VINTAGE

LIFE INC: HOW THE WORLD BECAME A CORPORATION AND HOW TO TAKE IT BACK

DOUGLAS RUSHKOFF

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Douglas Rushkoff was mugged outside his apartment on Christmas Eve. But when he posted a friendly warning on his community website, the responses castigated him for potentially harming the local real-estate market. When did these corporate values overtake civic responsibilites?

Rushkoff examines how corporatism has become an intrinsic part of our everyday lives, choices and opinions. He demonstrates how this system created a world where everything can be commodified, where communities have dissolved into consumer groups, where fiction and reality have become fundamentally blurred. And, with this system on the verge of collapse, Rushkoff shows how the simple pleasures that make us human can also point the way to freedom.

About the Author

Douglas Rushkoff has written ten books on new media and popular culture including *Cyberia, Media Virus, Playing the Future, Nothing Sacred: The Truth about Judaism and Coercion*. He has also written and presented two documentaries*, The Merchants of Cool* and *The Persuaders*. Between 1996 and 2001 he wrote a column on interactive culture for the *New York Times* and the *Guardian*. Previous jobs have included certified stage fight choreographer and keyboardist for the band Psychic TV. He lives in New York.

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TO YOU,
THE REAL PEOPLE ON THE OTHER SIDE OF THIS CORPORATE-MEDIATED CONNECTION

DOUGLAS RUSHKOFF

Life Inc.

How the World Became a Corporation,
and How to Take it Back

VINTAGE BOOKS
London

INTRODUCTION

Your Money or Your Life

A Lesson on the Front Stoop

I got mugged on Christmas Eve.

I was in front of my Brooklyn apartment house taking out the trash when a man pulled a gun and told me to empty my pockets. I gave him my money, wallet, and cell phone. But then—remembering something I'd seen in a movie about a hostage negotiator—I begged him to let me keep my medical-insurance card. If I could humanize myself in his perception, I figured, he'd be less likely to kill me.

He accepted my argument about how hard it would be for me to get "care" without it, and handed me back the card. Now it was us two against the establishment, and we made something of a deal: in exchange for his mercy, I wasn't to report him—even though I had plainly seen his face. I agreed, and he ran off down the street. I foolishly but steadfastly stood by my side of the bargain, however coerced it may have been, for a few hours. As if I could have actually entered into a binding contract at gunpoint.

In the meantime, I posted a note about my strange and frightening experience to the Park Slope Parents list—a rather crunchy Internet community of moms, food co-op members, and other leftie types dedicated to the health and well-being of their families and their decidedly progressive, gentrifying neighborhood. It seemed the responsible thing to do, and I suppose I also expected some expression of sympathy and support.

Amazingly, the very first two emails I received were from people *angry* that I had posted the name of the street on which the crime had occurred. Didn't I realize that this publicity could adversely affect all of our property values? The "sellers' market" was already difficult enough! With a famous actor reportedly leaving the area for Manhattan, does Brooklyn's real-estate market need more bad press? And this was *before* the real-estate crash.

I was stunned. Had it really come to this? Did people care more about the market value of their neighborhood than what was actually taking place within it? Besides, it didn't even make good business sense to bury the issue. In the long run, an open and honest conversation about crime and how to prevent it should make the neighborhood safer. Property values would go up in the end, not down. So these homeowners were more concerned about the immediate liquidity of their town houses than their long-term asset value—not to mention the actual experience of living in them. And these were among the wealthiest people in New York, who shouldn't have to be worrying about such things. What had happened to make them behave this way?

It stopped me cold, and forced me to reassess my own long-held desire to elevate myself from renter to owner. I stopped to think—which, in the midst of an irrational real-estate craze, may not have been the safest thing to do. Why, I wondered aloud on my blog, was I struggling to make $4,500-per-month rent on a two-bedroom, fourth-floor walk-up in this supposedly "hip" section of Brooklyn, when I could just as easily get mugged somewhere else for a lot less per month? Was my willingness to participate in this runaway market part of the problem?

