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Critical Discourse Analysis and Political Economy of Communication: Understanding the New Corporate Order

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Abstract

This article uses critical discourse analysis to analyse material shifts in the political economy of communications. It examines texts of major corporations to describe four key changes in political economy: (1) the separation of ownership from control; (2) the separation of business from industry; (3) the separation of accountability from responsibility; and (4) the subjugation of 'going concerns' by overriding concerns. The authors argue that this amounts to a political economic shift from traditional concepts of 'capitalism' to a new 'corporatism' in which the relationships between public and private, state and individual interests have become redefined and obscured through new discourse strategies. They conclude that the present financial and regulatory 'crisis' cannot be adequately resolved without a new analytic framework for examining the relationships between corporation, discourse and political economy.

Key words: political economy of communication, critical discourse analysis, corporatism,

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Introduction

Critical discourse studies and political economy of communication can usefully inform each other to explicate the dynamics of political economic relations, their histories, and their meanings. Our view is that which was traditionally defined as capitalism has yielded to a new form of corporatism with pernicious effects on material social relations. These effects, we argue, require analytic templates that begin from a synthetic view of the relationship between discourse and political economy. This is not a new task: it has been anticipated and modeled in discourse analytic work of Fairclough and others (Fairclough, Graham, Lemke, & Wodak, 2004) and in recent critical studies of cultural politics (cf. Armitage, 1999; Battaille, 1973/1989; Kellner, 1995; Virilio, 1993/1995: 15). However, the task has new urgency given the current crisis of corporatism: a crisis that continues to defy available explanatory paradigms of economics, political economy, and geopolitics, most of which are premised on obsolete concepts of capitalism.

We argue that the transition from capitalism to corporatism turns on four crucial disjunctures: (1) the separation of ownership from control; (2) the separation of business from industry (Veblen, 1923); (3) the separation of accountability from responsibility; and (4) the subjugation of 'going concerns' (Veblen, 1923) by overriding concerns. We illustrate each of these structuring principles through analyses of discourse moves in the representation of corporate action. Our aim is to show how discourse analysis can play a significant role in understanding the reshaping of poltical economic relations. Critical Discourse Analysis (CDA), further, can be used to explain and elaborate the current material reorganization of political economy more generally.

Background and definitions

As an academic "brand" and intellectual paradigm in formation, CDA has been used for social and cultural analysis for three decades (Fairclough, Graham, Lemke, & Wodak, 2004). Beginning with Fairclough's *Language and Power* in 1987, which built upon the critical linguistics of Hodge and Kress (1988), CDA has been deployed as the methodological basis of studies in education, anthropology, cultural and media studies, legal studies, health sciences, geography, communication, and and other social sciences and humanities in Europe and Asia, as well as in the US, UK, Canada, and Australia (e.g., VanDijk, 2007). While there is no single theoretical or methodological approach that distinguishes CDA, several strands have lineage in the early Marx's dialectical method (Fairclough & Graham, 2002). Rather than taking a discourse-deterministic approach to analysis, in which discourse is taken as a constitutive first principal of reality - we define discourse as epiphenomenal of social and material relations. That is to say: patterns of meaning making and exchange are materially enacted practices that have empirical effects in the world, and discourse is grounded in an encompassing world of social and cultural relations.

We define political economy as the study of how values of all kinds are produced, distributed, exchanged, and consumed (the economic); how power is produced, distributed, exchanged, and exercised (the political); and, empirically, how these aspects of social relations and everyday life are organised and enacted synchronically and diachronically. A political economy of communication is therefore concerned with understanding how communication figures in political economic formations more generally (Innis, 1950). By 'communication', we refer to the exchange and construction of meanings and value between people, including the practical means by which meanings are transported and mobilised through space and time. These processes are by definition technological, intertextual, intercultural, intersubjective, and inter-psychological.

We define discourse as institutionally and culturally structured patterns of meaning making. That is, we define discourse as the spectrum of 'social and cultural conventions' for making meaning in a given context (Lemke, 1995). While 'extended samples of text and talk' (Fairclough, 1992: 3) are tabled here, discourse analysis can focus on whichever modes are typically used in any given social context to make meaning (Lemke, 1995). Critical Discourse Analysis (CDA) is the study of discourse with particular reference to inequalities of power and how they might figure in 'the most pressing social problems of the day: those aspects of the structure, organization and functioning of human societies that cause suffering, injustice, danger, inequality, insecurity, and self-doubt' (Fairclough, Graham, Lemke, & Wodak, 2004).

Our aim is to model how CDA and political economy of communication can be usefully synthesized to analyse systemic changes in corporate power that have identifiable material force in everyday life. To do so requires that we begin from an explicit orientation to political economy - rather than beginning with texts, justifying a sample corpus and, on this basis, inferring a political economic model. Our approach to CDA works abductively: recursively moving between political economy of communication as theoretical frame and numerous textual instances, looking for patterns that connect and repeat at multiple levels, and, to paraphrase Bateson (1980), for (discourse) differences that make [material] differences.

A final definitional note on the term *value*: Marx augmented Adam Smith's "labour theory of value" to include Aristotelian distinctions between exchange-value and use-value, and his formulation of 'surplus value' (Marx, 1976). A theory of value is essential to any study of political economy:

> To develop the concept of capital it is necessary to begin not with labour but with value, and, precisely, with exchange value in an already developed movement of circulation. It is just as impossible to make the transition directly from labour to capital as it is to go from the different human races directly to the banker, or from nature to the steam engine. (Marx, 1973: 259)

We do not take value and price as co-terminous. Price is merely one expression of value that has come to dominate or at least significantly mediate almost all other aspects of people's value systems in contemporary societies. Different cultural collectives construct, negotiate, and operate within different aesthetic values, moral values, family values, intellectual values, social values, prestige values, and any number of other kinds of value (Graham, 2006). As described in classical economics, few "traditional" values (e.g. those embedded in practices of giving, worship, kinship and sexuality, food preparation, the intergenerational transmission of skill and knowledge, etc.) have resisted the process of commodification and, hence, the price system. A political economy of communication needs therefore to focus on the ways that both residual and emergent, traditional and contemporary values are produced, propagated, and transformed because they are routinely converted into prices and/or power.

Values are well suited for discourse analysis in the current context. Just as stock market prices are "talked up" or "talked down" - social attitudes towards technologies, cultural and ethnic groups, languages, celebrities, political ideologies, war, soap, marriage – in fact almost any aspect of human existence – are "talked up" and "talked down" every day in more or less programmatic ways through globally networked mediation systems (Graham, 2006). In contexts of mass mediation, value, then, is subject to the linguistic market. In terms of political economic analysis, then, CDA provides us with a theoretically compatible mode of analysis to describe the relations between the exercise of power, the propagation of values, and the construction of 'value'. In what follows, we outline and elaborate upon the elements of corporatist political economy and how these are realised as analysable social facts in discourse.

