



Book Review

Giants: The Global Power Elite. Peter Phillips. 2018. New York, NY: Seven Stories Press. 352 pages, ISBN 978-1-6098-0871-0. Paper (\$19.95)

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The growing concentration of a disproportionate share of global wealth among a small global elite is well-known. What are the unfolding dynamics of this global power? In this book, Peter Phillips, a professor of political sociology at Sonoma State University, shows how the network connections among and between the Global Elite and national and international governing organizations are becoming institutionalized, and how their integrated structure reproduces and worsens global inequality. Phillips warns that the growing control exercised by the Global Power Elite represents an increasing threat to humanity. Grounded in C Wright Mills's power elite approach and the literature on the Transnational Corporate Class, Phillips examines a seventy-year history of the U.S. power elite and explores the current state of the Global Elite. First, I summarize the main arguments of the book. Second, I point out that corporate conflict and the relationships between global corporations and states are missing dynamics in Phillips's book, and I give an illustrative example: the case of the recent corporate conflict between multinational automobile manufactures, Renault S.A. and the Nissan Motor Company.

The book goes into detail in identifying the names of the "Giants" (the top 17 transnational investment corporations), "Global Power Elites" (the 199 individuals who are on the boards of directors of these Giants), and the "Facilitators" (the 389 firms that enable this global concentration of power). These top asset management firms invest in each other, resulting in a concentration of capital. The boards of the Giants meet on a regular basis, and their interconnections make them



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less vulnerable to government reach, including prosecution for illegal activities. The Global Power Elite shares common social and cultural capital, and their regular meetings facilitate their connections and consensus building.

Phillips explains the roles of the Global Power Elite with four categories: Managers, Facilitators, Protectors, and Ideologists. The 199 individuals who comprise the Global Power Elite are called “Managers.” They are the directors of the Giants who make the key financial decisions regarding the management of global capital. The “Facilitators” are non-profit and non-governmental organizations that assist the concentration of global capital. They facilitate the formation of policies that allow capital to flow freely. The major Facilitators are the Group of Thirty (G30), the Trilateral Commission (TC), and the Systemic Research Council, the World Economic Forum, the Bilderberg Group and the Council on Foreign Relations (CFR). Because they are privately funded, they are independent from government funding and regulation. Consequently, the facilitators are free to join in open discussion regarding how to provide the security that is needed to protect the property and financial interest of the global capitalist class. The facilitators make recommendations to international institutions such as the World Bank and the International Monetary Fund as well as to national governments and state bodies such as the Central Intelligence Agency. Together, these institutions serve the interests of the Giants by developing policies that advocate the unregulated flow of capital and international debt collection.

The accumulation and concentration of global private power is also advanced by the relatively recently enlarging group of “Protectors,” the third category of the Giants. These organizations also serve to protect capital investments and free flows of global capital. They include the Atlantic Council, NATO and the U.S. military. Phillips argues that, because the Global Giants fear rebellions against the concentration of wealth by the exploited masses, they use NATO and the U.S. military empire to provide worldwide security. NATO, for instance, serves the role of a supplemental police force for the Global Power Elite and the Transnational Capitalist Class, while the CIA protects the freedom of the Global Giants to invest in the world without interference from governments or resistance from social movements. Private security companies such as Blackwater and G4S also supplement the role of the U.S. military empire in the provision of security for the Global Power Elite. These Private Military Companies (PMCs) have contracts with governments as well as private corporations. Phillips is concerned that the Global Elite’s access to coercive and military power has become a threat to humanity that suppresses popular opposition.

Finally, the “Ideologists” are the Global Corporate Media. This includes the production of public relations propaganda films by public and private media organizations. Being deeply embedded in the military-industrial complex and having interlocks with policy elites of the Transnational Corporate Class, the Global Corporate Media engages in ideological news management. Ideologists promote capital growth through the engineering of opinions and the psychological control of human desires, emotions, beliefs, and values.

Through the interconnections of the Managers, Facilitators, Protectors, and Ideologists, global capital has thus increased its transnationally organized power over global society. As a solution, Phillips emphasizes the significance of organizing nonviolent resistance against the

concentration of power and inequality. Another solution is re-evaluating the Universal Declaration of Human Rights as a moral basis for sharing the understanding of the causes of global poverty and inequality with the Global Power Elite. A letter addressed to the Global Power Elite, which petitions for greater awareness of poverty and inequality and promoting wealth redistribution and is co-signed by Phillips and 90 other signatories, is included as a postscript to Phillips's book.

