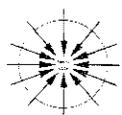


*You call this a*  
**DEMOCRACY?**



**WHO  
BENEFITS,  
WHO PAYS  
AND  
WHO  
REALLY  
DECIDES**

**PAUL KIVEL**

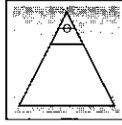
*Illustrations by* **ALBERTO LEDESMA**

*With a new foreword by* **JIM HIGHTOWER**  
*and a* **WORKSHOP/STUDY GUIDE** *and*  
**AFTERWORD** *by the author*

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## INTRODUCTION

“In the past, Americans smugly assumed that European societies were more stratified than their own, but it now appears that the United States has surpassed all industrial societies in the extent of its family wealth inequality.”

— Lisa Keister, sociologist<sup>1</sup>

“If it’s class warfare, my class is winning.”

— Warren Buffett, billionaire investor<sup>2</sup>

Do you think the United States has a ruling class—a portion of the population who own tremendous amounts of wealth and who benefit from the way that decisions get made in this country? If you do, you are absolutely right. There is a ruling class in the United States, and it is just as rich and powerful as any ruling class has ever been.

There are an even smaller number of people, the power elite—primarily a few thousand powerful white men, who make many of the decisions that affect our everyday lives. They decide where to invest money, where to build factories or whether to move jobs overseas; they decide what kinds of people get locked up, what’s on the evening news, who runs for elections (and who gets to vote), and what is the quality of the food we eat and the water we drink. They decide on the conditions where we work, the state of our neighborhoods, and who has access to health care. Most of the time they decide, they and the ruling class benefit, and we pay. We pay in our wages, our taxes, our health, the quality of our housing, and often with our very lives.

How our society works is not a secret, but neither is it widely known. There are many systems in place to ensure that we are not really clear about what’s going on, that we are distracted from noticing the concentration of wealth and power, that when we do notice and do organize to change things, we cannot get very far without running into serious resistance. This book should make clear how our society operates and exactly who it is that decides, how they decide, how they benefit, and how we pay. Then we can decide what we are going to do about it.

This is not a conspiracy theory. The power elite is too large to meet together as a group. They largely operate through normal and visible channels of power and control. There may be small groups of them who meet in secret to plan strategies, or who have more power than others. We may never know for sure. The larger problem is the entire social, political, and economic system that the ruling class and power elite dominate to their advantage.

### **Brief Definitions**

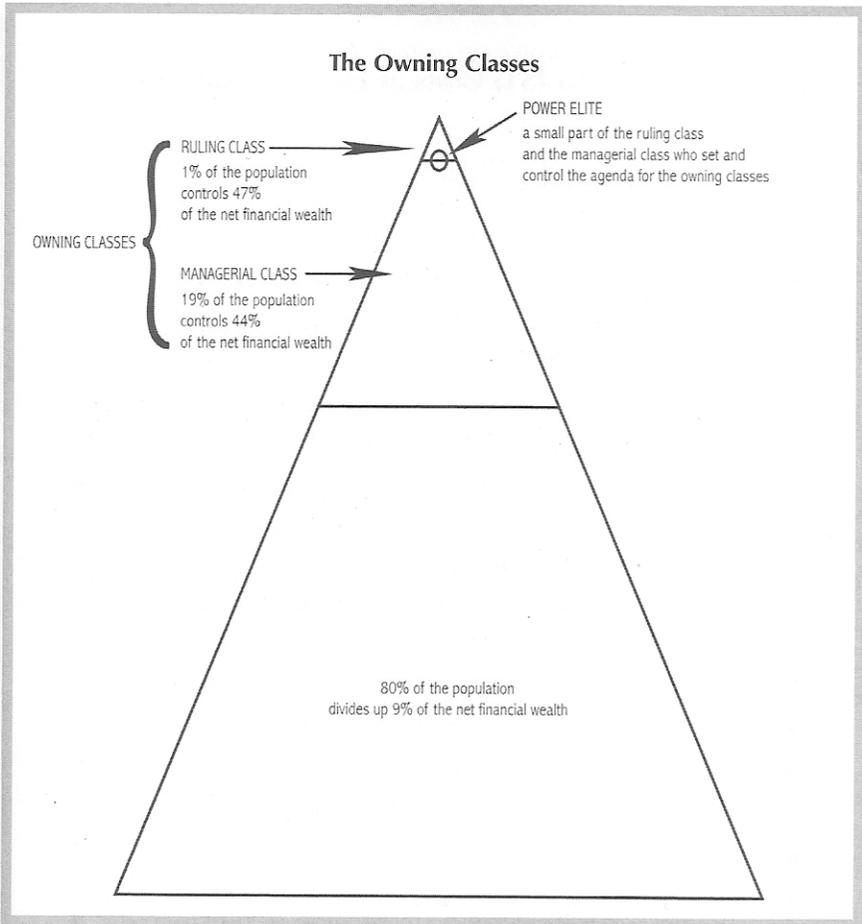
Throughout this book I will use the phrase “ruling class” to describe the top 1 percent of the population in terms of wealth, those with net financial assets over \$2,045,000 and average annual incomes above \$373,000. I will use the phrase “managerial class” to describe the next 19 percent of the population, those with net financial wealth over \$100,000 and average annual incomes above \$94,000.<sup>3</sup> I will call these two groups the “owning classes” because this 20 percent of the population own the great majority (around 90 percent) of all the financial wealth of the country.