The detectives who took my report drove the point home. One of them drew a circle on a map of Brooklyn. "Inside this circle is where the rich white people from Manhattan are moving. That's the target area. Hunting ground. Think about it from your mugger's point of view:

quiet, tree-lined streets of row houses, each worth a million or two, and inhabited by the rich people who displaced your family. Now, you live in or around the projects just outside the circle. Where would *you* go to mug someone?"

Back on the World Wide Web, a friend of mine—another Park Slope writer—made an open appeal for my family to stay in Brooklyn. He saw "the Slope" as a mixed-use neighborhood now reaching the "peak of livability" that the legendary urban anthropologist Jane Jacobs idealized. He explained how all great neighborhoods go through the same basic process: Some artists move into the only area they can afford—a poor area with nothing to speak of. Eventually, there are enough of them to open a gallery. People start coming to the gallery in the evenings, creating demand for a coffeehouse nearby, and so on. Slowly but surely, an artsy store or two and a clique of hipsters "pioneer" the neighborhood until there's significant sidewalk activity late into the night, making it safer for successive waves of incoming businesses and residents.

Of course, after the city's newspaper "discovers" the new trendy neighborhood, the artists are joined and eventually replaced by increasingly wealthy but decidedly less hip young professionals, lawyers, and businesspeople—but hopefully not so many that the district completely loses its "flavor." Investment increases, the district grows bigger, and everyone is happier and wealthier.

Still, what happens to the people who lived there from the beginning—the ones whom the police detective was talking about? The "natives"? This process of gentrification does not occur ex nihilo. No, when property values go up, so do the rents, displacing anyone whose monthly living charges aren't regulated by the government. The residents of the neighborhood do not actually participate in the renaissance, because they are not owners. They move to outlying areas. Sure, their kids still go to John Jay High

School in the middle of Park Slope. But none of Park Slope's *own* wealthy residents send their kids there.

Our online conversation was picked up by *New York* magazine in a column entitled "Are the Writers Leaving Brooklyn?" The article focused entirely on the way a crime against an author could threaten the Brooklyn real-estate bubble. National Public Radio called to interview me about the story—not the mugging itself, but whether I would leave Brooklyn over it, and if doing so publicly might not be irresponsibly hurting other people's property values. A week or two of blog insanity later, a second *New York* piece asked why we should even care about whether the writers are leaving Brooklyn—seemingly oblivious of the fact that this was the very same column space that told us to care in the first place.

It was an interesting fifteen minutes. What was going on had less to do with crime or authors, though, than it did with a market in its final, most vaporous phase. I simply couldn't afford to buy in—and getting mugged freed me from the hype treadmill for long enough to accept it. Or, more accurately, it's not that I *couldn't* afford it so much as that I *wouldn't* afford it. There were mortgage brokers willing to lend me the other 90 percent of the money I'd need to purchase a home on the block where I was renting. "We can *get you in*," they'd say. And at that moment in real-estate history, putting even 10 percent down would have made me a very qualified buyer. "What about when the mortgage readjusts?" I remember asking. "Then you refinance at a better rate," they assured me. Of course, that would be happening just about the same time Park Slope's artificially low property-tax rate (an exemption secured by real-estate developers) would be raised to the levels of the poorer areas of the borough. "Don't worry. Everyone with your financials is doing it," one broker explained with a wink. "And the banks aren't going to just let everyone lose their homes, now, are they?"

As long as people refused to look at the real social and financial costs, the market could keep going up—buoyed in part by the bonuses paid to investment bankers whose job it was to promote all this asset inflation in the first place. Heck, we were restoring a historic borough to its former glory. All we had to do was avoid the uncomfortable truth that we were busy converting what were being used as multifamily dwellings by poor black and Hispanic people back into stately town houses for use by rich white ones. And we had to overlook that this frenzy of real-estate activity was operating on borrowed time and, more significantly, borrowed money.

In such a climate, calling attention to any of this was the real crime, and the reason that the first reaction of those participating in a speculative bubble was to silence the messenger. It's just business. The reality was that we were pushing an increasingly hostile population from their homes, colonizing their neighborhoods, and then justifying it all with metrics such as increased business activity, reduced (reported) crime rates, and—most important—higher real-estate prices. How can one argue against making a neighborhood, well, *better*?