The new political economic context and its defining features

Our polemical claim is that the current political economic system can no longer usefully be called capitalism (Graham & Luke, 2003, 2005; Graham, 2006). It is a new form of global corporatism as described by Saul (1997). This section describes the necessary and sufficient features that define the prevailing corporatist system as being distinct from capitalism *per se*. They are:

1. the separation of ownership from control;
2. the separation of business from industry (Veblen, 1923);
3. the separation of accountability from responsibility; and
4. the subjugation of "going concerns" (Veblen, 1923) by overriding concerns.

We first explain the significance of these four features in terms of the changed political economic context and then turn to demonstrate how they are expressed in the discourses of government, business, and mass media.

The separation of ownership from control: In itself, the prevalence of this feature should be enough to indicate the passing of capitalism. Almost every definition of capitalism is premised upon private ownership of the means of production (Marx, 1976). Yet classical Marxism tends to assume a structural isomorphism of ownership of the means of production with control over that production, its labor processes and tools, and produced artefacts. The simplest and most common definition of capitalism is an economic system in which private individuals own and invest in the means of production and use these to increase their wealth through a combination of price system, profit motive, competition, and the use of specialised wage labour. So central is private ownership to the definition of capitalism that diverse Marxist, socialist and revolutionary political movements over the last century had unified over a singular aim: achieving social ownership of the means of production.

In economically 'advanced' countries, the irony is that social ownership of the means of production has been achieved without the appearance of any of the benefits hoped for by communist and socialist movements. This has much to do with the way it has been achieved. Corporations have deployed the hoard collected and centralised through compulsory savings plans such as superannuation, 401K plans, pension funds, sovereign wealth funds, and the like. In a population as small as Australia's, the money value of superannuation savings exceeded one trillion dollars by 2007 (Costello, 2007). This capital is augmented by the proliferation of 'mom and dad' shareholders via the public floats of previously government owned corporations like airlines, telecom and power companies, and most recently, those running road and transport infrastructure. The Australian Stock Exchange (2007) estimates that 46% of the Australian population, or 7.6 million people directly or indirectly hold shares.

The total amount invested globally on behalf of all future retirees is almost impossible to calculate, but a recent number from the United States (US) alone is $14.4 trillion (Bloomberg, 2007), with the total figure worldwide managed by the top 500 pension funds being estimated at close to $25 trillion in 2007 (Appell, 2007).[1] The money from these savings funds is invested globally in corporate shares, commodities, futures, currency, real estate, and any number of financial instruments. In other words, along with the majority of raw means of production, a large majority of corporate stock, and the abstract instruments of the global financial system, are now nominally owned by "the workers of the world" through their pension funds, direct shareholdings, and other investment strategies.

Because this money typically has been invested at arm's length from the people who worked to earn it, it is practically impossible for any individual to know exactly what their money actually owns. For the largest public corporations are controlled by people who do not own them on behalf of the many millions who have no idea what they actually own.

Control over the assets of the most powerful corporations has thus become separate from the ownership of the corporation and its assets. Two points are relevant for analysis: (1) a powerful custodial class has emerged as a globally dominant force. This is the relatively small group of corporate board members and their affiliated cadre of investment bankers and traders who control massive resources of the world's largest corporations and exercise their associated power for each others' benefit. Furthermore, (2) this separation of ownership from control is an achievement of discourse — from "selling" the idea of compulsory national savings plans in the form of pensions and sovereign wealth funds; to implementing them politically and economically; to publicly accounting for the risk, gains, and losses from these plans to members, shareholders, and other nominal 'owners'.

The separation of business from industry: Veblen (1923) provides the useful distinction between business and industry, *industry* being the making and doing of useful things, business being the making of money by buying and selling. The distinction can roughly be related to Marx's (1976) conceptions of use-value and exchange-value, but provides a useful perspective for analysis and a dramatic historical insight: *that business will tend to destroy its industrial base in the name of 'efficiency'.* Business and industry arise at different times in history (cf. Pirenne, 1952; Weber, 1930/1992). Industry – the making and doing of things – is a fact of human existence and precedes business, which has waxed and waned in importance and social acceptability throughout recorded history (Weber, 1930/1992).

In its reliance on individual investment, massified and centralized technical plants, industrial capitalism was the historical moment at which the principles of business and industry were more or less evenly balanced, if not entirely symbiotic. As Marx (1973: 259) points out, capitalism could not have developed without the existence of an already working exchange system – a constant and ready flow of money. Rater than being perennial, markets have waxed and waned in influence: 'A modest level of commerce persisted in most parts of Europe' from the decline of the Roman Empire onwards, up to the 12th century, with western European markets being 'essentially casual, ad hoc ... rarely fixed or permanent' (Hunt & Murray, 1999: 25). After that, business quickly took root between the cracks of political and industrial modes of organisation, taking hold of existing productive capacities, turning them towards the pursuit of profit, organising production over greater distances, and transforming industrial capacity and practice in the process (Hunt & Murray, 1999; Weber, 1930/1992). To achieve this against the moral tendencies of the Church, which were, for centuries, anti-business, the emergent commercial class allied themselves to the vested interests of the propertied classes (Hunt & Murray, 1999).

Organised and sustained trade first took shape when traders began coordinating the efforts of existing cottage industries and exploiting new milling and weaving technologies to establish a fabric trade centered in Flanders (Pirenne, 1952; Weber, 1930/1992). The eleventh century brought the beginnings of a commercial revolution in Flanders and Venice. Its most innovative and decisive technology was the bill of credit – medium, technology, communication, and discourse all at once, brought together in the construction of anticipated, as yet unrealized production (Pirenne, 1952). The emergence of early systems of accounting, and the rise of trading (but not producing) classes, provided the social and technological grounds for the separation of industry and business.

Fast forward to Hobsbawm's description of early-mid 19th Century industrial entrepreneurs. He shows us a new class of men: an owning and controlling class obsessed with building infrastructure and having a deep personal involvement in their enterprise. It was the age of railway building, a project that literally consumed the lives of 'armies of peasants' and 'coolies who left their bones along each mile of track' (Hobsbawm, 1975: 72-73). Thomas Brassey, railway magnate (1805-1870), employed 80,000 men across five continents (1975: 72-73). His overseas 'conquests' were the popular equivalent of 'battle honours and campaign medals of generals in less enlightened days' (1975: 73). Brassey, like Cecil Rhodes, Leland Stanford and others to come later, was the personification of high capitalism: an industrially driven success, an owner and controller of the means of production, a personal commander of massive amounts of wage labour and, in instances, *de facto* slavery.