Like some researchers before him, Phillips emphasizes the dehumanizing impact of dramatically enhanced corporate power. Domination by a global plutocracy undermines civil politics and democracy (Carroll and Sapinski 2018). Furthermore, the book shows that Global Corporate Power has gradually been extending beyond the borders of national-states. Corporate power exercised by a small number of huge global financial firms is reaching into international as well as national politics. Global financial elites are grasping coercive and military power bases whose legitimate uses were formerly the prerogatives of national governments (Robinson 2018, 2019).

Peter Phillips powerfully demonstrates the threatening rise of the Global Power Elites with detailed descriptions. But his emphasis on the degree of coordination and consistency within the Global Power Elite and its independence from nation-state power is somewhat overstated. While the degree of coordination may have increased, there is still significant competition between different interest groups within the global capitalist class. Some sociological theories acknowledge that overproduction of elites and competition among them often leads to elite-led rebellions (Turchin 2016).

From the incidence of the popular uprising in France and the arrest of Renault-Nissan's Chairman in Japan, for instance, we see the allying, yet contending relationships of political and economic power. The French government has pursued aggressive neoliberal policies in recent years, although President Emmanuel Macron's initial position when he won the presidency was centrism. Distrust of the government and the expression of frustrations ignored by Macron caused the intense Yellow-Vest protests. A fuel tax was the trigger of the uprising, but the rebellion was essentially against the series of neoliberal globalization policies that have been championed by the European banks.

At roughly the same time as the popular uprisings in France, Carlos Ghosn, the chairman and CEO of French Renault SA and Japanese Nissan Motor Corporation, was arrested in Japan. The arrest was based on the suspicion of Ghosn's financial misconduct—specifically, understating his compensation by 5 billion yen (\$44 million) over five years. Much like the Giants and other Global Corporations, Nissan and Renault were mutually holding shares—Nissan owned 15% of Renault stock, while the French government owned 15.01%. Renault, meanwhile, had a 43.4% stake in Nissan at the time of Carlos Ghosn's arrest. In contrast to Phillip's depiction of the government's indirect support of the Giants for their corporate goals, the French government directly intervened in Nissan's corporate decisions on the grounds that it was the largest shareholder. It was reported that the French government supported the integration of the two companies' operations since Nissan's electric car technology would help further President Macron's green agenda, but Nissan had been resistant to losing its own governance. The arrest of Carlos Ghosn was called a *coup*

d'état from the side of Nissan, as Ghosn was beginning to side with the French government just prior to his arrest by the Japanese government.

This incident is associated with the Yellow-Vest protests because the fuel tax increase was in line with the government's incentive for a shift to electrical energy. Intense neoliberal policies in France led to mass protests, as well as corporate conflict and rebellion. However, the conflict of the Global Corporations was due not just to neoliberal policies but also to competition among corporations, which are connected to inter-state competitions for global supremacy.

Phillips's book contributes to this analysis by showing that connections between politics and the corporate world are growing. Although it is a single example, the Renault-Nissan case shows that there remain important contradictions of interest between both large corporations and national states. There is competition within the global capitalist class between different varieties of capitalism. Moreover, the nature of state-owned corporation has changed from the past socialist model. The Global firms that are partially or completely state-owned are growing (in China, Russia, Brazil and elsewhere) (Musacchio and Lazzarini 2012; Lazzarini and Musacchio 2018). Most state-capitalist countries today advance neoliberal economic and political policies using control over state-owned firms as part of their efforts to accumulate more profits.

States also judicially control Global Corporations, as has been shown by the arrest in Canada of an executive from Huawei, China's leading global information and communications technology company. States use legal systems to try to control Global Corporations (or their employees) that are within the range of their jurisdiction, and their level of judicial power is highly correlated with a state's economic and military power in the global system. Together with today's global trends of rising nationalism and emerging deglobalization, the use of judicial control by states over global corporations seems to be on the increase. While the power of the Corporate Giants may be growing through their connections with national and global politics, corporate power is not completely free from the influence of states' rivalries for global supremacy and hegemony.

Along with Phillips's analyses of the Global Giants and the growing power of the global elite, we need an analytical framework that includes geopolitical competition in the global system of states to comprehend a possible future transition to a multipolar military power structure as the global hegemony of the United States declines.

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