As my writer friend eloquently explained on his blog, the neighborhood was now, by most measures, safer. It was once again possible to sit on one's stoop with the kids and eat frozen Italian ices on a balmy summer night. One could walk through Prospect Park on any Sunday afternoon and see a black family barbecuing here, a Puerto Rican group there, and an Irish group over there. Compared with most parts of the world, that's pretty civil, no?

Romantic as it sounds, that's not integration at all, but co-location. Epcot-style détente. The Brooklyn being described here has almost nothing to do with the one our grandparents might have inhabited. It is rather an expensive and painstakingly re-created simulation of a "brownstone Brooklyn" that never actually existed. If people once sat on their stoops eating ices on summer nights it was because they had no other choice—there was no air-conditioning and no TV. Everyone could afford to sit around, so everyone did. And the fact that the denizens of neighboring communities complete the illusion of multiculturalism by using the same park only means that these folks are willing to barbecue next to each other—not *with* each other. They all still go home to different corners of the borough. My writer friend's kids go off the next morning to their private school, those other kids to public. Not exactly neighbors.

Besides, the rows of brownstones in the Slope aren't really made of brown stone. They've been covered with a substance more akin to stucco—a thick paint used to create the illusion of brown stones set atop one another. A façade's façade. As any brownstone owner soon learns, the underlying cinder blocks can be hidden for only so long before a costly "renovation" must be undertaken to cover them up again. Likewise, wealth, media, and metrics can insulate colonizers from the reality of their situation for only so long. Eventually, parents who push their toddlers around in thousand-dollar strollers, whose lifestyles and values have been reinforced by a multibillion-dollar industry dedicated to hip child-rearing, get pelted with stones by kids from the "projects." (Rest assured—the person who reported this recurring episode at a gentrified Brooklyn playground met with his share of online derision, as well.)

Like Californians surprised when a wildfire or coyote disrupts the "natural" lifestyle they imagined they'd enjoy out in the country, we "pioneer," "colonize," and "gentrify" at our peril, utterly oblivious to the social costs of our expansion until one comes back to bite us in the ass—or mug us on the stoop. And while it's easy to blame the larger institutions and social trends leading us into these traps, our own choices and behaviors—however influenced—are ultimately responsible for whatever befalls us.

Park Slope, Brooklyn, is just a microcosm of the slippery slope upon which so many of us are finding ourselves these days. We live in a landscape tilted toward a set of behaviors and a way of making choices that go against our own better judgment, as well as our collective self-interest. Instead of collaborating with each other to ensure the best prospects for us all, we pursue short-term advantages over seemingly fixed resources through which we can compete more effectively against one another. In short, instead of acting like people, we act like corporations. When faced with a local mugging, the community of Park Slope first thought to protect its brand instead of its people.

The financial meltdown may not be punishment for our sins, but it is at least in part the result of our widespread obsession with financial value over values of any other sort. We disconnected ourselves from what matters to us, and grew dependent on a business scheme that was never intended to serve us as people. But by adopting the ethos of this speculative, abstract economic model as our own, we have disabled the mechanisms through which we might address and correct the collapse of the real economy operating alongside it.

Even now, as we attempt to dig ourselves out of a financial mess caused in large part by this very mentality and behavior, we turn to the corporate sphere, its central banks, and shortsighted metrics to gauge our progress back to health. It’s as if we believe we’ll find the answer in the stream of trades and futures on one of the cable-TV finance channels instead of out in the physical world. Our real investment in the fabric of our neighborhoods and our quality of life takes a backseat to asking prices for houses like our own in the newspaper’s misnamed “real estate” section. We look to the Dow Jones average as if it were the one true vital sign of our society’s health, and the exchange rate of our currency as a measure of our wealth as a nation or worth as a people.

This, in turn, only distracts us further from the real-world ideas and activities through which we might actually re-create some value ourselves. Instead of fixing the problem, and reclaiming our ability to generate wealth directly with one another, we seek to prop up institutions whose very purpose remains to usurp this ability from us. We try to repair our economy by bolstering the same institutions that sapped it. In the very best years, corporatism worked by extracting value from the periphery and redirecting it to the center—away from people and toward corporate monopolies. Now, even though that wellspring of prosperity has run dry, we continue to dig deeper into the ground for resources to keep the errant system running.