The centralisation and massification that took place between the emergence of monopoly capitalists in the late 19th century and the mega corporations of the twentieth century continued apace until in the early 1980s. In the 1990s, 'globalisation' entailed the systematic 'privatisation' of public infrastructure, goods and services developed during over a century and a general de-industrialisation of the developed world. Factories and mines were abandoned, and industrial efforts moved 'offshore' as corporations sought cheaper labour, resources, less environmental regulation, tax breaks, and more pliable, corporate-friendly policies. Companies whose rise had been predicated on a core 'industry' (e.g., manufacturing) diversified into other forms of 'business', rebranding and remaketing commodities designed and manufactured by other corporate entities. The industrial centres of the West were either transformed into centres of business and finance or left to decay.

An ironic reversal has occurred as a result. Because the organs of industry and business have become so markedly separated in recent decades, the most successful organs of corporatism now operate in the manner of the large and powerful merchant guilds that arose in western Europe during the 13th and 14th Centuries: they define political realities to the point of writing government policy, they directly control and discipline human labor that they do not employ, they define and standardise industrial quality, they operate on networks of close personal alliances, and they make nothing except money through the movement of both material and virtual commodities and goods. Most importantly of all – they propagate *monetised consciousness* throughout whole populations (Pirenne, 1952; Hunt & Murray, 1999). If capitalism was the point at which the principles of industry and business became symbiotic, corporatism is marked by an almost complete domination of industry by business and, in significant places, their complete separation.

The separation of accountability from responsibility is a corollary outcome of separating ownership from control and business from industry. By *accountability* we refer to a literal duty of care in the expenditure and control of budgeted monies. By *responsibility* we mean personal and moral liability for decisions taken about how budgets are formulated and spent – that is, what budgets are specifically meant to achieve. The manner of industrial separation from business has most obviously taken the form of "outsourcing" and "offshoring" industrial processes to "contractors'"- a return to the "piece work" model of industry in the middle ages (Weber, 1930/1992). An extreme example of how far the outsourcing movement has extended can be seen in the US Government's conduct of the most recent war in Iraq, with contractors comprising the bulk of international forces and support personnel. According to Bartlett and Steele (2007), all income taxes paid by workers in the US earning $100,000 per year or less – which is to say 90% of all personal income taxes in the US – were absorbed by government consultancy bills (2007: 344). The delinking of business from industry through outsourcing has a corollary effect of delinking responsibility for shoddy, damaging, or even criminal industrial practices from raw budget accountability. Again, this is evident in legal action taken against Blackwater and other 'war contractors' in the US (Broder, 2007; Isenberg, 2007).

At a more mundane level, the effects of separating accountability from responsibility are ubiquitous, with committee- or board-based decisions dominating corporate practice; more and more complex technical systems being placed between consumers and corporations; and operational management, sales, service, and complaint centres being geographically dispersed on a global scale. All these factors have led to public routines of 'blame-shifting' and rafts of 'corporate governance' policies epitomised by the *Sarbanes Oxley Act* (US Congress, 2002). The difficulty that legal systems currently face in assigning responsibility for financial failure of banking and investment firms is a case in point. Even where the failure can be pinned to a sovereign individual's actions or decisions – as is underway in legal cases against investment banks - it is clear that such actions were condoned, or at least enabled, by networks of corporate boards, accountants and auditors, lending and ratings agencies, and regulatory bodies. Responsibility has been utterly diffused by corporate governance models.

Finally, *the subjugation of 'going concerns' by overriding concerns,* refers to the subjugation of sustainable business practices by urgent and threatening matters towards which public attention is consciously focused on a mass scale. In such cases, the mobilization of some 'threat' or 'risk' is used as a technique of attitudinal persuasion in what amounts to a series of national or global "emergencies" (Gardner, 2008). This has become a hallmark of contemporary corporatism and is, uquestionably, an achievement of mass communication. The end result is evident in the close links between mass media and military institutions that can be seen almost everywhere throughout the developed world. In France, for instance, 'a total of 70% of national newspapers are the property of two armament manufacturers' (Le Monde, 2004). The US has almost a century of developing systematic links between its military and entertainment sectors (Graham & Luke, 2003). Through two world wars; the Great Depression; the Cold War; Korea; Vietnam; the oil crisis of the 70s; two Gulf Wars; the Balkans crises; and the various and continual wars on drugs, crime, terror, and obesity. Throughout the twentieth century, the public consciousness of mass mediated societies has been dominated by overriding concerns that have demanded massive spending and debt on the part of governments and their citizens. The pattern has been that 'private' (i.e. corporate) profit is augmented by public debt to finance a militaristic response to an overriding concern of the day (e.g., geopolitical or geoeconomic 'crisis'). Highly-tuned military and civilian forces engaged in communication campaigns are utterly necessary to maintain overriding concerns on such a scale. Economies of massive indebtedness are an inevitable result of the militarisation that such a state of constant public anxiety entails and maintains. Many of the communication principles of producing a never-ending series of overriding concerns were first worked out in the Creel Committee between 1916 and 1918 (Graham & Luke, 2003, 2005). Only their means, mass, speed, and reach have changed with the times as corollaries of more sophisticated means of communication.

The result is a mass mediated *political economy of risk and fear*—a system of communication whose messages continuously stream real and potential loss, lack, risk, and danger, arrayed in terms of a chaotic and unpredictable world that requires state protection (Beck, 1992). This shifts what counts as value in political economic terms. It moves everyday choice and agency in various domains of family, life, and work towards a moral, economic, and political investment in avoidance, deterrence, and a 'null' mentality where action is premised on risk avoidance.[2] It is the basis of exchange systems that are by definition future-oriented and permanently *immanent*: in a constant anticipatory state of potential becoming. The political effects of mass-mediated fear are based on an historically specific relationship between a public pedagogy of "things-to-be-feared" and the exercise of power. This is hardly a new phenomenon, but one whose scope and purview is technologically enhanced beyond those media described by, for example, Horkheimer and Adorno (1947/1998). In earlier work, we referred to these as 'weapons of mass instruction' for the reformation of everyday life (Graham & Luke, 2003).

Taken together, the four features we identify above define and sustain the corporatism which dominates current political economic landscapes the world over. The net result is a proliferation of national and personal debt; armaments, war, and police expenditure; totalitarian laws such as the US Patriot Act and Arizona immigration act; an absence of personal responsibility at every level of decision making; enormous levels of trade and debt dependency; increasing inequalities of all kinds; and reactionary violence across almost every cultural faultline and divide (religious, ethnic, national, etc). These elements were well in evidence prior to the current economic crisis.

In the following section we show how these four aspects of political economy, never operating autonomously of each other, are realised in corporate and government discourses. In this way, we illustrate the relationship between critical analysis of discourse and the current political economy of communication.

