

As the University of British Columbia law professor, Joel Bakan had an insight which, he felt, *had to be **federated***. It took him seven years to produce a best-selling book and an award-winning documentary, both called *The Corporation*.

“One hundred and fifty years ago, the business corporation was a relatively insignificant institution. Today it is all-pervasive. Like the church, the monarchy and the communist party in other times and places, the corporation is today the dominant institution....

In *The Corporation* Bakan lets us comprehend how the most powerful institution on our planet evolved as a peculiar sort of contraption; where a for-profit institution acquired some of the core legal rights of a person, without a person’s ethical and legal obligations. But if the corporation is a (legal) person, Bakan reasoned, let’s examine *what sort* of a person it is. And so (in a thought experiment) he puts the corporation on a psychoanalyst’s couch; and goes through a checklist of characteristics that define a psychopath; and shows that the corporation has them all!



“[A]ll publicly traded corporations have been structured, through a series of legal decisions, to have a peculiar and disturbing characteristic: They are required, by law, to place the financial interests of their owners above all competing interests. In fact, the corporation is legally bound to put its bottom line above everything else, even the public good!”

Let us use this excerpt, with which Joel Bakan continued his analysis, to put into this reference frame the themes with which I opened this book—the social contract, and the democracy.

Notice Bakan's phrase "through a series of legal decisions"; his *main* point, the one he wanted to advance by creating this book and documentary, was that this "disturbing characteristic" of our "dominant institution" is not something that we the people have chosen or *would* have chosen *if we were asked*. What Bakan undertook to tell us *as a legal expert* was in essence the same as what his colleague Larry Lessig told us in *Republic, Lost*—namely that the way our most powerful institutions evolve is *contrary* to the intentions and the spirit of our "social contract"; and that their devolution is a product of political and legal manipulation by privileged elites.

Bakan's (and Lessig's) point was that this may be legal—but it's *not legitimate*.

Because if we the people were to be informed about it and asked—we surely would not *agree* with it.

What are the *practical* consequences of this way of evolving? Bakan pointed to them by zooming in on a keyword, "externality"; and had Milton Friedman himself define it:

"An externality is the effect of a transaction between two individuals, on a third party, who has not consented to, or played any role in, carrying out that transaction. And there are real problems in that area, there is no doubt about it."

Another Bakan's interviewee explained:

"Running a business is a tough proposition. There are costs to be minimized at every turn. And at some point the corporation says: Let someone else deal with that. Let's let somebody else supply the military power to the Middle East to protect the oil at its source....Let somebody else have those problems. And that's where the externalities come from."

About fifteen minutes into *The Corporation* documentary we see the footage of a shark looking for prey, while the commentary explains:

“The corporation is an externalizing machine in the same way as the shark is a killing machine. Each one is designed, in a very efficient way, to achieve particular objectives. In the achievement of those objectives there isn’t any question of malevolence or will; the enterprise has within it, and the shark has within it, those characteristics that enable it to do that for which it was designed.”

At their best and finest, the media news show to us the *problems* we need to be aware of and handle; they do *not* show us the systems that are creating those problems—and how they’ve been evolving.



Did you catch this coincidence:

- “Let’s let *somebody else* supply the military power to the Middle East to protect the oil at its source” in Bakan’s *The Corporation*
- The size of “Iraq & Afganistan wars – total eventual cost” rectangle in McCandless’ *The Billion Dollar O Gram*

When the rectangle corresponding to “Worldwide cost of financial crisis” is taken out of the picture, the “Iraq & Afganistan wars - total eventual cost” rectangle *vastly* dominates the scene.



I imagine what you might be thinking:

Our **systems** have been rigged to rob from the poor (and the planet) and give to the rich—on a *dizzily* colossal scale!

I am not denying that; I will only ask you to ignore it.

And attend to the perennial pursuit of equity, justice and freedom in a *completely* new way.

You are about to see why (gradually—the **power structure** theory will be developed in this chapter and the next) the **holotopian** politics is a radical departure from what's been manifested throughout human history.

It is no longer “us against them”—but *all of us* against the **power structure**.