So as our corporations crumble, taking our jobs with them, we bail them out to preserve our prospects for employment—knowing full well that their business models are unsustainable. As banks' credit schemes fail, we authorize our treasuries to print more money on their behalf, at our own expense and that of our children. We then get to borrow this money back from them, at interest. We know of no other way. Having for too long outsourced our own savings and investing to Wall Street, we are clueless about how to invest in the real world of people and things. We identify with the plight of abstract corporations more than that of flesh-and-blood human beings. We engage with corporations as role models and saviors, while we engage with our fellow humans as competitors to be beaten or resources to be exploited.

Indeed, the now-stalled gentrification of Brooklyn had a good deal in common with colonial exploitation. Of course, the whole thing was done with more circumspection, with more tact. The borough's gentrifiers steered away from explicitly racist justifications for their actions, but nevertheless demonstrated the colonizer's underlying agenda: instead of "chartered corporations" pioneering and subjugating an uncharted region of the world, it was hipsters, entrepreneurs, and real-estate speculators subjugating an undesirable neighborhood. The local economy—at least as measured in gross product—boomed, but the indigenous population simply became servants (grocery cashiers and nannies) to the new residents.

And like the expansion of colonial empires, this pursuit of home ownership was perpetuated by a pioneer spirit of progress and personal freedom. The ideal of home ownership was the fruit of a public-relations strategy crafted after World War II—corporate and government leaders alike believed that home owners would have more of a stake in an expanding economy and greater allegiance to free-market values than renters. Functionally, though, it led to a self-perpetuating cycle: The more that wealthier white people retreated to the enclaves prepared for them, the poorer the areas they were leaving became, and the more justified they felt in leaving. While the first real wave of "white flight" was from the cities to the suburbs, the more recent, camouflaged version has been from the suburbs back into the expensive cities.

Of course, these upper-middle-class migrants were themselves the targets of the mortgage industry, whose clever lending instruments mirror World Bank policies for their exploitative potential. The World Bank's loans come with "open markets" policies attached that ultimately surrender indebted nations and their resources to the control of distant corporations. The mortgage banker, likewise, kindly provides instruments that get a person into a home, then disappears when the rates rise through the roof, having packaged and sold off the borrower's ballooning obligation to the highest bidder.

The benefits to society are pure mythology. Whether it's Brooklynites convinced they are promoting multiculturalism or corporations intent on extending the benefits of the free market to all the world's souls, neither activity leads to broader participation in the expansion of wealth—even when they're working as they're supposed to. Contrary to most economists' expectations, both local and global speculation only exacerbate wealth divisions. Wealthy parents send their kids to private schools and let the public ones decay, while wealthy nations export their environmental waste to the Third World or, better, simply keep their factories there to begin with—and keep their image at home as green as AstroTurf.

People I respect—my own mentors and teachers—tell me that this is just the way things are. This is the real world of adults—not so very far removed, we must remember, from the days when a neighboring tribe might just wipe you out—killing your men with clubs and taking your women. Be thankful for the civility we've got, keep your head down, and try not to think too much about it. These cycles are built into the economy; eventually, the markets will recover and things will get back to normal—and normal isn't so bad, really, if you look around the world at the way other people are living. And you shouldn't even feel so guilty about that—after all, Google is doing some good things and Bill Gates is giving a lot of money to kids in Africa.

Somehow, though, for many of us, that's not enough. We are fast approaching a societal norm where we—as nations, organizations, and individuals—engage in behaviors that are destructive to our own and everyone else's welfare. The only corporate violations worth punishing anymore are those against the shareholders. The "criminal mind" is now defined as anyone who breaks laws for a reason *other* than money. The status quo is selfishness, and the toxically wealthy are our new heroes because only they seem capable of fully insulating themselves from the effects of their own actions.

Every day, we negotiate the slope to the best of our ability. Still, we fail to measure up to the people we'd like to be, and succumb to the tilt of the landscape.