Separation of ownership from control

For the small community of corporate persons that exercise control over the bulk of exchange-values, the pool of 'assets' they control provide a means through which power can be exercised on a hitherto unprecedented scale and scope. For example, Rupert Murdoch can exercise control over a global media empire by owning less than 15 percent of the company's equity. This is the notion of a 'controlling interest' in corporate governance at work. Here is how changes in such arrangements are communicated to the public in official terms, and how a relatively small share in one corporation can be "leveraged" into a larger share of another (the mechanism is debt). The following is a public notice 'seeking consent to transfer control' of FCC licenses 'including direct broadcast satellite … and fixed satellite space station, earth station, and terrestrial wireless authorizations held by Hughes and its wholly- or majority-owned subsidiaries to News Corp':

> The proposed transaction involves the split-off of Hughes from GM, wherein Hughes will become a separate and independent company, followed by a series of transactions where News Corp., through its majority-held subsidiary, Fox Entertainment Group, will acquire a 34%

> interest in Hughes. The remaining 66% interest in Hughes will be held by three GM employee benefit trusts (managed by an independent trustee), which combined will hold an approximately 20% interest in Hughes, and by the general public, which will hold an approximately 46% interest in Hughes. (Federal Communications Commission, 2003)

Note the complex combination of interests and assumed relations expressed here. Three corporate entities - News Corporation, General Motors, and Hughes Electronics Corporation - have proposed an arrangement that gives a single person control over a global, extra terrestrial media system - the sole purpose of which is to produce specific forms of consciousness on a global scale - by mobilising employee benefit trusts and the money of 'the general public'.[3] Such an arrangement would not have been possible a mere 25 years ago. Consider the historical lineage of each of these corporations: Newscorp, an archetypal media conglomerate linked to an era of dominant print newspapers; General Motors as the largest remnant of early 20th century industrial economy; and Hughes the historical remainder of Howard Hughes' twin foundations: media and aerospace/military. Note that a significant cash component of the deal is the savings of "three GM employee benefit trusts".

It is not News Corporation that will own a controlling interest in Hughes Electronics. It will be Fox, a subsidiary of NewsCorp. Hence, a relatively small 'controlling interest' in one major corporation can be leveraged to exercise ownership of more and more subsidiary corporations with larger and larger shareholdings by piling mortgage upon mortgage at many arms' distance through corporate structures and the deployment of debt secured by other people's money.

In such situations, debt is deployed as a defensive weapon. The following is a report about a hostile move on the Murdoch 'empire' in 2004:

> Theoretically, Mr Malone could swap more of his non-voting stock for shares with voting rights, thus increasing his influence on the company. But he would find it difficult to wrest control from the Murdoch family.

> At present they are protected by a number of "poison pill" defences, including one stating that all of News Corp's $8.7billion debt falls due if there is a change of control at the company. (Litterick, 2004)

In this instance, massive debt is protection in respect of corporate control. The 'poison pill' threat for the group interested in taking control of Newscorp is that the corporation's debt will become *real* debt, due *now* if the Murdoch family cedes control. At each step in the leveraging of 'controlling interests', an increasing number of relatively minor shareholdings are transformed into control over larger and larger amounts of labour - and indeed material and editorial control over the pace and nature of technological expansion, and of dominant means of communication.

The separation of ownership from control has been an explicit and formal fact of corporate governance literature since for more than a decade:

> Companies issue dual class common shares with differential voting rights to separate control from ownership. Shareholders with higher voting rights are able to maintain control with a small equity investment and effectively prevent hostile takeover. The significant value of control is evidenced by the higher price paid for superior voting shares (SVS) relative to the price paid for restricted shares (RVS) during takeovers. (Smith & Amoaku-Adu, 1995)

Introduced by Switzerland in 1928-30, dual class shares were firstly a device to defend against foreign nationals taking a controlling interest in Swiss corporations, with the specific aim of limiting foreign representation on boards -- literally corporate 'defence measures' (Lupold & Schnyder, 2006). Here the premise for shareholder inequities in terms of control, expressed here as 'differential voting rights', is to fend off 'hostile takeover' by concentrating control in the hands of a privileged minority shareholding. Combined with the 'dual class' character of ownership, we see class warfare embedded in corporate governance policies.

To understand the historical meaning of dual class shares requires attention to qualitative differences between the corporate environment today and that of the early 20th century. They are twofold: first, as noted, there is the mass mobilisation of public savings through compulsory superannuation plans and the divestment of state infrastructure through public floats (e.g., airlines, telecoms, utilities). Second, the welding of corporate and State interests through the governance, regulation, and deployment of national savings creates an indecipherable relationship between cash paid by workers for future benefits and the present relationship between that cash and the assets it owns. Hence the recent GM bankruptcy negotiations were confounded by the corporate liability of promised workers' future benefits. Added to the widespread corporate use of dual class shares and other such 'defensive' devices, the relationship between personally earned investments and ownership of corporate assets takes on the character of international aggression, in which nationally situated assets tied to industry are expropriated, redistributed, or simply sold off regardless of the effect on employment or debt levels. In that sense, the present mode of corporate ownership could be said to be *antisocial* ownership of the means of production because the social character of ownership is aggressively hidden behind corporate defense mechanisms allegedly designed to fend off 'hostile takeovers', even as takeovers, acquisitions, and mergers become everyday affairs and a perceived source of wealth creation. Simply, the use of dual class shares – originally a means of national defense – has now become a means of class warfare.

The formal separation of ownership from control, especially as it pertains to the means of production, is an historical fact marking the end of a central premise of capitalism. Our argument here is that capitalism as a system has morphed into corporatism. Social ownership has been achieved nominally and legally, but without social control over any of the constituent elements of the means of production.

The following is an announcement following the recent merger of Reuters and Thomson (Reuters & Thomson, 2007). It demonstrates how extensively and completely corporate control can be separated from ownership:

> Reuters share structure includes two mechanisms designed to safeguard the company's independence. On Tuesday, the two groups set out how these would change if the deal is completed.

> - The Reuters Trust Principles and the Reuters Founders Share Company structure will apply to both Thomson-Reuters Corporation and Thomson-Reuters Plc.
>
> - The Reuters Founders Share Company will retain its right, through the Founders Shares, to defeat any shareholder resolution which would change the rights of the Founders Share.
>
> - The Thomson family will own 53 percent of Thomson-Reuters via its Woodbridge holding company. Woodbridge will be exempt from the rule limiting holdings to 15 percent or controlling 30 percent of votes, as long as the family controls Woodbridge. (Reuters & Thomson, 2007)

The Founder's share (or 'Golden Share') is designed to ensure 'independence and trust' in reporting news:

> The Founders Share is owned by Reuters Founders Share Company Limited … . If the directors of Reuters Founders Share Company believe that any person, together with any associates, is seeking to obtain or has obtained control of Reuters, they may require the special voting rights attaching to the Founders Share to be exercised. "Control" for this purpose means the ability to control the exercise of 30% or more of the votes which may be cast on a poll at general meetings of Reuters Group PLC. In such circumstances, Reuters Founders Share Company, through the exercise of these special voting rights, has the right to cast sufficient votes at any general meeting of Reuters Group PLC to pass any resolution supported by, and to defeat any resolution opposed by it. (Reuters, 2007a)

