, so it's not monopolistic. So how are these monopolistic traits being carried down to the modern corporations today?"

Rushkoff: Well, in two ways. The first way is that corporations today tend to be biased towards the same monopolistic rule set that they used to dominate earlier. So the way

Wal-Mart approaches a region is to open up two Wal-Marts, in order to make sure that everyone in a wide area is put out of business. If people have to travel to a Wal-Mart, then there's still some advantage to a local business. So they open up two Wal-Marts, maybe 25, 30 miles away from each other; so that they can put everyone out of business in an entire region. And then they close one of those Wal-Marts once they're the only business in town, once all of the local druggists and grocers and other stores are gone. So it's a scorched earth policy. What they need to do is go in, destabilize the region, force everyone to become employees of their shop, once everyone else is out of business. Then they can close one. And they fully intend to close one of them when they go in. That's the kind of monopolistic behavior that early corporations would have.

The other way of understanding it is that McDonald's and Burger King are essentially the same thing; in the long run the same class of speculators, of shareholders, who are running these companies. The problem is that it's impossible for smaller, local entities; for people who actually do things, who create value in sustainable ways, to compete against them. And the worse the policies of these companies get, the harder it is actually for us to compete against them, because they get regulations put in place by government that actually cements their place in.

One great example is what just happened to the toy industry. The major toy conglomerates have been outsourcing toy manufacturing to China for years, in their quest to increase efficiency. And it turns out that one of the Chinese factories making all the little Dora and Thomas toys used lead paint on the toys. And it was a big scandal, and the toy industry then worked in close collaboration with the government to come up with regulations to prevent that from ever happening again. And what they actually did was came up with regulations that helped further cement their monopoly of the toy industry. Because what they did was now require anyone who wants to sell a product of any kind that's going to be used by children in America must submit to between \$50 and \$100,000 of testing per toy. So what is a toy manufacturer who has 10 employees, who makes individualized toys for kids out of a nice, small factory in Burlington, Vermont — what's he supposed to do? Like he's only creating lines of 100 or 150 toys per line anyway; an entire line of toys that might only make \$50,000 — or \$5,000. How do you pay \$100,000? Well, you don't, and you go out of business. So now the American toy industry, by putting lead paint in their toys — I'm not saying they did it intentionally — but by having an opportunity for regulation, they end up further monopolizing the toy industry and making it literally impossible for anyone but a major toy conglomerate to sell toys in America. That's how these strategies for monopoly are passed down from the Renaissance era to our own.

ETFF: What is really important about *Life Inc.* is that you deal with the economics of how the state and capital are relating to each other, but you also ground it in how corporatism affects our personal interactions and our day-to-day interactions. And that the more we rely on corporations to mediate our experiences and our needs, the less we are able to depend on each other. And what's really bizarre is that whether it's the Protestant Reformation or the hippies and the counterculture in the Sixties, every time people appear to be pursuing individualism, they're actually becoming more dependent on corporations and abstract, centralized institutions. One example you give about this is in terms of spirituality.

Rushkoff: Well, in America in particular, spirituality and capitalism dovetailed ever so neatly. It was Frank Baum, the author of *The Wizard of Oz*, who was also a window dresser for John Wanamaker, and one of the earliest New Age believers in America. And the New

Age was originally considered a new prosperity. And the idea was that if you were spiritually OK with the world, you would also have money. And that meant that people who were impoverished were impoverished really as a result of the fact that they weren't OK with God, that they weren't really saved. It's really in America where you had salvation as an *individual* thing. You have a *personal* relationship with God. It's not your neighborhood that's saved, or your family even that's saved. It's *you*, as a unique *individual*. And the idea of the individual, it's marvelous in a certain way. It came to us through the Renaissance and the Enlightenment. The idea of: we each have our own perspective; and one man, one vote; and the Enlightenment was all about an individual perspective on the world that deserves to be heard. And that they all amalgamate into this great, complex view of the world.

But individualism works really well as a justification for consumerism. Individualism is a great philosophy in a world where you're trying to sell one thing to each person, rather than having people share anything. So you need to convince people that yes, you deserve your *own* barbecue in your *own* backyard of your *own* house with your *own* TV for your *own* family, rather than the idea of sharing something with anybody else. It's either seen as some bizarre communism or collectivism, rather than the fun of being in communities. So we're taught that other people are dirty, and there's sanitary problems, and better to put up the hedges and have your own backyard and your own front yard and your own driveway and your own vehicle. And that this would sort of be the road to happiness, both as an American consumer in postwar Levittown, privatized America; and as a spiritual being. Moving through reality was towards this personal fulfillment, individual happiness. As Maslow would say, self-actualization being at the very top of the pyramid of spiritual development; rather than as it should be, I think, at the bottom of the pyramid. You self-actualize when you're six years old, and then you learn to be intimate and to collaborate with other people. Group actualization, collective actualization is really what should be at the top of that pyramid.

ETFF: And this is a program about secular humanism and in the humanist ideals. It's about valuing human life. But there's also this individualist streak that runs through humanism as it is espoused and practiced in North America and western Europe, certainly. And that individualism has, like I said and as you write in the book, it's led us into corporatism. Can there be a meaningful humanism, as a philosophy or as a movement, without reclaiming our lives from corporatism? And what might that look like?

Rushkoff: The reason why humanism, as it was defined in the Renaissance, which was really individualism, the reason why that worked so well with corporatism is that corporations want consumers, want individual consumers and individual employees all in competition with one another. They don't want towns. They don't want collectives. They don't want communities. They don't want, really, anything that makes us think of one another. Humanism doesn't have to be defined individually, though. Humanism can be defined more in terms of the humanist scale. Instead of us as individuals relating to abstract brands, relating to abstract nations, relating to abstract heroes, abstract corporations, abstract ideals, abstract investment, abstract currencies; we can, as humans, relate to the human scale at which our actual bodies and families and communities operate. We are between 5 and 6 feet tall, and 100 to 300 pounds; that's what a human is. And as humans, before media, before radio and television and the Internet; a human actually also exists in this three-dimensional, biological realm, and walks around. So what does that human relate to? That human relates to its neighborhood. That human relates to community-supported agriculture, to our local school, to local restaurants, to "Where does my energy come from? What is the supply chain for the

things that keep me alive, for the things that keep me nourished?" We've learned that industrial agriculture doesn't nourish the human organism. Industrial education doesn't provide knowledge to the human organism. Industrialized spirituality doesn't provide spiritual dimension to the human organism. And if we start to look for human scale alternatives, which were actually the original sources for the things that we need to sustain ourselves, we end up promoting a genuinely secular humanism, as people, rather than this faux humanism as individuals relating to abstract ideals.

ETFF: And that was Douglas Rushkoff talking about his book *Life Inc.: How the World Became a Corporation and How to Take It Back*. It is a fantastic read. It is an essential understanding of how corporations came into the world and how they affect almost every aspect of our lives. You can check out Doug's work online at rushkoff.com, and there's all kinds of information about how you can get the book as well as Douglas's other work.