Jennifer has lived in the same town in central Minnesota her whole life. This year, diagnosed with a form of lupus, she began purchasing medication through Wal-Mart instead of through Marcus, her local druggist—who also happens to be her neighbor. Prescription drugs aren't on her health plan, and this is just an economic necessity.

Why can't the druggist cut his neighbor a break? He's trying, but he's selling at a mere hair above cost as it is. He just took out a loan against the business to make expenses and his increased rent. The downtown area he's located in has been slated for redevelopment, and only corporate chain stores appear to have deep enough pockets to pay for storefront leases. It sounded like a good idea when Marcus supported it at the public hearing—but the description in the pamphlet prepared by the real-estate developer (complete with a section on how to compete more effectively with "big box" stores like Wal-Mart) hasn't conformed to reality.

Marcus's landlord doesn't really have any choice in the matter. He underwent costly renovations to conform to the new downtown building code, and needs to pass those on to the businesses renting from him. He took out a mortgage, too, which is slated to reset in just a couple of months. If he doesn't collect higher rents, he won't make payments.

Jennifer stopped going to PTA meetings because she's embarrassed to look Marcus in the face. As their friendship declines, so does her guilt about helping put him out of business.

Across the country in New Jersey, Carla, a telephone associate for one of the top three HMO plans in the United States, talks to people like Jennifer every day. Carla is paid a salary as well as a monthly bonus based on the number of claims she can "retire" without payment. Without resorting to fraud, Carla is supposed to discourage false claims by making all claims harder to register, in general. That's how Carla's supervisor explained it to her when she asked, point-blank, if she was supposed to mislead customers. She feels bad about it, but Carla is now the principal breadwinner in her family, her husband having lost a lot of his contracting work to the stalled market for new homes. And, in the end, she *is* preventing fraud. How does Carla sleep at night, knowing that she has spent her day persuading people to pay for services for which they are actually covered? After seeing a commercial on TV, she switched from Ambien to Lunesta.

One of the guys working on that very ad campaign, an old co-worker of mine, ended up specializing in health-care advertising because nobody was hiring in the environmental area back in the '90s. Besides, he told me, only half kidding, "at least medical advertising puts the consumer in charge of her own health care." He's conflicted about pushing drugs on TV because he knows full well that these ads encourage patients to pressure doctors to write prescriptions that go against their better judgment. Still, Tom makes up for any compromise of his values at work with a staunch advocacy of good values at home. He recycles paper, glass, and metal, brought his kids to see *An Inconvenient Truth*, and even uses a compost heap in the backyard for household waste. Last year, though, he finally broke down and bought an SUV. Why? "Everybody else on the highway is driving them," he explained. "It's an automotive arms race." If he stayed in his Civic, he'd be putting them all at risk. "You see the way those people drive? I'm scared for my family." As penance, at least until gas prices went up, he began purchasing a few "carbon offsets"—a way of donating money to environmental companies in compensation for one's own excess carbon emissions.

In a similar balancing act, a self-described "holistic" parent in Manhattan spares her son the risks she associates with vaccinations for childhood diseases. "We still don't know what's in them," she says, "and if everyone else is vaccinated he won't catch these things, anyway." She understands that the vaccines required for incoming school pupils are really meant to quell epidemics; they are more for the health of the "herd" than for any individual child. She also believes that mandatory vaccinations are more a result of pharmaceutical industry lobbying than any comprehensive medical studies. In order to meet the "philosophical exemption" requirements demanded by the state, she managed to extract a letter from her rabbi. Meanwhile, in an unacknowledged quid pro quo, she installed a phone line in the rabbi's name in the basement of her town house; he uses the bill to falsify residence records and send his sons to the well-rated public elementary school in her high-rent district instead of the 90 percent minority school in his own. At least he can say he's kept them in "the public system."

Incapable of securing a legal or illegal zoning variance of this sort, a college friend of mine, now a state school administrator in Brighton, England, just made what he calls "the hardest decision of my life," to send his own kids to a private Catholic day school. He doesn't even particularly *want* his kids to be indoctrinated into Catholicism, but it's the only alternative to the eroding government school he can afford. He knows his withdrawal from public education only removes three more "good kids" and one potentially active parent from the system, but doesn't want his children to be "sacrificed on the altar" of his good intentions.