The significance of this merger is hard to overstate. Jointly, the two groups comprise 34 per cent of global information services (Reuters & Thomson, 2007). But that is a merely quantitative statement. Reuters is one of only two global news collecting services and the largest medium of global foreign currency exchange (FX) since the 19th century (Reuters, 2007b). And FX is the largest segment by volume of the global economy, trading more than $3 trillion daily (Reuters, 2007b). Thomson is the arbiter of official academic knowledge and its impact in the academic field, with the ISI citation rankings and Times Higher Education top university rankings standing as official measures of academic importance throughout most of the western world. Thomson is the leading supplier of academic rankings, R&D information, patent information, and 'Military and Federal specifications and standards' (Thomson, 2007). It is also the largest publisher and supplier of higher education textbooks, recently sold its large psychometrics businesses to the Educational Testing Service, and has moved directly into e-delivery of courses and educational materials for children and adults. In this regard, organisations like Thomson participate in a complex political economy of publishing (Apple, 1988) that ties together both the textual form and content of official knowledge (textbook ideological content), the dominant semiotic modes of its delivery (e.g., print, e-learning), the formal measurement and assessment of its adequate acquisition (e.g., test construction and implementation, journal ranking), and the subsequent textual fields and linguistic markets that human subjects will use on a daily basis (e.g., news, media and entertainment) (cf. Luke, 1988).

The same corporation, whose control rests in specific families and boards, thus has major control over the contents and technical form of pedagogy at multiple levels: how one learns, what one learns through which media, how and by what criteria one is adjudged to have learned adequately, the various texts and discourses that will be made available to the officially 'literate', and, not the least, what one knows or does not know within these corporate texts about the nature, governance, ownership and control of the corporation that produced them.

Thomson also has a major stake in Reuters' single 'golden share' - more precisely, the 18 people who comprise the board of the company that owns it now control the largest and most powerful information and 'public pedagogy' system in the world through the exercise of voting rights for a single share (Luke, 1996). Despite being non-owners of Reuters Thomson, this group has an ongoing mandate to 'to pass any resolution supported by, and to defeat any resolution opposed by it' (Reuters, 2007a). It is the ultimate expression of political leverage in corporatist political economy and a definitive reference for the systematic separation of ownership from control. As with the Murdoch case above, and his more recent merger with Dow Jones and Company, it is noteworthy that Reuters' collaboration with Woodbridge rests upon family control of the company.

As illustrated by the $6.5 trillion of 'securitised mortgage debt' that triggered the current economic crisis, the practice is to turn debt into a commodity, consolidate it with other debts based on the likelihood of it being repaid, and then resell the consolidated 'pool' of debt in pieces. But the practices have become so arcane, so far removed from reality, and so extreme in the separation of ownership from control, that it has become impossible to say what the money values means in terms of ownership.

Separation of Business from Industry

Veblen (1923) was the first to emphasise this historical separation upon observing the political ascendance of corporatism in the early 1920s. 'The corporation', he says, 'is a business concern, not an industrial unit' (1923: 82); 'it is a means of making money, not of making goods' (1923: 85). For Veblen, the corporation is the universal institutional application of the price system to every facet of life:

> So much so that by settled habit, induced by long and close application to the pursuit of net gain in terms of price, men have come to the conviction that money-values are more real and substantial than any of the material facts in this transitory world. (1923: 88).

The historical rise of the price system as the primary political reality in which corporate profits signify general economic wellbeing reflects nothing less than the infusion of corporate consciousness throughout whole societies--a function of mass mediated public pedagogy (Luke, 1996). The general implication is industrial annihilation. That is because industry – the production of goods – is actually an impediment to business 'efficiency'. Here is an example of a familiar trend from recent history under the relatively new jargon of 'deverticalisation':

> For the past three years, Sara Lee HBC has become strictly a sales and marketing company, outsourcing all manufacturing and distribution. "We went through a program called deverticalization," Kahler explains, "which means shedding manufacturing assets. We decided we wanted to be a branded sales and marketing company, and don't want to become expert in manufacturing."

> That shift in core competencies led Sara Lee HBC to sell off a plant, while the food division sold its meat packing plants, and the apparel division sold its knitting mills.
>
> "We're now sourcing a lot of our products from our sister companies in Europe, where previously we would have tried to source domestically," Kahler says. "There's a lot of consolidation going on within Sara Lee worldwide and shedding of manufacturing facilities, as well."
>
> Deverticalization has changed Kahler's supply options as HBC outsources from Europe and Asia. This has increased the interval between the time he forecasts demand and actually receives the product. (Morton, 2003)

Sara Lee's move is typical of recent trends that began in the early 1980s and accelerated through the 1990s, and there are many hundreds of other examples that might be used interchangeably. Kahler's statement that a business built on manufacturing does not 'want to *become* expert in manufacturing' hides the company's very basis in the tense system – manufacture is expressed as a future potentiality, not an historical foundation. The profound ideological transformation is also disguised in the term 'core competencies', as if buying and selling clothes were comparable to making them. The decision to become a 'marketing company' is presented as a desirable something that has already happened, whereas manufacturing is presented as something at which the company might eventually become 'expert' if management wished it. This is also to reverse the flow of events and the entire industrial process, which in recent history began with production and ended with marketing. The main point of this example is to exemplify that, as a business unit, corporatism must assume that production and distribution are impediments because the increase of money values is slowed down by their associated processes, by sunk costs such as plant and equipment, and most of all, by wages. The corporatist ideal is a 'friction free' economy in which buying and selling assumes primacy (Gates, 2006).

It is not just the means of production that are being divested here, but the very idea of producing use-values altogether, whether goods or services. The most glaring example of this trend is in the 'delivery' of a most basic service of the State, the one that even the most liberal of 'neoliberal' theorists will admit as a public good: military defense. The following is written in 2002:

> Motivated as much by profits as politics, these companies – about 35 all told in the United States – need the government's permission to be in business. A few are somewhat familiar names, like Kellogg Brown & Root, a subsidiary of the Halliburton Company that operates for the government in Cuba and Central Asia. Others have more cryptic names, like DynCorp; Vinnell, a subsidiary of TRW; SAIC; ICI of Oregon; and Logicon, a unit of Northrop Grumman. One of the best known, MPRI, boasts of having "more generals per square foot than in the Pentagon."
>
> During the Persian Gulf war in 1991, one of every 50 people on the battlefield was an American civilian under contract …. No one knows for sure how big this secretive industry is, but some military experts estimate the global market at $100 billion. As for the public companies that own private military contractors, they say little if anything about them to shareholders. (Wayne, 2002)

According to Wayne (2002), 'the Pentagon cannot survive' without private military contractors. The public position in 2002 is that military contractors are mainly involved in 'logistics':

> "The main reason for using a contractor is that it saves you from having to use troops, so troops can focus on war fighting," said Col. Thomas W. Sweeney, a professor of strategic logistics at the Army War College in Carlisle, Pa. "It's cheaper because you only pay for contractors when you use them." (Wayne, 2002)

More recently, it has become public knowledge that the term 'military contractors' also means 'mercenaries' and their influence is extensive (Scahill, 2007).

