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"In the marketplace we're competitors, but when it comes to the halls of Congress or the halls of the legislatures we are allies more than we are opponents. It is bottom line oriented but it's not who has the biggest share of the market. It's all of us being able to sell our products in a healthy environment, so then we can compete for market share." [Industry spokesperson, quoted on p. 177]

Academic debates over business power have focused on the question of whether business unifies to promote a common agenda. This chapter provides evidence for a strong affirmative to this question, especially in the context of pressure for congressional legislation. The authors examine how such unity is achieved, how it is affected by legislation, and what are its goals and impacts. The chapter ends with a description of the wellspring of corporate power: control over the economy.

Building Business Unity

There is a close commonality of interests among businesses, even when they are also competitors. In fact, the more directly competitive the market relationship, the greater is the likelihood that they share the same interest in shaping the legislative and cultural environment in which they operate.

Industry trade associations take on the issues that are particular to just one industry, such as banking, lumber, automobile manufacturing, etc. Other associations are more generally representative of business interests, including the Chamber of Commerce and the Business Industry Political Action Committee (BIPAC) Some Political Action Committees (PACs) focus on fundraising and building support for candidates while others are more ideological, advocating for particular issues and causes

This cooperation is supported by a tightly interlocked social world and a common culture, tied together through interlocking directorates, interlocking PAC activities, overlapping memberships in social and/or political organizations, etc. More material links include "loans from the same banks, sales and purchases from each other... common interests in accumulating capital and avoiding government initiatives that might restrict their power." [161]

U. S. campaign finance laws, instead of reducing the influence of large donors upon elected officials, merely skew the impact, magnifying the impact of the largest companies and the force of unified action. The disclosure provision ensures that businesses can keep an eye on one another, making it harder for any one corporation to cut a special political deal at the expense of the rest. The limits on individual and PAC donations makes it impossible for a maverick billionaire or a company in a crisis to finance, alone, even a small fraction of one campaign. This greatly increases the motivation for a kind of cooperative behavior that makes it very clear to candidates that they will be identified as generally pro-business, or not. Their ability to finance their campaigns will be hugely affected by how friendly they are to the business point of view, overall. Examination of donations by the largest corporate PACS revealed that "corporations almost always unify to support one of the two candidates in a race. In about three out of four races business can be classified as unified, giving at least nine times as much to one candidate as to the other... and in only one race out of fifteen is business divided (accepting a split of two to one or closer as evidence of division)" [160]

Control of the Economy

"Business's power is magnified and reinforced by its political unity. The real bedrock of its power, however, is the pervasive economic inequality in our society and business domination of the economy." [181]

Inequalities in wealth and income translate into inequalities in power through the ownership of productive assets. The corporate scene in the U.S. is dominated by the 500 largest industrial corporations, which control 75% of industrial sales, assets and profits; and by the 500 largest service corporations which similarly dominate the service sector. The owners and top executives of these thousand corporations may number about 25,000 individuals (.001 percent of the U.S. population at the time of writing). These individuals are responsible for a large majority of what we view as the activities of "business." One of the major goals of business-backed political activity is to shelter these activities from public scrutiny and regulation, yet these activities pervade almost every aspect of the lives of the other .999 percent of the population.

Business decisions about employment determine the number of people employed; when they go to work and how long they stay; who is laid off and when. Business controls who works and who doesn't by specifying skill and education requirements and controlling whether women, minorities, or the disabled receive fair opportunities. Workers rights to form unions, to exercise freedom of expression on the job and to enjoy safe working conditions are often subordinated to the freedom of firms to make business decisions. One worker at a Coca Cola plant was legally suspended for drinking a Pepsi while at work. A worker at another firm was fired for refusing to work on a job at which another worker was killed until improvements were made. The firing was upheld by the Supreme Court.

Decisions about investments have far-reaching consequences for people and their communities, yet businesses have sole discretion over whether to open or expand a facility, or close one down. Firms often make deals for tax abatements and implicit exemptions from labor and pollution laws. Business decisions determine the amount of pollution in the workplace and in the external environment. Campaign contributions are not the only means that business can use to influence legislators. They can also threaten to close a plant and move away if they are not given favorable tax treatment, or are subject to environmental regulations they dislike.

Businesses also wield enormous power over products and marketing, including which products to introduce or continue; their cost, quality and design; and which elements of design will be stressed, for example safety or style; and the amount and character of advertising.

Decisions in these areas further agendas that "business" (that is, the 25,000 or so individuals who wield the greatest corporate power) perceives as in its interest – which may not be the interest of the rest of society. One example of such a conflict was the decision of the Ford Motor Company, led by Lee Iococca, to fight gas tank safety regulations, delaying their implementation for eight years while continuing to sell Ford Pintos whose gas tanks, in Ford's own tests, ruptured in every crash at over 25 miles per hour.

Another category of business power is the decision on how to spend profits, which "implies choices about the kind of society we should have and the activities that should be supported." [188] In the U.S. in 1988 the total of corporate advertising expenditures equaled more than two thirds the total spending on public elementary and secondary education. Increasingly large sums are spent on advertising that is not tied to a specific product, but that aims to elevate a company's image (regardless of the social impact of the company's product) or to promote political positions. Government is in many ways controlled by the economy; and the economy is controlled by the tiny minority of powerful individuals who run the largest corporations.