So it's not just a case of hip, hypergentrified Brooklynites succumbing to market psychology, but people of all social classes making choices that go against their better judgment because they believe it’s really the only sensible way to act under the circumstances. It’s as if the world itself were tilted, pushing us toward self-interested, short-term decisions, made more in the manner of corporate shareholders than members of a society. The more decisions we make in this way, the more we contribute to the very conditions leading to this awfully sloped landscape. In a dehumanizing and self-denying cycle, we make too many choices that—all things being equal—we’d prefer not to make.

But all things are not equal. These choices are not even occurring in the real world. They are the false choices of an artificial landscape—one in which our decision-making is as coerced as that of a person getting mugged. Only we’ve forgotten that our choices are being made under painstakingly manufactured duress. We think this is just the way things are. The price of doing business.

Since when is life determined by that axiom?

Unquestionably but seemingly inexplicably, we have come to operate in a world where the market and its logic have insinuated themselves into every area of our lives. From erection to conception, school admission to finding a spouse, there are products and professionals to fill in where family and community have failed us. Commercials entreat us to think and care for ourselves, but to do so by choosing a corporation through which to exercise all this autonomy.

Sometimes it feels as if there’s just not enough air in the room—as if there were a corporate agenda guiding all human activity. At a moment’s notice, any dinner party can slide invisibly into a stock promotion, a networking event, or an impromptu consultation—let me pick your brain. Is this why I was invited in the first place? Through sponsored word-of-mouth known as “buzz marketing,” our personal social interactions become the promotional opportunities through which brands strive to be cults and religions strive to become brands.

It goes deeper than that second Starbucks opening on the same town's Main Street or the radio ads for McDonald's playing through what used to be emergency speakers in our public school buses. It's not a matter of how early Christmas ads start each year, how many people get trampled at Black Friday sales, or even the news report blaming the fate of the entire economy on consumers' slow holiday spending. It's more a matter of not being able to tell the difference between the ads and the content at all. It's as if both were designed to be that way. The line between fiction and reality, friend and marketer, community and shopping center, has gotten blurred. Was that a news report, reality TV, or a sponsored segment?

This fundamental blurring of real life with its commercial counterpart is not a mere question of aesthetics, however much we may dislike mini-malls and superstores. It's more of a nagging sense that something has gone awry—something even more fundamentally wrong than the credit crisis and its aftermath—yet we're too immersed in its effects to do anything about it, or even to see it. We are deep in the thrall of a system that no one really likes, no one remembers asking for, yet no one can escape. It just *is*. And as it begins to collapse around us, we work to prop it up by any means necessary, so incapable are we of imagining an alternative. The minute it seems as if we can put our finger on what's happening to us or how it came to be this way, the insight disappears, drowned out by the more immediately pressing demands by everyone and everything on our attention. What did they just say? What does that mean for my retirement account? Wait—my phone is vibrating.

Can the hermetically sealed food court in which we now subsist even be beheld from within? Perhaps not in its totality—but its development can be chronicled, and its effects can be parsed and understood. Just as we once evolved from subjects into citizens, we have now devolved from citizens into consumers. Our communities have been reduced to affinity groups, and any vestige of civic engagement or neighborly goodwill has been replaced by self-interested goals manufactured for us by our corporations and their PR firms. We've surrendered true participation for the myth of consumer choice or, even more pathetically, that of shareholder rights.

That's why it has become fashionable, cathartic, and to some extent useful for the defenders of civil society to rail against the corporations that seem to have conquered our civilization. As searing new books and documentaries about the crimes of corporations show us, the corporation is itself a sociopathic entity, created for the purpose of generating wealth and expanding its reach by any means necessary. A corporation has no use for ethics, except for their potential impact on public relations and brand image. In fact, as many on the side of the environment, labor, and the Left like to point out, corporate managers can be sued for taking any action, however ethical, if it compromises their ultimate fiduciary responsibility to share price.