The explanation that private contractors are "cheaper" hides the complexities of the relationships involved in corporatist political economy. The corporate 'new Praetorian guard' (Scahill, 2007) has become interchangeable with the US Executive:

> … Mr. Rumsfeld made clear his preference for corporate expertise in the Pentagon and named executives from military contractors as heads of the three services: James Roche, the secretary of the Air Force, is a former vice president of Northrop Grumman; Gordon England, the secretary of the Navy, is a former executive at General Dynamics; and Thomas P. White, a former secretary of the Army, came from Enron. … [H]eads of all three services came directly from government contractors. (Wayne, 2004)

Seen in the historical context of the separation between industry and business, the rationale for the widespread enthusiasm for 'corporate expertise' in government, military, health, education, and throughout the public sector, becomes one of expertise oriented towards cost savings, budget efficiencies, and lower prices: cheaper consumer goods, cheaper health, cheaper education, and cheaper security. From the US *President's Management Agenda* (Executive Office, 2002) to the Queensland State Treasury's *Achieving Value for Money Framework* (Queensland Treasury, 2007), the managerial techniques of corporatism work the separation between industry and business to ideally reduce the cost of public goods by privatising them:

> Nearly half of all federal employees perform tasks that are readily available in the commercial marketplace—tasks like data collection, administrative support, and payroll services. Historically, the government has realized cost savings in a range of 20 to 50 percent when federal and private sector service providers compete to perform these functions. (Executive Office, 2002: 17)

> The State's Public Private Partnerships Policy - achieving value for money in public infrastructure and service delivery … supports the Queensland Government's central economic objective of achieving high and sustainable levels of economic growth and employment by providing efficient and effective services and infrastructure. (Queensland Treasury, 2007)

Both these governments present themselves as corporate buyers and sellers of services to 'clients', with the US federal government referring to "their ultimate clients – the

American people" (Executive Office, 2002: 7), and the Queensland Treasury (2007) classifying its services in terms of "client groups".

Despite the best intentions, allowing business principles to dominate industrial ones must eventually lead to the destruction of an organisation's industrial base. This is doubly so for governments. Apart from divesting itself of industrial capacity (the ability to produce public goods) through privatisation in pursuit of cost-benefit, by construing citizens as 'clients' government also sets itself in a hostile relationship to its citizenry. The client-patron relation is historically and etymologically one of subservience and dependency (Kenny, 1962). In a contemporary business context, the relation becomes one of mutual distrust and double dealing: the buyer wants the lowest possible price and the seller seeks the highest rate of profit. One needs only to have the intensely stressful experience of buying a used car to understand the essence of the client-patron relationship and why it can never be the basis of healthy bodies politic.

To continue the previous metaphor: selling cars is a vastly different sphere of activity than manufacturing them. Henry Ford realised this and changed the course of political economy through his employment policies. Ford realised that his cars must be desirable, reliable, and (if he was to remain in business) widely affordable. Ford's industrial genius and major innovation was not in his manufacturing techniques as is often assumed. While Ford most certainly refined assembly lines, they had been in use since the American Civil War. It was Ford's understanding of the relationship between business and industry that underpinned the success of Fordism as a version of capitalist political economy. His genius was to raise wages and lower working hours so that his own workers could both afford to buy his products and have time to use them.

Ford (1926 in Crowther) defines business ("the exchange of goods") as a servant of industry ("production"), not the reverse. Today, his comments would be considered inflationary: in corporatist discourse, higher wages are taken to index lower productivity, higher prices, lower profits, lower share prices, lower shareholder returns, and so on. Labour should therefore be as cheap as possible. Production and distribution should be outsourced. Consumption should be financed by debt. Public goods should be privatised. These are all sound business principles if considered in isolation from industrial concerns and understood in the context of a system in which anonymously owned and traded shares (another form of debt) are understood as the primary motivator of productive activity. But as systemic principles applied in an unbalanced way, they have proven disastrous.

Like many other formerly successful industrial concerns, the fortunes of the Ford company have declined in close step with the historical subjugation of industry to business, inside and outside the company. From the Ford Pinto debacle in which an 11 dollar improvement that would have saved hundreds of lives was not made because of a cost-benefit analysis (Bonamici, 2005), to ultimately failed forays into finance, to the 2006 loss of almost 6 billion dollars, to the most recent losses of almost 15 billion and associated layoffs of 40,000 workers (Vlasic, 2009), the history of the company reflects the history of its political economic discourse and contexts. The separation of business from industry has contributed to a system of public and private debt that is unprecedented. With the current crisis turning on the 'calling in' of debt, and the fact that risk has been realized with dire material consequences for industry and for everyday life, political economy has reached a key historical turning point.

Separation of accountability from responsibility

The separation of accountability from responsibility flows directly from the separation of ownership from control. Typically, at least as far as onlookers or victims are concerned, it is difficult to clearly attribute personal responsibility to massive failures based on fraud or double dealing in corporatism because of the 'limited liability' structures that have built up for more than a century around corporate practices. By definition and design, the corporation is designed to limit personal liability. In the massive failure of Enron, for example, blame was publicly shifted from executives, to auditors, to energy traders, to banks, to organisational 'culture', in what Associated Press (2003) calls 'a circle of responsibility'. After no initial allegations were laid against Ken Lay, Enron's Chairman, following a $100 million investigation, public discourse on the matter became more and more confusing:

> "I am highly encouraged," said Michael Ramsey, one of Lay's attorneys. "There is no allegation of crime, no claim of intentional wrongdoing, and no assertion of fraud on the part of Ken Lay. After a nearly $100 million

> investigation, the bankruptcy examiner suggests only negligence, which we strongly deny." (AP, 2003)

The chair of the Enron enquiry attributed criminal actions to another vague, amorphous agent: '*Enron's culture* drove officers to manipulate finances to pump up the stock price and ensure fat bonuses for meeting earnings targets—but they had lots of help' (Batson, as cited in AP, 2003, our emphasis). Enron's accountants, Arthur Andersen LLP, allegedly 'helped design accounting techniques to beautify Enron's books and failed to closely examine some deals' (AP, 2003). But against such allegations, an Andersen spokesman claimed that 'Enron often hid crucial facts that would have prompted the firm to block some deals, such as secret side agreements to buy back assets ostensibly "sold" to third parties'. Enron lawyers also joined the 'circle of responsibility': 'Vinson & Elkins and others approved questionable deals that Enron used to book earnings or hide debt' (AP, 2003). Enter the banks: they 'reaped millions in fees by participating in shady deals even when they knew the accounting was suspect' (AP, 2003).