The term “power elite” refers to the several thousand people, primarily white men, drawn from the ruling and managerial classes, who run the largest and most influential institutions of our country in business, finance, philanthropy, academia, the media, policy formation groups, think tanks, and the government. Members of the power elite act as agents of the ruling class and make decisions which impact the rest of our lives. I will expand on these definitions in sections below.

The ruling class and power elite are two separate but overlapping groups. Membership in the ruling class is determined by wealth, whereas membership in the power elite is determined by participation in, and influence on, economic, political, and cultural decision making. People are members of the power elite because of the institutional power and wealth they direct, not because of their personal assets. They use their institutional power in the interests of the ruling class. The power elite includes many members from the ruling class but also many business and political leaders who are from the managerial class, and even some who grew up in families with few economic resources.

### **The Impact on the Rest of Us of Having a Ruling Class**

When I began to think about writing this book, it was from an abstract understanding of the economic system, and a general awareness of the tremendous inequalities in the distribution of wealth and power in this country. It did not feel personal. Although I was aware of many of the costs of having a ruling class, I did not see all the personal connections to my life and my relationships.



As I began to think more specifically about some of the people I cared about in my life, I began to see my connections to the root causes of the death and devastation around me. Breast cancer, lung cancer, AIDS, skin cancer, brain cancer, heart attack, family violence, work related “accidents,” diabetes, kidney failure, asthma, suicide—I realized that I knew some of the people being killed—family members, friends, colleagues, and neighbors.

The impact of the system became real to me, personal in a chilling way as I realized the close ones I have lost. But precisely because it was so personal it was difficult to see the total impact.

I couldn’t tally up all the people killed from inequality, because there are just enough social services provided to keep a lot of people alive, and to make sure that they don’t die in the streets. They die alone, or with family, or with

**CHECKLIST: Costs of Having a Ruling Class**

Do you know anyone, including yourself, or know of anyone ....?

- who currently has, or who has died from, cancer?
- who currently is HIV positive or who has died from AIDS?
- who was seriously injured on their job, has an occupational disability, or was killed on the job?
- who died or was seriously injured fighting for the U.S. military?
- who did not receive prenatal health care when they were pregnant?
- who has health problems or who has died from smoking, or from alcohol or other drug related abuse?
- who died from an illegal abortion?
- who was young and who was murdered in your community, or who has been involved in gang related violence?
- who was not able to complete all the education they wanted?
- who does not have adequate health care coverage?
- who doesn't have enough to eat?
- who has had to move because they could not afford rent?
- who is homeless?
- who is unemployed not by choice?
- who works for less than a living wage?
- who cannot retire at a decent age because they don't have enough money?
- who has to postpone medical, dental, or eye treatment because they cannot afford to pay for it?
- who is a woman and has been battered or sexually assaulted and did not get the help she needed?
- who is a child and has been physically or sexually assaulted or abused and did not get the support they needed?
- who has been a victim of a hate crime?
- who has been locked up for a non-violent offense?

- who is a child and is left alone because their working parents cannot afford childcare or after-school care?
- who cannot apply for or is afraid to apply for medical treatment or other services because they are an immigrant?
- who has had to go into debt for medical expenses, education, clothes, or other basic necessities?
- who was locked up for their political opinions?
- who was denied food, shelter, or work because they are an immigrant?
- who was harassed or deported because they are an immigrant?
- who was seriously injured or killed, or who has to tolerate dangerous working conditions because they are an immigrant?
- who has committed suicide or attempted to kill themselves?
- who was locked up and executed by the state?
- who was locked up and did not receive the medical treatment they needed, the educational opportunities they desired, or the rehabilitation skills they needed?
- who died from severe weather because they could not afford shelter, fuel, or the clothes they needed?
- who has been robbed or beaten?
- who was killed in a car accident?
- who was a victim of police harassment, racial profiling, or police brutality?
- who died from using an unsafe product or vehicle?
- who has a disease or health problems because of toxics or pollutants in our air, water, or food?
- who drinks, uses other drugs, overeats, under-eats, or participates in unsafe or dangerous activities to cover their feelings, or hide their pain?
- who has died unnecessarily because they are homeless, unemployed, hungry, sick, alone, preyed on by others, or attacked by family members?

If you cannot answer yes to at least some of these questions it may be because you live in a wealthy or segregated community and are protected from many of the costs, and information about the costs, that most people have to deal with.

an attendant, one by one, and the cause is never related to the exploitation, violence, and policies of the ruling class and the power elite. They die at home, or in hospitals, nursing homes, and hospices, or in jails and prisons. They die from family violence, unsafe working conditions, homelessness. They die from lack of health care, overwork, child abuse, police brutality, and gang warfare. They die from the production, distribution, and availability of guns and drugs, and from inadequate, unsafe, or non-nutritious food, unsafe products, and environmental toxins. Each death is individual and can be explained, at least partially, by personal factors. These personal factors have social, political, and economic roots, but these are rarely discussed.