As corporations gain ever more control over our economy, government, and culture, it is only natural for us to blame them for the helplessness we now feel over the direction of our personal and collective destinies. But it is both too easy and utterly futile to point the finger of blame at corporations or the robber barons at their helms—not even those handcuffed CEOs gracing the cover of the business section. Not even mortgage brokers, credit-card executives, or the Fed. This state of affairs isn't being entirely orchestrated from the top of a glass building by an élite group of bankers and businessmen, however much everyone would like to think so—themselves included. And while the growth of corporations and a preponderance of corporate activity have allowed them to permeate most every aspect of our awareness and activity, these entities are not solely responsible for the predicament in which we have found ourselves.

Rather, it is corporatism itself: a logic we have internalized into our very being, a lens through which we view the world around us, and an ethos with which we justify our behaviors. Making matters worse, we accept its dominance over us as preexisting—as a given circumstance of the human condition. It just *is*.

But it isn’t.

Corporatism didn’t evolve naturally. The landscape on which we are living—the operating system on which we are now running our social software—was invented by people, sold to us as a better way of life, supported by myths, and ultimately allowed to develop into a self-sustaining reality. It is a map that has replaced the territory.

Its basic laws were set in motion as far back as the Renaissance; it was accelerated by the Industrial Age; and it was sold to us as a better way of life by a determined generation of corporate leaders who believed they had our best interests at heart and who ultimately succeeded in their dream of controlling the masses from above. We have succumbed to an ideology that has the same intellectual underpinnings and assumptions about human nature as—dare we say it—mid-twentieth-century fascism. Given how the word has been misapplied to everyone from police officers to communists, we might best refrain from resorting to what has become a feature of cheap polemic. But in this case it’s accurate, and that we’re forced to dance around this “F word” today would certainly have pleased Goebbels greatly.

The current situation resembles the managed capitalism of Mussolini’s Italy, in particular. It shares a common intellectual heritage (in disappointed progressives who wanted to order society on a scientific understanding of human nature), the same political alliance (the collaboration of the state and the corporate sector), and some of the same techniques for securing consent (through public relations and propaganda). Above all, it shares with fascism the same deep suspicion of free humans.

And, as with any absolutist narrative, calling attention to the inherent injustice and destructiveness of the system is understood as an attempt to undermine our collective welfare. The whistle-blower is worse than just a spoilsport; he is an enemy of the people.

Unlike Europe’s fascist dictatorships, this state of affairs came about rather bloodlessly—at least on the domestic front. Indeed, the real lesson of the twentieth century is that the battle for total social control would be waged and won not through war and overt repression, but through culture and commerce. Instead of depending on a paternal dictator or nationalist ideology, today’s system of control depends on a society fastidiously cultivated to see the corporation and its logic as central to its welfare, value, and very identity.

That’s why it’s no longer Big Brother who should frighten us—however much corporate lobbies still seek to vilify anything to do with government beyond their own bailouts. Sure, democracy may be the quaint artifact of an earlier era, but what has taken its place? Suspension of habeas corpus, surveillance of citizens, and the occasional repression of voting notwithstanding, this mess is not the fault of a particular administration or political party, but of a culture, economy, and belief system that places market priorities above life itself. It’s not the fault of a government or a corporation, the news media or the entertainment industry, but the merging of all these entities into a single, highly centralized authority with the ability to write laws, issue money, and promote its expansion into our world.

Then, in a last cynical surrender to the logic of corporatism, we assume the posture and behaviors of corporations in the hope of restoring our lost agency and security. But the vehicles to which we gain access in this way are always just retail facsimiles of the real ones. Instead of becoming true landowners we become mortgage holders. Instead of guiding corporate activity we become shareholders. Instead of directing the shape of public discourse we pay to blog. We can't compete against corporations on a playing field that was created for their benefit alone.

This is the landscape of corporatism: a world not merely dominated by corporations, but one inhabited by people who have internalized corporate values as our own. And even now that corporations appear to be waning in their power, they are dragging us down with them; we seem utterly incapable of lifting ourselves out of *their* depression.

We need to understand how this happened—how we came to live for and through a business scheme. We must recount the story of how life itself became corporatized, and figure out what—if anything—we are to do about it.