To return to the exemplar of warfare:

> A State Department review of its own security practices in Iraq assails the department for poor coordination, communication, oversight and accountability involving armed security companies like Blackwater USA, according to people who have been briefed on the report. ….
>
> At the same time, a government audit expected to be released Tuesday says that records documenting the work of DynCorp International, the State Department's largest contractor, are in such disarray that the department cannot say "specifically what it received" for most of the $1.2 billion it has paid the company since 2004 to train the police in Iraq.
>
> The review of security practices was ordered last month by Secretary of State Condoleezza Rice, and it did not address the Sept. 16 shooting involving Blackwater guards, which Iraqi investigators said killed 17 Iraqis. The Federal Bureau of Investigation is leading a separate inquiry into that episode. … (Schmitt & Rohde, 2007)

Note the easy movement in this text from 'security practices' to 'coordination, communication, oversight and accountability': the movement conflates the industry of 'security practices' with the 'business end' of contracting while hiding abysmal industrial realities, in this case an unprovoked murder of Iraqi civilians by contractors (the subject of 'a separate inquiry'). The meaning of accountability and responsibility in this typical example shows a clear break with common sense understandings in which the two are rarely separated: accountability refers to 'documenting' what $1.2 billion buys, while 'responsibility' refers to something approximating moral authority, and it is the moral dimension that is increasingly elided as raw accountability becomes the public measure of moral compliance. Body counts are of less immediate importance than budgetary concerns.

Subjugation of going concerns by overriding concerns

The idea of a capitalised 'going concern' provided the historical basis upon which 'visible' and 'personal' relationships between owners and workers were first replaced by 'impersonal' relationships mediated by shareholdings (Veblen, 1923: 59). According to Veblen, a '"going concern" … was valued and capitalized on its earning capacity; and the businesslike management of industry, accordingly, centred upon the net earnings to be derived in a competitive market' (1923: 59). Consequently, the earnings of the 'business community taken as a whole (are) derived from the margin of product by which the output of the industrial system exceeds its cost' (1923: 61). Seen simply, the earnings of business equal the 'net profit' or 'surplus value' of the industrial system. But this hides very complex relationships, given that the earnings of business take up 'the total net product of industry' (1923: 61):

> It is this net product, counted in terms of its price, that makes up the earnings of business and so makes the basis of capitalization; for earnings and capital, both, are counted in terms of price, and not otherwise. It is the ownership of materials and equipment that enables the capitalization to be made; but ownership does not of itself create a net product, and so does not give rise to earnings, but only to the legal claim of force [by] which the earnings go to the owners of the capitalized wealth. Production

> is a matter of workmanship, whereas earnings are a matter of business. (1923: 61)

There is a clear and close connection between the rise of the 'capitalised' going concern, the functional separation of ownership and control, the institutional separation of business and industry, the moral separation of accountability and responsibility, and the practical subjugation of going concerns by overriding concerns (general states of emergency). Overriding concerns demand taxes, debts, and levies held against present and future revenues in the interests of some greater good: namely public protection against the effects of whatever happens to be the overriding concern of the day. Because overriding concerns are about something awful that *might* happen in future, mitigation strategies must go beyond mundane certainties of the present to focus public attention on the risks of a threatening future. Because they are construed as public threats on national and international scales, overriding concerns demand a militaristic response – large standing armies, weapons industries, police, espionage, mass troop deployments, and so on – which is always and necessarily a tax on the future, an ongoing means of ensuring public indebtedness, and the basis of a pedagogical strategy to teach the values public debt.

The promotion of overriding concerns is achieved in the contemporary context by methods of propaganda worked out in the course of WWI in the US under the government of Woodrow Wilson (Graham & Luke, 2003, 2005). Wilson turned the pacifist mood of the US public into one of widespread and enthusiastic militarism. From Wilson's (1917) war message, which stated that 'the world must be made safe for democracy' and that 'the peace of the world and the freedom of its peoples' depended on United States involvement in WWI, to the 1917 US sedition act, to the massively successful work of the Creel Committee, Wilson's administration developed the foundational means of promoting overriding concerns that have persisted ever since. Here is an extract from Wilson's war speech – the most relevant phrases are underscored:

> What this will involve is clear. It will involve the utmost practicable cooperation in counsel and action with the governments now at war with Germany, and, as incident to that, the extension to those governments of <u>the most liberal financial credit</u>, in order that our resources may so far as

> possible be added to theirs. It will involve the organization and mobilization of all the material resources of the country to supply the materials of war and serve the incidental needs of the Nation in the most abundant and yet the most economical and efficient way possible. …. It will involve also, of course, the granting of adequate credits to the Government, sustained, I hope, so far as they can equitably be sustained by the present generation, by well conceived taxation. (Wilson, 1917)

The pattern for decades to come is established: the overriding concern of the day is paid for through 'liberal financial credit' to foreign nations so that they can buy US resources which 'can be added to theirs'; the 'mobilization of all the material resources of the country to supply the materials of war'; and 'the granting of adequate credits' domestically, all of which is paid for through taxation of existing generations – hopefully. The concrete end of Wilson's speech is a publicly financed bonanza for the businesses who make the materials of war; bad news for front line soldiers and taxpayers. A system of overriding concerns demands returns beyond the 'net product' of industry that once represented the business share of 'going concerns'; it necessarily lays claim to future net product as well as present, and therefore requires a general credit system operating at national and international scales.

The future tense of Wilson's War Speech provides a frame for the current political economic system. Debt is money set in future tense and is therefore perfectly suited to the business aim of ever-increasing money values because the future is a theoretically infinite space that can be monetised (Graham, 2006). Debt is also the basis of the corporation and the essence of corporatism: the corporate share is a statement of indebtedness by the corporation to the stockholder, and the stockmarket is a public statement of collective expectations about the future of corporate activity. From its beginnings in mediaeval Europe, the modern corporation has become a capital-raising entity firstly indebted to its shareholders. Its operation contained the seeds of systematic national debt. A formalised global system of national debt was established centuries later during the *Bretton-Woods* agreement, from which today's World Bank and International Monetary Fund emerged as transnational forces. After a generally disastrous start following WWI and a subsequent hiatus following the depression of the late 1920s and 1930s, personal credit has gradually became a taken-for-granted means of purchase since the introduction of the Diners Club credit card in 1950 (Mandall, 1990). Today, credit is essential for many types of transactions and the personal credit system has been fully digitised. The future orientation of the credit system has been given massive impetus throughout a century of systematically propagated overriding concerns.