It took me a long time to put together the pieces of the puzzle and to be able to see that the concentration of wealth in the current political and economic system is killing us in large numbers, every day. It took me a long time to see that the great majority of individual deaths that don't involve someone dying in peace in old age are probably related to some form of exploitation and inequality, despair and lack of hope,

I mourn the loss of loved ones and grieve with family, friends, and community members for many others. I know some of the casualties. I think that you know some of them too. And everyday, in the newspaper, on the radio, on TV, and over the internet, we hear about many others killed by the effects of the tremendous inequality of wealth and opportunity in this country and abroad.

Not every single personal situation or crisis is the result of social inequality, exploitation, or discrimination, but many are caused by or worsened by these conditions. For example, 18,000 people a year die simply because they lack health insurance.<sup>4</sup> Another 50 to 60,000 die every year from work-related diseases like black lung and asbestosis.<sup>5</sup> Millions of people, those who can find work, perform "work that is faster than ever before, subject to Orwellian control and electronic surveillance, and reduced to limited tasks that are numbingly repetitive, potentially crippling and stripped of any meaningful skills or the chance to develop them."<sup>6</sup> Other effects of the concentration of wealth and power include:

- Severe limits on our democratic rights
- Longer work hours (leading to a lack of time to spend with our children, in social relationships, in democratic activities and in leisure activities)
- A greater threat of violence to ourselves, our families, and friends
- Greater economic insecurity in our lives
- Greater degradation of our physical surroundings
- More discrimination against people of color, Jews, women, lesbians, gays, bisexuals and transgendered people, and people with disabilities
- A false and inadequate understanding of our history and current realities

- Few alternatives to a narrow range of cultural activities
- Wars and terrorism
- Environmental endangerment of human existence.

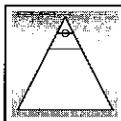
There is not a single significant issue, relationship, situation, or part of our lives, that is not dramatically affected by the unequal distribution of wealth in our society.

### **The Impact of the U.S. Ruling Class on the Rest of the World**

The devastation caused by the U.S. ruling class is incalculable. Millions of people have been killed directly by war in such countries as Guatemala, Vietnam, Serbia, Somalia, Nicaragua, South Africa, Angola, Mozambique, Cambodia, Laos, Indonesia, and Zaire (formerly the Congo). Tens of millions have died from preventable disease, poverty, hunger, pollution, environmental degradation, land mines, and economic exploitation. In collusion with other developed countries,<sup>7</sup> the U.S. ruling class has plundered vast areas of the earth and left large areas in ruins; unsafe, unhealthy and uninhabitable. Toxic rain, global warming; and large scale degradation of the oceans, rivers, and forests threaten human and all animal existence. There is no person, animal, or place on the earth that is immune to the devastating impact of having such a large concentration of wealth and power under the control of the U.S. ruling class and power elite and its counterparts in other developed countries.

The U.S. power elite has supported dictatorships, undermined democratically elected governments, funded and sold arms to counter-insurgency movements, attacked other countries by force, employed and distributed depleted uranium, land mines, cluster bombs, daisy cutters, defoliating agents such as napalm and agent orange, and used chemical and biological weapons. These actions have had a devastating impact on the rest of the world's population and natural environment.

The U.S. power elite coordinates with the power elite of European countries and that of Japan to maintain control of natural resources and human labor around the world. These power elites work together to safeguard the wealth and power of their country's ruling classes. The U.S. power elite, through its dominance of the economic and military force of the U.S. government, dictates much of the terms of relationships between countries and within countries, directly through U.S. foreign policy, and indirectly through organizations such as the International Monetary Fund (IMF), World Bank, and World Trade Organization (WTO),<sup>8</sup> and through trade "agreements" such as the North American Free Trade Agreement (NAFTA), the General Agreement on Tariffs and Trade (GATT), and the increasing number of bilateral agreements on investment.<sup>9</sup>



## ENDNOTES

1. Keister, *Wealth in America*.
2. Warren Buffett, interview by Ted Koppel, ABC, July 2003 quoted in Weisb. "Labor Day 2003."
3. 1 percent and 20 percent for the managerial class are somewhat arbitrary cutoff points—there are no sharp divides. But there are some significant differences in access to power and in culture that occur around these divisions.
4. Steinem, "The Feminist To-Do List," 51.
5. Hartmann, *Unequal Protection*, 185.
6. Kelly, *The Divine Right of Capital*, 105.
7. The phrase "developed countries" refers to the U.S., countries in western Europe, and Japan. I use the phrase with hesitation because these countries developed only at the expense of much of the rest of the world which has been exploited to pay for the development. In some sense, they are overdeveloped in relation to how underdeveloped other countries are. Even within the "developed" countries there are huge pockets of poverty and "under" development.
8. See glossary.
9. See glossary.
10. Public Health and Environmental Justice