While we will find characters to blame for one thing or another, most of corporatism's architects have long since left the building—and even they were usually acting with only their immediate, short-term profits in mind. Our object instead should be to understand the process by which we were disconnected from the real world and why we remain disconnected from it. This is our best hope of regaining some relationship with terra firma again. Like recovering cult victims, we have less to gain from blaming our seducers than from understanding our own participation in building and maintaining a corporatist society. Only then can we begin dismantling and replacing it with something more livable and sustainable.

CHAPTER ONE

ONCE REMOVED: THE CORPORATE LIFE-FORM

Charters and the Disconnect from Commerce

If You Can’t Beat Them …

Commerce is good. It’s the way people create and exchange value.

Corporatism is something else entirely. Though not completely distinct from commerce or the free market, the corporation is a very specific entity, first chartered by monarchs for reasons that have very little to do with helping people carry out transactions with one another. Its purpose, from the beginning, was to suppress lateral interactions between people or small companies and instead redirect any and all value they created to a select group of investors.

This agenda was so well embedded into the philosophy, structure, and practice of the earliest chartered corporations that it still characterizes the activity of both corporations and real people today. The only difference today is that most of us, corporate chiefs included, have no idea of these underlying biases, or how automatically we are compelled by them. That’s why we have to go back to the birth of the corporation itself to understand how the tenets of corporatism established themselves as the default social principles of our age.

There were three main stages in the evolution of the corporation, and each one further imprinted corporatism on the collective human psyche. The corporation was born in the Renaissance, granted personhood in post—Civil War America, and then, in the twentieth century, branded as the benevolent guardian and savior of humankind.

Most history books recount[1] the development of the corporate charter as a natural, almost evolutionary step in the advancement of commerce. To a certain extent, this is true. After the fall of the Roman Empire, early Middle Ages Europe fell into disarray. Europeans lived in isolation from one another, dominated by self-sufficient and self-governing rural manors. Feudalism, as the prevailing political system came to be called, wasn’t a particularly fun way to live—certainly not for the peasants who made up a majority of the continent’s population. Landowning lords gave tracts of land to vassals in return for military allegiance. Vassals, in turn, ruled the peasant farmers, who were usually permitted to subsist on the remnants of their crops. Unlike in the Roman Empire, laws varied widely from place to place.

The lack of an overriding system of commerce left the lords out of a significant but growing business sector: the activity occurring between the people of different manors and beyond. By the 1200s, technological developments such as water mills and windmills as well as increased travel and commerce led to the resurgence of towns and cities outside the lord’s direct control. Towns became centers for the manufacturing, exchange, and circulation of goods, and provided a stark contrast to the to-each-his-own way of life in the manors and villages. In their new urban setting serfs found legal freedom, opportunities for work, and a place to start afresh. Citizens of cities became known as “burghers,” a term that spread throughout medieval Western Europe and provided the basis for the later word “bourgeoisie.”

It was only a matter of time before the burghers would grow wealthier and potentially even more powerful than the aristocracy. Instead of depending on the ownership of a fixed tract of land farmed by peasants and protected by an expensive army of vassals, this new class of merchants and manufacturers could increase production, commerce, and acquisition almost infinitely. The marketplace where they transacted could grow as large as it needed to accommodate more and more trade, simply by spilling outside the city center. The town then naturally expanded around the new location, and this cycle would continue until the town would eventually blossom into a full-fledged city, which would in turn require more goods and commerce, and so on. Lords attempted to regulate all this trade and growth by controlling and taxing local markets, but people always found ways around these boundaries and restrictions.

One such boundary crosser was the merchant, who resurged in about the thirteenth century to serve as an intermediary between town and country, providing the first links in the chain connecting the movement of goods between producer, merchant, and retailer. On non-market days, cobblers, blacksmiths, and artisans were accustomed to selling their wares through the windows of their workshops. By allowing merchants to set up their own shops and sell these items for them, the artisans got more time to do what they did best. Shop owners did not specialize in actually making anything, but in generating profit through selling. Business for business's sake was born. Over the next few generations, along with the traders, moneylenders, and investors who backed them, these retailers would become the core of the urban bourgeoisie. While the nobility declined in land ownership, finances, and power—as well as numbers—this new class of pure merchants had access to international trade, investment, and an alternative economy.