WWI, the great depression, WWII, Korea, Vietnam, the Cold War, the War on Drugs, War on Terror – the endless series of overriding concerns occupying public discourse and consciousness for more than a century has resulted in a system that is thoroughly indebted at every level for generations to come. The scale of future indebtedness is today hard to imagine let alone convey:

> With the U.S. government fast approaching its current $8.965 trillion credit limit, the Senate on Thursday gave final congressional approval of an $850 billion increase in U.S. borrowing authority.
>
> The Senate voted 53-42 to raise the debt ceiling to $9.815 trillion, the fifth increase in the U.S. credit limit since President George W. Bush took office in January 2001. The U.S. House of Representatives approved the higher debt limit earlier this year as part of the overall budget resolution and the legislation now goes to Bush for his signature.
>
> "We have no choice but to approve it. If we fail to raise the debt ceiling soon, the U.S. Treasury will default for the first time in its history," said Senate Finance Committee Chairman Max Baucus.
>
> "Plainly, especially in this credit crisis, we cannot let that happen," the Montana Democrat added. (Smith, 2007)

In a twist of history, debt itself has become the overriding concern. As such, it naturally demands more debt. A very vague idea of the what the lower of the two numbers above – $8.965 trillion – represents can be had by comparing it with a 2004 valuation of Great Britain, including England, Northern Ireland, Scotland, and Wales, by the National Office of Statistics: $8.8 trillion (Alvarez, 2004). The valuation figure includes all of Great Britain's 'property and buildings, machinery, roads, bridges, planes, trains and automobiles. It also includes all the money deposited in its banks and other financial institutions. Plus everything on the shelves at Harrods' (Alvarez, 2004). Unfortunately, 'cashing in' Great Britain would not pay off, because 'after the national debt and other obligations have been deducted' Great Britain has a 'negative net worth of $222 billion' (Alvarez, 2004). Consumer debt alone in the US (i.e. not counting mortgages, business debts, or the national debt) is recently estimated at $2.46 trillion, roughly one third the value of Great Britain in 2004 (Bloomberg, 2007).

The End of Corporatism?

We began this article arguing that there was a key place for a synthesis of critical discourse studies and political economy of communication in explicating more general trends in political economy. The new corporate order is both enabled and instantiated, concealed, and made known through an understanding of its codes, texts, and discourses. In this way, the corporate order depends upon technological and textual representations for the exchange of goods, services, and raw financial value, while controlling the dominant modes of information. We then drew upon a series of distinctions from Veblen that differentiate traditional industrial capitalism from corporatism. We turned to texts on the corporate organization and practices of, among others, Newscorp, Reuters, and Thomson to exemplify each of the characteristics of the shift from capitalism to corporatism.

Much of the critical work over the last decades has targeted the resurgence in radical *laissez fair*: the privitisation of infrastructure, goods and services, the 'selling-off' of government assets to corporate interests, corporate success in setting the terms of and working around government regulation. Yet much of the salient critical work on neoliberalism stands within the boundaries of traditional neomarxist critiques of the state and of capitalism. It tends to operate under a broad presupposition – post-1848 and post-1968 – that the imperative is for a shift from private to public ownership, from a voracious and out of control private sector to a more interventionist state. We have here described a more complex picture in which the corporate model, with many of the fundamental problems identified by Veblen, has blurred and traversed boundaries between state and corporation. It has – through complex discursive, legal-juridical and public stategies – effectively appropriated and melded the public interest and public good, broadly construed, into a sanction of power vested in corporate elites that is effectively concealed beneath layers of instiutional discourse representation, drawing the 'state' and everyday shareholding citizen/workers into a web of social and material relationships that are incomprehensible in scale and depth. This is the new Leviathan.

We began work on this piece long before the current economic crisis began escalating in public and media fora. At the time of writing, the international credit system is widely construed as the most threatening concern of the day. The 'US subprime crisis' unrolled into a crisis of default with world-wide effects (Krugman, 2007). The global response was to empty treasuries throughout the world into the banking system. The fact that this particular threat does not readily permit of a militaristic solution may foretell of more profound systemic changes afoot, with many experts proclaiming 'essentially the breakdown of our modern day banking system' (Gross, 2007). Despite widespread assurances, the current crisis is far from over (Pascoe, 2010).

The banking system is the basis of the global credit system and the exemplar of business principles: banks make money from money without the 'friction' of industrial processes to slow the rate of profit. The more easily they can do this the less they will be burdened by industrial concerns. Former industrial giants such as Ford, General Motors, and General Electric have transformed themselves into enormous business concerns (banks) with varying success. If the historical trajectory of industry has been toward the banking sector, it has come to a dead end.

Events, therefore, have caught up with this model of political economy. Debt and risk have been realized, called, and named. Attempts to define, track and reify imaginary, corporate-constructed economic phenomena have yielded only audit traces that lead from one digital representation to another – often refusing to touch ground in substantive human labor, real commodities, and material social relations.

Governments are attempting a re-regulation and re-organisation through purchase, buy-out, bailout, and merger of current corporations – the very corporations that they argued were capable of taking over responsibilities for the public good that previously held by the state. Whether this will lead to a fundamental redefinition and realignment of relations between ownership and control, between business and industry, between accountability and responsibility, or be simply sidelined through a focus on a new 'overriding concern' is the question of the hour.

What is certain, though, is that if policy and economic analyses continue on the assumption that they are addressing systemic problems within a *capitalist* political economy, those analyses will be fundamentally flawed (as indicated by the tendency of the US, UK, and Australia to give taxpayers' trillions to the very institutions responsible for the meltdown). At the root of any real solutions are questions about the place of industry in advanced economies; about the role of debt in personal, national, corporate, and global affairs; about the ownership and control of productive capacities in general; about personal responsibility in the development and deployment of huge budgets; and about the wisdom of constantly propagating fear *en masse* are central to any resolution of current problems. Only within a framework that radically reconceptualises political economy can such questions be fruitfully asked and substantive answers obtained.

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[1] Current estimates are that 30-50% of these funds have quite literally evaporated in the current financial crisis.

[2] The features of Beck's (U. Beck, The Risk Society, 2002) 'risk society' are well documented in every sphere of daily life: e.g., child protection legislation and legislation of family behaviour, voting not for a positive thesis but to preclude increased danger, altered patterns of consumption to avoid disease, advertising limits, drug hazard alerts, and travel risk warnings. Overlaid in the current crisis is a continuous macro-discourse of risk, where the contingency of value of every form of economic capital (salaries, pensions, stocks, imaginary commodity futures) is seen as unpredictable and undependable. All of these moves, whether premised on state regulatory or market-based principles, generate further economic activity in the exchange of 'value' – e.g., decrease in risk and loss, and competitive 'protection' of material and bodily

assets. At the same time, the move of marketised public services towards public disclosure of performance is promoted as enabling informed consumer 'choice', but in practice encourages risk aversion and the optimization of competitive advantage (e.g., published 'league-tables' on efficacy of school performance).

[3] It is worth noting here the employees benefit trusts and the money of the general public are treated as separate. Also, no mention is made of the monies involved in the complex of ownership of News Corporation and General Motors, the bulk of which also involves and represents the savings of "the general public".